FY18/12 Q3 PRESENTATION

RENESAS ELECTRONICS CORPORATION
OCTOBER 31, 2018

BIG IDEAS
FOR EVERY SPACE

FINANCIAL TARGETS AND STRATEGY

Long-Term Financial Targets*1 (Starting from CY16)

Topline growth

High Single-Digit CAGR

Margin Improvement

Adj. GM *2 : 44%*4 → 50%

Adj. OM *3 : 12%*4 → Over 20%

Clear Path to Gross Margin Expansion

Topline Growth

Manufacturing Optimization

Better Product Mix

Intersil Consolidation

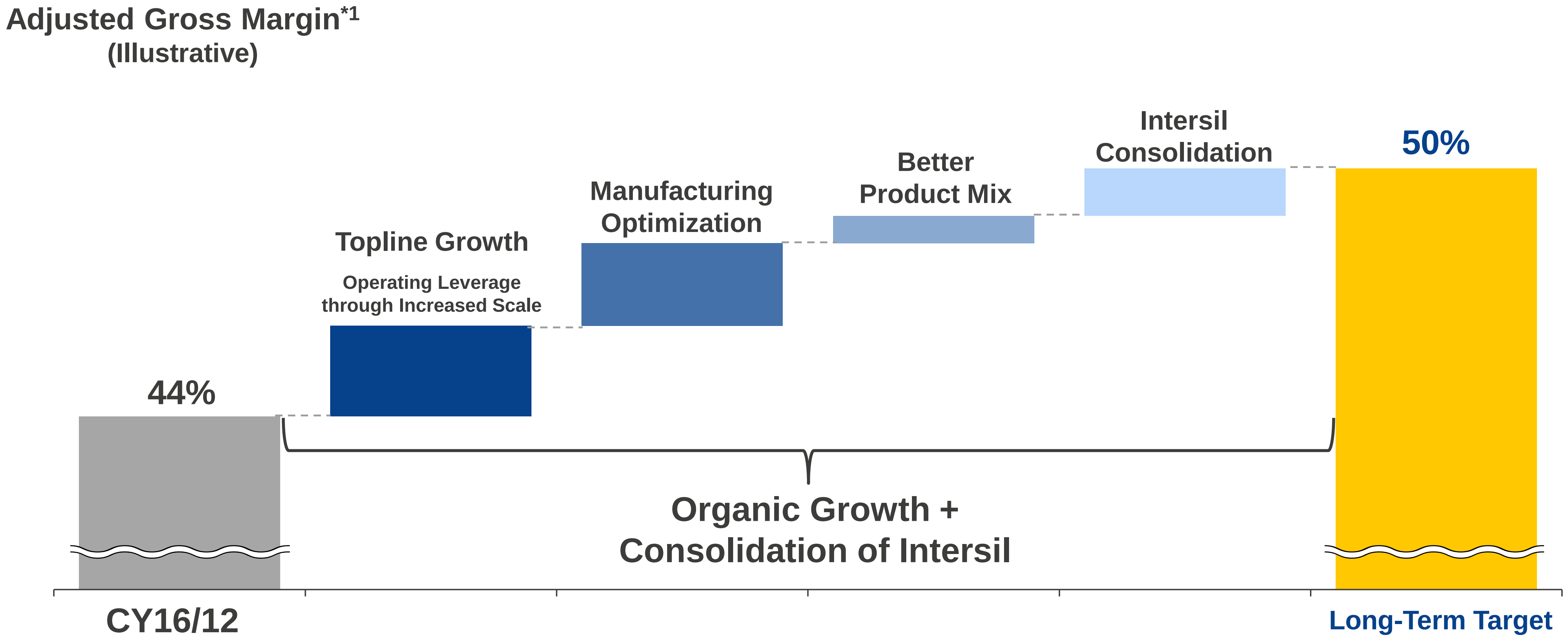
+

Further Acquisitions

*1: Long-term targets reflect non-GAAP adjustments and exclude amortization of goodwill and intangible assets, noncash expenses such as stock based compensation expenses and one-time expenses. For a detailed reconciliation of the GAAP / non-GAAP items, please see pages 6-8 in the appendix to these materials. *2: Adjusted Gross Margin: The calculation of adjusted gross profit margin excludes the effects of inventory buildup, Purchased Price Allocation ("PPA") effects and expenses related to stock-based compensation

*3: Adjusted Operating Margin: The calculation of adjusted operating income margin excludes the effect of inventory buildup, PPA effects, amortization of goodwill, costs related to the acquisition of Intersil, amortization of purchased intangible assets, expenses related to stock-based compensation and costs related to the offering. *4: Calculated on a calendar-year basis (Jan-Dec 2016) by adding FY2016/3 4Q (3 months) to FY2016/12 (9 months)

STEPS TO IMPROVE GROSS MARGIN



*1: Non-GAAP figure, Gross Margin: The calculation of adjusted gross profit margin excludes the effects of inventory buildup, Purchased Price Allocation ("PPA") effects following the purchase of Intersil and expenses related to stock-based compensation. For a detailed reconciliation of the GAAP / non GAAP items, please see pages 6-8 in the appendix to these materials

BIG IDEAS FOR EVERY SPACE

Organic | Inorganic

CUSTOM APPROACHES FOR FOCUSED INDUSTRIES

	Automotive	Industrial	Broad-Based and others
MCUs	Intensive R&D		Inorganic + Organic Approaches
SoCs	Strategic Partnerships and Alliances		
Analog & Mixed Signal	Strategic Investments including Further Acquisitions Intersil: Acquired for $ 3.2B in Feb 2017 IDT: Plan to acquire for $ 6.7B by Jun 2019*1		
Power Discretes	Selective Investments		

*1: Closing of the transaction is expected to occur in the first half of 2019, following approvals by IDT shareholders and the relevant regulatory authorities.

NON-GAAP BASIS INFORMATION

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

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

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

- Non-GAAP Basis: Results excluding non-recurring and certain other items. Following the completion of the purchase of Intersil in February 2017, Non-GAAP figures exclude amortization of goodwill, amortization of purchased intangible assets, costs related to the Intersil acquisition, stock-based compensation cost, costs related to the offering, and PPA (purchase price allocation) effects associated with the acquisition.
- PPA effects include market valuations of inventories and fixed assets, etc.
- The consolidated financial statements for the year ended December 31, 2017 reflected a significant revision in allocation of the acquisition cost following the provisional accounting treatment finalized on December 31, 2017 for a business combination of Intersil which Renesas acquired on February 24, 2017. For details, please refer to the earnings report, “Renesas Electronics Reports Financial Results for the Third Quarter Ended September 30, 2018”.

(B yen)	FY17/12				FY18/12			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4 (Forecast)
Net Sales（After PPA)	177.2	197.3	195.5	210.2	185.9	203.5	180.2	185.0
PPA Effects (Net Sales)	+0.4	+0.8	-0	+0	-	-	-	-
Net Sales（Non-GAAP）	177.6	198.1	195.5	210.2	185.9	203.5	180.2	185.0
Gross Margin (GAAP/After PPA)	77.7	81.9	93.0	100.2	88.8	91.9	79.5	73.5
PPA Effects（Net Sales/COGS*1）	+3.1	+8.5	+0.3	+0.4	+0.3	+0.3	+0.3	+0.3
Stock-Based Compensation (COGS)	+0	+0	+0	+0.2	+0.1	+0.1	+0.2	+0.1
Gross Profit (Non-GAAP)	80.8	90.5	93.3	100.8	89.3	92.4	+80.0	74.0
Gross Margin (Non-GAAP) (%)	45.5%	45.7%	47.7%	47.9%	48.0%	45.4%	44.4%	40.0%

*1:Cost of goods sold

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

(B yen)	FY17/12				FY18/12			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4 (Forecast)
Operating Profit (GAAP/After PPA)	22.1	9.4	25.0	21.9	20.6	23.0	13.1	2.5
PPA Effects*2（Net Sales/COGS*3）	+3.1	+8.5	+0.3	+0.4	+0.3	+0.3	+0.3	+0.3
PPA Effects（R&D*4, SG＆A*5） Increase in depreciation of fixed assets, etc.	+0.1	+0.2	+0.2	+0.2	+0.1	+0.1	+0.1	+0.1
Stock-Based Compensation (COGS)	+0	+0	+0	+0.2	+0.1	+0.1	+0.2	+0.2
Amortization of Goodwill (SG&A)	+1.8	+5.2	+5.2	+5.3	+5.1	+5.2	+5.2	+5.2
Costs Related to the Acquisition of Intersil (SG&A)	+0.5	+0.4	+0.4	+0.2	+0.2	+0.2	+0.2	+0.2
Costs Related to the Acquisition of Intersil (R&D)	-	-	-	+0.1	+0	+0.1	+0.1	+0.1
Amortization of Purchased Intangible Assets (SG&A)	+1.5	+4.4	+4.4	+4.5	+4.1	+3.7	+3.8	+3.8
Stock-Based Compensation (R&D)	+0	+0.3	+0.3	+0.5	+0.2	+0.5	+0.4	+0.4
Stock-Based Compensation (SG&A)	+0	+0.3	+0.3	+0.9	+0.6	+0.6	+0.5	+0.5
Costs Related to the Offering and Others (SG&A)	-	+0.2	+0	-	+0	+0.2	+0.4	+0.2
Operating Profit (Non-GAAP)	29.1	29.0	35.9	34.1	31.4	33.9	24.1	13.5
Operating Margin (Non-GAAP) (%)	16.4%	14.6%	18.4%	16.2%	16.9%	16.7%	13.4%	7.3%

*1: Non-GAAP Basis: Results excluding non-recurring and certain other items. Following the completion of the purchase of Intersil in February 2017, Non-GAAP figures exclude amortization of goodwill, amortization of purchased intangible assets, costs related to the Intersil acquisition, stock-based compensation cost, costs related to the offering, and PPA (purchase price allocation) effects associated with the acquisition. See page 5 for reconciliation of Japan GAAP and Non-GAAP. *2: PPA effects include market valuations of inventories and fixed assets. *3: Cost of goods sold *4: Research & development expenses *5: Selling, general and administrative expenses

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

(B yen)	FY17/12				FY18/12			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	O4 (Forecast)
Net Profit Attributable to Shareholders of Parent Company (GAAP/After PPA)	17.2	19.1	22.3	18.6	23.3	26.1	7.6	1.6
Reconciliations in Operating Profit Level	+7.0	+19.6	+10.9	+12.2	+10.8	+10.9	+11.1	+10.9
Reconciliations in Ordinary Profit (PPA Effects[*2])	-	-	-	+0.1	-	-	-	-
Reconciliations in Net Profit (PPA Effects)	-0.5	-1.4	-0.6	-0.5	-	-	-	-
Reconciliations in Net Profit (Impact from Intersil Acquisition)	-	-	-	-	-8.2	-6.7	-	-
Net Profit Attributable to Shareholders of Parent Company (Non-GAAP)	23.6	37.3	32.7	30.3	25.9	30.4	18.6	12.5

*1: Non-GAAP Basis: Results excluding non-recurring and certain other items. Following the completion of the purchase of Intersil in February 2017, Non-GAAP figures exclude amortization of goodwill, amortization of purchased intangible assets, costs related to the Intersil acquisition, stock-based compensation cost, costs related to the offering, and PPA (purchase price allocation) effects associated with the acquisition.
*2: PPA effects include market valuations of inventories and fixed assets.

