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**Renesas Electronics Reports Financial Results
 for the Third Quarter Ended December 31, 2015**

Tokyo, Japan, February 9, 2016 — Renesas Electronics Corporation (TSE:6723) today announced consolidated financial results for the nine months ended December 31, 2015.

Summary of Consolidated Financial Results

	Three months ended December 31, 2015		Nine months ended December 31, 2015	
	Billion Yen	% of Net Sales	Billion Yen	% of Net Sales
Net sales	164.8	100.0	525.5	100.0
Sales from semiconductors	160.9		512.4	
Sales from others	3.9		13.1	
Operating income	25.0	15.1	88.1	16.8
Ordinary income	23.7	14.4	90.9	17.3
Net income attributable to shareholders of parent company	18.6	11.3	76.0	14.5
Capital expenditures (Note 2)	18.6		49.6	
Depreciation and others	16.0		46.9	
R&D expenses	23.5		70.1	
	Yen		Yen	
Exchange rate (USD)	121		122	
Exchange rate (EUR)	134		134	

	As of December 31, 2015
	Billion Yen
Total assets	862.8
Net assets	379.3
Equity Capital	377.0
Equity ratio (%)	43.7
Interest-bearing debt	252.1

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) and intangible assets.

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 Third Quarter Ended December 31, 2015

English translation from the original Japanese-language document

February 9, 2016

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 : Tetsuya Tsurumaru, Representative Director, President and CEO
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 Tel. +81 (0)3-6773-3002
 Filing date of Shihanki Hokokusho (scheduled) : February 9, 2016

(Amounts are rounded to the nearest million yen)

1. Consolidated financial results for the nine months ended December 31, 2015

1.1 Consolidated financial results

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

	Net sales		Operating income		Ordinary income		Net income attributable to shareholders of parent company	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended December 31, 2015	525,497	(13.7)	88,057	10.1	90,859	10.4	76,000	3.7
Nine months ended December 31, 2014	608,864	(3.7)	79,986	57.9	82,283	90.3	73,320	620.9

Reference: Comprehensive income for the nine months ended December 31, 2015: 67,417 million yen (-30.2%)
 Comprehensive income for the nine months ended December 31, 2014: 96,543 million yen (250.6%)

	Net income per share basic	Net income per share diluted
	Yen	Yen
Nine months ended December 31, 2015	45.59	---
Nine months ended December 31, 2014	43.98	---

1.2 Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
December 31, 2015	862,757	379,317	43.7
March 31, 2015	840,087	311,909	36.8

Reference: Equity as of December 31, 2015: 377,041 million yen
 Equity as of March 31, 2015: 309,529 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, 2015	---	0.00	---	0.00	0.00
Year ending March 31, 2016	---	0.00	---		
Year ending March 31, 2016 (forecast)				0.00	0.00

Note: Change in forecast of cash dividends since the most recently announced forecast: Yes
For details, please refer to Appendix 1.4., "Forecasts of Cash Dividends" on page 6.

3. Forecast of consolidated results for the year ending March 31, 2016

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

	Net sales		Operating income		Ordinary income		Net income attributable to shareholders of parent company		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	yen
Year ending March 31, 2016	690,000	(12.8)	100,000	(4.2)	101,500	(3.6)	82,000	(0.4)	49.19

Note: Change in forecast of consolidated results since the most recently announced forecast: Yes
For details, please refer to Appendix 1.3., "Consolidated Forecasts" on page 6

4. Others

4.1 Changes in significant subsidiaries for the nine months ended December 31, 2015
(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 7.

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: Yes
(Note) For details, please refer to page 7.
- 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)

- Number of shares issued and outstanding (including treasury stock)

As of December 31, 2015: 1,667,124,490 shares

As of March 31, 2015: 1,667,124,490 shares

- Number of treasury stock

As of December 31, 2015: 2,581 shares

As of March 31, 2015: 2,548 shares

- Average number of shares issued and outstanding

For the nine months ended December 31, 2015: 1,667,121,929 shares

For the nine months ended December 31, 2014: 1,667,121,942 shares

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 (hereafter “the Company”) and its consolidated subsidiaries (hereafter “the Group”) 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 Group will hold a quarterly earnings conference for institutional investors and analysts on February 9, 2016. The Group plans to post the materials which are provided at the meeting, on the Group’s website on that day.

