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

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

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

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