FY18/12 Q3 FINANCIAL SNAPSHOT (NON-GAAP BASIS*1)

YoY and QoQ results as well as the changes from July 31 FCTs of the Net Sales and Semi Sales are rounded off to one decimal place.

(B yen)	FY17		FY18 (FY18/12)							
	Jul-Sep (Q3)	9 Months Accumulative (Jan-Sep)	Apr-Jun (Q2)	Jul-Sep (Q3) Forecast	Jul-Sep (Q3) Actual	YoY	QoQ	Change from July 31 FCT	9 Months Accumulative (Actual)	YoY
Net Sales	195.5	571.3	203.5	175.6	180.2	-7.8%	-11.4%	+2.6%	569.6	-0.3%
Semi Sales	192.3	559.2	199.1	172.6	175.6	-8.7%	-11.8%	+1.7%	556.7	-0.4%
Gross Margin	47.7%	46.3%	45.4%	43.2%	44.4%	-3.3pts	-1.0pt	+1.2pts	45.9%	-0.4pt
Operating Income (Margin)	35.9 (18.4%)	94.0 (16.5%)	33.9 (16.7%)	15.5 (8.8%)	24.1 (13.4%)	-11.8 (-5.0pts)	-9.8 (-3.3pts)	+8.7 (+4.6pts)	89.4 (15.7%)	-4.6 (-0.8pt)
Net Income Attributable to Shareholders of Parent Company	32.7	93.5	30.4	12.6	18.6	-14.0	-11.7	+6.0	74.9	-18.6
EBITDA*2	54.9	148.3	56.5	38.5	46.8	-8.2	-9.7	+8.3	156.7	+8.4
1 US$=	111 yen	112 yen	108 yen	109 yen	111 yen	±0 yen	3 yen depreciation	2 yen depreciation	110 yen	2 yen appreciation
1 Euro=	130 yen	125 yen	131 yen	126 yen	129 yen	1 yen appreciation	2 yen appreciation	3 yen depreciation	131 yen	7 yen depreciation

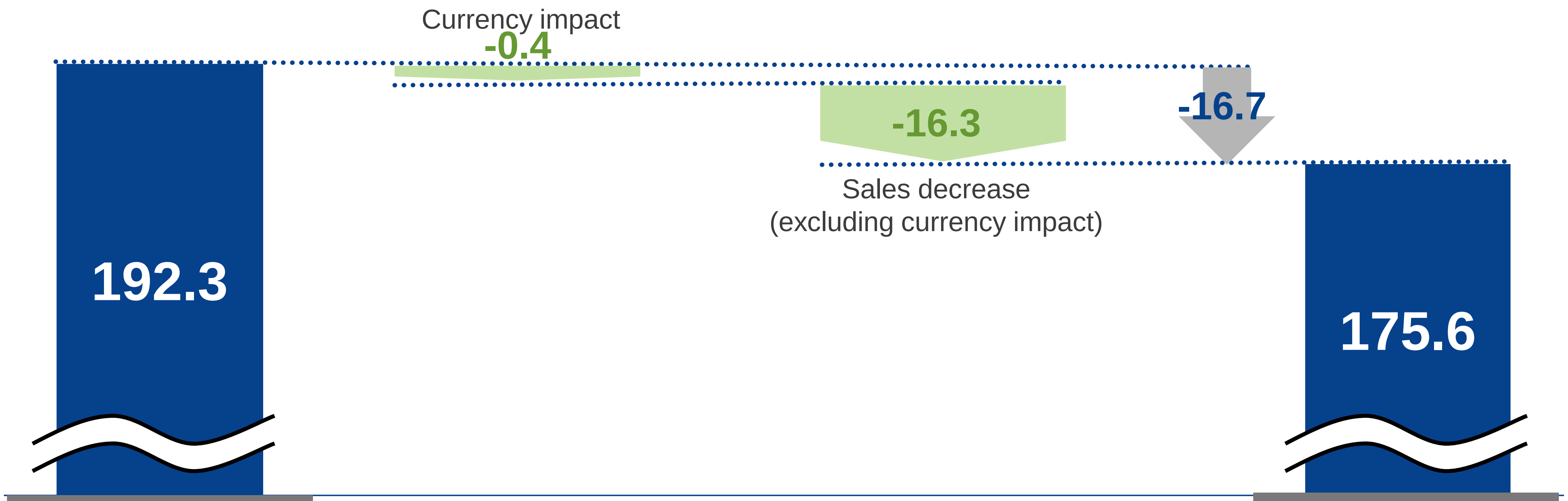
*1: Non-GAAP Basis: Results excluding non-recurring and certain other items. Following the completion of the purchase of Intersil in February 2017, Non-GAAP figures exclude amortization of goodwill, amortization of purchased intangible assets, costs related to the Intersil acquisition, stock-based compensation cost, costs related to the offering, and PPA (purchase price allocation) effects associated with the acquisition.

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

FY18/12 Q3 SEMICONDUCTOR SALES (NON-GAAP BASIS*1)

YoY -16.7 B yen (-8.7%)

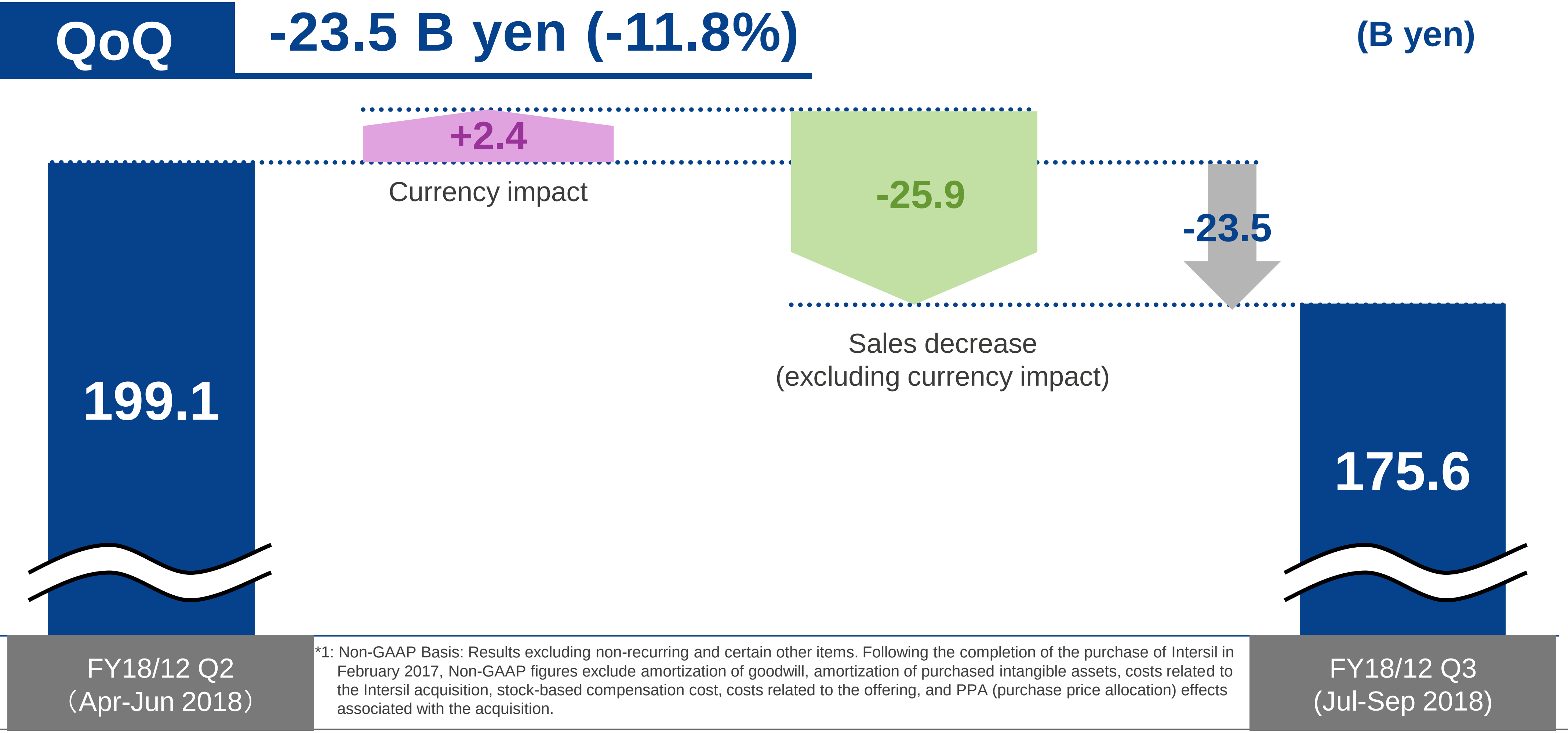
(B yen)



*1: Non-GAAP Basis: Results excluding non-recurring and certain other items. Following the completion of the purchase of Intersil in February 2017, Non-GAAP figures exclude amortization of goodwill, amortization of purchased intangible assets, costs related to the Intersil acquisition, stock-based compensation cost, costs related to the offering, and PPA (purchase price allocation) effects associated with the acquisition.

FY18/12 Q3 SEMICONDUCTOR SALES (NON-GAAP BASIS*1)

QoQ -23.5 B yen (-11.8%)

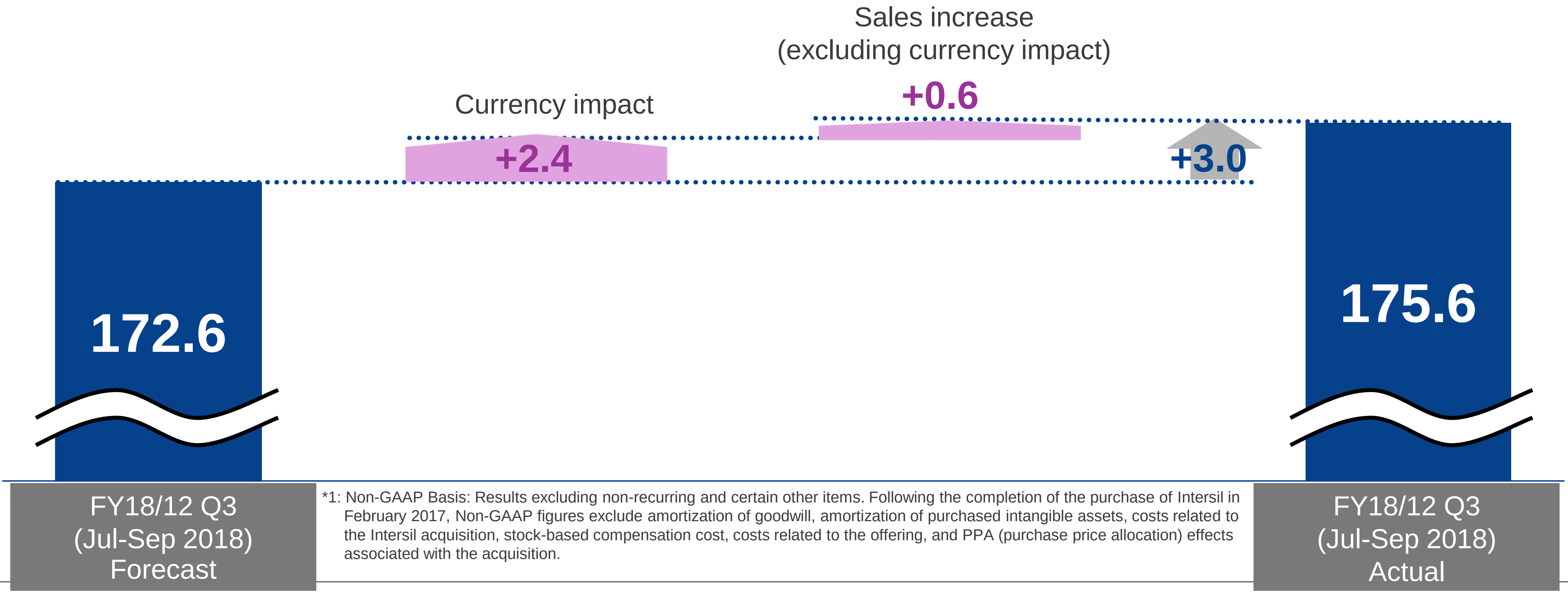


*1: Non-GAAP Basis: Results excluding non-recurring and certain other items. Following the completion of the purchase of Intersil in February 2017, Non-GAAP figures exclude amortization of goodwill, amortization of purchased intangible assets, costs related to the Intersil acquisition, stock-based compensation cost, costs related to the offering, and PPA (purchase price allocation) effects associated with the acquisition.

