

2025 Capital Market Day (Held June 26, 2025) Presentation and Question & Answer Summary

Presentation

Moderator: Thank you very much for taking a precious time despite your busy schedule to attend the Renesas Electronics Corporation 2025 Capital Market Day.

This is today's agenda. We expect to have a three-hour meeting, finishing around 12:00 PM Japan Standard Time. Materials to be used for today's meeting are already posted on the IR site of our homepage.

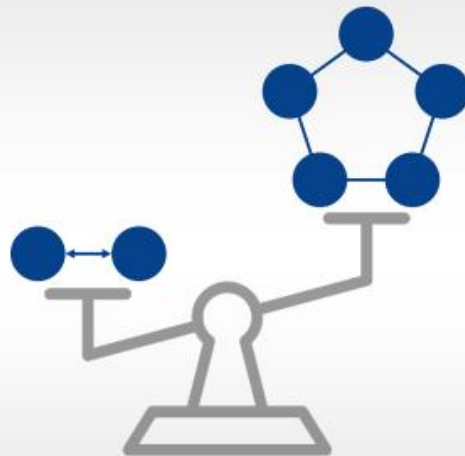
Please also be advised that the video of today's session will be posted after tonight. In the first half and second half of today's session, we prepared a time for questions and answers. We will be handling your questions verbally using the raise hand function of Zoom.

At the outset, we would like to call on our CEO, Hidetoshi Shibata, to say a few words and have his presentation. Mr. Shibata, the floor is yours.

Shibata: Good morning, everyone. This is Shibata. Today, I'm sorry to begin with the housekeeping information at the outset. We would like to inform you that maybe some of you may be aware that the person in charge of Power, Mr. Chris Allexandre, is going to pursue a new avenue starting at the end of this month. Despite that, we are going to have the session explained by Chris today.

Technically, his successor has not been appointed yet, and we also saw thought that Chris would be the best person to make this presentation given the nature of today's session. Allow us to have Chris explain the Power part.

WAKEUP CALL



Let me begin my part. In the beginning, I gave you a wakeup call, and I used the terminology wakeup call during the last earnings call.

What I had in my mind back then, I'm sure I had a question from the audience about this. The geopolitical changes was in my mind, so that's what I called the wake-up call back then. This icon here, we struggled to prepare this, but I'm not really sure how well this icon conveys our thoughts and messages.

But what we wanted to convey here is that many countries are joining forces and trying to grow globally. That paradigm has become more riskier from several years ago, and that is already represented in the serious events that we have seen recently.

The weight and the balance are changing, and everyone has to develop and grow to become stronger. So that was something that awakened me. It was a trigger that made me realize that we have to wake up, and that's what I call a wake-up goal.

At the same time, I thought about the historical developments of ourselves and the vision that we aspire to achieve in the future. I thought about it once again, and then, I came to one conclusion myself.

Several years ago, Toyota Motors used this expression, an intentional plateau, he said, an intentional plateau or conscious plateau. That is the kind of word that Toyota Motors mentioned. We have to go through this plateau with a consciousness from here onwards.

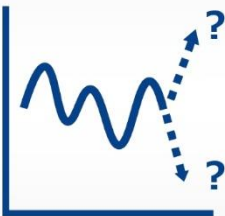
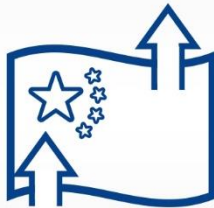
That is the strong thought that I have in my mind at this point of time. To put it the other way, we have to have an intention here and overcome this plateau because then, unexpected things could happen at this plateau. That's what I thought.

Analysts and investors are the main audiences today. I just thought that my message may not resonate well with you, but still, I have to say that for us, going forward, in the long path ahead of us, in order for us to achieve a solid growth in the years ahead, we have to brush up our strengths once again.

So far, we had taken some ad hoc approaches, and sometimes it worked out, sometimes it didn't, but we have to review this once again so that we can have solid responses. Those kinds of solid measures are needed.

That's the reason why, that's something I wanted to share with you and prepared my message around that thought.

NEAR-TERM IMPLICATIONS

Uncertain economy	Adjustment	Stronger China
		

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The direct trigger that made me use, this wakeup call expression, in light of the geopolitical changes, what are the things that we have to expect in the near term?

I wanted to clarify that here on this slide.

First of all, the overall economic outlook remains uncertain. Many people use the expression uncertainty to show things are very fluid. The possibility of things becoming favorable is lower because white goods are going to increase inventory, and the uncertainties are not really likely to become a tailwind for us, according to my impression.

In addition to that, in light of this huge paradigm change, many of our customers are going through many different adjustments in many different regards. That's what I have in our assumption. It's not triggered only by geopolitical changes, but using this as one opportunity, the adjustment.

For example, a while ago, those companies were wondering what to do about this, but taking this opportunity, many companies have decided to go through this adjustment and conduct this adjustment, such as the supply chain, for example.

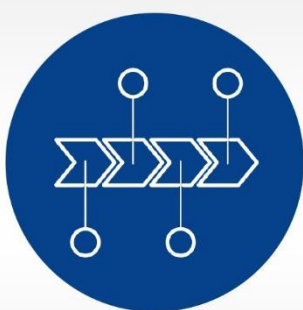
Local production, local consumption will be further promoted, for example. The approach used to prices may also be adjusted. Costs are now heading for the direction of getting higher due to many different reasons. Many different types of certain adjustments are likely to happen going forward.

Stronger China, what this means is that this is not really something that has started to happen today. This has been steadily progressing from several years back, according to my understanding.

But in a sense, the reason why I use this wakeup call in the same context and the same reason, China and the Chinese companies, what has happened in that landscape is now a wakeup call for us because they have been trying to use their wakeup call in order to strengthen themselves.

We have to be aware and accept that China is now a stronger player, and we have to also brush up ourselves in view of that. This is something that we have to use as a catalyst so that we can respond to all these series of changes.

WHAT DO WE DO?



Adjustment



Beyond hardware



Back to basics

Now, under those circumstances, what shall we do? What do we have to do?

We have to also adjust ourselves. The environment is changing dramatically, so we have to accept that and adjust ourselves. That's one point.

Also, the second thing, maybe last year or two years ago, this is a message that has been communicating to the external community on a constant manner. Hardware is the starting and building as the most fundamental building block of our business.

We have to continue investment but that is only a necessary condition. In order to achieve a satisfactory condition we have to go beyond hardware. That is what I meant here with this circle, beyond hardware, we have to go beyond hardware. All, including these points, we have to go back to the basics once again so that we can overcome this plateau with an intention.

We have to sometimes look at the inside of the company and work inwardly so that we can address ourselves. That is a necessity that we have to address.

~~2030~~ → 2035 ASPIRATION

Top 3



Embedded semi solution suppliers

\$20+bn



Revenue

6x



Market cap vs 2022

Then, what do these mean? I would like to individually dig into these different things.

The Aspiration for 2030, this is something that we have heralded from two or three years ago and initiated many initiatives in order to achieve this Aspiration. The definition was somewhat ambiguous, but we wanted to become one of the top three embedded semiconductor solutions supplier so that we can become one of the undisputed top three of the world.

The top line, we aspire to achieve more than USD20 billion in revenue, and as a consequence of that, our market cap, six times growth of market cap, was considered to be attainable. That was the blocks that consisted of this Aspiration for 2030, we announced that two or three years ago, but we have decided as a conclusion to extend the deadline of this Aspiration by five years. That is the first piece of adjustment.

Unfortunately, just very compared to the time that we set this Aspiration, embedded semiconductor related environment has changed dramatically in reality. Some of our competitors in H2 of last year ahead of us, they have also adjusted the mid-term targets by postponing or pushing out their revenue target by four years or so. They have already started taking that action. That is the reality, unfortunately. We also have to adjust with that. That's the first point.

Now, the details itself haven't really changed, and it's really about just saying it's going to take a little more time before we be able to tame these targets. But then again, the theme for today, the fundamentals are going to work. This is something that we do want to make sure that we focus more on. In other words, this Aspiration, we are going to keep our focus there, and we are going to become more focused so that we will be able to prepare for our next step, so that we will be able to achieve the target in the end.

MODEL

	2019	2020	2021	2022	2023	2024	
	Adjusted*1						Model*1
Revenue (oku yen)	6,204	6,357	8,894	12,282	11,648	10,100	Grow @SAM+
Gross margin	43%	48%	54%	56%	57%	55%	55%
Operating margin	12%	19%	29%	35%	32%	27%	30% → 25 – 30%

*1: \$1 = 100yen, €1 = 120yen, continuing business-basis and not including NREs

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Here's our Model.

I think it was around last year where some analysts have started to ask, what are we going to do with this Gross margin at 55%. As for the Gross margin and 30% Operating margin, last? Last year, it was a little under 30%. And it was based on the constant currency, adjusted on FX

But if we try to make comparable FX, the margin is supposed to become better. The original target, 55% Gross margin and that 30% Operating margin is something that what are you going to do from here about this, really the comment that we have been receiving.

But then, actually, they are going the other way around of what the analysts have been talking about. In other words, we decided to put a range to what we mean by our future Operating margin. What do we mean here? We're actually keeping the same story. In other words, the fundamentals, we're going to keep focused. To do that, we do have to admit that in the short term, especially, this is really about R&D, the research part. That's what I have in mind when I say this.

As we look to the future, we have to make sure that we be able to solidify our growth. That means we need to invest in digital. That's for sure. On the other hand, we have our strength in the hardware. We want to increase our investment there, too. In the previous slide, I also alluded to the surrounding areas over hardware. That's also an area where we have to make enough investment for our future growth, and that's what I strongly feel nowadays.

Looking back, there was the competitive dynamics among western players, and as long as we kept our works well, we were able to keep our presence. We were thinking we should be able to become stronger in the long term.

Maybe we had not been detailed enough in our thoughts back then, but then again, Chinese local suppliers are going to be emerging from here. When we look into our clients' segments, we have to admit that the competitive power of Chinese players are just increasing.

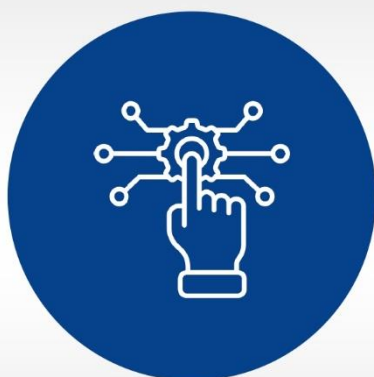
Regardless of what the situation could be, we want to make sure that users, customers, would always be able to appreciate Renesas in the end, which means we have to have a strong appealing competitiveness, which is very clear for everyone. The reason why we decided to put it in a range is because if everything goes well, there is a good chance that we'd be able to go for the high end of the range.

At the same time, we don't want to slow down the pace of our investment, especially in the research. That is why we decided to put a range to the Operating margin targets in looking forward.

Ever since 2019, in thinking how we'd be able to proceed with business, there have been some ups and downs and supply crunch. There was this tailwind, especially starting from COVID-19. But then, be it top line or Gross margin, Operating margin, I think, overall, we have been able to see a good growth, a steady growth.

Again, the theme for today, the plateau with intention, is something that we want to keep in mind. Also, if we look at this overall, we'd always be able to keep steady growth. It's just about trying to spend a little more time. We want to keep the same Aspiration, and that's my message today.

BEYOND HARDWARE



Digitalization

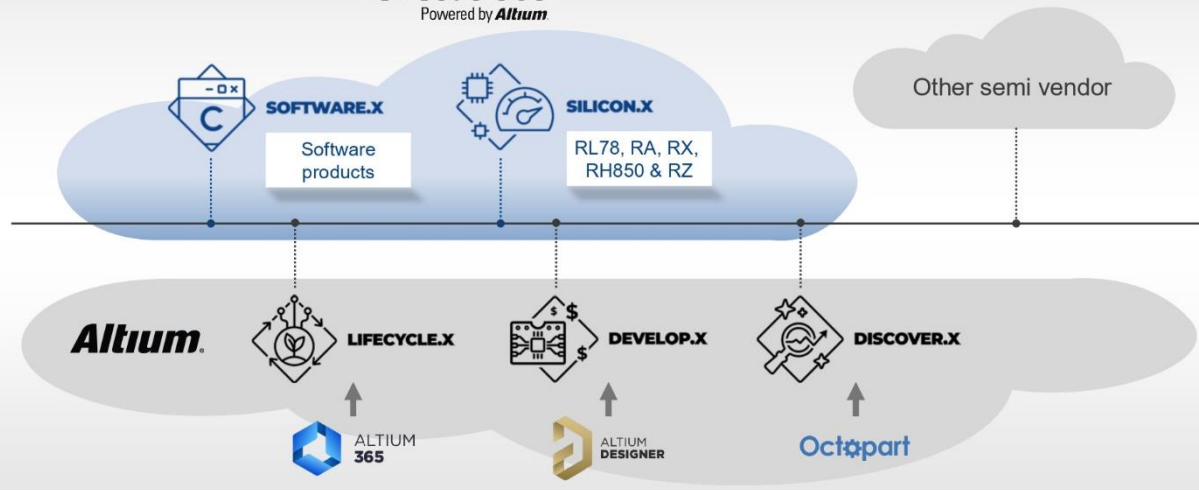


UX

That's the adjustment that we wanted to share with you. What about this beyond hardware? This is something that I have been speaking for some time now. It's about digitalization. I don't know how to compile the concept, so I just use the word UX, the big word UX, to express what I mean. But these are the two areas that we have to focus for beyond hardware.

DIGITALIZATION

Renesas 365 Powered by **Altium**



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Now, digitalization, I have shared with you our long-term vision. It's about electronic system design, and we have to make sure that everyone will be able to use this with ease. That's our vision, and that's our theme.

But the pathway to there is something that we'd have to think as we keep on running this marathon race. For the first part, Altium came in, and of course, as you can see at the bottom of the slide, Altium 365, Designer, Octopart, there are specific products that we'd be able to offer to the clients. That was part of the business that we had been running.

But then, can we transform this into a Platform? It's something that we're trying to do at this moment. I don't know if this is the right example, but something that is very close to what I'm thinking of is Microsoft Office. They have Office 365 now. Something similar to that is what I have in mind. Therefore, when I first started to use 365, was there anything, as a user, dramatically different? No. But then, back then, I thought it was just to make IT maintenance work become easier for the engineers.

But then, behind that, there was this upgrade in technology, there was a lot of transformation. That's what led to today's software suite that Microsoft would have. In other words, the continuous value creation and the seamless AI deployment, I think that technological development was all behind that.

The first step for that endeavor, we have to create this strong foundation. That's exactly what we're trying to do now. Utilizing this foundation, we want to embark on Renesas 365. This is something that within the embedded world, I talked about back in March, and it was just a showcasing of what we expect to see in the future.

For the near-term perspective, from the end of this year to next year, again, just like how we saw Office 365 come in, we want to create that similar evolution for us. Therefore, the first milestone, it's not that we'd be able to show to wow or a totally different world.

From the user's perspective or good means, by good means, you may not really be able to see what really has changed. That's exactly what we want to create.

In other words, behind that, there's going to be a lot of technological developments. Just like Microsoft Office really evolved. There was a time when everything was all separate. Skype was now integrated into Teams, and the Team system is really integrated. Like that, Renesas 365 from here on is going to continue this evolution. This is going to be the first step for that.