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1. Third Quarter Consolidated Financial Results

1.1 Consolidated Business Results

1.1.1 Summary of Consolidated Financial Results Nine Months Ended December 31, 2015

	Nine months ended December 31, 2014	Nine months ended December 31, 2015	Increase (Decrease)	
	Billion yen	Billion yen	Billion yen	% Change
Net sales	608.9	525.5	(83.4)	(13.7%)
Sales from semiconductors	578.2	512.4	(65.8)	(11.4%)
Sales from others	30.7	13.1	(17.6)	(57.3%)
Operating income	80.0	88.1	8.1	10.1%
Ordinary income	82.3	90.9	8.6	10.4%
Net income attributable to shareholders of parent company	73.3	76.0	2.7	3.7%
	Yen	Yen		
Exchange rate (USD)	105	122	-	-
Exchange rate (EUR)	140	134	-	-

[Net sales]

Consolidated net sales for the nine months ended December 31, 2015 were 525.5 billion yen, a 13.7% decrease year on year. This was mainly due to a decrease in sales from semiconductors, including small- and medium-sized display driver ICs for mobile handsets etc., resulting from the Group's promotion of the selection and concentration of businesses, despite the improved US Dollar exchange rate.

Sales from semiconductors for the nine months ended December 31, 2015 were 512.4 billion yen, an 11.4% decrease year on year.

[Operating income]

Operating income for the nine months ended December 31, 2015 was 88.1 billion yen, 8.1 billion yen improvement year on year. This was mainly due to the improved earnings structure, including the improvement of gross profit ratio, through implementation of the structural reform measures in addition to the improved exchange rate.

[Ordinary income]

Ordinary income for the nine months ended December 31, 2015 was 90.9 billion yen, 8.6 billion yen improvement year on year. This was mainly due to improved operating income. Furthermore, foreign exchange gains for the nine months ended December 31, 2015 were 3.9 billion yen. The exchange gains are the result of foreign exchange valuation of cash and deposits, account receivable, and account payable in foreign currency at the nine months ended December 31, 2015, and the difference between the exchange rates as of the recording and settlement time of the sales and purchase.

[Net income attributable to shareholders of parent company]

Net income attributable to shareholders of parent company for the nine months ended December 31, 2015 was 76.0 billion yen, 2.7 billion yen improvement year on year. It remained at roughly the same level year on year mainly due to decreased special income from especially gain on transfer of business despite the improved operating income and ordinary income.

1.1.2 Summary of Consolidated Financial Results Three Months Ended December 31, 2015

	Three months ended December 31, 2014	Three months ended December 31, 2015	Increase (Decrease)	
	Billion yen	Billion yen	Billion yen	% Change
Net sales	191.9	164.8	(27.1)	(14.1%)
Sales from semiconductors	177.4	160.9	(16.5)	(9.3%)
Sales from others	14.5	3.9	(10.6)	(73.2%)
Operating income	29.5	25.0	(4.5)	(15.3%)
Ordinary income	33.2	23.7	(9.5)	(28.5%)
Net income attributable to shareholders of parent company	38.2	18.6	(19.6)	(51.3%)
	Yen	Yen		
Exchange rate (USD)	110	121	-	-
Exchange rate (EUR)	140	134	-	-

[Net sales]

Consolidated net sales for the three months ended December 31, 2015 were 164.8 billion yen, a decrease by 14.1% year on year. This decline was caused by a decrease in both sales from semiconductors, the core business of the Group, and sales from others.

[Sales from Semiconductors]

Sales from semiconductors for the three months ended December 31, 2015 were 160.9 billion yen, a 9.3% decrease year on year.

The sales breakdown for “Automotive” and “General purpose,” the two application categories that constitute the main business of the Group, and for “Other semiconductors” not belonging to the above two application categories, is as follows:

Automotive Business: 78.9 billion yen

The automotive business includes the product categories “Automotive control,” comprising semiconductor devices for controlling automobile engines and bodies, and “Automotive information,” comprising semiconductor devices used in automotive information systems such as navigation systems. The Group supplies microcontrollers, analog & power semiconductor devices, and system-on-chip (SoC) products in each of these categories.

Third-quarter sales for the Automotive business were 78.9 billion yen, a decrease of 3.9% year on year. This was mainly due to decreased sales in the “Automotive information” category.