FY18/12 Q3 SEMICONDUCTOR SALES (NON-GAAP BASIS*1)

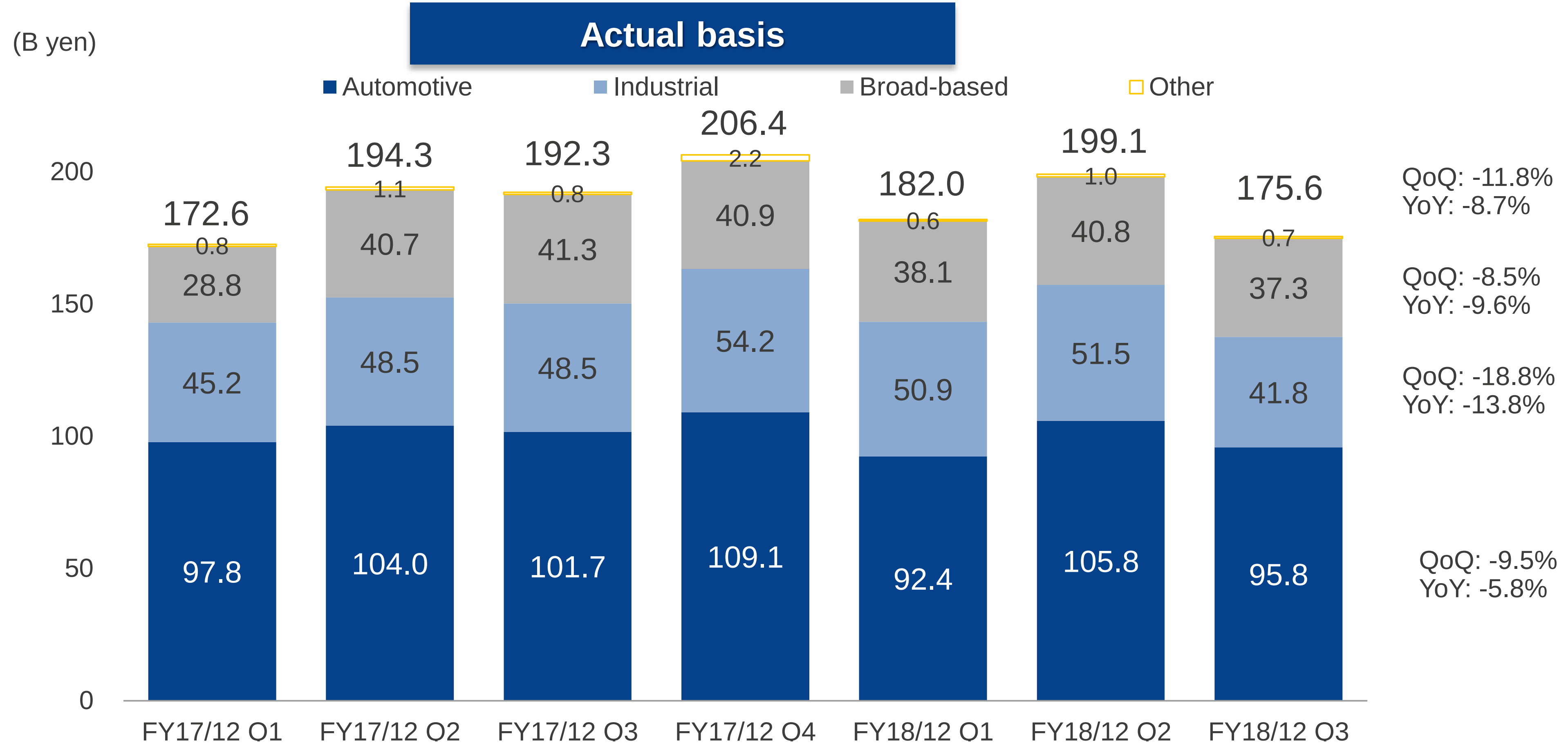
vs FCT +3.0 B yen (+1.7%)

(B yen)



*1: Non-GAAP Basis: Results excluding non-recurring and certain other items. Following the completion of the purchase of Intersil in February 2017, Non-GAAP figures exclude amortization of goodwill, amortization of purchased intangible assets, costs related to the Intersil acquisition, stock-based compensation cost, costs related to the offering, and PPA (purchase price allocation) effects associated with the acquisition.

QUARTERLY SEMICONDUCTOR SALES TRENDS
(NON-GAAP BASIS*1)

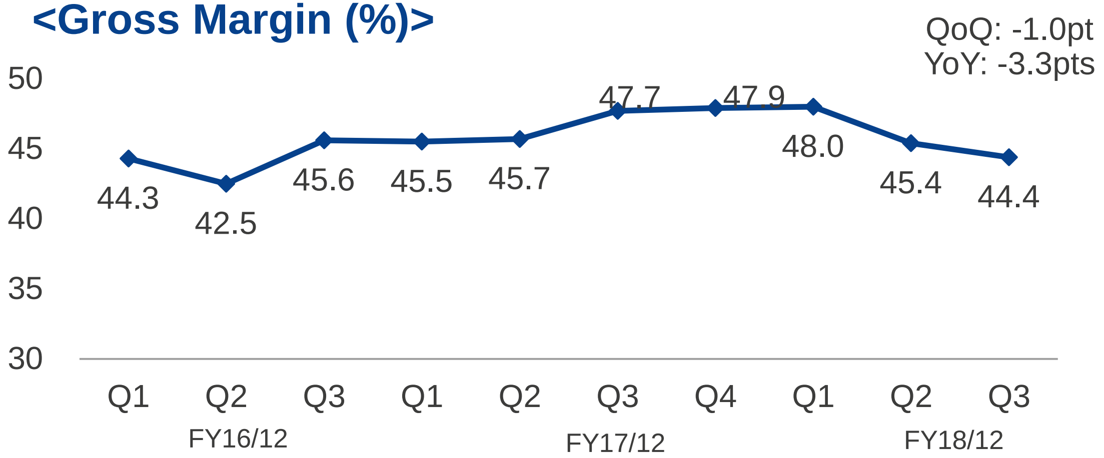


*1: Non-GAAP Basis: Results excluding non-recurring and certain other items. Following the completion of the purchase of Intersil in February 2017, Non-GAAP figures exclude amortization of goodwill, amortization of purchased intangible assets, costs related to the Intersil acquisition, stock-based compensation cost, costs related to the offering, and PPA (purchase price allocation) effects associated with the acquisition.

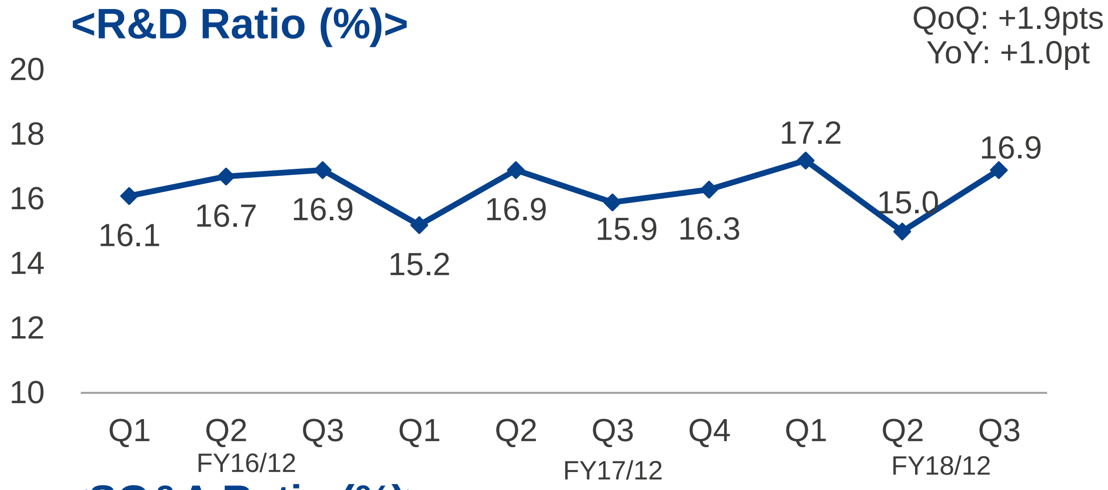
BIG IDEAS FOR EVERY SPACE

GROSS MARGIN, OPERATING MARGIN AND OPEX TRAJECTORY
(NON-GAAP BASIS*1)