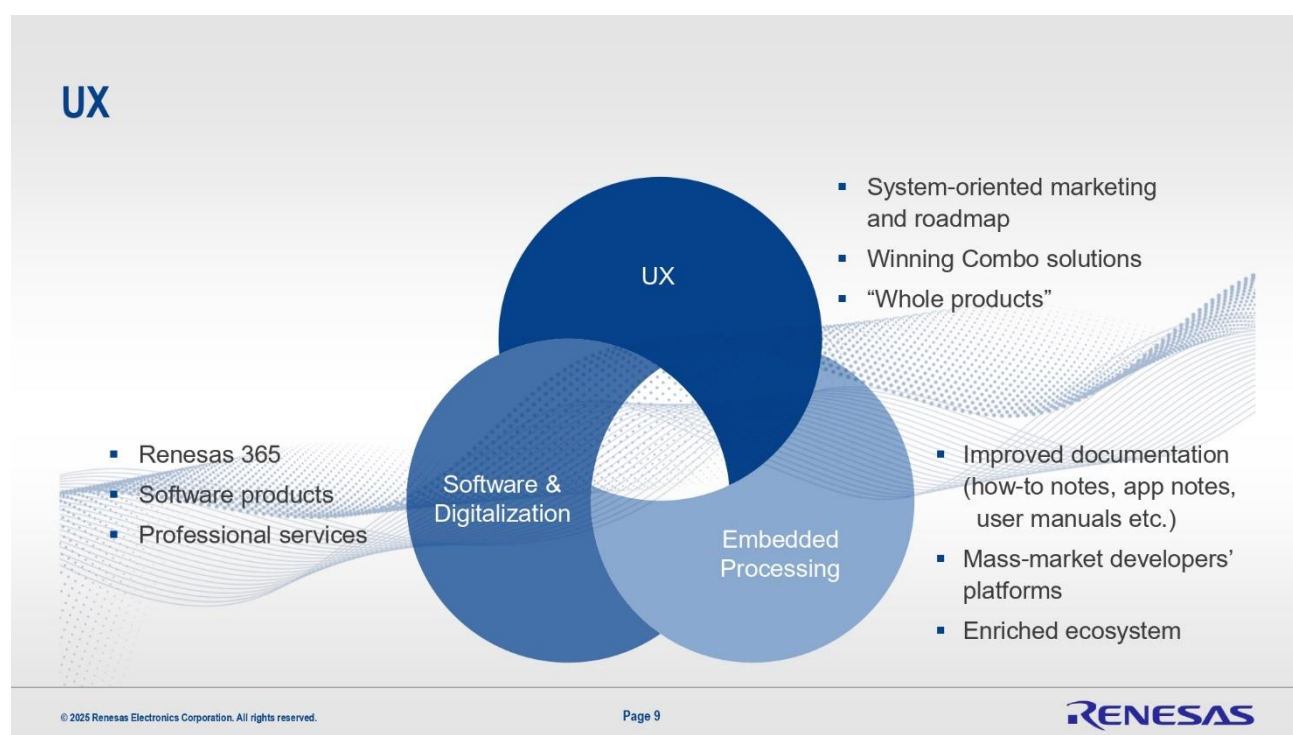
What's important? Back when we announced our Altium acquisition last year, this is something that I've always been saying, this Platform needs to be open to all players in this industry, because otherwise, it's not going to have any significance as a Platform.

Altium is having this very special NDA in which we may not really be able to know, but they actually are trying to spearhead this endeavor with just like some of our very strong competitors.

With the Platform that Altium would have other than Renesas 365, we'd be able to build on this significant electronic design capability. That's exactly what we're envisioning as our next steps, if you will.

The ultimate vision is the same. How we get toward there, the first step, is about focusing on the capability that our users would already have. Put that on the cloud, have it all connected, be updated, and have a lot of expansion to see a wider use.

What lies beyond that? The vision itself is the same. This is something that you'll be able to hear later on from Aram, so please look forward to what you'll be able to hear.



Now on to UX. I'm here again on UX internally. We have been talking about the importance of UX for some time now. We've been waving flags, and we've worked on this quite a bit. Finally, starting from January of this year, on a full basis, we've established a team to drive and promote the UX, and we have seen some progress thus far.

On this slide, what I'm trying to show you here is the following. We have software and digitalization. We have Renesas 365, in addition. It's like a demo software, what used to be demo software, but now a commercial software. Those are software-related initiatives to enable that. On top of that, we have our conventional strength in the hardware. Starting with when we try to drive UX in a digitalization, what is most compatible is

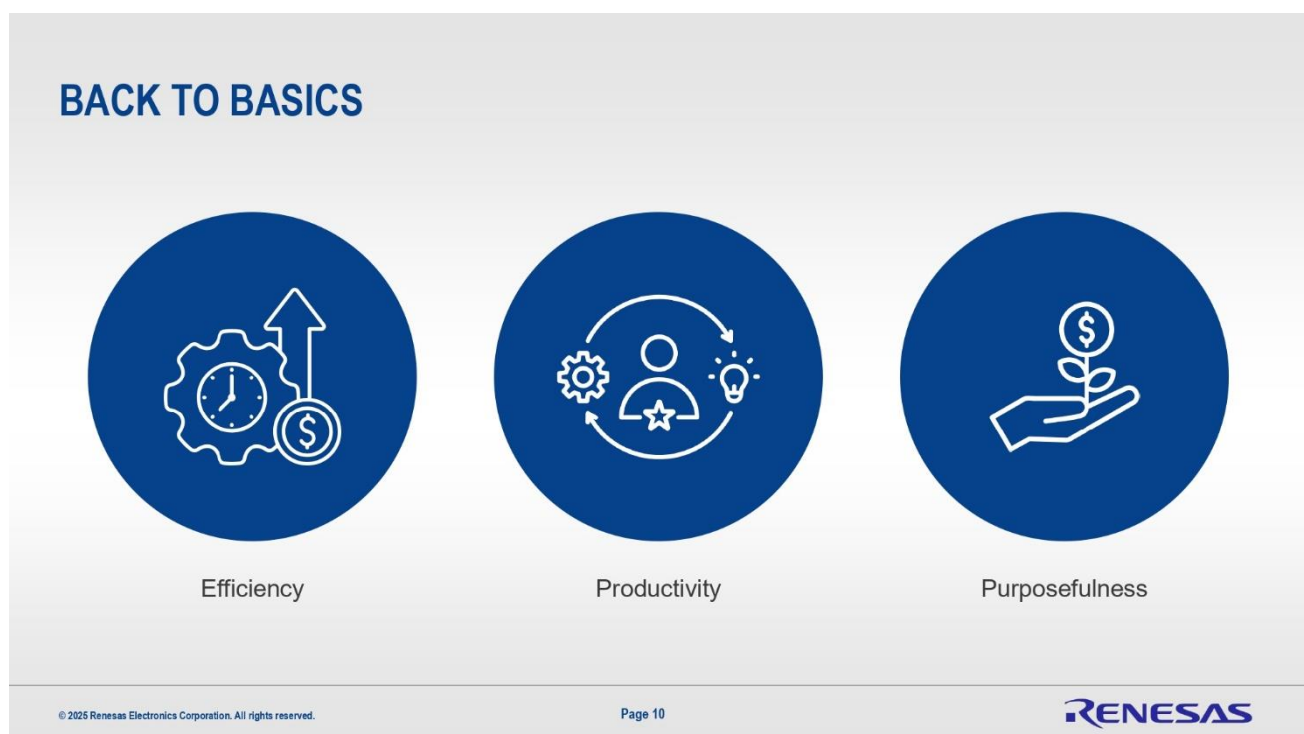
of the four product groups that we have, Embedded Processing is the one that has the highest affinity. That's why I'm showing Embedded Processing as an example here. But each of the organizations is going to promote beyond the hardware initiatives.

At the end, we will talk about customer experience. Ultimately, what we want is to significantly improve customer experience. That is our intention here.

Inside the UX efforts, as you've already heard, we have the winning combo solutions. Furthermore, at the system level, we will be implementing marketing and development of roadmaps, and also up to now, Renesas has worked rather discreetly, depending on the products.

We would have certain collateral, but depending on the type of products, we may not have had the same level of collateral, but going forward, as you can see here indicated by whole products, we will also focus not only on the hardware but also on the peripherals for enabling users to find, discover, and use the hardware. That's what we mean by the whole product. This is going to be one of the initiatives that we will be promoting under the UX mission.

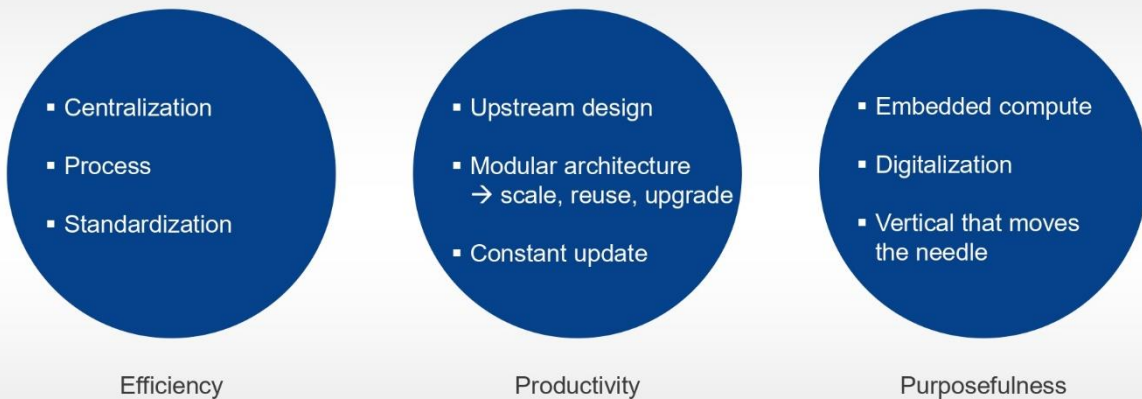
Compared to simply just working on the hardware, this is going to be a difficult endeavor. Again, I come back to the expression intentional plateau. We will be making investments, and not just in terms of the financial investments, but management resources will be spent here to drive this effort forward.



Now, the third of what to do. This is about going back to the basics. We will improve efficiency. We will enhance productivity. In everything we do, we will be purposeful. So far, we try to invest and make efforts on areas that we thought would be growing.

But going back to the basics, we will focus on our core strength, which is the Embedded Processing, embedded compute. We will further enhance these areas, and the strengths that we have in these areas will further be differentiated through our purposeful efforts and initiatives in the peripherals, we will continue to enhance our core capabilities.

BACK TO BASICS



Just as an example here, I've listed some of the efforts like centralization, process standardization, we will take advantage of the scale of Renesas. More innately, by changing the way we work, how we design, how we develop software, we will improve productivity so that's the part in the middle.

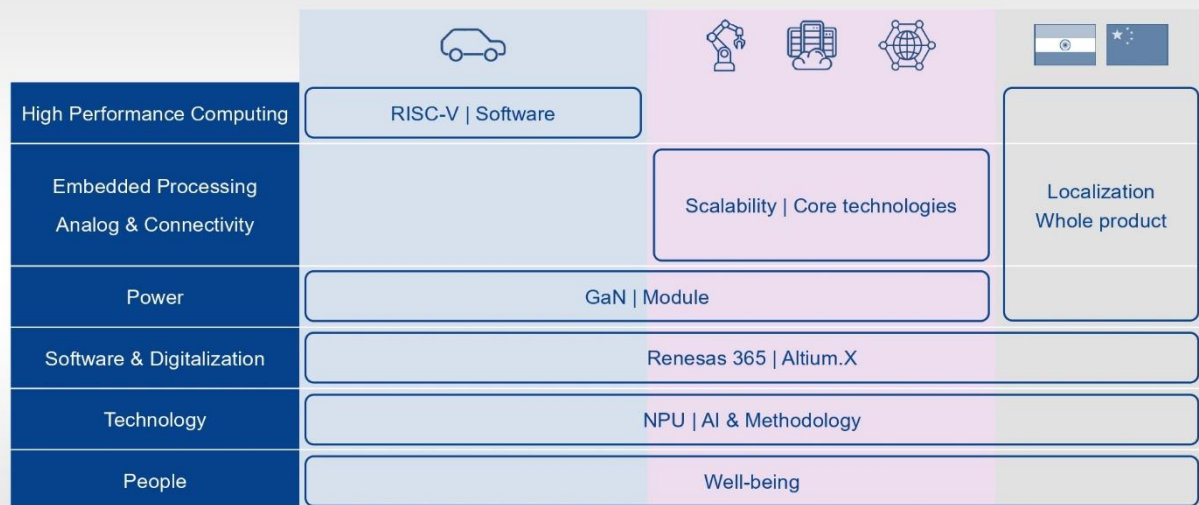
I believe this is going to be the most difficult. It's easier said than done. However, we will need to be serious about making efforts in these areas to achieve the results we want. The purposefulness is something I've already explained. We thought we have been purposeful in the past, but going back to the initial slide I showed on the wakeup call, considering the weight, we have not been sufficiently putting weight into this area,

Going forward we will be more purposeful in everything we do. We will be putting more weight into this. That's the intention here.

For instance, what does it mean exactly? This is an illustrative example of what this means and to avoid any misunderstanding, I must say that, of course, we have made efforts in the past, and there are things that we will continue to do in the future. There are many such things, and they account for the majority, so please be rest assured.

In addition to what we've been doing, again, I reiterate myself, but in terms of financial resources, management attention, management resources will be spent more purposefully. Just because we are not seeing any short-term results or returns, we are not making decisions to stop or something like taking shortcuts, looking for an easier way out. We will not do that. We will be more seriously grounded in these efforts.

ILLUSTRATIVE PURPOSEFUL INVESTMENTS



NPU: Neural Processing Unit

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These are just illustrative examples again to show you where we will be focusing on going forward. Many of these topics will be covered by the presentations on the respective product groups after my presentation and how they are connected to all of this.

I hope you will have a chance to deepen your understanding after the presentations. But myself, Shinkai, and also heads of the product groups, and Aram will appear and give presentations today, but there may be something that cannot be covered. For example, the technology area listed at the bottom of the slide, this is the R&D, the research portion of the R&D.

We've set a longer time horizon and allocate more investments into this area. That is our plan for the AI capabilities as well. So far, we thought we have been working on AI, but we need to make a whole effort into incorporating AI into our core business.

Also, in the past, I must admit that we relied on individuals, and the design methodology was somehow achieved through sheer manpower and efforts. Going forward, we want to make it easier by utilizing AI, so in terms of human resources and monetary resources, we'll be making investments into these areas. That's what's explained here.

Also, in running and managing business, this is all done by people. Of course, in the past, we've had the intention of providing care and developing people, but we need to be more purposeful and to make investments that contribute to the well-being of our people, for example, making offices cleaner, making it easier for people to come into office and work.

This is just an easier example to show, but of course, we'll be doing much more. People are the source of our competitiveness, and we will be taking measures to improve the motivation of the people. We will be taking a step-by-step approach to do so.

On the far right, for India and China, localization, and the whole product-related efforts will be the core, and also digital-related efforts will be important. Like we've done so before, we will continue to accelerate our growth. That has not changed, but to remind ourselves that I've listed that here.

All of these efforts that I have highlighted, of course, involve further honing the specifications of our hardware. That is one of the most important things that we will do.

OUR PURPOSE

To Make Our Lives Easier

by complementing human capabilities



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But, of course, we want to make sure that this hardware is used by many users. At the same time, we work on enhancing the hardware capabilities. We need to allocate our efforts on how we can make it easier for users to use and also look at the end users beyond our customers. How can we make their lives easier? How can we develop and deliver products that contribute to making their lives easier, in a much faster way?

This is our North Star, which remains unchanged. Through the plateau, we will ensure our growth in the future. That is the message here.

With that, I would like to conclude my presentation. Thank you very much.

Moderator: Thank you very much. Now, moving on to the next presentation, we will have the SVP and the General Manager of Software and Digitalization, Aram Mirkazemi. The floor is yours, Aram, please begin.

Mirkazemi: Good morning. I'm Aram Mirkazemi. I'm the Senior Vice President of Software and Digitalization at Renesas and also the President of Altium. It's my pleasure to present to you today and to provide an update on how we're progressing with software and digitalization at Renesas, also to provide an update on Altium and how Altium is helping to bring a software-first execution mindset to Renesas to impact our software and digitalization strategy.