General-Purpose Business: 81.0 billion yen

The general-purpose business includes the product categories “Industrial/Home electronics,” comprising semiconductor devices for industrial equipment, white goods, etc., “OA/ICT,” comprising semiconductor devices for office automation (OA) equipment such as copy machines and information and communication technology (ICT) equipment such as network infrastructure, and “General-purpose,” comprising general-purpose semiconductor devices for other applications. The Group supplies microcontrollers, analog & power semiconductor devices, and SoC products in each of these categories.

Third-quarter sales for the General-purpose business were 81.0 billion yen, a decrease of 13.9% year on year. This was mainly due to decrease in sales in the “General-Purpose” category decreased year on year as a result of the Group’s promotion of selection and concentration of businesses.

Other Semiconductors: 1.0 billion yen

Sales of Other semiconductors include production by commissioning and royalties.

Sales of other semiconductors for the three months ended December 31, 2015 were 1.0 billion yen, a 19.1% decrease year on year.

[Sales from others]

Sales from others include development and production by commissioning conducted at the Group’s design and manufacturing subsidiaries.

Sales from others for the three months ended December 31, 2015 were 3.9 billion yen, a 73.2% decrease year on year. This decrease was mainly due to sales of the former Renesas SP Drivers products supplied by commissioning that continued even after the transfer of all of the shares in Renesas SP Drivers on October 1, 2014, until the supply system was organized at Synaptics Holding GmbH on October 31, 2014.

[Operating income]

Operating income for the three months ended December 31, 2015 was 25.0 billion yen, a 4.5 billion yen decrease year on year. It dropped only slightly mainly due to the improved earnings structure, including the improvement of gross profit ratio, in addition to the improved US dollar exchange rate, despite the Group’s promotion of selection and concentration of businesses which led to decreased net sales.

[Ordinary income]

Ordinary income for the three months ended December 31, 2015 was 23.7 billion yen, a 9.5 billion yen decrease year on year. This was mainly due to decreased non-operating income including foreign exchange gains.

[Net income attributable to shareholders of parent company]

Net income for the three months ended December 31, 2015 was 18.6 billion yen, a 19.6 billion yen decrease year on year. This was mainly due to decrease in special income, including gain on transfer of business.

1.2 Consolidated Financial Condition

1.2.1 Total Assets, Liabilities and Net assets

	September 30, 2015	December 31, 2015	Increase (Decrease)
	Billions of yen	Billions of yen	Billions of yen
Total assets	866.4	862.8	(3.6)
Net assets	360.4	379.3	18.9
Equity	358.2	377.0	18.8
Equity ratio (%)	41.3	43.7	2.4
Interest-bearing debt	254.8	252.1	(2.7)
Debt / Equity ratio	0.71	0.67	(0.04)

Total assets at December 31, 2015 were 862.8 billion yen, roughly the same level as September 30, 2015. Net assets were 379.3 billion yen, an 18.9 billion yen increase from September 30, 2015. This was mainly due to recording of net income attributable to shareholders of parent company of 18.6 billion yen, in the three months ended December 31, 2015.

Equity increased by 18.8 billion yen from September 30, 2015 and the equity ratio was 43.7%. Interest-bearing debt decreased by 2.7 billion yen from September 30, 2015. Consequently, the debt to equity ratio became 0.67.

1.2.2 Cash Flows

	Three months ended December 31, 2014	Three months ended December 31, 2015
	Billions of yen	Billions of yen
Net cash provided by (used in) operating activities	41.0	32.6
Net cash provided by (used in) investing activities	7.2	(9.7)
Free cash flows	48.2	23.0
Net cash provided by (used in) financing activities	(9.5)	(6.2)
Cash and cash equivalents at the beginning of period	288.2	388.1
Cash and cash equivalents at the end of period	335.8	405.1

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

Net cash provided by operating activities for the three months ended December 31, 2015 was 32.6 billion yen. This was mainly due to recording of income before income taxes in the amount of 19.6 billion yen and adjustment of non-expenditure items including depreciation and amortization, etc.

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

Net cash used in investing activities for the three months ended December 31, 2015 was 9.7 billion yen, mainly due to the purchase of property, plant and equipment.

The foregoing resulted in positive free cash flows of 23.0 billion yen for the three months ended December 31, 2015.