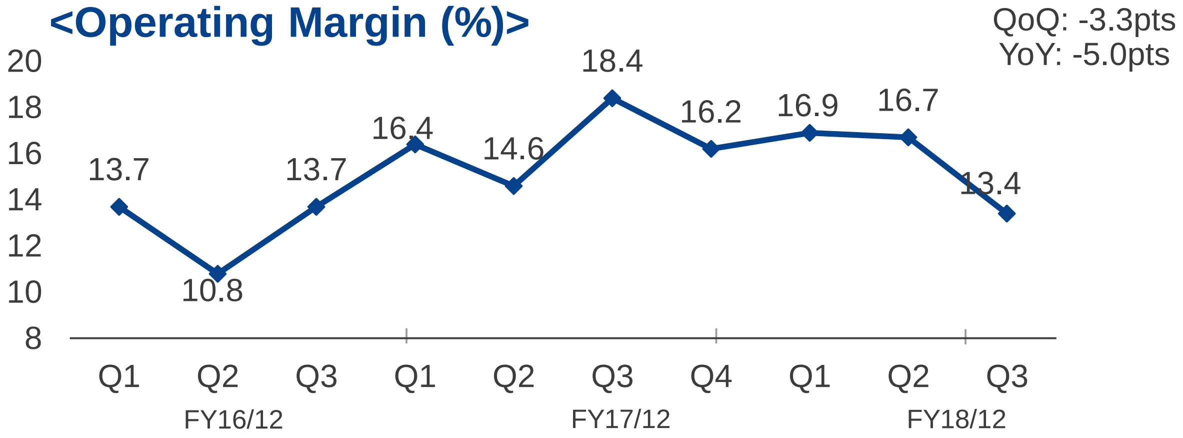
<Gross Margin (%)>



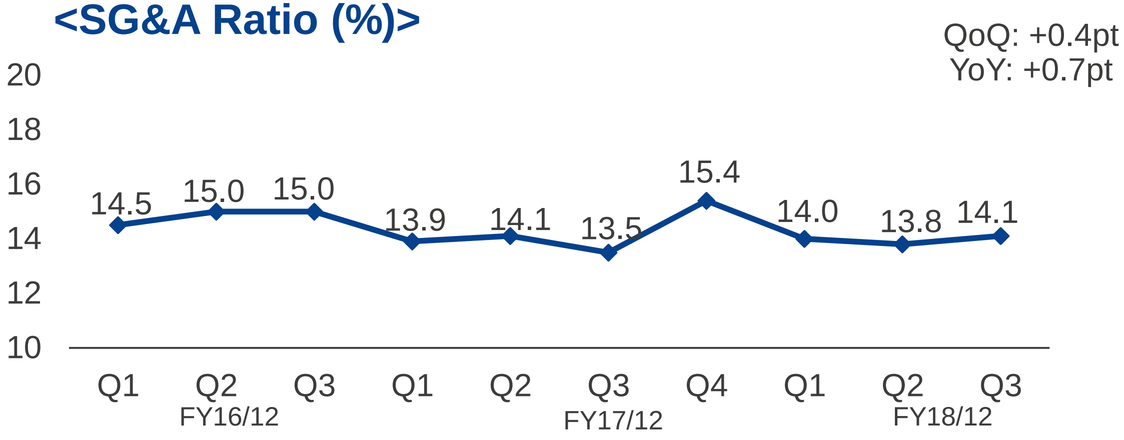
<R&D Ratio (%)>



<Operating Margin (%)>



<SG&A Ratio (%)>

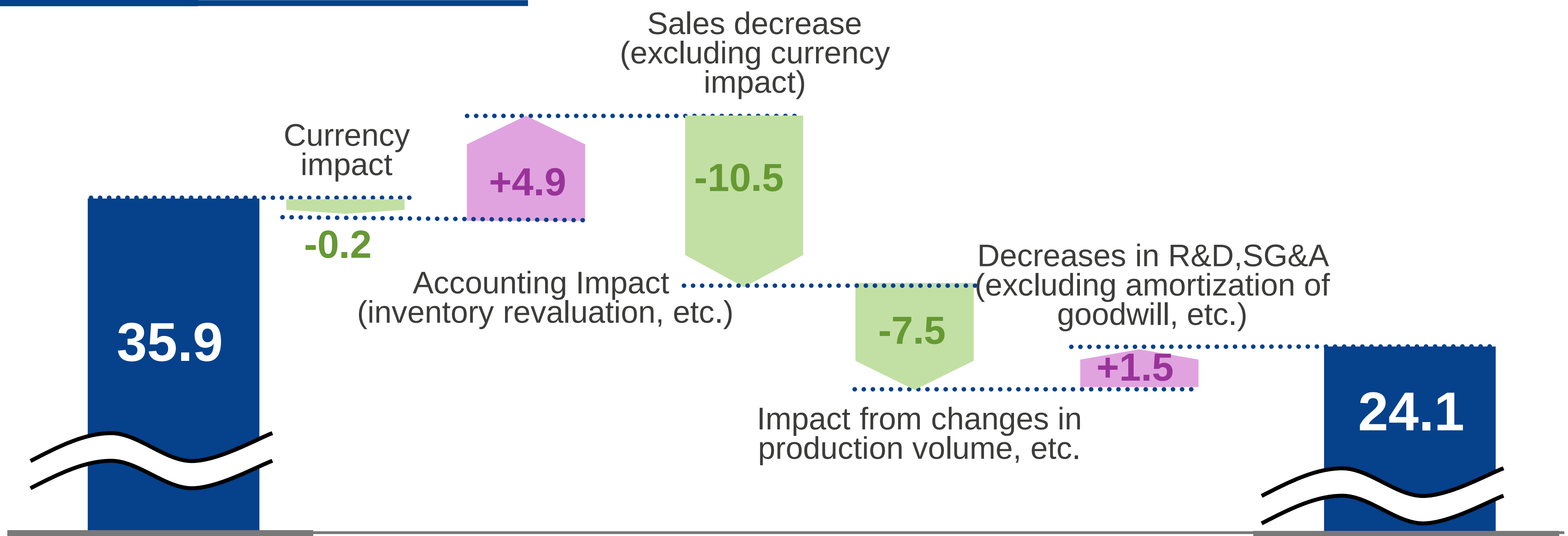


*1: Non-GAAP Basis: Results excluding non-recurring and certain other items. Following the completion of the purchase of Intersil in February 2017, Non-GAAP figures exclude amortization of goodwill, amortization of purchased intangible assets, costs related to the Intersil acquisition, stock-based compensation cost, costs related to the offering, and PPA (purchase price allocation) effects associated with the acquisition.

FY18/12 Q3 OPERATING INCOME (NON-GAAP BASIS*1)

YoY -11.8 B yen

(B yen)



FY17/12 Q3 (Jul-Sep 2017)

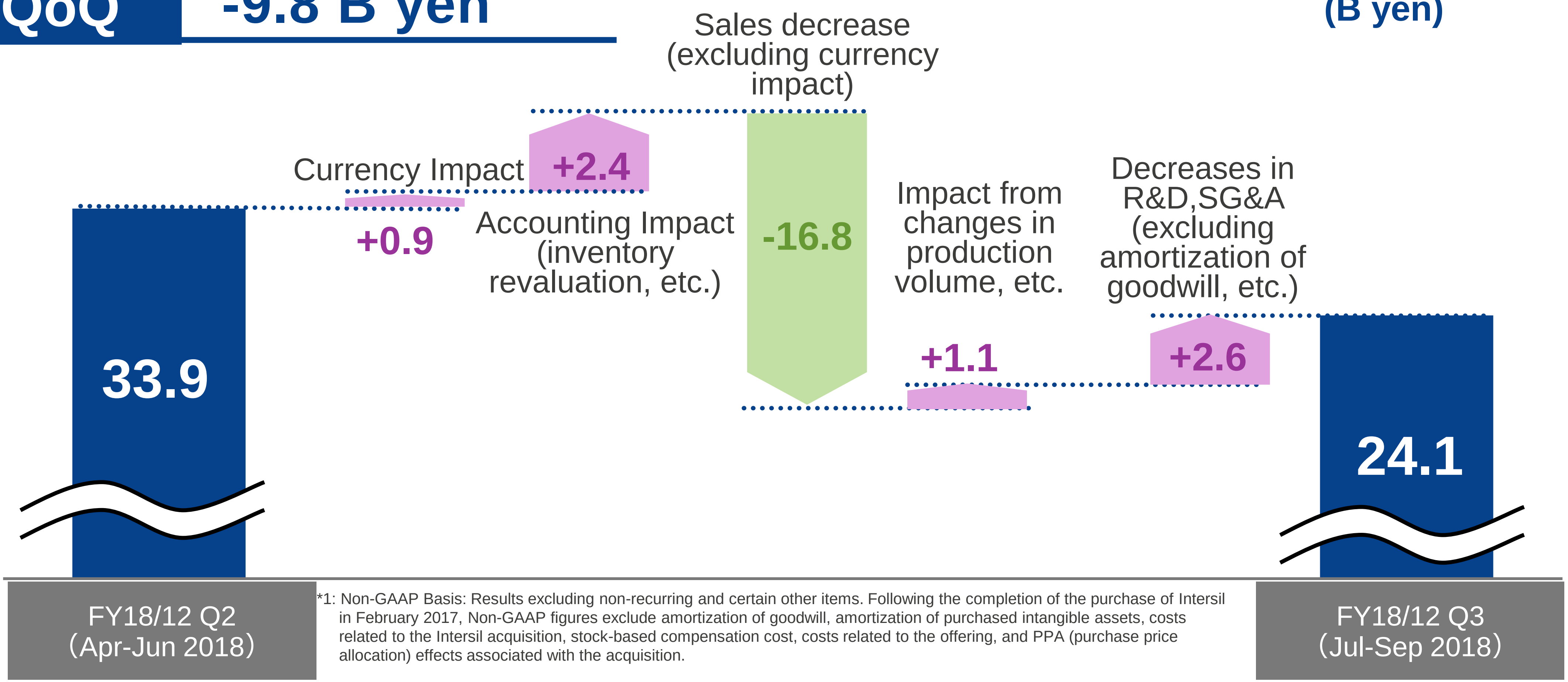
FY18/12 Q3 (Jul-Sep 2018)

*1: Non-GAAP Basis: Results excluding non-recurring and certain other items. Following the completion of the purchase of Intersil in February 2017, Non-GAAP figures exclude amortization of goodwill, amortization of purchased intangible assets, costs related to the Intersil acquisition, stock-based compensation cost, costs related to the offering, and PPA (purchase price allocation) effects associated with the acquisition.

FY18/12 Q3 OPERATING INCOME
(NON-GAAP BASIS*1)

QoQ -9.8 B yen

(B yen)



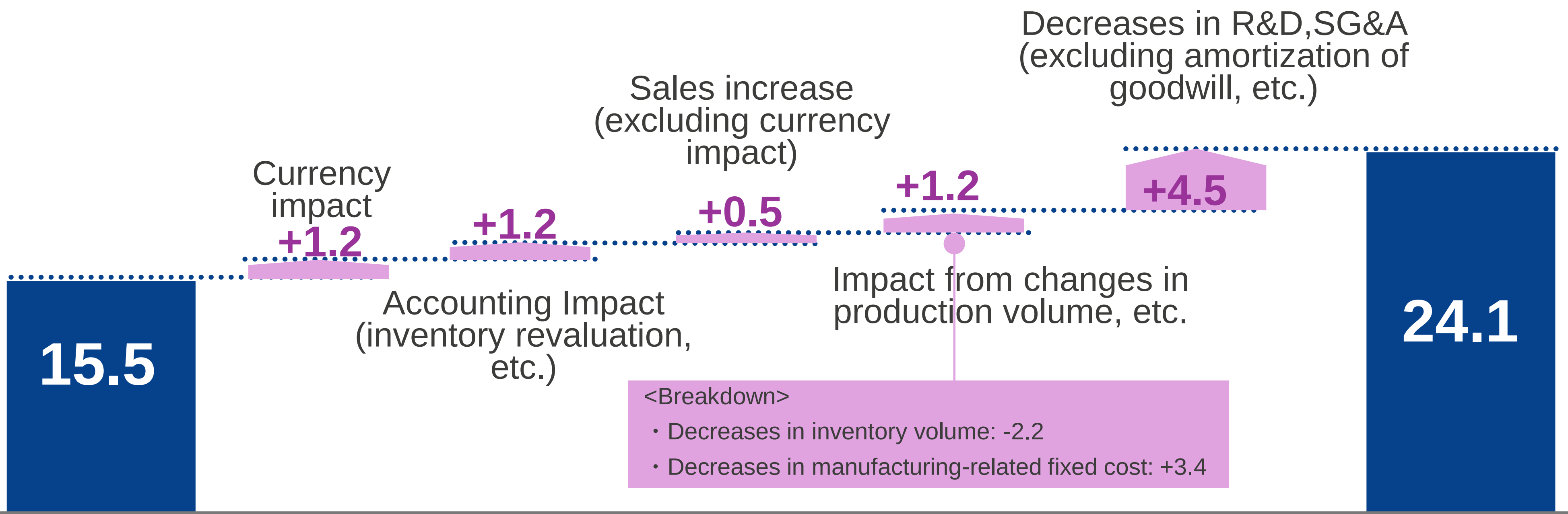
*1: Non-GAAP Basis: Results excluding non-recurring and certain other items. Following the completion of the purchase of Intersil in February 2017, Non-GAAP figures exclude amortization of goodwill, amortization of purchased intangible assets, costs related to the Intersil acquisition, stock-based compensation cost, costs related to the offering, and PPA (purchase price allocation) effects associated with the acquisition.