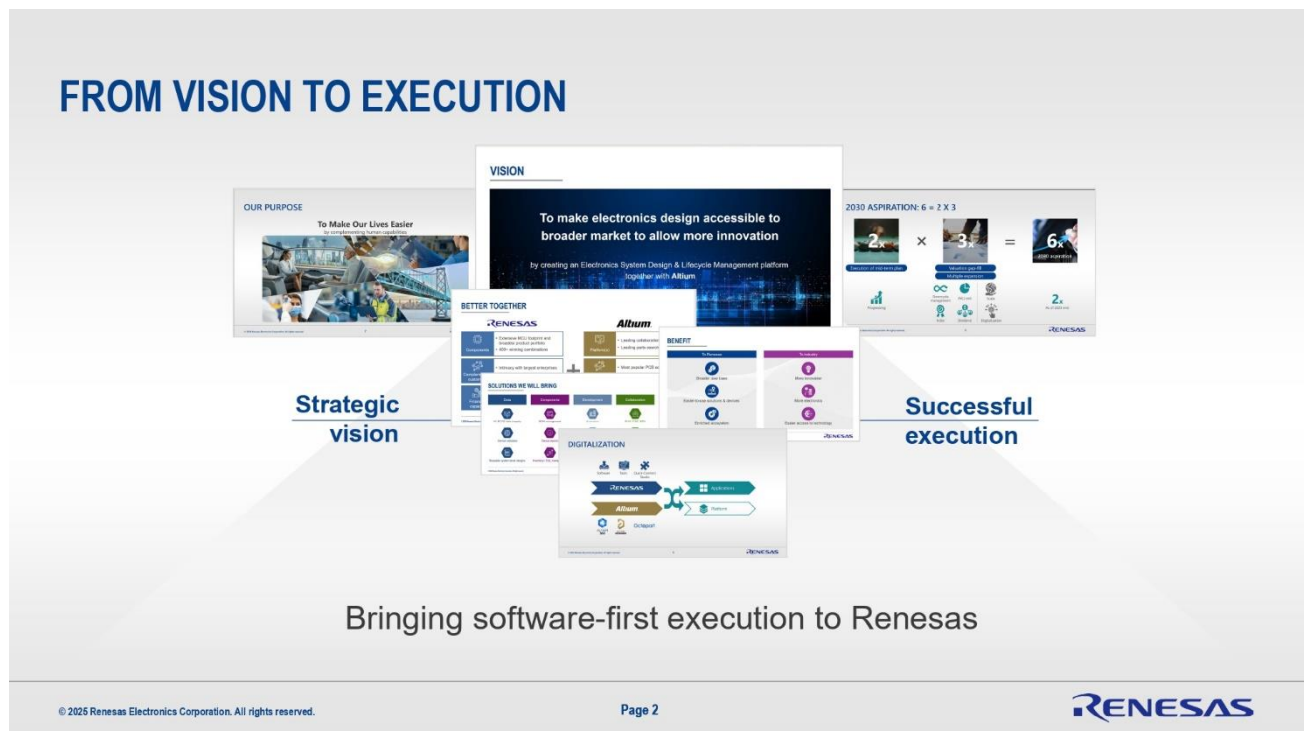
As you know, it's now probably over 10 months that we have been part of Renesas' global family. We are intensely focused on finding our footing and to also set our sights on how we can create transformational value for Renesas.

All the stakeholders and the industry at large, I'm pleased to report that we have successfully navigated the early stages and often challenging part of the integration, and we are now beginning to perform.

Notwithstanding all that integration work, within three months, we actually managed to get ourselves to a point where we could announce Altium Discover at Electronica in Germany, which is the underpinning of Renesas 365. Within a few months after that, we announced at Embedded World, Renesas 365, which also included our .X strategy, which Shibata-san referred to earlier.

You can see that we have hit the ground running. We are now starting to make real momentum and growing enthusiasm around what lies ahead. At the heart of what lies ahead is this belief that we can build a cloud platform for the creation of what we call software-defined products, which are differentiated by their digital, and the digital would unlock the value of silicon.

Today, I hope that I can convey that message to show how this Platform is going to bring that to Renesas, how Renesas is going to drive revenue from the synergies that are created on this Platform, and how Altium will also drive benefit as a standalone business on this Platform.



The first part is this slide that you're seeing, which is from vision to execution. If you look at where we are today in the world of high tech, you see we're at an inflection point, which in my view is very crucial.

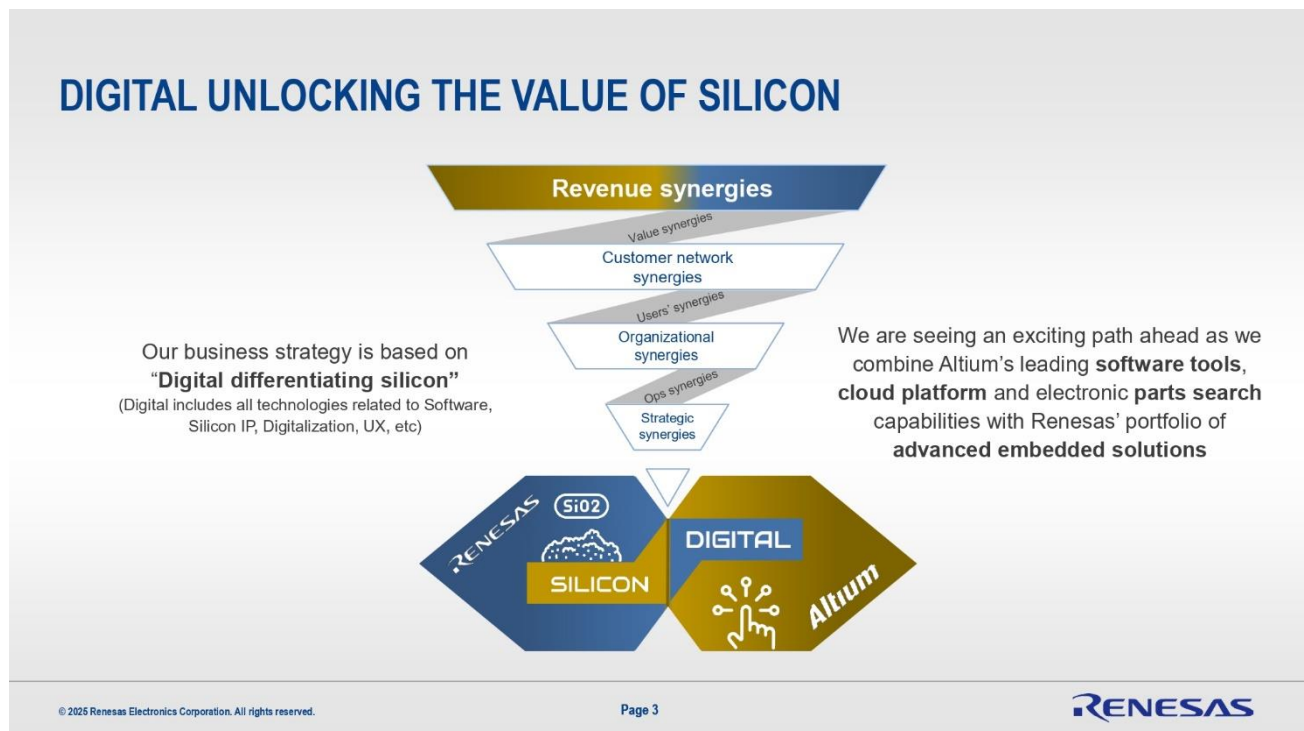
The traditional high tech products are being transformed and reimagined through advanced electronics and the application of AI. These products, increasingly, are being defined by the software that runs on them, and we refer to these products as software-defined products.

These products have got these characteristics that make our lives easier. I guess the first software-defined product, you would say, would have been personal computers. Or you could say internet and the web.

Internet was essentially electronics and a communication platform, but the web made that platform to be so much more. And then now, with iPhone and mobile products, mobile phones, that's another software-defined product, that it's amazing, changed the world. And then with the smart cars, you can see that these software-defined products are making our lives easier and easier.

With the ascent of AI, that is now getting to a level where we're expecting our everyday products, like coffee machines, like home appliances, our scooters, our two-wheelers, there's pretty much everything to have these same qualities.

These are the things that are making our lives easier. This is how I connect digitalization to the purpose of Renesas, which is making our lives easier. If we can make a meaningful expression of this, I'm sure we would handsomely be rewarded, and our multiples would probably go well beyond where they are now.



If we could change to the next slide, please. The key thing here is how we unlock the value of silicon. This is really important. I'd like to take a few moments to describe the mechanism for unlocking.

The cause of unlocking is the synergy between digital and silicon. But the mechanisms are those layers that you see in this diagram. At the core of being able to unlock this synergy is strategic synergies for software and silicon to come together. That has already been accomplished through the acquisition of Altium.

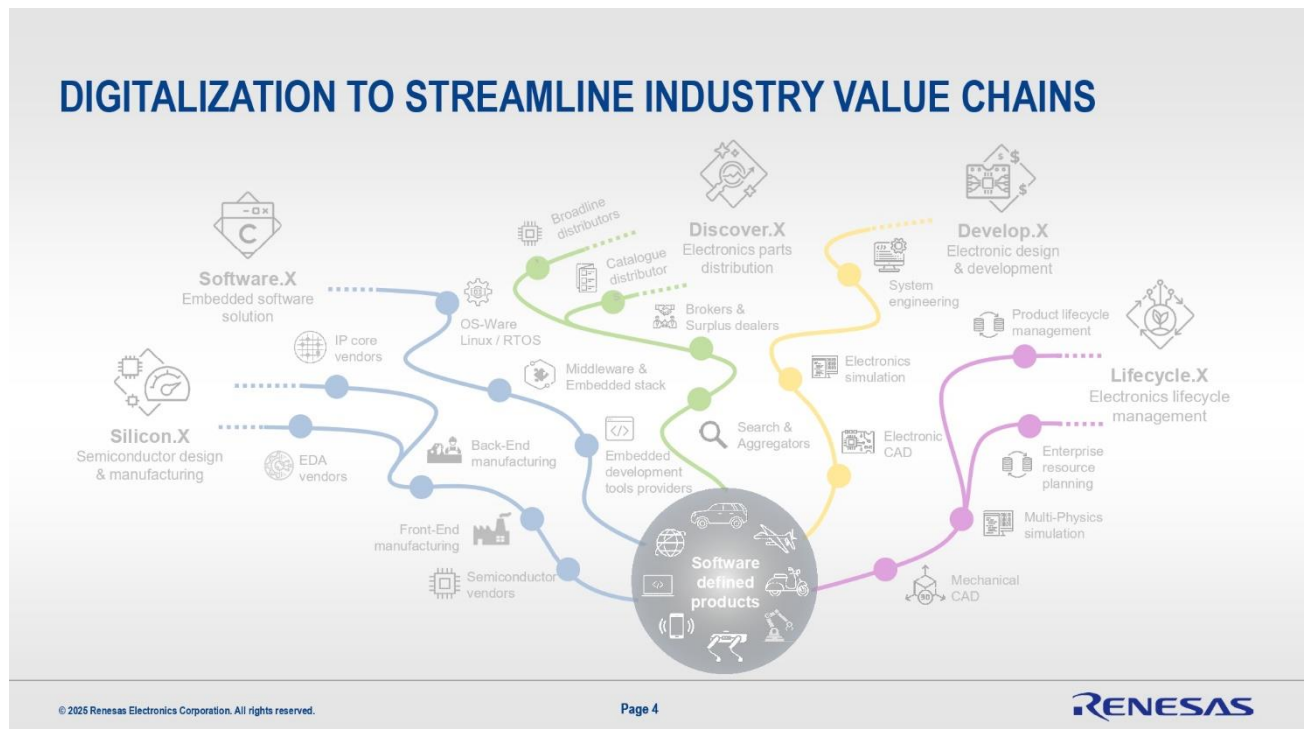
The acquisition has essentially allowed us to have the strategic synergies of Renesas and Altium to come together. It's a big credit to Renesas' board and its management to take this bold action. But that has now allowed us to go to the next step, which is organizational synergy, which is bringing the synergy of execution in hardware and bringing the execution of software together. Now, that is where we are right now.

This is the part that is happening within Renesas, and it is quite a cultural change for Altium but is also a cultural change for Renesas because software-first mindset and silicon-first mindset, they're very different. Software-first mindset is agile, it's organic. Silicon mindset is much more classical, and it's non-organic.

Now, these two have to come together for synergistic power of this silicon and digital to actually express themselves, and I expect this to be the focus and some hard yards that we will have to do within Renesas.

But to the extent that we're successful, you will see that that will produce resonance between the software and digitalization group and say Embedded Processing group, and then the adoption of the users' synergies will come out from there, and that would be the expression of success.

From there, it will go to the next level which is realizing the synergies within the customer network and within customer value creation processes, and then when those value synergies come together, then we will get to revenue synergies. These two levels of organizational synergies within Renesas and customer network synergies are the key.

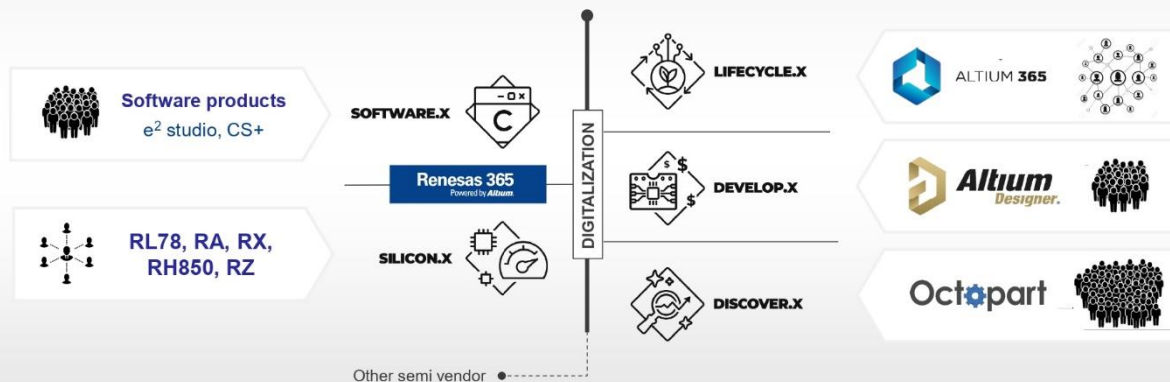


If you could go to the next slide, please. Now, customer network is pretty complex. It's all those areas within the industry, from silicon that you can see from IP and EDA vendors, all the way to semiconductor vendors. That's the value chain that is quite vast. It's a large business domain, and it's not digitally continuous. It's not digitally connected.

You see the same thing in the software. Software works from low-level devices and operating system all the way to the front-end development tools in the middleware. Again, those pieces are there, but they are not well connected in my view. You see the software and silicon, the digital coherence between them are not that great. That's one side which represents Renesas 365.

.X STRATEGY – THE PATH TO DIGITALIZATION

Transformation of the Electronic Industry through the **digitalization and cloud-enablement of key** industry processes involved in the **DISCOVERY**, **DEVELOPMENT**, and **LIFECYCLE** management of electronics **HARDWARE** and **SOFTWARE** systems required for the creation of **Software Defined Products**.

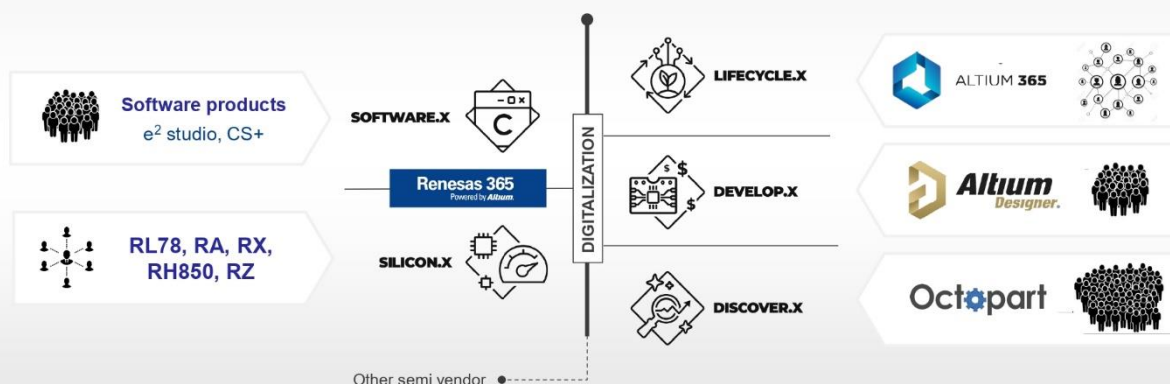


On the right-hand side, we have the whole world of distribution, and Discover.X represents that, and Octopart is at the base of that. It goes all the way to broadband distributors and catalog distributors.