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

Net cash used in financing activities for the three months ended December 31, 2015 was 6.2 billion yen.

1.3 Consolidated Forecasts

The Group reports its consolidated forecasts on a quarterly basis because of the difficulty of forecasting full-year results with high accuracy due to the short-term volatility of the semiconductor market.

(For the year ending March 31, 2016)

(In millions of yen)

	Net Sales	(Reference) Sales from semiconduct ors	Operating Income	Ordinary Income	Net Income Attributable to Shareholders of Parent Company
Previous forecasts (October 30, 2015)	---	---	---	---	---
Revised forecasts (February 9, 2016)	690,000	672,500	100,000	101,500	82,000
Increase (decrease)	---	---	---	---	---
Percent change	---	---	---	---	---
Reference : Results for the year ended March 31, 2015	791,074	753,310	104,427	105,335	82,365

The figures of the consolidated forecasts for the year ending March 31, 2016 above are sum of the results of the nine months ended December 31, 2015 and the forecasts of the three months ending March 31, 2016. The consolidated forecasts for the fiscal year ending March 31, 2016 are calculated at the rate of 121 yen per USD and 133 yen per Euro.

The statements with respect to the financial outlook of Renesas Electronics Corporation 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.

1.4 Forecasts of Cash Dividends

For the year ending March 31, 2016, while the Group expects to post net income (net income attributable to shareholders of parent company) for the year ending March 31, 2016, the Group regrettably suspended year-end dividend payment for this period in order to build a solid profitable financial base that can stably record net income moving forward.

(For the year ending March 31, 2016)

Interim Dividend	Year-End Dividend	Annual Dividend
0 Yen	0 Yen	0 Yen

2. Others

2.1 Changes in Significant Consolidated Subsidiaries

Due to the reorganization of the design and development structures within the Group as of April 1, 2015, a subsidiary is excluded from the Group by means of the absorption-type merger in the first quarter of the fiscal year ending March 31, 2016.

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 third quarter of the fiscal year ending March 31, 2016 by a reasonably estimated effective tax rate against income before income taxes for the fiscal year including the third quarter, while applying tax effect accounting.

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

(Changes in accounting principles)

From the first quarter beginning on April 1, 2015, the Group has adopted "Accounting Standard for Business Combinations" (ASBJ Statement No.21, issued on September 13, 2013), "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No.22, issued on September 13, 2013), "Accounting Standard for Business Divestitures" (ASBJ Statement No.7, issued on September 13, 2013) and so forth. The Group has adopted the methods to post the differences arose by the changes in a parent company's equity interest in its subsidiaries that are still under its control as capital surplus and recognize acquisition-related costs as expenses for the fiscal year in which such costs are incurred.

For business combinations conducted on or after April 1, 2015, the Group has also adopted the method to reflect the adjustments to the allocation of acquisition costs caused by finalizing the tentative accounting treatment in the quarterly consolidated financial statements of the quarterly consolidated period when the business combinations are occurred. In addition, the Group has changed the presentation of "Net income" etc. and the presentation from "Minority interests" to "Non-controlling interests". In order to reflect the changes in presentation, the quarterly consolidated financial statements for the third quarter ended December 31, 2014 and the consolidated financial statements for the previous fiscal year have been reclassified to reflect a consistent presentation format.

In the quarterly consolidated statement of cash flows, cash flows related to acquisition or sale of subsidiaries' shares not resulting in change in scope of consolidation have been included in "Net cash provided by (used in) financing activities," and cash flows related to costs arising from acquisition of subsidiaries' shares resulting in change in scope of consolidation or costs associated with acquisition or sale of subsidiaries' shares not resulting in change in scope of consolidation have been included in "Net cash provided by (used in) operating activities."

The adoption of the accounting standards is subject to the transition treatment set forth in Clause 58-2(4) of the "Accounting Standard for Business Combinations" and Clause 57-4(4) of the "Accounting Standard for Business Divestitures", and the Group has applied the accounting standards from the first quarter beginning on April 1, 2015.

Regarding the quarterly consolidated statement of cash flows, the Company has applied the transitional treatments stipulated in Article 26-4 of “Practical Guidelines on Accounting Standards for Preparing Consolidated Statements of Cash Flows” and did not reclassify the comparative information. Furthermore, the adoption of the accounting standards has no impact on the quarterly financial statements for the nine months ended December 31, 2015.