FY18/12 Q3 OPERATING INCOME

(NON-GAAP BASIS*1)

vs FCT +8.7 B yen

(B yen)



FY18/12 Q3 (Jul-Sep 2018) Forecast

FY18/12 Q3 (Jul-Sep 2018) Actual

*1: Non-GAAP Basis: Results excluding non-recurring and certain other items. Following the completion of the purchase of Intersil in February 2017, Non-GAAP figures exclude amortization of goodwill, amortization of purchased intangible assets, costs related to the Intersil acquisition, stock-based compensation cost, costs related to the offering, and PPA (purchase price allocation) effects associated with the acquisition.

FY18/12 Q4 FINANCIAL FORECASTS
(NON-GAAP BASIS*1)

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

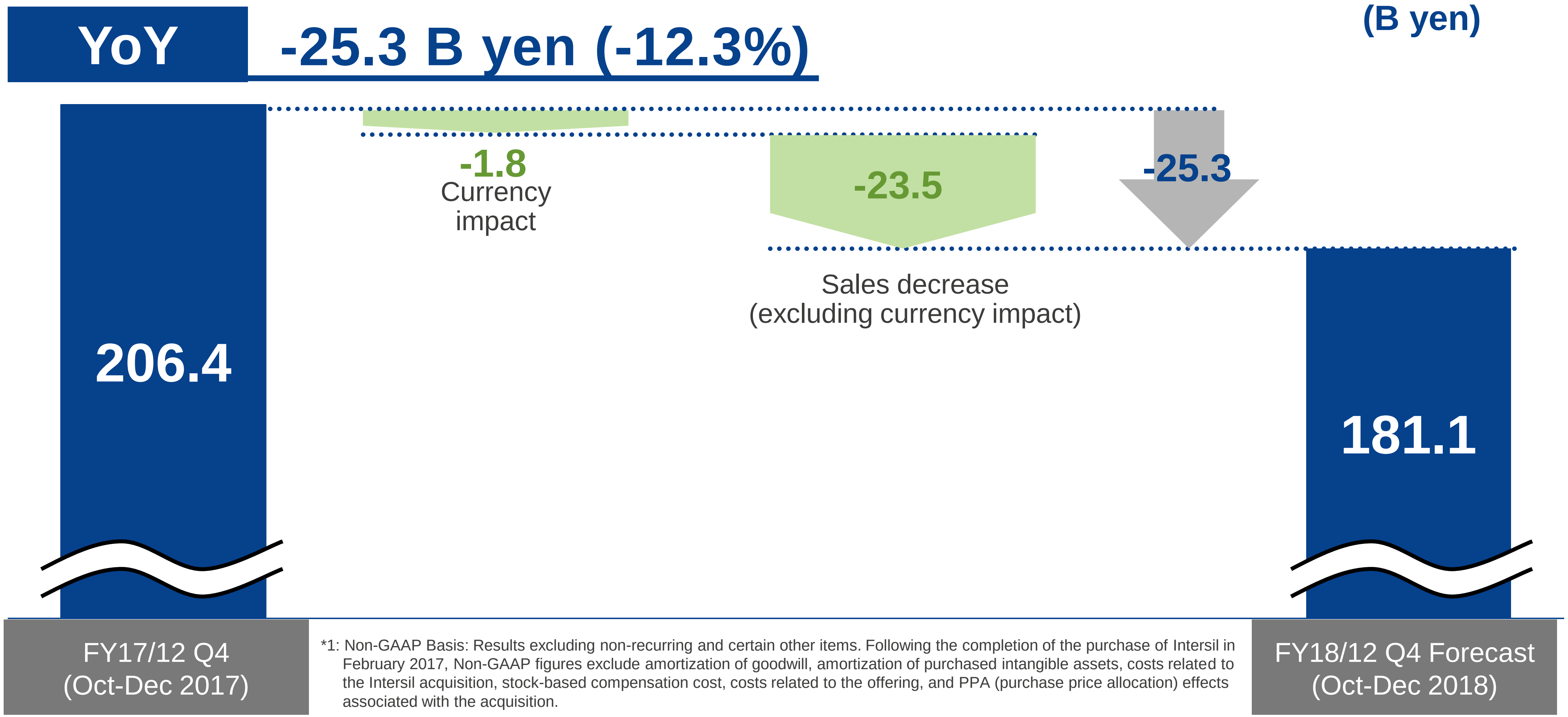
(B yen)	FY17(FY17/12)		FY18 (FY18/12)					
	Q4 (Oct-Dec)	12 months Accumulative (Jan-Dec)	Q3 (Jul-Sep)	Q4 Forecast (Oct-Dec)	YoY	QoQ	12 months Accumulative Forecast (Jan-Dec)	YoY
Net Sales	210.2	781.5	180.2	185.0	-12.0%	+2.6%	754.6	-3.4%
Semiconductor Sales	206.4	765.6	175.6	181.1	-12.3%	+3.1%	737.8	-3.6%
Gross Margin	47.9%	46.7%	44.4%	40.0%	-7.9pts	-4.4pts	44.5%	-2.3pts
Operating Income (Margin)	34.1 (16.2%)	128.1 (16.4%)	24.1 (13.4%)	13.5 (7.3%)	-20.6 (-8.9pts)	-10.7 (-6.1pts)	102.9 (13.6%)	-25.2 (-2.8pts)
Net Income Attributable to Shareholders of Parent Company	30.3	123.9	18.6	12.5	-17.8	-6.1	87.4	-36.4
EBITDA*2	54.5	202.8	46.8	36.6	-17.9	-10.2	193.3	-9.5
1 US$=	113 yen	112 yen	111 yen	112 yen	1 yen appreciation	1 yen depreciation	110 yen	3 yen appreciation
1 Euro=	133 yen	127 yen	129 yen	129 yen	4 yen appreciation	±0 yen	130 yen	4 yen depreciation

*1: Non-GAAP Basis: Results excluding non-recurring and certain other items. Following the completion of the purchase of Intersil in February 2017, Non-GAAP figures exclude amortization of goodwill, amortization of purchased intangible assets, costs related to the Intersil acquisition, stock-based compensation cost, costs related to the offering, and PPA (purchase price allocation) effects associated with the acquisition.

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

FY18/12 Q4 SEMICONDUCTOR SALES FORECAST
(NON-GAAP BASIS[*1])

YoY -25.3 B yen (-12.3%)

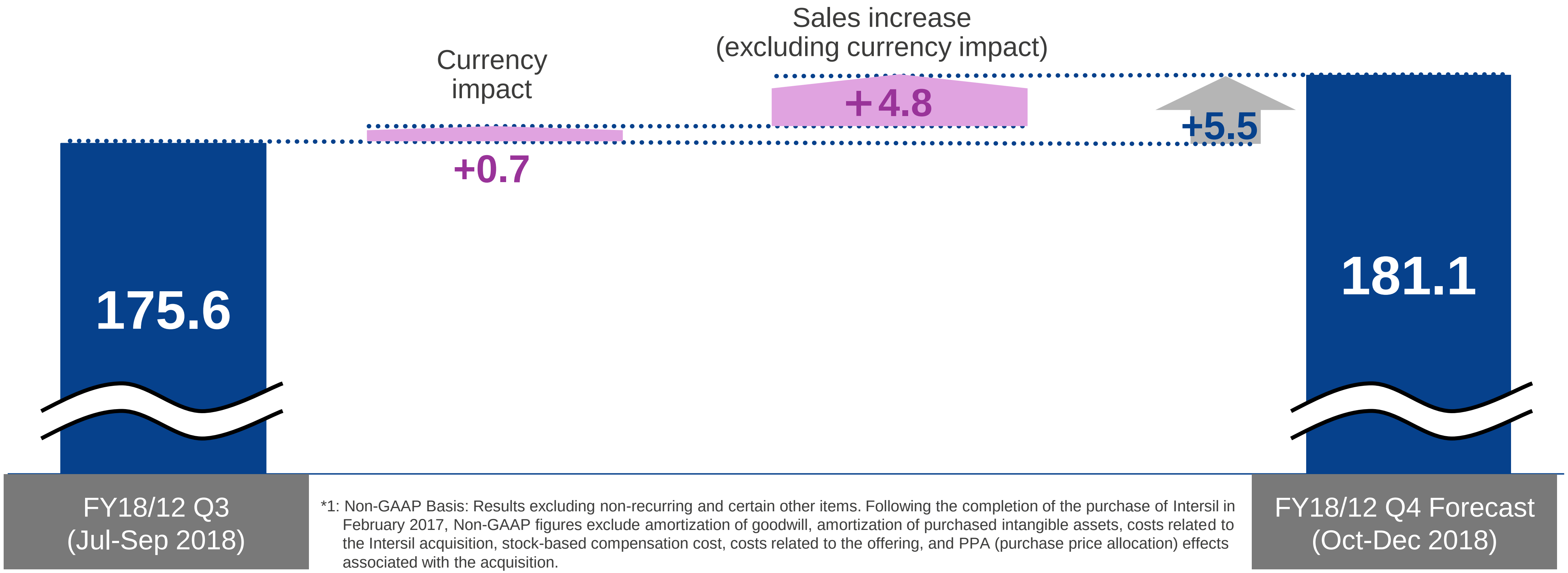


*1: Non-GAAP Basis: Results excluding non-recurring and certain other items. Following the completion of the purchase of Intersil in February 2017, Non-GAAP figures exclude amortization of goodwill, amortization of purchased intangible assets, costs related to the Intersil acquisition, stock-based compensation cost, costs related to the offering, and PPA (purchase price allocation) effects associated with the acquisition.