Again, there's this digital discontinuity. The same thing applies to Develop.X, which is the development of hardware, and you find from system engineering, all the way down to the PCB design. Again, that area is an area that is fragmented and lifecycle, which is product lifecycle management. These five are the components of our .X strategy.

.X STRATEGY – THE PATH TO DIGITALIZATION

Transformation of the Electronic Industry through the **digitalization and cloud-enablement of key** industry processes involved in the **DISCOVERY**, **DEVELOPMENT**, and **LIFECYCLE** management of electronics **HARDWARE** and **SOFTWARE** systems required for the creation of **Software Defined Products**.



If we could go to the next slide, please. Now, the key thing here is to actually have the Platform adopted by users.

This is really important because cloud Platform is particularly the ones that are multi-sided. A simple case of that is say Uber. Uber has got drivers and passengers. If you just focus on drivers and not have passengers, there's really not that much value on the Platform. If you think of passengers and not drivers, again, there is no value in that Platform.

It's a bit of a chicken and egg situation, and the trick is to not focus on chicken or egg, but to have the chicken and egg brought together and put the egg under the chicken, and that's how you would actually succeed.

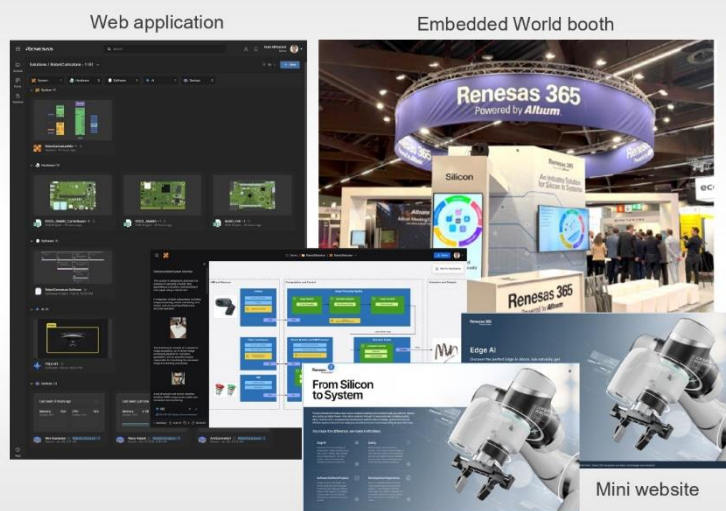
It is really a challenge. You see those five domains. Think of them. Each needs to be independently successful and bring their respective users onto the Platform. We've been very successful on the right-hand side with Altium side.

On the Renesas side, we're going to have that focus as well. The key part of this is that you see in discover, develop, and software is the user-centric approach, which I call the bottoms up in terms of adoption.

In terms of lifecycle and silicon, it's a customer- or business-centric and it's a top-down adoption. These two mechanisms have to work together in order to actually bring this to life. As Shibata-san said, this vision of wanting to make advanced electronics accessible to all cannot be realized without this Platform being open to other semiconductor vendors in the industry, something that I'm very much active in promoting that, and we're in discussions around that.

RENESAS 365 – THE PLATFORM FOR DIGITALIZATION

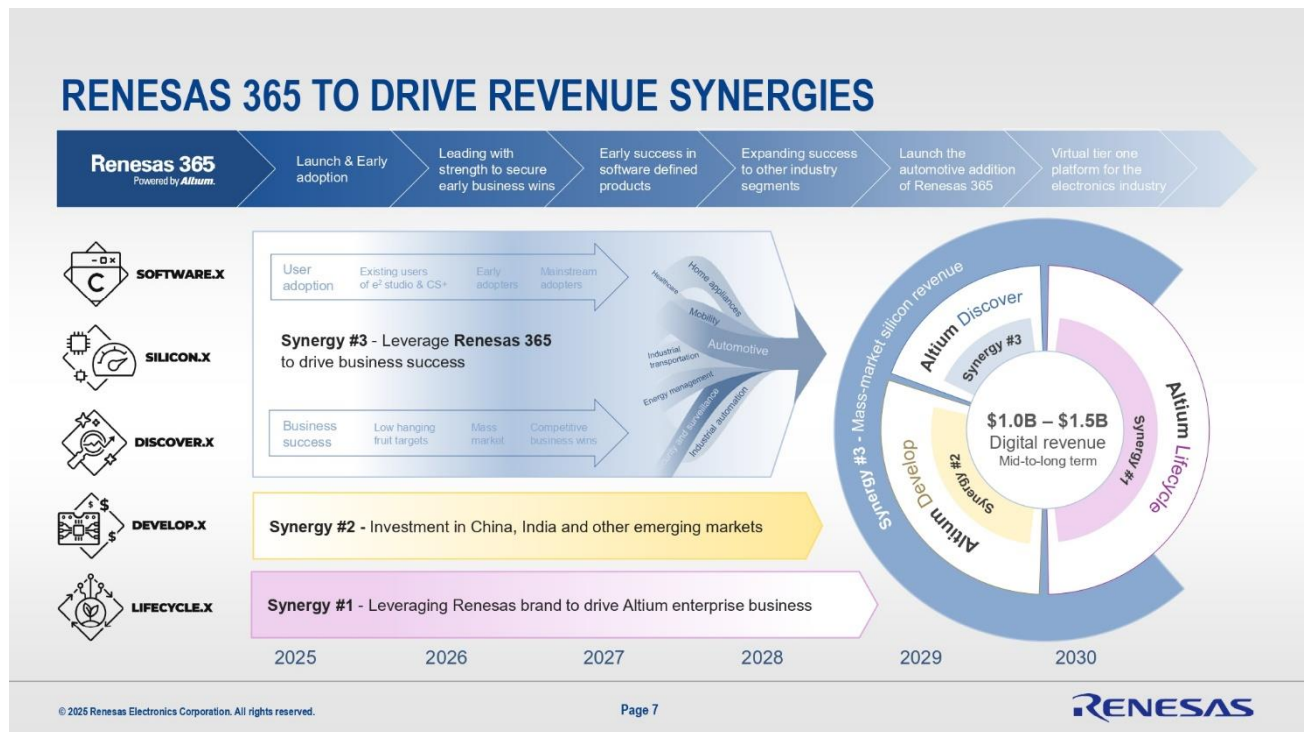
- Based on the .X strategy and powered by Altium, Renesas 365 is the first-generation embodiment of Renesas' digitalization vision, bringing together silicon and software on a collaborative cloud platform to streamline the development of software-defined products
- **Renesas 365 will deliver**
Application-Ready Silicon,
Context-Rich Discovery,
Multidisciplinary Development,
Electronic System Lifecycle Management,
and Intelligent Embedded Software



If we could go to the next slide. Now, one other thing that's really important is Renesas 365 itself and the experience of Renesas 365. What you find that in the software-first mindset, the experience matters in a way that in a silicon-first mindset probably is not quite emphasized, so we're bringing a lot of that.

Users have to like, have to want to go onto the Platform. Not that they need to go on to that Platform, but they need to want to go on to that Platform. Shibata-san kind of expressed that about Microsoft Office that you go on to Microsoft Office 365 because you want to go on it, not that you need to go on it. That's the initial phases, and gradually you find that the need is there.

Now, with Renesas 365, we are going to put a lot of that effort to make that experience, which is the first foundation for the UX and digitalization of customer service for Renesas on this Platform.



We could go to the next slide, please. Now, this is the synergies slide. I want to take a few moments to actually speak about that. Because this is really critical in the way that we measure our success with all the work we're doing.

I generally divide the synergies into two buckets: one is digital revenue and one is silicon revenue. The pie chart on the right hand side the white portion is all digital revenue. The blue ring outside is the silicon revenue.

We have now set a new bar, a new aspirational target for the digital revenue of one billion to one and a half billion. That is something that Altium is very familiar with, aspirational targets, we have set ambitious aspirational revenue targets in the past and successively achieved them. This is now a higher bar, and we are now having all our focus set on that.

Synergy 1, the bar at the bottom and synergy 2, they refer to digital revenue. Synergy 1 is about leveraging Renesas to drive Altium's enterprise business, which is quite a low-hanging fruit, if you like.

We have already started that, and that's looking good, one of the largest automotive customers of Renesas. For many years, we were just at a tool level, but very recently we have started engaging with them, thanks to Renesas. Now, we are being adopted as an enterprise Platform for their hardware development, which is quite exciting. That has got potential in the early stages to have a 2x, 3x revenue impact. In the long run, it could have even up to 10x revenue impact. Synergy 1 is looking good.

Synergy 2 requires investment, which is essentially leveraging Renesas' global infrastructure around the world to take Altium's strengths in mid-market, from the Western and North America to all parts of the world, including India, China, and other places. That will take a little bit longer, but that's also very much, in my view, straightforward.

Synergy 3 is about silicon revenue, and that's separate from this one to one and a half billion. That's when this Platform brings revenue to Renesas, which is the true major of success for Renesas 365.

You will see those elements at the top. The first two is about early adoption, and the launch of 365. The second one is about winning some success, hopefully in Embedded Processing, and then in the midsection will bring the software-defined capabilities, and later on, hopefully we can extend that to the automotive.

ALTium PERFORMING WELL & POSITIONING FOR FUTURE GROWTH



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RENESAS

We can go to the next slide, please. Altium has been doing well. It has been realigning itself strategically with Renesas and the .X strategy, but notwithstanding that, we have continued to grow, and I'll speak about that in the following slides. If we can go to the next slide, please.

ALTium INDUSTRY LEADING PRODUCTS

Altium Discover

Leading Search and Discovery website for electronics parts



Octopart

- The most popular search platform for electronics parts
- Over 95 million components with active listings
- Over 4 million searches each month
- Over 41 million annual visits

Altium Develop

Leading Design Software for printed circuit boards



ALTium DESIGNER

- Largest professional userbase
- Most popular design tool
- Over 100,000 active seats
- Over 65,000 commercial subscribers

Altium Lifecycle

Leading Cloud Platform for electronic design development



ALTium 365

- The first cloud platform for the electronics industry
- Over 63,000 monthly active users
- Over 18,000 monthly active accounts

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RENESAS

If we can go to the next slide, please. The realignment of our products that are industry-leading towards Altium Discover, Altium Develop, and Altium Lifecycle are our current focus. Octopart is our leading product in search of electronic parts, and it has 95 million components in its listings and its archive, and 4 million searches each month.

We also have Altium Designer, which is the leading product in PCB design. We have over 100,000 active seats and over 65,000, or near enough, with active subscriptions. Our Altium 365 is a Platform that is the first and most successful cloud Platform for PCB design and the electronics industry.

DIVERSITY OF APPLICATIONS AND HIGH-PROFILE CUSTOMERS

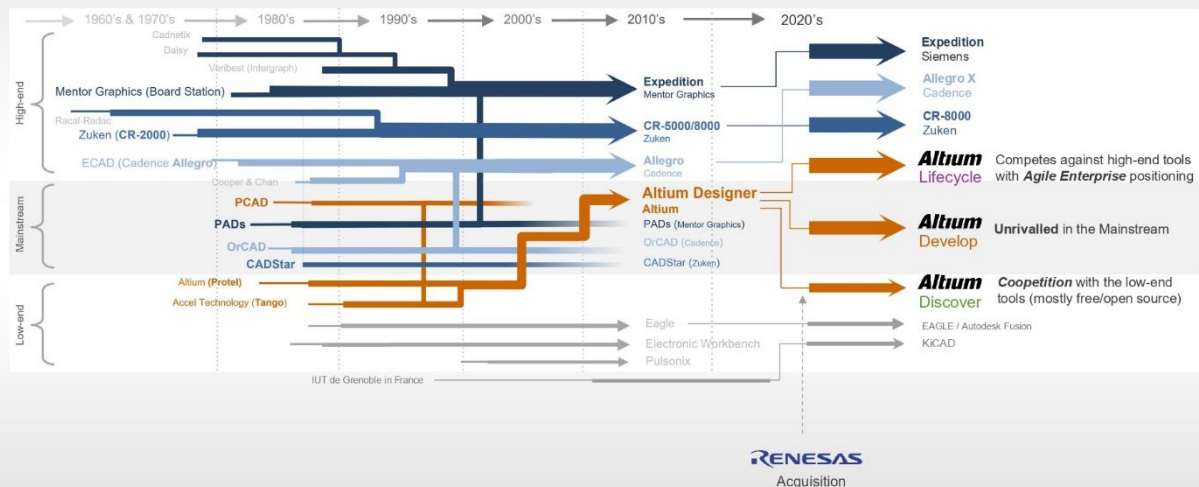
Automotive 	Aerospace & Defence 	Life sciences 	Mobile devices 	Consumer electronics 
Electronics & High-tech 	Research & Education 	Industrial controls 	Computers 	Semiconductors 

Altium is the differentiated category leader of PCB design and empowers innovation for a diverse array of leading customers

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RENESAS

If we go to the next slide, Altium has a footprint in pretty much in every organization and every industry. Our brand is amongst the most well-known brands in our industry and is almost synonymous with PCB design. We may not be the official user or official Platform in some organizations, but even in those organizations, our software is present.

ALTIUM COMPETITIVE POSITIONING



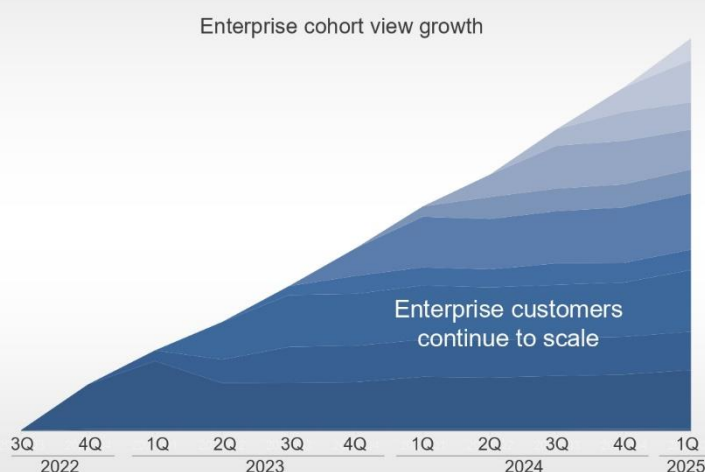
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RENESAS

If we can go to the next slide, please. Altium competitive positioning in the PCB design world. Those three layers that you see, there is the high end, mid-market, and the low end. Altium is unrivalled in the mid-market, pretty much we are there alone. We are now the fastest growing in the high-end, with our agile enterprise positioning against our competitors there. In the low end, Altium Discover with Octopart, we're going to compete well against some of the free and open source, which in some ways we would be cooperating because we will be connecting those tools through our cloud platform.

ALTIUM PERFORMANCE UPDATE



- We continue to see strong growth in our enterprise segment
- The continued adoption of enterprise platform portends our belief in scaling up-market with **Altium Lifecycle** solution for our high-end customer base
- Annual Recurring Revenue (ARR) increased double-digits year-over-year while aligning and evolving towards .X strategy
- Altium's standalone run-rate margin significantly increased, driven by realized cost synergies resulting from the acquisition

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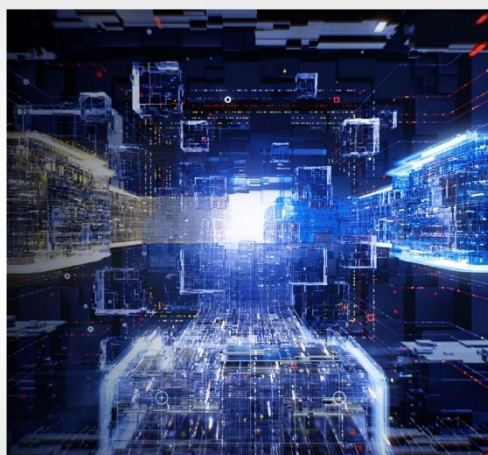
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RENESAS

Finally, I want to say a few words about our performance. Our enterprise business is going really well.

Going from strength to strength, it bodes well with Altium Lifecycle. We have the ARR, which is annual recurring revenue that has been growing healthily, and that's notwithstanding the integration and the transition. Our operating leverage is also high. Our Operating margin has gotten stronger due to the integration.