3. Quarterly Consolidated Financial Statements

3.1 Quarterly Consolidated Balance Sheets

(In millions of yen)

	Prior Fiscal Year (As of March 31, 2015)	Current Third Quarter (As of December 31, 2015)
Assets		
Current assets		
Cash and deposits	344,000	405,356
Notes and accounts receivable-trade	91,471	75,776
Merchandise and finished goods	38,203	42,992
Work in process	66,761	65,306
Raw materials and supplies	6,457	6,565
Accounts receivable-other	14,174	14,290
Other current assets	10,089	8,527
Allowance for doubtful accounts	(92)	(89)
Total current assets	571,063	618,723
Long-term assets		
Property, plant and equipment		
Buildings and structures, net	73,920	69,024
Machinery and equipment, net	55,233	56,013
Vehicles, tools, furniture and fixtures, net	16,745	16,536
Land	27,277	26,754
Construction in progress	8,640	7,996
Total property, plant and equipment	181,815	176,323
Intangible assets		
Software	9,743	9,219
Other intangible assets	18,509	15,909
Total intangible assets	28,252	25,128
Investments and other assets		
Investment securities	8,108	7,038
Long-term prepaid expenses	35,024	29,572
Other assets	15,826	5,974
Allowance for doubtful accounts	(1)	(1)
Total investments and other assets	58,957	42,583
Total long-term assets	269,024	244,034
Total assets	840,087	862,757

(In millions of yen)

	Prior Fiscal Year (As of March 31, 2015)	Current Third Quarter (As of December 31, 2015)
Liabilities		
Current liabilities		
Electronically recorded obligations	9,275	10,992
Notes and accounts payable-trade	76,364	68,498
Current portion of long-term borrowings	6,700	19,100
Current portion of lease obligations	1,135	1,105
Accounts payable-other	37,337	34,187
Accrued expenses	36,875	23,590
Accrued income taxes	5,785	4,857
Provision for product warranties	366	333
Provision for business structure improvement	3,871	4,044
Provision for contingent loss	252	242
Asset retirement obligations	2,089	123
Other current liabilities	6,009	10,921
Total current liabilities	186,058	177,992
Long-term liabilities		
Long-term borrowings	246,505	227,282
Lease obligations	5,385	4,586
Provision for business structure improvement	2,980	131
Net defined benefit liability	50,489	44,698
Asset retirement obligations	2,862	2,827
Other liabilities	33,899	25,924
Total long-term liabilities	342,120	305,448
Total liabilities	528,178	483,440
Net assets		
Shareholders' equity		
Common stock	228,255	10,000
Capital surplus	525,413	191,919
Retained earnings	(475,815)	151,934
Treasury stock	(11)	(11)
Total shareholders' equity	277,842	353,842
Accumulated other comprehensive income		
Unrealized gains (losses) on securities	716	509
Foreign currency translation adjustments	13,716	5,471
Remeasurements of defined benefit plans	17,255	17,219
Total accumulated other comprehensive income	31,687	23,199
Non-controlling interests	2,380	2,276
Total net assets	311,909	379,317
Total liabilities and net assets	840,087	862,757

3.2 Quarterly Consolidated Statements of Operations and Comprehensive Income

Quarterly Consolidated Statements of Operations

(The nine months ended December 31, 2014 and 2015)

(In millions of yen)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015
Net sales	608,864	525,497
Cost of sales	368,165	288,393
Gross profit	240,699	237,104
Selling, general and administrative expenses	160,713	149,047
Operating income	79,986	88,057
Non-operating income		
Interest income	663	522
Dividends income	120	122
Equity in earnings of affiliates	184	8
Foreign exchange gains	5,072	3,877
Other non-operating income	1,078	1,662
Total non-operating income	7,117	6,191
Non-operating expenses		
Interest expenses	2,398	2,170
Retirement benefit expenses	1,165	-
Other non-operating expenses	1,257	1,219
Total non-operating expenses	4,820	3,389
Ordinary income	82,283	90,859
Special income		
Gain on sales of property, plant and equipment	987	641
Gain on transfer of business	*1 19,754	251
Gain on sales of investment securities	142	134
Gain on extinguishment of debt	1,694	-
Total special income	22,577	1,026
Special loss		
Loss on sales of property, plant and equipment	131	149
Impairment loss	600	153
Business structure improvement expenses	*2 17,531	*2 9,352
Loss on sales of investment securities	-	145
Provision for contingent loss	262	78
Loss on sales of subsidiaries and affiliates' stocks	-	285
Loss on liquidation of subsidiaries and affiliates	498	-
Total special losses	19,022	10,162
Income before income taxes	85,838	81,723
Income taxes	10,029	5,489
Net income	75,809	76,234
Net income attributable to non-controlling interests	2,489	234
Net income attributable to shareholders of parent company	73,320	76,000