FY18/12 Q4 SEMICONDUCTOR SALES FORECAST
(NON-GAAP BASIS*1)

QoQ **+5.5 B yen (+3.1%)**

(B yen)

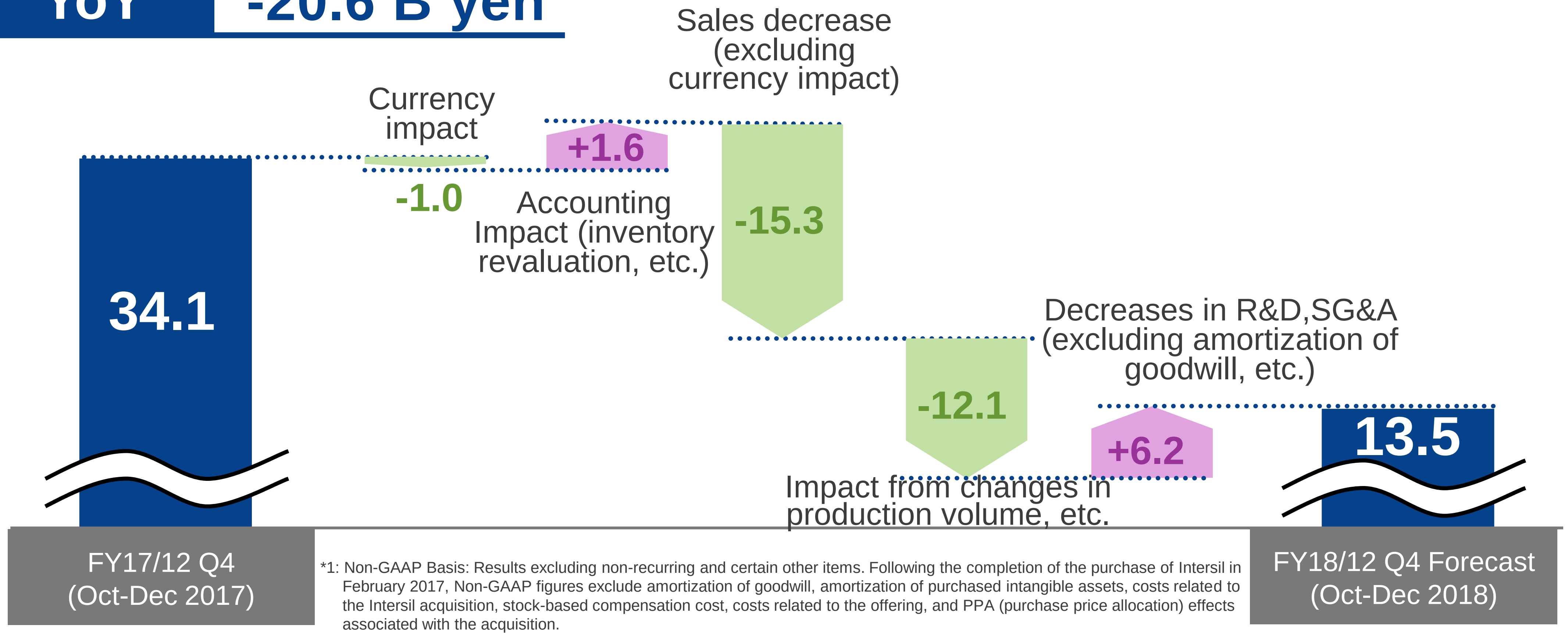


*1: Non-GAAP Basis: Results excluding non-recurring and certain other items. Following the completion of the purchase of Intersil in February 2017, Non-GAAP figures exclude amortization of goodwill, amortization of purchased intangible assets, costs related to the Intersil acquisition, stock-based compensation cost, costs related to the offering, and PPA (purchase price allocation) effects associated with the acquisition.

FY18/12 Q4 OPERATING INCOME FORECAST
(NON-GAAP BASIS*1)

YoY -20.6 B yen

(B yen)



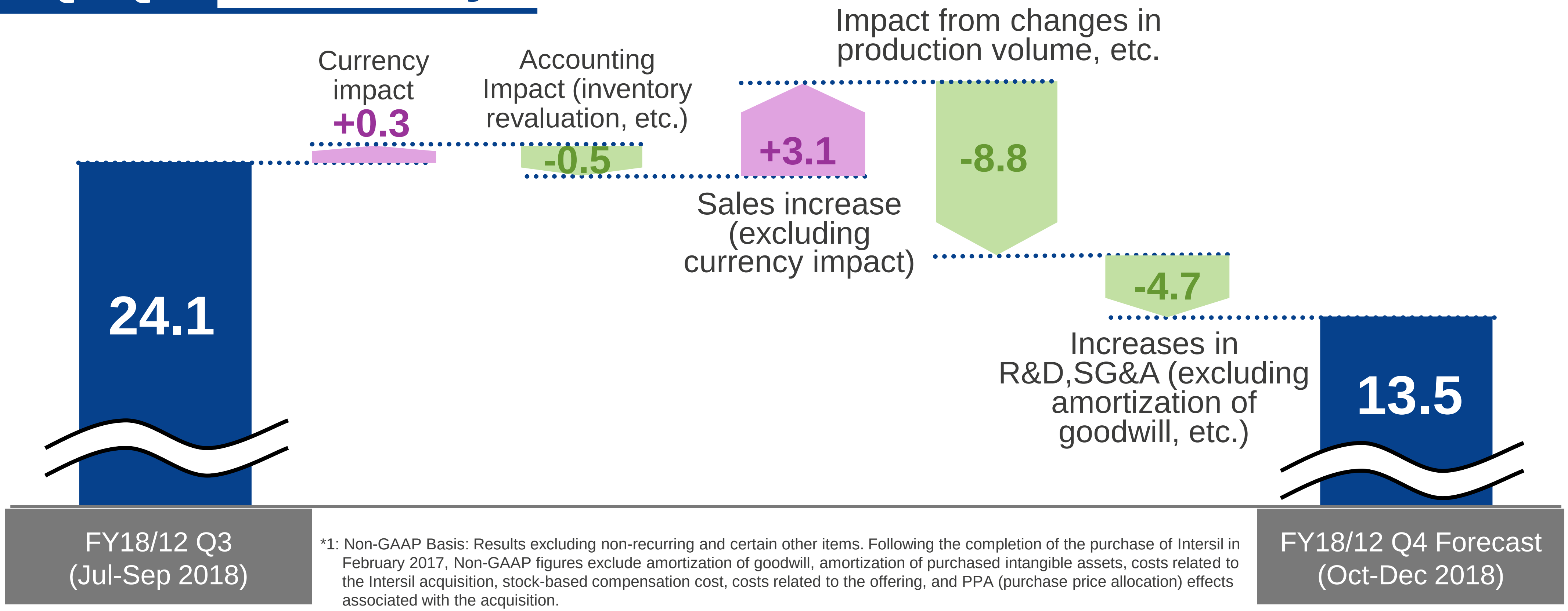
*1: Non-GAAP Basis: Results excluding non-recurring and certain other items. Following the completion of the purchase of Intersil in February 2017, Non-GAAP figures exclude amortization of goodwill, amortization of purchased intangible assets, costs related to the Intersil acquisition, stock-based compensation cost, costs related to the offering, and PPA (purchase price allocation) effects associated with the acquisition.

FY18/12 Q4 OPERATING INCOME FORECAST

(NON-GAAP BASIS*1)

QoQ **-10.7 B yen**

(B yen)



*1: Non-GAAP Basis: Results excluding non-recurring and certain other items. Following the completion of the purchase of Intersil in February 2017, Non-GAAP figures exclude amortization of goodwill, amortization of purchased intangible assets, costs related to the Intersil acquisition, stock-based compensation cost, costs related to the offering, and PPA (purchase price allocation) effects associated with the acquisition.

GAAP BASIS INFORMATION

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

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

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

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

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

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

FY18/12 Q3 FINANCIAL SNAPSHOT

YoY and QoQ results as well as the changes from July 31 FCTs of the Net Sales and Semi Sales are rounded off to one decimal place.

(B yen)	FY17/12		FY18/12							
	Q3 (Jul-Sep)	9 Months Accumulative (Jan-Sep)	Q2 (Apr-Jun)	Q3 (Jul-Sep) Forecast	Q3 (Jul-Sep) Actual	YoY	QoQ	Change from Jul 31 FCT	9 Months Accumulative (Jan-Sep) Actual	YoY
Net Sales	195.5	570.1	203.5	175.6	180.2	-7.8%	-11.4%	+2.6%	569.6	-0.1%
Semi Sales	192.3	558.0	199.1	172.6	175.6	-8.7%	-11.8%	+1.7%	556.7	-0.2%
Gross Margin	47.6%	44.3%	45.2%	43.0%	44.1%	-3.4pts	-1.0pt	+1.2pts	45.7%	+1.4pts
Operating Income (Margin)	25.0 (12.8%)	56.5 (9.9%)	23.0 (11.3%)	4.4 (2.5%)	13.1 (7.3%)	-11.9 (-5.5pts)	-9.9 (-4.0pts)	+8.7 (+4.7pts)	56.7 (9.9%)	+0.1 (±0)
Net Income Attributable to Shareholders of Parent Company	22.3	58.6	26.1	1.6	7.6	-14.8	-18.5	+6.0	57.0	-1.6
EBITDA*2	54.1	134.6	54.8	36.6	45.0	-9.1	-9.8	+8.5	152.2	+17.6
1 US$=	111 yen	112 yen	108 yen	109 yen	111 yen	±0 yen	3 yen depreciation	2 yen depreciation	110 yen	2 yen appreciation
1 Euro=	130 yen	125 yen	131 yen	126 yen	129 yen	1 yen appreciation	2 yen appreciation	3 yen depreciation	131 yen	7 yen depreciation