SUMMARY



Bringing 'software-first' execution to Renesas

.X strategy plays an integral role of transformation of the electronic industry resulting in a new platform for the creation of software-defined products

Regaining Renesas MCU #1 position through digitalization

In summary, if we can go to the last slide, please. Altium has successfully integrated itself into Renesas. We are now focused on the .X strategy and the transformation, which is our true north, with digitalization being the core of that. We're hoping out of all these efforts Renesas could regain its number one MCU position in the market.

That's all for me. Thank you.

Moderator: Thank you very much. Next, I would like to invite SVP and CFO, Shuhei Shinkai, to give a presentation, Mr. Shinkai, please.

Shinkai: Good afternoon, I am Shinkai, I am the CFO.

In my finance part, I would like to talk about our aspirational goal of increasing market cap by six times. I will be covering our approach to the financial model and capital allocation and give you an update.

First of all, I would like to explain the time horizon that we will be using in this presentation. In the presentation, whenever it says mid-term, it refers to the next three to five years, that's the time horizon. On the other hand, when we say the long-term in the presentation, it refers to a longer timeline. We are targeting the aspirational goal area around 2035, so that's when we target for reaching our aspirational goal.

PROGRESS TO DATE

	2019	2020	2021	2022	2023	2024		Mid-term model** (2024 Capital Market Day)
	Adjusted**							
Revenue (oku yen)	6,204	6,357	8,894	12,282	11,648	10,100	➤	Grow @SAM+
Gross margin	43%	48%	54%	56%	57%	55%	➤	55%
Operating margin	12%	19%	29%	35%	32%	27%	➤	30%

*1: FX \$1 = 100yen, €1 = 120yen. Excluding 6" fab shutdown & structural reform-related EOLs. Excluding NREs

The next slide, this is showing our financial performance from 2019 to 2024.

Shibata also referred to something similar, but the numbers we are showing here are adjusted. In other words, the exchange rate is the mid-term rate, JPY100 to the dollar, JPY120 to the euro at a constant rate, and we are only counting continuing businesses. This is to look at the business performance at a constant rate.

As for the revenue from 2019 up to 2024, on average, it has grown at some plus. However, as you can see, it peaked in 2022, and it has been declining since.

As for the Gross margin in 2024, the Gross margin was 55%, so it was robust even in the down cycle. On the other hand, Operating margin did not reach the target of 30% in 2024.

MID-TERM MODEL REVIEW

	Mid-term model (2024 Capital Market Day)		2024 result (Adjusted ^{*3})	
Revenue	SAM+	➤	10,100 (oku yen)	
Gross margin	55%	➤	55%	Inventory management Fab-lite
R&D ^{*1} (% of revenue)	≈16%	➤	19%	
SG&A ^{*2} (% of revenue)	≈8%	➤	9%	Expanded R&D
Operating margin	30%	➤	27%	IT integration delay

^{*1}: Research & development expenses. ^{*2}: Selling, general and administrative expenses. ^{*3}: FX \$1 = 100yen, €1 = 120yen. Excluding 6" fab shutdown & structural reform-related EOLs. Excluding NREs

Please go to the next slide, comparing the previous Model and 2024 performance actuals.

Starting with the revenue, in 2024, on a single year basis, it decreased YoY, but more locally, represented by automotive MCU, we have seen a share recovered, but as a company-wide result, there was a decrease YoY.

For the Gross margin, as I've already mentioned, even in the down cycle, Gross margin was strong. From the operational aspect, as you can see on the right-hand side, we will continue to manage our company's own inventory and channel inventory. This effort has been successful.

From a more medium to long-term perspective, we've been promoting the fab-lite strategy. This will introduce flexibility in the production cost structure and shifted variable costs. As a result, we have been able to maintain Gross margin floor, even in a phase of sluggish revenue.

On the other hand, the Operating margin at the bottom is now below the Model. As you can see listed here, main factors are being inflated Opex, mainly on R&D. In the past, R&D scope has been expanding as a result, and we have not done sufficient selection and concentration.

Although we have worked on it, but perhaps the effort was not sufficient, so that's one reflection. Also, the main pillar of SG&A reduction measures, which was the IT systems integration, there was a delay in the integration, which also contributed to this result.

As for the R&D scope, we have already started a review and implementation of measures to improve. This effort includes, for example, a decision to suspend R&D spend on non-core products and also selection and concentration of the product lines.

We just made an announcement on the signing of an agreement and reduction or suspension of the IT system, IC and IGBT R&D. This is included in the efforts to reduce and review the R&D scope. We will continue to conduct this kind of a review of our portfolio on a case-by-case basis.

MID-TERM MODEL UPDATE

	Previous ^{*1} (2024 Capital Market Day)		Latest ^{*1,2} (2025 Capital Market Day)	Rationale
Revenue	Grow @SAM+	➤	Grow @SAM+	
Gross margin	55%	➤	55%	Operational excellence
Operating margin	30%	➤	25 - 30%	Purposeful and disciplined investment

*1: FX \$1 = 100yen, €1 = 120yen. Excluding 6" fab shutdown & structural reform-related EOLs. Excluding NREs. *2: including Altium

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The next slide, based on our reflection, we've made an update to our financial model.

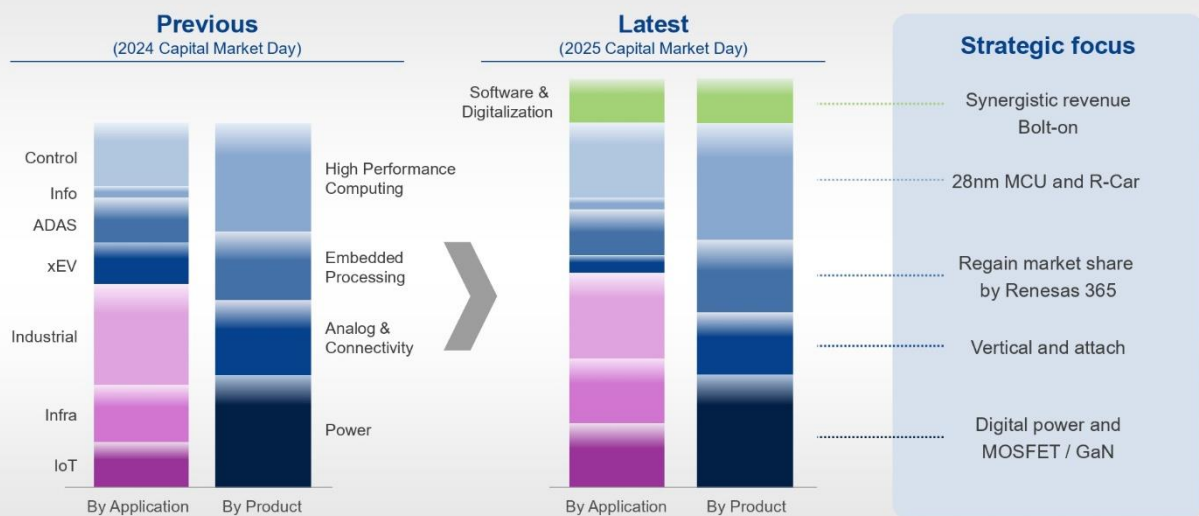
For the revenue, we will continue to aim for grow @SAM+. As for the growth margin, we will continue to target 55% or maintain 55% as a target. In the short term, the recovery in the market conditions or for industry, infrastructure and IOT business is expected to grow. As a result, the company-wide mix is expected to improve.

Utilization rates will also have a positive impact. But in the medium term, medium to long term, rather than trying to improve from the current levels of figures, we will strive for a more balanced approach between revenue growths.

As for the Operating margin, we have lowered the lower end of the Operating margin to 25% to 30%. As Shibata mentioned, we are now making this intentional plateau, allowing room for Opex investment for mid-to-long-term growth.

As a result of the product line review, we've also lowered the R&D baseline, and this will be reallocated to investments. In the short term, for the next one to two years, we expect the Operating margin to transition at around 25% and gradually get closer to 30%, which is the upper bound of the range. Please go to the next slide.

LONG-TERM TARGETED PORTFOLIO



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RENESAS

This shows how the revenue portfolio will look like going forward. Here, we are looking at this in a long-term horizon, in other words, up to 2035. What is the targeted revenue portfolio is shown here.

In value terms, over USD20 billion is what we are targeting. On the left-hand side, you can see our expectations up to last year. In the middle, we have the latest view.

Our growth rates per segment is the same as our previous discussion. For automotive, we expect growth at the same level as SAM. Industry, infrastructure, and IoT is expected to grow faster than SAM. Overall, company-wide, we will grow @SAM+.

The segment that is going to drive revenue expansion is going to be ADAS for automotive and MCU, Digital Power, and one of the highlights, software digitalization for industry, infrastructure, and IoT. On the left-hand side, this is the previous Model. In the middle, we have the latest Model. The biggest difference in terms of segments and products is that EV, in terms of segment and for products, power discrete, our exposure to these has been lowered.

Instead, infrastructure, AI, in terms of segment and Digital Power, in terms of products, are now more focused. Exposure has changed from the previous Model. As for each segment's growth focus, you can refer to the right-hand side.

For the software digitalization, this will be covered later. But for automotive segment, a product, HPC, 28-nanometer MCU and R-Car, as listed, in addition to the scalable product groups in the area of ADAS.

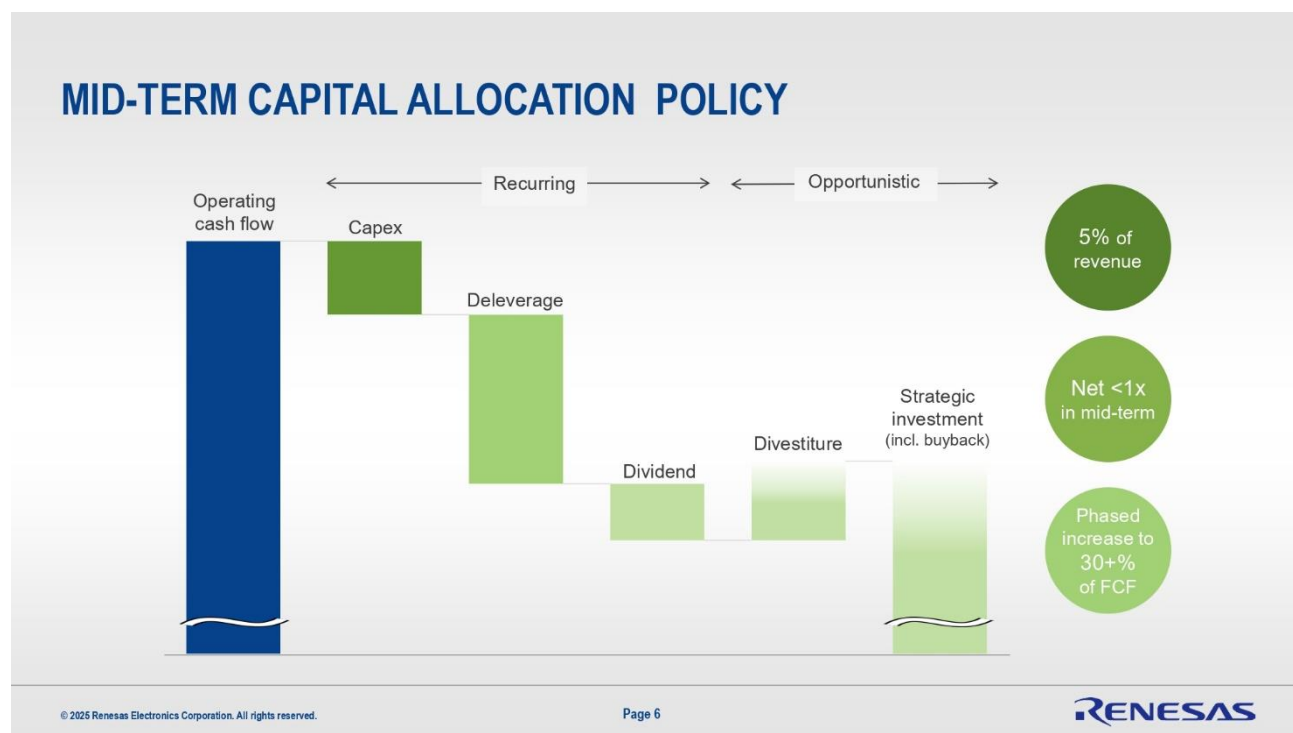
We will enhance the convenience of software. The industry segment EP, as a product, we will capitalize on the synergy with Altium. Through Renesas 365, we will expand the base and regain the share in MCU.

For analog and connectivity, we have the attractive vertical business, but in addition to that, we will have MCU attached, and we will cover a wider base. That is our major strategy.

For the infrastructure segment power product, Digital Power for AI is going to be the focus. We expect a strong growth to come from that.

Lastly, at the very top in green, this is the software and digitalization portion. This comes from Altium, Altium standalone business. This will be taken as a basis. We will also capture and realize the synergy in terms of revenue. There will be a bolt-on M&A impact incorporated. Ultimately, we expect this to account for 10% to 15% of the overall company-wide revenue.

That is the level of growth that we are expecting. By having this business grow into that scale, the multiple expansion that we are currently considering will benefit positively. I will cover this later. Please go on to the next slide.



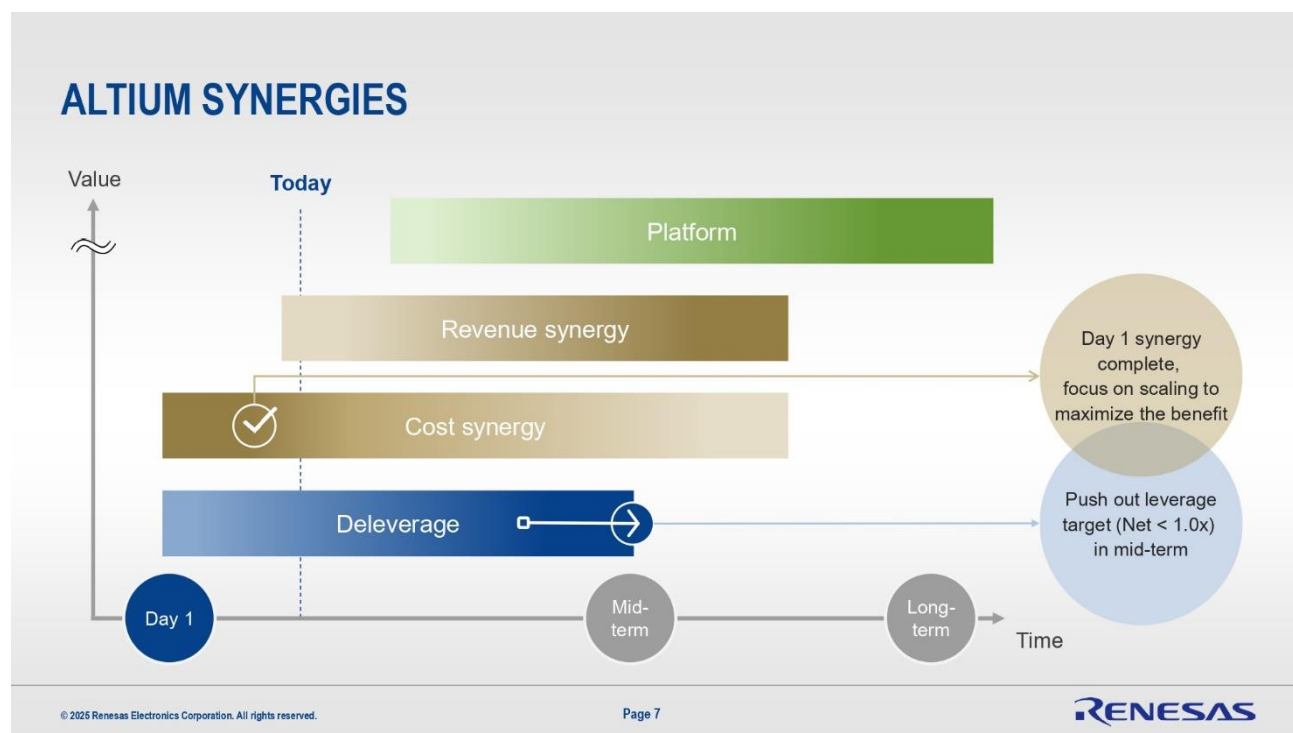
Next, I will talk about capital allocation. This is the mid-term policy, mid-term capital allocation policy. As for the priority, this remains unchanged from previously, capital expenditure, deleveraging, dividends, and active strategic investment, in that order.