Quarterly Consolidated Statements of Comprehensive Income
(The nine months ended December 31, 2014 and 2015)

(In millions of yen)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015
Net income	75,809	76,234
Other comprehensive income		
Unrealized gains (losses) on securities	12	(195)
Foreign currency translation adjustments	18,837	(8,574)
Remeasurements of defined benefit plans, net of tax	1,835	(33)
Share of other comprehensive income of affiliates accounted for by the equity method	50	(15)
Total other comprehensive income	20,734	(8,817)
Comprehensive income	96,543	67,417
Comprehensive income attributable to:		
Shareholders of parent company	93,948	67,512
Non-controlling interests	2,595	(95)

Quarterly Consolidated Statements of Operations
(The three months ended December 31, 2014 and 2015)

(In millions of yen)

	Three months ended December 31, 2014	Three months ended December 31, 2015
Net sales	191,936	164,796
Cost of sales	113,366	92,988
Gross profit	78,570	71,808
Selling, general and administrative expenses	49,110	46,844
Operating income	29,460	24,964
Non-operating income		
Interest income	257	153
Dividends income	97	102
Equity in earnings of affiliates	61	-
Foreign exchange gains	4,317	-
Other non-operating income	490	78
Total non-operating income	5,222	333
Non-operating expenses		
Interest expenses	812	708
Equity in losses of affiliates	-	1
Foreign exchange losses	-	718
Retirement benefit expenses	388	-
Other non-operating expenses	293	132
Total non-operating expenses	1,493	1,559
Ordinary income	33,189	23,738
Special income		
Gain on sales of property, plant and equipment	818	188
Gain on transfer of business	*1 19,754	-
Gain on sales of investment securities	35	74
Total special income	20,607	262
Special loss		
Loss on sales of property, plant and equipment	16	115
Impairment loss	104	79
Business structure improvement expenses	*2 9,826	*2 3,939
Loss on sales of investment securities	-	7
Provision for contingent loss	22	16
Loss on sales of subsidiaries and affiliates' stocks	-	285
Loss on liquidation of subsidiaries and affiliates	498	-
Total special losses	10,466	4,441
Income before income taxes	43,330	19,559
Income taxes	5,056	968
Net income	38,274	18,591
Net income attributable to non-controlling interests	72	0
Net income attributable to shareholders of parent company	38,202	18,591

Quarterly Consolidated Statements of Comprehensive Income

(The three months ended December 31, 2014 and 2015)

(In millions of yen)

	Three months ended December 31, 2014	Three months ended December 31, 2015
Net income	38,274	18,591
Other comprehensive income		
Unrealized gains (losses) on securities	10	(52)
Foreign currency translation adjustments	10,885	297
Remeasurements of defined benefit plans, net of tax	695	49
Share of other comprehensive income of affiliates accounted for by the equity method	18	18
Total other comprehensive income	11,608	312
Comprehensive income	49,882	18,903
Comprehensive income attributable to:		
Shareholders of parent company	49,883	18,805
Non-controlling interests	(1)	98