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

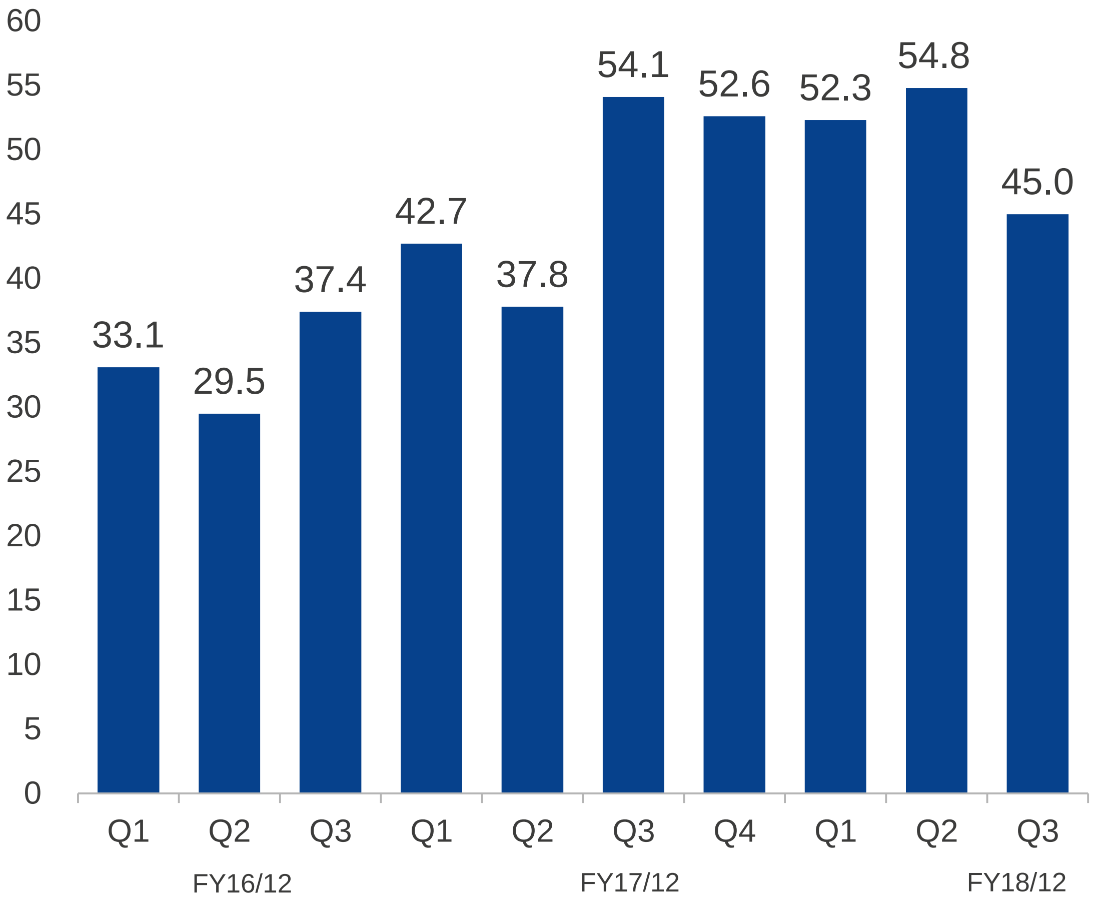
*2: Operating income + Depreciation and amortization + Amortization of long-term prepaid expenses + Amortization of goodwill

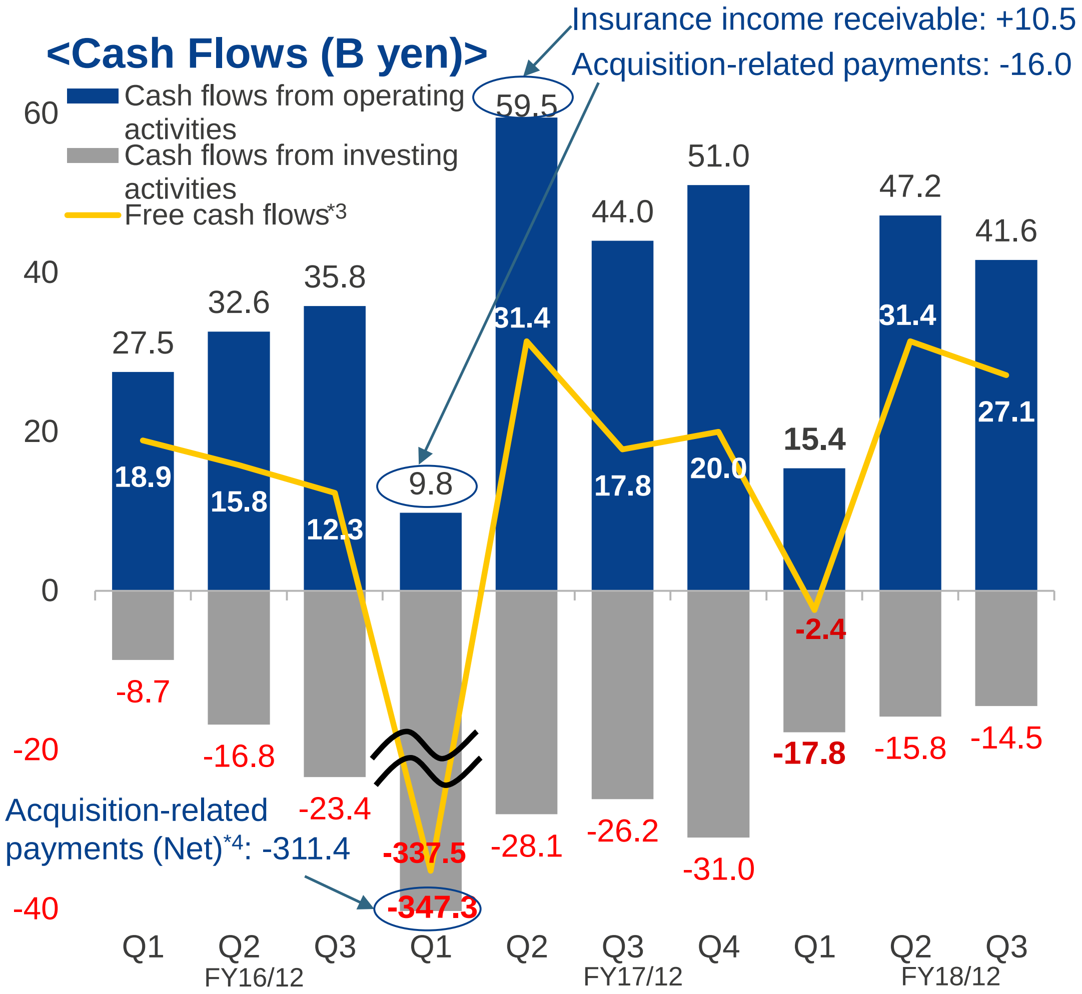
BALANCE SHEETS*1

(B yen)	As of Sep. 30, 2017	As of Dec. 31, 2017	As of Mar. 31, 2018	As of Jun. 30, 2018	As of Sep. 30, 2018
Total Assets	1,023.7	1,062.7	1,016.2	1,044.3	**1,042.9**
Cash and Cash Equivalents*2	124.4	139.5	124.3	160.3	**184.5**
Inventories	120.6	126.6	138.8	138.5	**141.5**
Liabilities	544.0	550.8	505.0	493.7	**476.1**
Interest-Bearing Debt*3	232.1	229.5	227.0	231.6	**229.0**
Shareholders' Equity	466.9	485.5	510.1	536.8	**544.0**
Net Assets	479.7	511.9	511.2	550.6	**566.8**
D/E Ratio (Gross)*4	0.49	0.45	0.45	0.43	**0.41**
D/E Ratio (Net)*5	0.23	0.18	0.20	0.13	**0.08**
Equity*6 Ratio	46.5%	47.7%	49.8%	52.1%	**53.7%**

*1: The consolidated financial statements for the year ended December 31, 2017 reflect a significant revision tin allocation of the acquisition cost following the provisional accounting treatment finalized on December 31, 2017 for a business combination of Intersil which Renesas acquired on February 24, 2017.
*2: Sum of Cash and deposits and Short-term investment securities minus the Time deposits with maturities of more than three months and Securities with maturities of more than three months
*3: Short-term borrowings + Current portion of long-term borrowings + Lease obligations + Long-term borrowings
*4: Interest-Bearing Debt / Equity *5: (Interest-Bearing Debt - Cash and Cash Equivalents) / Equity *6: Shareholders' Equity + Other Comprehensive Income

EBITDA[*1] AND CASH FLOWS





*1 EBITDA: Operating income + Depreciation and amortization + Amortization of long-term prepaid expenses + Amortization of goodwill *3 Free cash flows: Cash flows from operating activities + cash flows from investing activities

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

*4 Acquisition-related payments (Net): Sum of payments for purchase of Intersil shares and Intersil's cash and cash equivalents as of Feb 24, 2017

FY18/12 Q4 FINANCIAL FORECASTS

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

(B yen)	FY17/12 *1		FY18/12					
	Q4 (Oct-Dec)	12 months Accumulative (Jan-Dec)	Q3 (Jul-Sep)	Q4 Forecast (Oct-Dec)	YoY	QoQ	12 months (Jan-Dec) Forecast	YoY
Net Sales	210.2	780.3	180.2	185.0	-12.0%	+2.6%	754.6	-3.3%
Semi Sales	206.5	764.4	175.6	181.1	-12.3%	+3.1%	737.8	-3.5%
Gross Margin	47.7%	45.2%	44.1%	39.7%	-7.9pts	-4.4pts	44.2%	-1.0pt
Operating Income (Margin)	21.9 (10.4%)	78.4 (10.0%)	13.1 (7.3%)	2.5 (1.4%)	-19.3 (-9.0pts)	-10.6 (-5.9pts)	59.2 (7.8%)	-19.2 (-2.2pts)
Net Income Attributable to Shareholders of Parent Company	18.6	77.2	7.6	1.6	-17.0	-6.0	58.6	-18.6
EBITDA*2	52.6	187.1	45.0	35.1	-17.5	-9.9	187.3	+0.1
1 US$=	113 yen	112 yen	111 yen	112 yen	1 yen appreciation	1 yen depreciation	110 yen	3 yen appreciation
1 Euro=	133 yen	127 yen	129 yen	129 yen	4 yen appreciation	±0 yen	130 yen	4 yen depreciation

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

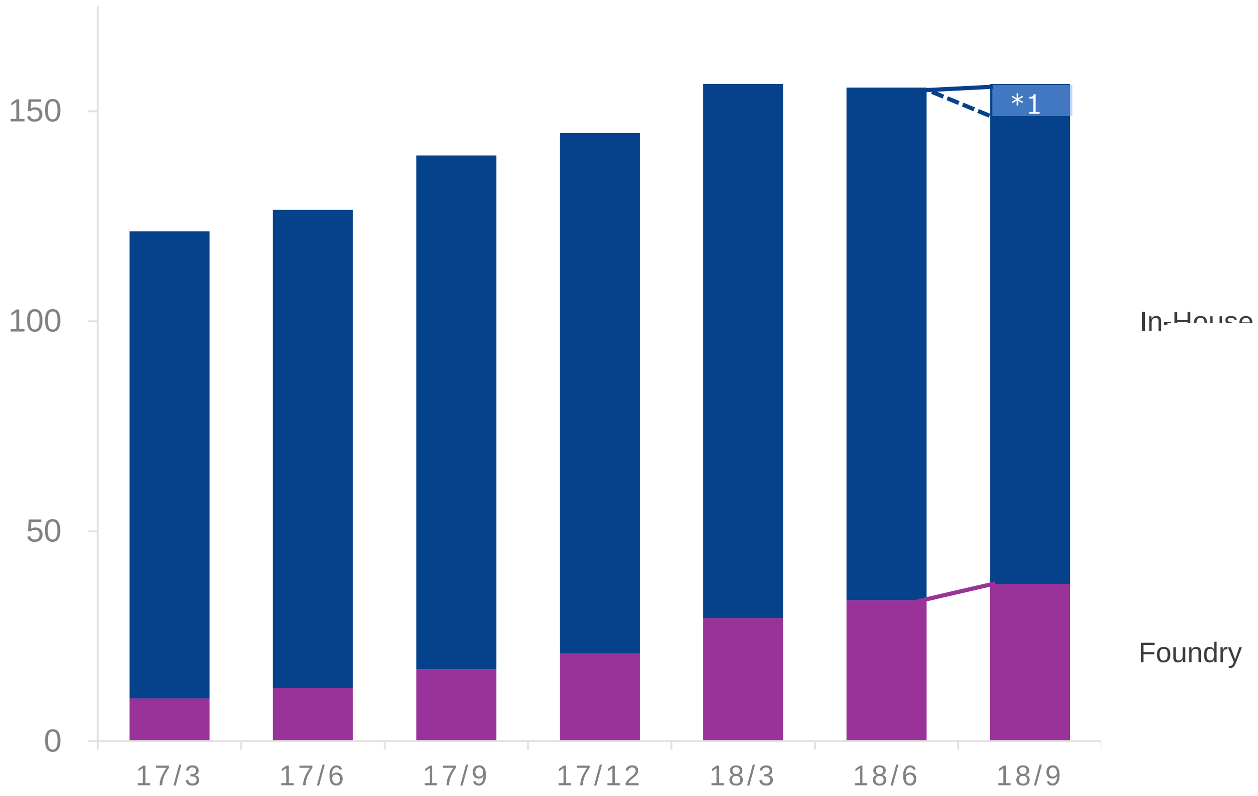
*2: Operating income + Depreciation and amortization + Amortization of long-term prepaid expenses + Amortization of goodwill