Slight updates from last year are that in addition to the portfolio review, we will also consider a divestiture in a free and unbiased way. As for starting with the left-hand side, starting with Capex, through the review of the policy for power discrete, we expect the Capex necessary would be smaller than what we initially anticipated.

But the leveraging in the overall time horizon, this timeline has been pushed out. In line with that, for the timeline for achieving that leverage of one-time is now targeted to three to five years. As for dividends, we've resumed the dividends, and we will continue the dividends in a stable manner. That's the premise. The next one is to be implemented in a more flexible manner.

First, the divestiture. Through the policy of selection and concentration, we will review not only the Opex but also the product lines as well in an active manner. As Shibata mentioned earlier, this relates to purposeful investments. This contributes to creating the source of funds, and not just making capital investments but also, we will be creating investment capacity. The divestiture will be used as a source of funds for strategic investments, and strategic investments will include shared buybacks. These will be implemented in a flexible manner.

As for returns, overall policy has not changed, but in the mid-term time horizon, the total return ratio is targeted at above 30% of free cash flow, combining dividends and shared buybacks. Go on to the next slide.



This is an update after the Altium acquisition on value realization. At the bottom, deleverage, I've already covered this. We will be targeting to reach net leverage of one in three to five years, so the target has been pushed out slightly.

As for cost synergies, the so-called day one synergy, in other words, reducing costs in real value terms. This has already been completed, and the result has been above our expectations slightly. Going forward, we will be taking advantage of the economy of scale to curb any cost increases. That is the phase that we are going to enter into.

Initially, there was a policy to maintain an arm's length relationship between Altium and Renesas, but now, we have made a shift to more integration going forward so that will come into play here.

The next is the revenue synergy. Aram has already covered this. As you heard, there are one, two, three steps, and this revenue synergy will be implemented following those steps.

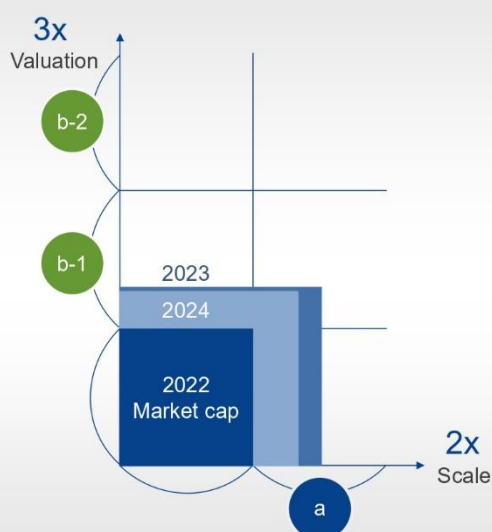
As for the overall timeline for realizing these synergies, it remains unchanged from our previous expectations. Between the medium and long-term, we will enter the payback period. In other words, cash, ROIC will exceed the capital cost, somewhere between mid-term and long-term. That's where we will start to see the shift. Please go to the next slide.

MID-TERM MODEL HOUSE KEEPING

Revenue growth	SAM+
Gross margin	55%
R&D %	18 - 22%
SG&A %	8 - 9%
Operating margin	25 - 30%
EBITDA margin	35 - 40%
Tax rate	15 - 20%
Capital expenditures	5%
Inventory	120 days
FCF margin	20 - 30%
Net leverage	<1.0x in mid-term

This is the last slide on the Model. The blue font is where we've updated, changing the lower bound of the Operating margin range. In line with that change, we've also made adjustments to Opex and EBITDA. For Capex, we have seen an upside and then returned to the average. That's what we've seen in the past, but due to the change in the policy of power discrete, we expect the level of investment for in-house factories to be lower, so we've made an adjustment and made it 5%.

6x BREAK DOWN



Execution of mid-term plan

- Back to basics
- Focus on fundamentals

Valuation gap-fill

- Portfolio management
- Capital allocation

Multiple expansion

- Digitalization

This is the last slide on summary. We will be increasing our market cap by six times. The x-axis is scale, two times increase, and the y-axis is three times evaluation. In the medium term, we will be expanding the area six times.

For the time being, the measure for the future growth, we will be making disciplined investments into the foundations of the business, so that's going to be the focus under a. For b-1 valuation gap field, there's still room for improvement. Again, disciplined investment is going to be the key theme. We will optimize our portfolio and also actively consider divestitures. That is the message here this time.

As for b-2, this relates to software digitalization. We will steadily implement expansion of the revenue from software and digitalization. As I mentioned before, we expect this to account for 10% to 15% of the company-wide revenue. By growing this business into 15% of the total revenue, the b-2, the multiple expansion, will benefit positively from that business.

Overall, in the mid-to-long term, we are confident, we remain confident about our growth in the mid-to-long term. As an intentional plateau, we will make the best use of this period to solidify our foundations.

This concludes my presentation. Thank you very much.

Question & Answer

[Questioner 1]

Q: I have two questions, if I may. The first, Shibata-san mentioned and used the expression of intentional plateau in a very simple way. How long is this plateau going to continue? Meaning that the recruits of investment, the recovery of investment has to happen. Maybe on to H2 of the year or up to next year, in the next one year or one and a half year, what are the changes that we have to anticipate?

If we can see such a kind of roadmap from an external person's point of view, it is easier for us to make an assessment whether you are doing good or not. If you're saying that the plateau is going to continue for three years, then you are going to send out a message if it's reasonable to make an investment in the Company.

Therefore, the changes above the average of the market, what are the good things that you can achieve above the average? If you can give us an indication as to the roadmap, that would be appreciated.

Shibata: Well, I do understand what you're asking very well. But from an external person's point of view, if this needle moves in this direction, actually, I think it is difficult to make that assessment in only a six-month period of time.

That's the reason why I'm saying this is an intentional plateau. Rather, of course, we are going to manage our business using many different metrics or yardsticks. But beyond that, as I mentioned at the outset, what are we going to do with the architectural design? How are we going to raise productivity?

These are rather more qualitative. We have to track those qualitative elements. Otherwise, they will not serve as a leading indicator. If I talk about the next six months, 12-month time frame, then these kinds of indicators developing in this way, I think it is too early for us to make such kind of prediction.

I think you should rather focus on the tone by which I make a comment to you. That is going to be the biggest indicator for that time frame. The movement of KPI that you can measure as yourselves, for that, I think we have to look into the one and a half- or two-year-time frame, not one year.

Unfortunately, maybe some of you got disappointed, but after giving thought to many things, in order to ensure solid growth over the mid-term and long-term, we have to focus our attention to these things right now. If we work on these things right now, I think we can solidify a better future for us. Based on that conviction, we are taking all these initiatives.

Q: My second question, this may be for Shinkai-san, the review of the R&D activities. You said that you're going to reduce your efforts, but you are going to reduce the Opex so that you can use the proceeds for R&D investments.

Specifically, are you going to invest more in software engineers? Can you elaborate on which you are going to make additional investments, and how are you going to use those proceeds for?

Shibata: Shinkai-san can supplement me if necessary. But in my slide, I gave illustrative projections regarding the purposeful investment. That was partly to address your question. That's the reason why I prepared that slide.

We, whether that's good or not, are not the AI-only company. Embedded compute provided for many different markets and for many different applications is the model that we are going to adhere to. In that

perspective, we are not going to make a massive amount of investment for something that is very easy to understand. That's so obvious.

Let's say you just cited example of software. What kind of investment, what type of investments are we going to look for, look into, not only software, but also for hardware?

If I dare try to make this comment, we would like to invest more on the upstream, more on the foundational things. If we divide R&D, we would like to focus more on the R side. That is the change that we are going to pursue.

If you could understand it that way, that would be good. Previously, we had customers, we had existing applications. Because the competition has invested ahead of us, we had to catch up. That was the approach we had to take in the past.

We would like to get out of that cycle and look into the future ourselves and draw the vision ourselves. In order to achieve that, we would like to focus more on the upstream processes and make capital investments in these areas. That's our intention.

Q: You talked about solidifying the Platform, and you are going to increase the pie. Is it about human resources such as engineers?

Shibata: Yes, basically the target is human resources, the talents. We rather think that is necessary. We have to do that.

[Questioner 2]

Q: I have two questions. My first question is like a follow-up to the earlier question that we just heard. The stock market, they had been appreciating Renesas because of the cost management that you had been able to do really well. For this year, Operating margin, you had initiatives so that you'd be able to improve by two percentage points. That's the initiative that you have been saying.

Today, what you're saying, we understand, but now, you're trying to look at this in a more long-term vision in making the investment. But Shibata-san and Shinkai-san, as you try to manage the cost, is there going to be a change in the attitude? That's my first question.

Shibata: That's a tough question. It's not really going to change, but if we don't change, of course, the Model should not have changed. There is an intention that we do want to change things.

It's difficult to express, but for example, going back to the earlier question around R&D, I guess I'm going to be really responding to the same answer. But let's say, I always talked about trying to enhance the well-being for our people, and that's something that I've been saying. What about the office environment? Has it changed?

For example, our San Jose office has improved dramatically, but what about the offices in Japan? No change. Just to give you an example. That's not good.

Again, just for the sake of achieving the Model on a short term, maybe there needs to be some deprioritizing of some of the priorities. The way that I did that, I may have done better. Because it's going to be important that I stick to my initial perspective, without trying to go on a small deprioritizing.

It's not about trying to have looser discipline and controlling costs when I say this. Most investments, we want to make sure that we be able to create the source of investment by trying to strive for productivity, efficiency, and what we are already doing. Please do not worry about that.

But then, it's not that we're trying to sacrifice what we had been saying, in other words, the previous Model. We want to get out of that vicious cycle. If everything goes well, maybe in the near future, I might be talking about another upgraded Model, which we might be able to show you a higher number, but then...

This time, I think we have to be very strong-minded in focusing on what we need to invest without changing our view. I know it's probably not a popular thing to do, but it is what we decided to do.

Q: Thank you. My second question is about Altium USD1 billion to USD1.5 billion, that's a very aspirational target, USD1 billion to USD1.5 billion. What kind of outlook would you have for the next year? What is going to be the top-line revenue for a possibility?

Amidst that, within the synergy, you talked about Synergy 1 and 2, how scalable is that going to be over the year, if you'd be able to show a little more inspiration for us?

Shibata: Well, I guess, I think that Aram can answer the question first, and if there needs to be some further comments that I need to make, I would certainly like to do that.

Aram, can you start off answering this question?

Mirkazemi: Sure. There is no question that 10% or 15% of the overall revenue for Renesas will be a high bar. But we are now in a very different context. We have pivoted, or we are through the process of pivoting from selling tools and selling seeds to focus on Platforms. From that perspective, that is going to really set us up well for scaling the revenue.

On the enterprise side, the lift from Renesas is going to be significant. This is all organic and synergistic revenue. On the mid-market, scaling is the key. We've got to be able to take our mid-market business on a global scale. Again, Renesas' infrastructure capability is quite significant and his ability to invest.

Then, we're all have to have inorganic revenue added to this, in order to create the compounding effect of these elements of organic, inorganic, synergistic revenue. I believe it is not only possible, but if we achieve the kind of Aspirations we have, we should go beyond it.

Shibata: Well, first of all, in terms of number, everything is progressing very well, and of course, on the change of revenue recognition, the accounting practice. Also, if you focus on the Platform, it's not that we're seeing a major change, but then for example, we're now trying to subscription base.

The revenue stream itself, there's a different story behind that, but then, just like Aram mentioned earlier, the annual recurring revenue, I know we're being very healthy there, nothing negative. It's really about how much upside we'd be able to pursue here. I'm looking forward to that and it's also an area where we do want to pay attention to.

[Questioner 3]

Q: My first question is about the Renesas 365. The convenience increases, I do understand the customers will flock to you if the convenience increases. But many different suppliers are providing services. If you want to have a collection of semiconductors, then there might be some products from other competitors on the Platform. How can you realize that?

It's all about scale, I think. I do understand you are taking a lot of initiatives, and things have become visible, but is it possible for you to solicit the cooperation or collaboration of your competitors? Can you comment on that? Is it going to be a critical factor for you to achieve the 10% to 15% target? Or do you still need to have the competitors' collaboration in order to achieve that 10% to 15% target?

Shibata: Well, I will have Aram answer that question. Of course, the interaction and engagement with collaboration with the competitors, because we have a very stringent NDA in place, so we cannot identify the overall picture at Renesas 365. Maybe, Aram, if you can comment on that and answer that. That would be appreciated. Aram, please.

Mirkazemi: Obviously, this Platform needs to be open and accessible to all, in the same way that our Octopart Platform is open and accessible to all. Performance of competitor depends on how well they adopt this Platform.

Renesas 365 is Renesas' way of taking advantage of this Platform. To the extent that Renesas 365 can achieve its targets and goals, revenue synergy 3 will be impacted by that. But revenue synergy 1 and 2 do not require revenue synergy 3 to get to the levels that we are expecting.

Obviously, the competitors of Renesas, to the extent that they invest on this Platform and build their capabilities on this Platform, they could benefit from it. Ultimately, the customers and users would be the winners from this, very much like the Windows Platform.

All companies eventually went onto the Windows operating system, including the competitors of Microsoft. So, it's an open Platform, and the ultimate goals, in my view, require full adoptions. But some might take longer than others.

Q: Thank you. My second question, and this may be somewhat not aligned with the purpose of this presentation, but you said at the outset the uncertainty is mounting.

In Aram's presentation, under Synergy 2, you talked about China, the China market. I do understand the technical level is quite high. They're quite competitive, and the competition is quite fierce. Also, there's a geopolitical factor there.

Are you going to bet on the China market opportunity, or are you going to stay on the sidelines? Is there any difference in terms of your position, with respect to by-products? If you can comment on the China opportunity.

Shibata: Exactly, that is a very essential question, right to the point. My conclusion is that I'm not really sure if this expression bet is correct or not, but we would like to take a heads-on approach and compete heads-on in China.

So far, hitherto, at least from my perspective, the China market, when we look at the competitors in China, we tend to look at things from a geopolitical angle, at least recently. But thanks to the wake-up call, we thought that is not the case.

Geo-political factors, such as the relationship between the US and China, over those that have accelerated the time frame and that have applied a stronger force in China and accelerated things. That's undoubtedly true, but we have to admit that the Chinese players are gaining strength and becoming more formidable in their capability.

In the short term, there's a price competition element, and of course the capital market expected returns are different. Those sources of headaches still remains there, to be honest with you, but competing hands-on with Chinese players in the short term is not going to be easy.

At the end of the day, it's all about differentiation of our services and solutions and products. That is the conclusion. Including all that, we have decided to brush up our strengths competitiveness. That is the very easy to understand resolve of ours.

Of course that will have sufficient element for us to differentiate ourselves going forward and further down the line. The hardware will continue to evolve, the digital capability will become further richer, and the UX, all these collaterals, will also become much easier to use.

With those three elements, if we work on these three things, we would like to convince customers so that they can understand that it will be easy to use Renesas's solutions in their development activities.

If you can win such customers, even one more compared to the competitors, that would be good for us. We don't want to be affected by the noise of the geopolitical factor. Genuinely, we would like to work on the economics and technology.

In that regard, this China wakeup call was a good notice for us. Thank you.

[Questioner 4]

Q: I have a question for page nine, for Shinkai-san's part on valuation. My first question, you talked about divestiture, I'm sure you probably will not be able to speak, like what has been decided, but what is your direction of thought here? That's my first question.

My second question, you're saying that the valuation could be expanded. I wasn't really able to expand that software part. Are you talking about the multiple being really high? When you're saying that as it expands to like 10-15%, you'd be able to see some valuation improved? I wasn't really able to follow you that, so if you'd be able to explain a little more.

Shibata: Yes, I think Shinkai-san would be able to answer, and if there's any necessity, I'd love to follow up.