3.3 Quarterly Consolidated Statements of Cash Flows

(In millions of yen)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015
Net cash provided by (used in) operating activities		
Income before income taxes	85,838	81,723
Depreciation and amortization	41,239	37,384
Amortization of long-term prepaid expenses	8,722	9,507
Impairment loss	600	153
Increase (decrease) in net defined benefit liability	(11,415)	(6,136)
Increase (decrease) in provision for business structure improvement	5,236	(865)
Increase (decrease) in provision for contingent loss	268	(10)
Interest and dividends income	(783)	(644)
Interest expenses	2,398	2,170
Equity in (earnings) losses of affiliates	(184)	(8)
Loss (gain) on sales and valuation of investment securities	(142)	11
Loss (gain) on liquidation of subsidiaries and affiliates	498	-
Loss (gain) on sales of subsidiaries and affiliates' stocks	-	285
Loss (gain) on sales of property, plant and equipment	(856)	(492)
Business structure improvement expenses	7,693	4,654
Loss (gain) on transfer of business	(19,754)	(251)
Decrease (increase) in notes and accounts receivable-trade	(5,560)	14,224
Decrease (increase) in inventories	18,950	(4,572)
Decrease (increase) in accounts receivable-other	10,936	3,103
Increase (decrease) in notes and accounts payable-trade	(15,820)	(3,528)
Increase (decrease) in accounts payable-other and accrued expenses	(12,476)	(18,075)
Other cash provided by (used in) operating activities, net	(4,456)	881
Subtotal	110,932	119,514
Interest and dividends received	826	716
Interest paid	(2,392)	(2,168)
Income taxes (paid) refund	(5,219)	(5,633)
Payments for extra retirement benefits	(11,432)	(3,181)
Settlement package paid	(166)	-
Net cash provided by (used in) operating activities	92,549	109,248

(In millions of yen)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(25,761)	(30,153)
Proceeds from sales of property, plant and equipment	1,832	791
Purchase of intangible assets	(4,686)	(2,492)
Purchase of long-term prepaid expenses	(2,702)	(1,941)
Purchase of investment securities	(536)	(557)
Proceeds from sales of investment securities	612	830
Purchase of investments in subsidiaries	(3,200)	-
Proceeds from sales of subsidiaries and affiliates' stocks	-	474
Proceeds from transfer of business	14,992	252
Payments for transfer of business	(448)	-
Collection of loans receivable	700	4,550
Other cash provided by (used in) investing activities, net	634	1,221
Net cash provided by (used in) investing activities	(18,563)	(27,025)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term borrowings	(2,000)	-
Proceeds from long-term borrowings	3,000	-
Repayment of long-term borrowings	(7,677)	(6,823)
Repayments of finance lease obligations	(2,180)	(874)
Repayments of installment payables	(9,029)	(11,022)
Net cash provided by (used in) financing activities	(17,886)	(18,719)
Effect of exchange rate change on cash and cash equivalents	13,824	(2,122)
Net increase (decrease) in cash and cash equivalents	69,924	61,382
Cash and cash equivalents at the beginning of the period	265,897	343,722
Cash and cash equivalents at the end of the period	335,821	405,104

3.4 Notes to Quarterly Consolidated Financial Statements

(Quarterly Consolidated Statements of Operations)

*1 Gain on transfer of business

Due to the transfer of a subsidiary's shares to Synaptics Holding GmbH.

*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 nine months ended December 31, 2014 and 2015 were as follows:

	(In millions of yen)	
	Nine months ended December 31, 2014	Nine months ended December 31, 2015
Personnel expenses including the special incentive of early retirement program	13,707	1,933
Impairment loss	999	3,249
Other (*)	2,825	4,170
Total	17,531	9,352

(*) The main items of "Other" for the nine months ended December 31, 2015 are equipment removal related expenses to realignment the manufacturing sites and equipment relocation related expenses etc. to reorganize the design and development operation including its locations.

The details of business structure improvement expenses for the consolidated statements of operations for the three months ended December 31, 2014 and 2015 were as follows:

	(In millions of yen)	
	Three months ended December 31, 2014	Three months ended December 31, 2015
Personnel expenses including the special incentive of early retirement program	7,803	874
Impairment loss	431	1,954
Other (*)	1,592	1,111
Total	9,826	3,939

(*) The main item of "Other" for the three months ended December 31, 2015 is equipment removal related expenses etc. to realignment the manufacturing sites.

(Notes on Assumption for Going Concern)

None

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

In accordance with a resolution at the 13th ordinary general meeting of shareholders held on June 24, 2015, the Company has reduced 218,255 million yen of common stock and 163,789 million yen of capital legal reserve respectively, and transferred the amounts to the other capital surplus on September 30th, 2015. The Company has covered its deficiency by transferring 551,749 million yen from other capital surplus to retained earnings brought forward following the reductions of common stock and capital legal reserve on September 30th, 2015.

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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