OTHER INFORMATION

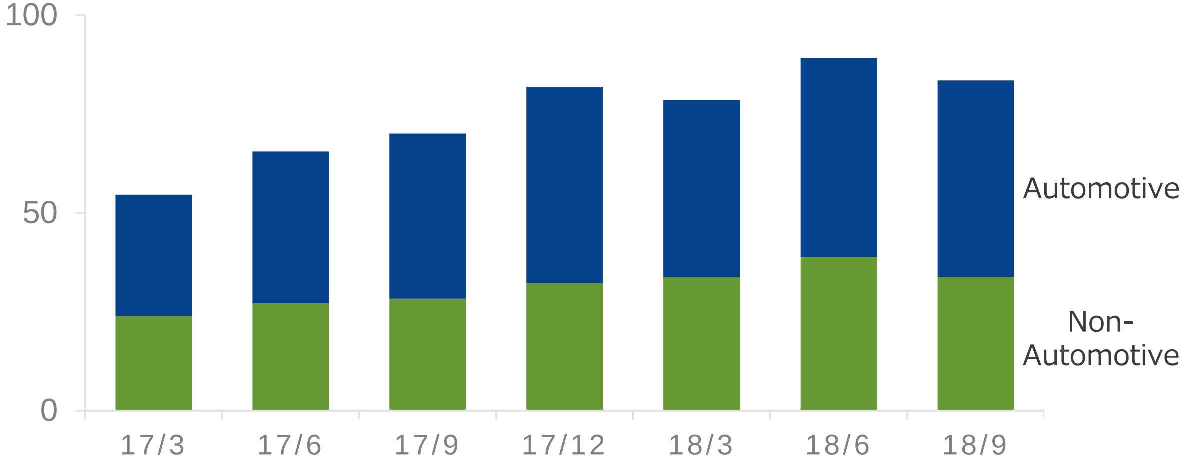
This section is mainly based on non-financial information categorized as "other information".

INVENTORY (B YEN)

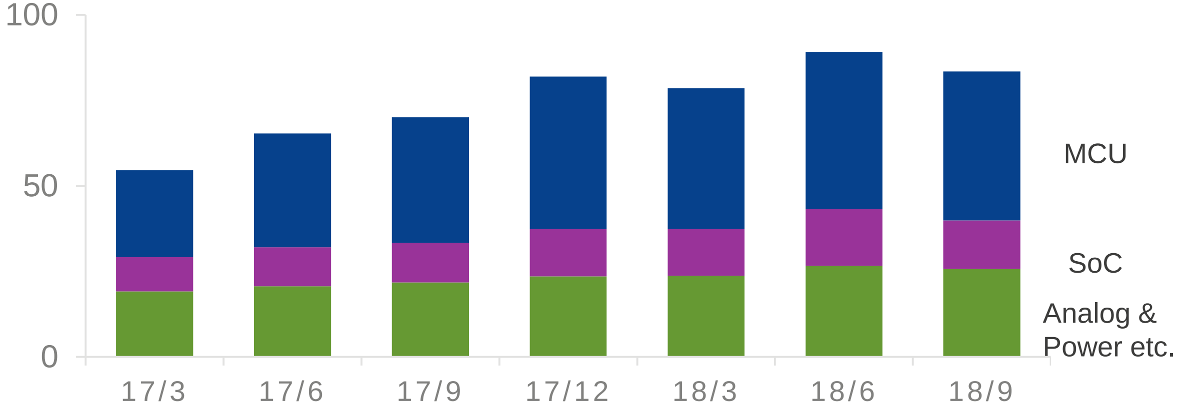
<Inventory Change
(Work in Process + Finished Goods)>



<Sales Channel Inventory*2 (by application) >



<Sales Channel Inventory (by product) >

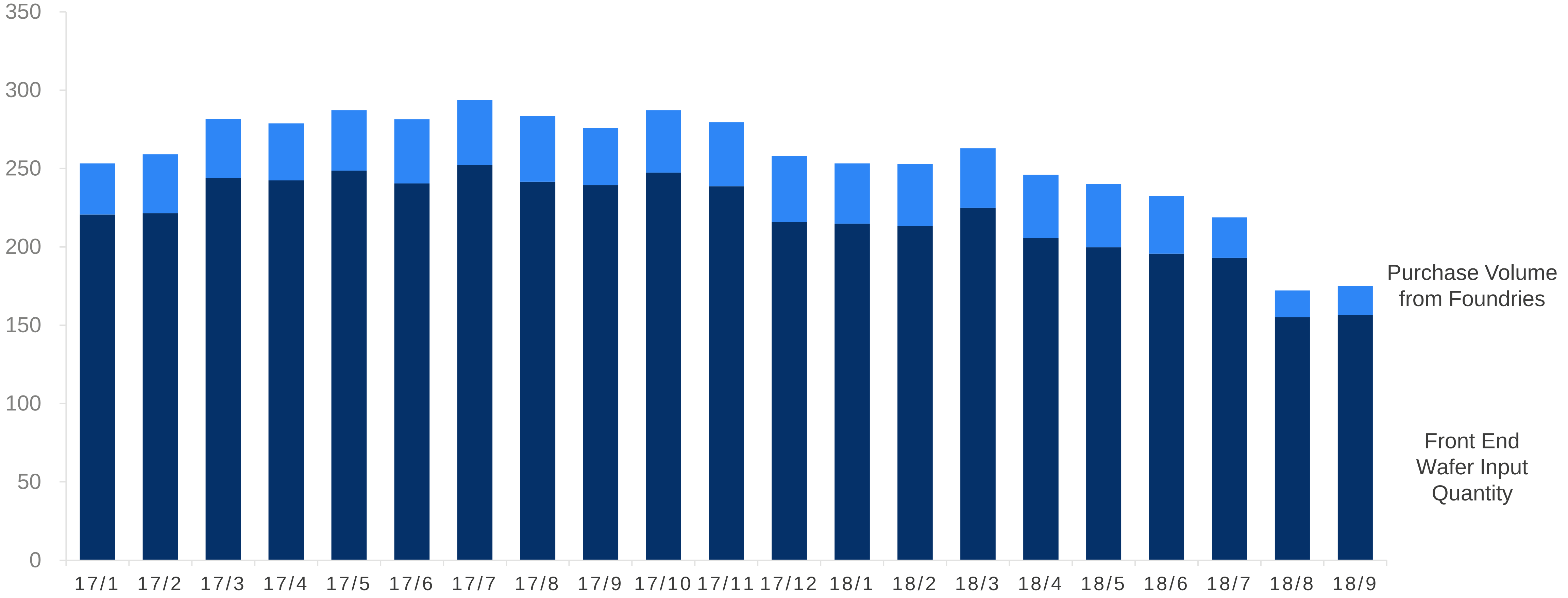


*1: Due to cost revisions in the second half, inventory for the three months ended September 30, 2018, increased by 1.6 billion yen compared to the three months ended June 30, 2018.

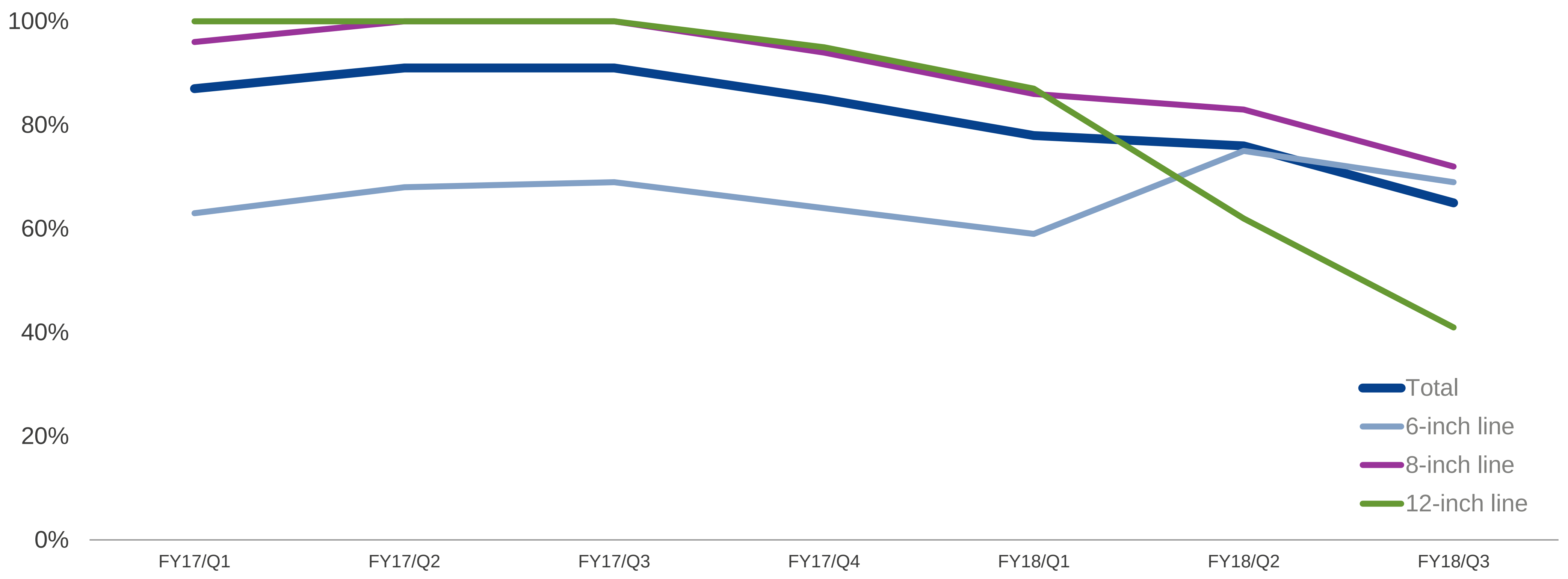
*2: Total inventory of the 16 exclusive sales distributors for Japanese customers.

MONTHLY CHANGES IN FRONT-END WAFER INPUT QUANTITY AND PURCHASE VOLUME FROM FOUNDRIES (8-INCH EQUIVALENT)

<1,000 wafers / month>



QUARTERLY TRENDS IN FRONT-END UTILIZATION RATE
(WAFER INPUT BASIS)



BIG IDEAS FOR EVERY SPACE

(FORWARD-LOOKING STATEMENTS)

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

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