Shinkai: Your first question about the divestiture. I think it was in Shibata-san's slide, but it's about back to basics and asking, what is our core. It's about the embedded semiconductor. From that context, the hardware synergies and other areas, I'm sure, would in the end become more visible. That's really the angle where we'd like to keep an eye on in determining which business we need to hold and which business would somebody else could become a better owner. We need to sort out that. Again, right, it's not that I'd be able to point out a specific example. I can't, but that's really the thoughts that we would have.

Q: Also, you talked about this. I'm sorry to cut you. Do you think you'd be able to share with us information within the coming 12 months? If you're not, that's okay.

Shinkai: Well, for example, this year, it was a small scale, but radio frequency business. We have decided to divest, and it was a really small business. Otherwise, there were several specific considerations that we have started to do or in consideration, and I hope we'd be able to update you when the time comes.

Q: Thank you. Also, you talked about valuation. What do you mean by 15%? What's behind that?

Shinkai: On a qualitative basis, the revenue stream will be changing. In other words, maybe I should rather say, the quality of revenue would change.

In other words, it's going to be a recurring software business that we will be seeing more compared to the hardware revenue, and that's going to stabilize the revenue stream less volatility. That's the way that I'd be able to explain from the corporate finance view.

What is this 15%? That's based on our own analysis of the rule of thumb. We looked at companies undergoing software side transformation. If we look at their track record, it seems like if you find a specific business that is exceeding 15% level within the entire revenue, that's going to be reflected in the valuation.

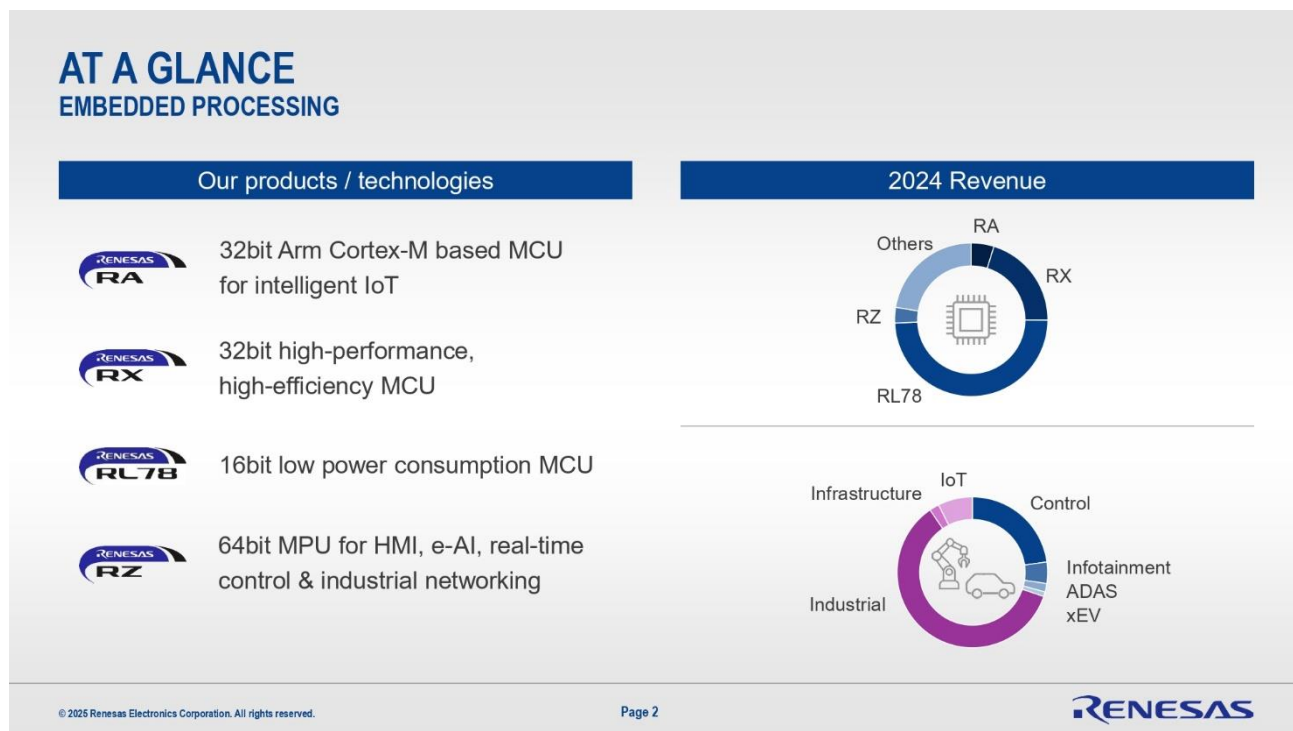
That is why we put 15% as a threshold.

Moderator: We are still receiving some questions, but we have finished up all the Q&A session time. Thank you very much for the speakers for addressing the questions. We finished the Q&A session at this juncture.

Presentation

Moderator: Next, I would like to ask Davin Lee, SVP and General Manager of Analog and Connectivity and Embedded Processing, to give an explanation. Davin, please.

Lee: Hello, everyone. My name is Davin Lee, and I will now present the Embedded Processing and Analog and Connectivity portion.



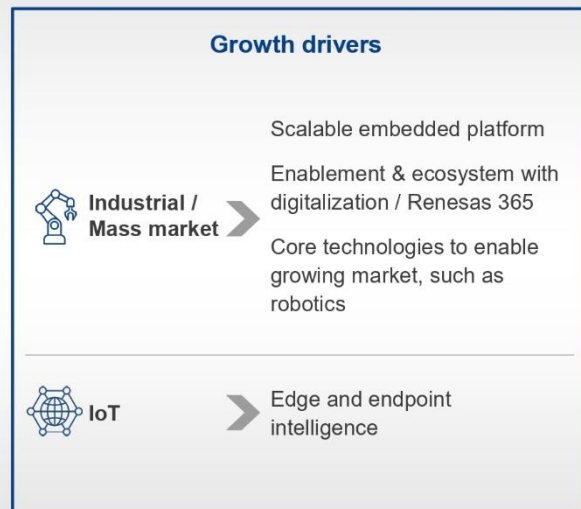
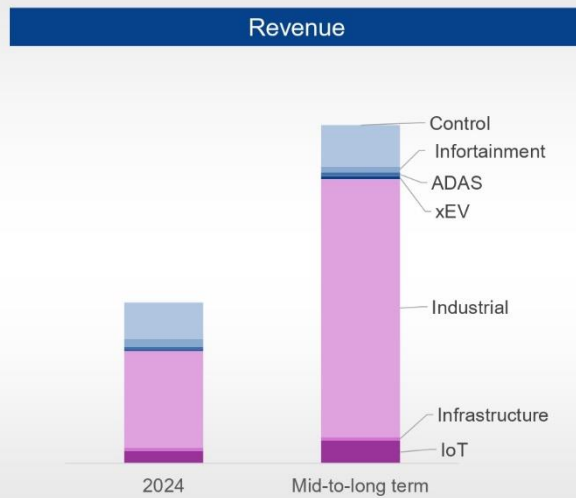
Next slide, please. Let me start with an overview of the Embedded Processing portfolio and the revenue composition.

The Company's core products are the 16-bit RL78 and 32-bit RX MCUs, which make up approximately 2/3 of the revenue. We are expanding our strategic investment in both the RA family of Arm-based MCUs and the 64-bit family of RZ MPUs.

70% of our revenue is driven by the industrial segment, used in a very wide range of end products.

GROWTH DRIVERS

EMBEDDED PROCESSING



Next slide, please. Our target is to drive annual growth at roughly 10%, higher than the market growth rate. Most of the increase will be driven by the expansion in the industrial and mass market across a very wide range of applications. Our scalable, embedded platform, along with our adoption of the Renesas 365 Platform, will allow us to access a significantly larger customer base and offer a seamless development platform while simplifying the process and decreasing the development time.

Combined with our core technologies, this value-added approach will enable Renesas to grow share across a diverse set of applications.

Our product portfolio is ideally suited for IoT, especially at the edge and endpoints where intelligence requirements are increasing.

EMBEDDED PROCESSING STRATEGY

Scalable embedded processing



Industrial



Infrastructure



IoT



Core technology innovation



Motor control



HMI



Security & Safety



AI / ML

Enablement & Ecosystem



Unified digital experience



Rich product enablement & ecosystem



UX: Easy find, buy & develop



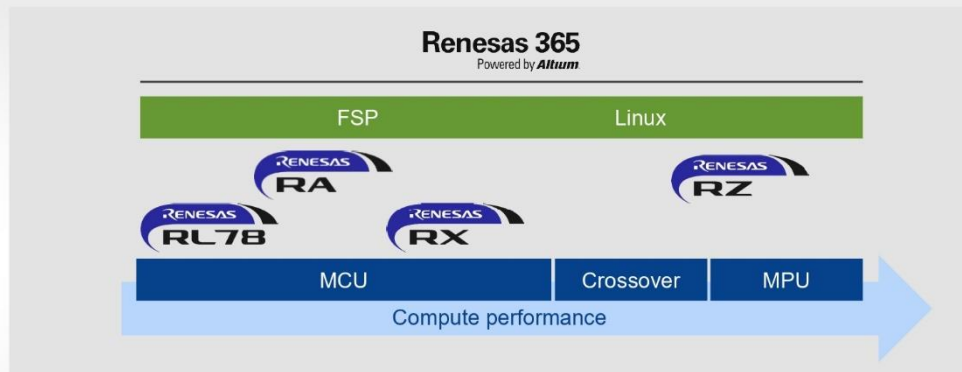
Multi-layer developer stack

Next slide, please. Our scalable, embedded architecture allows customers to develop their solutions on a unified Platform, from very low-end to very, very high-end. With our scalable, Embedded Processing Platform as the foundation, Renesas will leverage the core technologies to further add value by optimizing performance and improving efficiency, further increasing differentiation.

Some examples of our core technologies include motor control, human machinery interface, security and safety, and AI machine learning. Each of these core technologies provides powerful tools and ecosystem partners to facilitate development and increase value add to the solution.

In addition to the core technologies, Renesas provides a layer of enablement and ecosystem partners that further enhance the development process. This digital experience enables customers to find, select, buy, and develop solutions in a unified platform. The core technologies, enablement and ecosystem tools will eventually be integrated and included in the Renesas 365 Platform.

SCALABLE EMBEDDED PROCESSING PLATFORM



Streamlined **Software, Development Tools and Solutions** for easy migration
Common IPs & Compute Cores used across MCU and MPU families

FSP: Flexible Software Package

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RENESAS

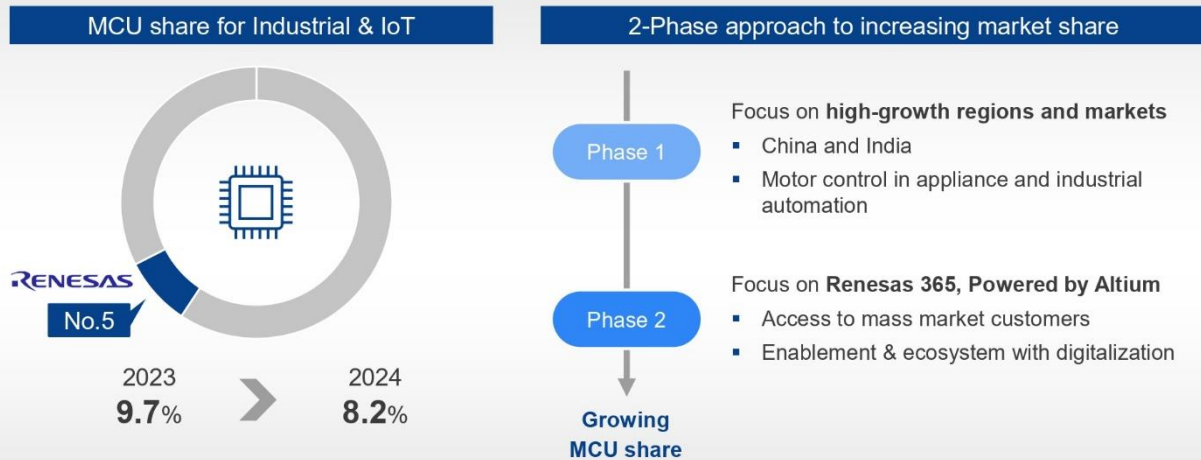
Next slide, please. This slide provides an illustration of our scalable embedded platform.

At the foundation is our set of common compute cores and IP found across our portfolio of MCU and MPU families. These common cores and IP allow us to quickly develop silicon solutions while maintaining compatibility across the products.

We have a streamlined set of software, development tools, and solutions that operate on top of the silicon, enabling customers to quickly create solutions that can also migrate from one product to another.

Regardless of which MCU or MPU is chosen, the development platform is universal and tools like FSP, or Flexible Software Package, allows easy migration from one product to another. All of this will be part of the Renesas 365 Platform.

MCU SHARE GROWTH



Graphs created by Renesas based on Gartner Research. Calculations performed by Renesas Source: Gartner® Market Share: Semiconductors by End Market, Worldwide, 2024, Rajeev Rajput et al., 2 April 2025. MCU for Industrial & IoT = Total Microcontroller excluded Automotive application GARTNER is a registered trademark and service mark of Gartner, Inc. and/or its affiliates in the U.S. and internationally and is used herein with permission. All rights reserved. Gartner does not endorse any vendor, product or service depicted in its research publications, and does not advise technology users to select only those vendors with the highest ratings or other designation. Gartner research publications consist of the opinions of Gartner's research organization and should not be construed as statements of fact. Gartner disclaims all warranties, expressed or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose.

Next slide, please. Renesas currently holds the fifth position in MCU for industrial and IoT. Our share declined slightly in 2024, driven by the weak yen and continued recovery of the industrial market, especially in Japan, where it was impactful.

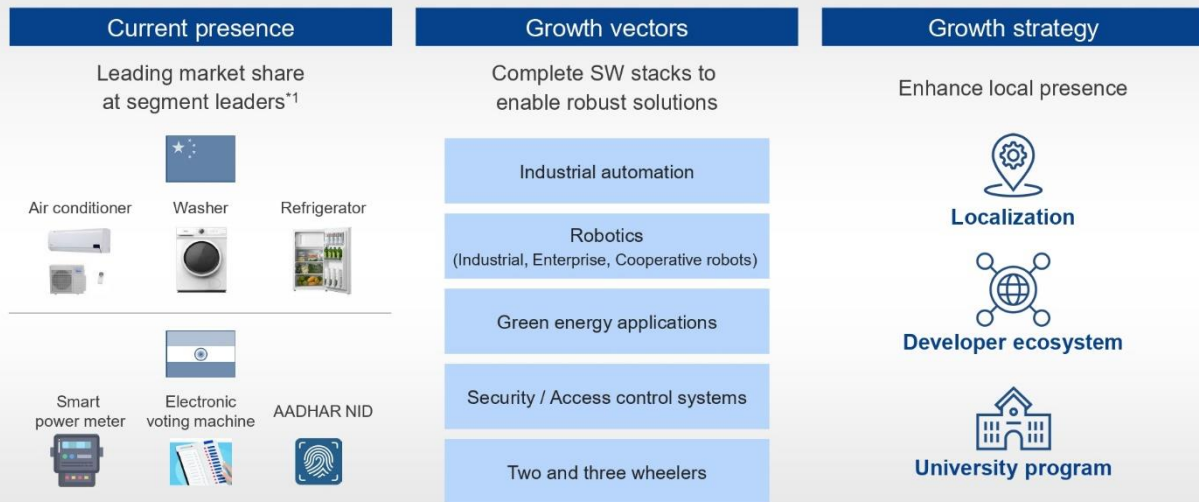
However, we have seen our design-ins grow significantly and the revenue trend shift. We are taking a two-phase approach to regaining our market share. In Phase 1, we are focused on high growth regions and end markets. China and India represent the highest growth potential regions, driven primarily by motor control and smart appliances and industrial automation.

Our opportunity funnels design-ins, and design-wins are transitioning to revenue gains, as we are now seeing the results of our successful investment in these areas over the last couple of years.

We expect these achievements to continue to drive growth in the near term. We are also starting to see some recovery in the industrial sector.

In Phase 2, our adoption of the Renesas 365 Platform will drive longer-term growth. Many of our investments in scalable, embedded architecture and core technologies will evolve into the Renesas 365 Platform, allowing our increasing customer base to leverage many of our easy-to-use tools and ecosystem to quickly develop differentiated solutions. This will further drive longer-term share gains.

PHASE 1: ACCELERATING GROWTH IN CHINA & INDIA



*1: Renesas internal analysis + external market data

Next slide, please. To expand more into Phase 1, let me provide some more details.

In China, we hold a leading market share in smart appliances, such as air conditioners, washers, and refrigerators. This is a growing market, as China continues to gain share globally.

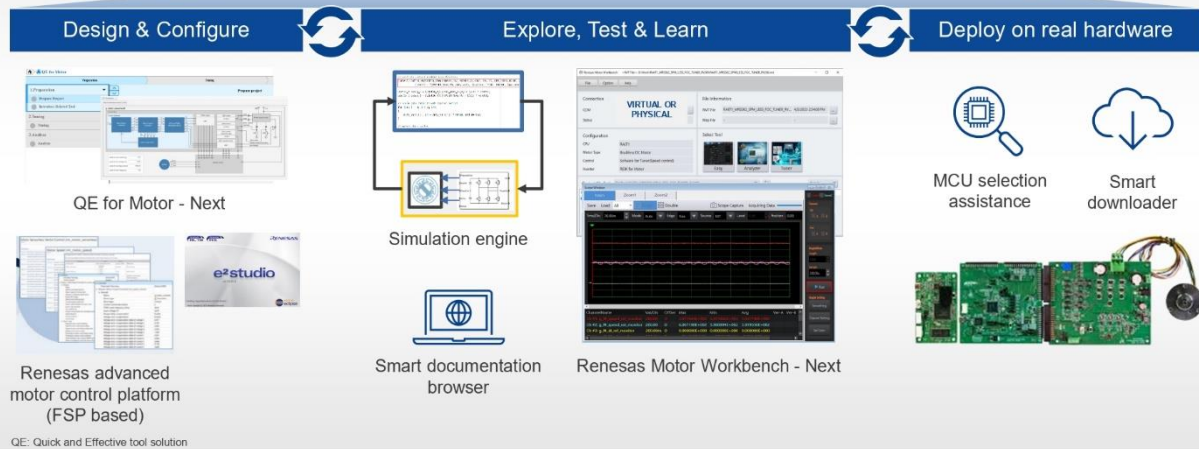
In India, we are leaders in growing segments like smart power meters and electronic voting machines. Renesas is successful in these markets by providing core technologies and enablement tools for customers to quickly design differentiated solutions.

This complete software stack can then be expanded into tangent markets like robotics, security, and access control systems, along with two- and three-wheelers.

We have also added more local presence by focusing on local requirements, increasing local developers, ecosystem partners, and expanding our local university programs. All these vectors position Renesas for share gains in Phase 1.

LEVERAGING CORE TECHNOLOGIES – MOTOR CONTROL

Renesas 365
Powered by **Altium**



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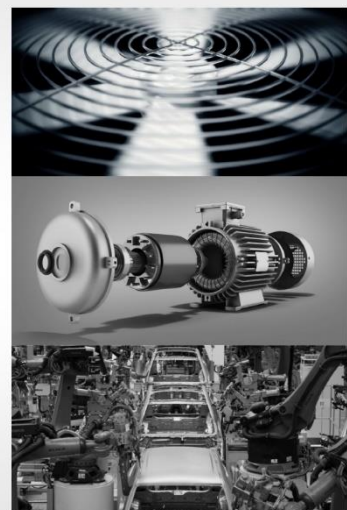
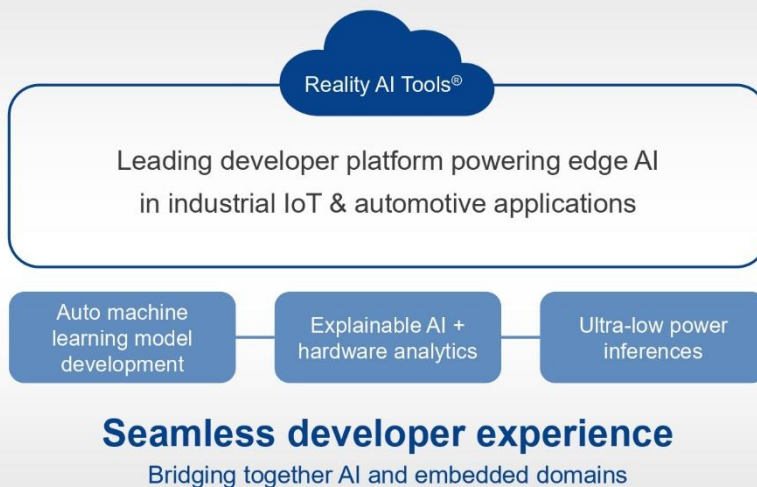
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Next slide, please. A good example of our core technology is our motor control.

Today, we offer customers a set of very powerful and easy-to-use tools that allow them to quickly design, configure, test, optimize, and deploy into hardware in a real-time environment. These tools include algorithms that maximize performance at high efficiencies and real-time test results for further customization and optimization. These core technologies tools will eventually be integrated into Renesas 365.

RENESAS REALITY AI PLATFORM HIGHLY EFFICIENT AI FOR ANY EDGE APPLICATION



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Next slide, please. Another example of our core technologies is our AI offering through Reality AI.

The Reality AI developer platform gives customers access to online tools to fine-tune various parameters and monitor key analytics to offer numerous value-added features, such as predictability, increased reliability, and fault detection, all at minimum investment and ultra-low power.

REALITY AI - DIVERSE MARKET SUCCESS



Remote livestock management & virtual fencing

- Ultra-low power for extended battery life (Solar powered wearable)
- High precision behavior monitoring across entire herds
- BOM reduction (sensor components optimization)



Pump health monitoring

- Prevent costly equipment failure before they occur
- Reduce maintenance costs through precise fault detection in cost-effective hardware
- Improve equipment reliability & uptime



Hisense | HITACHI

Adaptive energy efficient HVAC systems

- Smart climate control, automatically fine tunes indoor conditions for comfort
- Remarkable energy efficiency and reduced carbon footprint
- Extended system life through optimized operation

Next slide, please. These are three examples of how our Reality AI tools provide value-added features in real-life applications and environments.

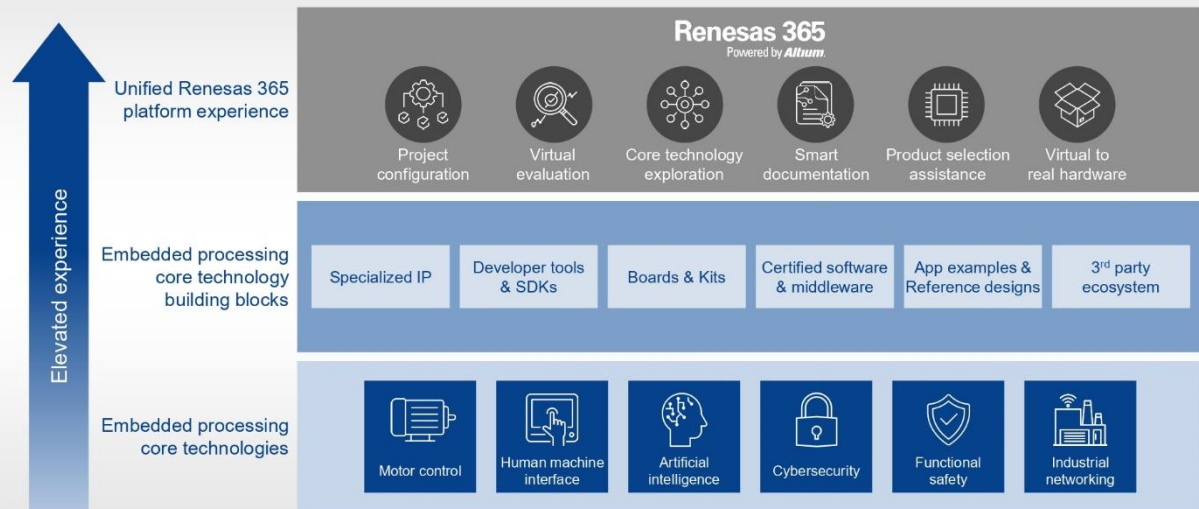
Gallagher Next is a pioneer in developing cutting-edge solutions for the agricultural industry. Reality AI software runs on Renesas MCUs, allowing Gallagher Next to offer best-in-class remote livestock management with high precision and ultra-low power, all with minimum bill of materials.

For Goulds Pumps, Reality AI is used to predict potential failures before they occur, thereby reducing maintenance costs and improving reliability and runtime.

Hisense-Hitachi deploys Reality AI to fine-tune indoor HVAC systems to increase energy efficiency, thereby reducing carbon footprint and extending system life.

These are just some examples of how our Reality AI operating on Renesas MCUs and MPUs can provide real-life value-added features to end customers.

PHASE 2: ENABLEMENT WITH DIGITALIZATION



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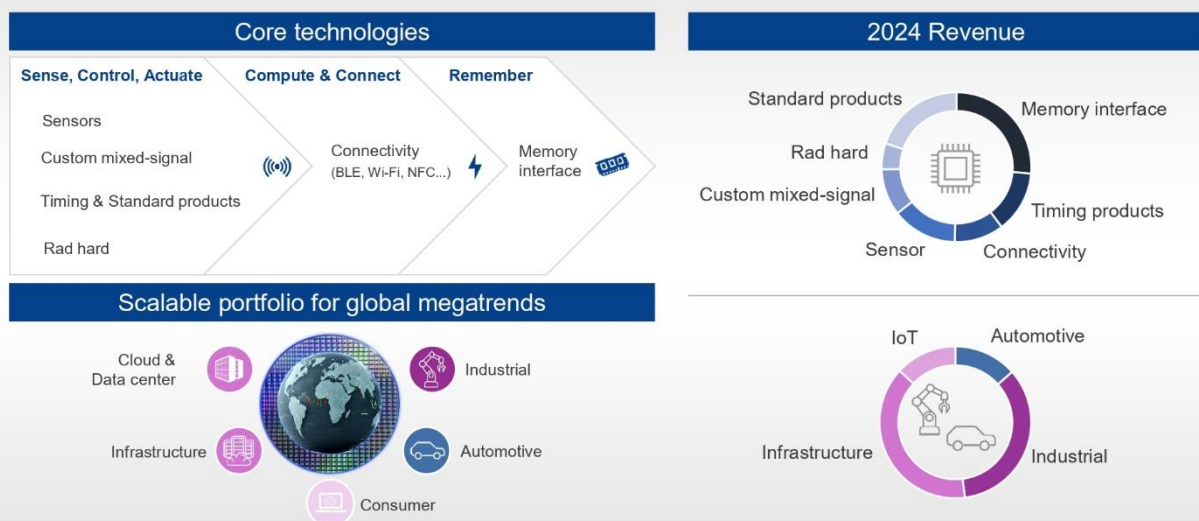
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Next slide, please. In Phase 2, our goal is to bundle all the core technologies and combine them with our enablement and ecosystem tools, also known as technology building blocks, into a very easy-to-use development platform.

With the Renesas 365 Platform, customers can quickly utilize our core technologies and technology blocks in one platform to select, design, test, optimize, and build value-added solutions. This will accelerate market adoption of Renesas MCUs, MPUs, and other Renesas products.

AT A GLANCE ANALOG & CONNECTIVITY



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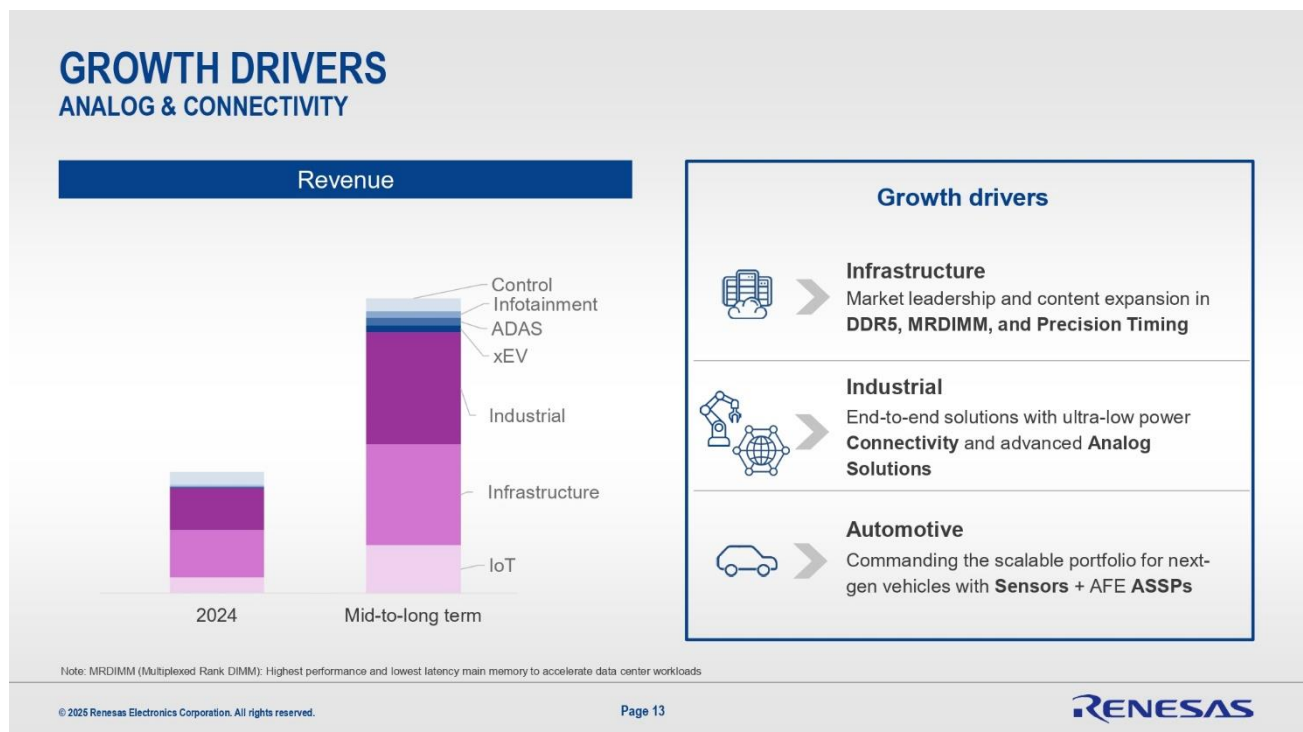
Next slide, please. Let's move on to Analog and Connectivity.

Rooted in innovation and strategic execution, Renesas has expanded its analog and connectivity portfolio through transformative acquisitions since 2017, including Intersil, IDT, and Dialog.

We are positioned to innovate across the full analog signal stack, sense, control, actuate, compute, connect, and remember. Our diverse set of analog and connectivity products allow us to provide a solution, not just a product.

Analog and Connectivity is scaling as a global leader in high growth markets, such as infrastructure, automotive, industrial, and IoT, with differentiated technologies that bridge the cloud-centric Platforms, edge intelligence, and hybrid architectures.

Renesas delivers a full analog solution stack, covering everything from position signal chain to sensing, timing, and connectivity, for seamless integration across applications.



Next slide, please. Renesas is capturing value across the cloud-to-edge continuum with a broad portfolio of products, positioning us to drive annual growth.

In the infrastructure and cloud markets, our leadership in memory interface and timing products positions us for share gains, as the AI trend continues its positive momentum. Both product families are broadly deployed across numerous infrastructure solutions.

In the industrial segment, our broad and diverse portfolio of analog and connectivity products provides a one-stop solution driven by ultra-low power connectivity products and advanced analog solutions.

In the automotive space, our market-leading set of sensor signal conditioners sets us up for continued growth, as automotive expands.

VERTICAL STRATEGY

INCREASING HIGH VALUE ANALOG CONTENT IN CLOUD AND DATA CENTER SERVER MARKET GROWTH

Renesas products

Memory interface:
DDR5 data buffer,
PMIC, Temp sensor



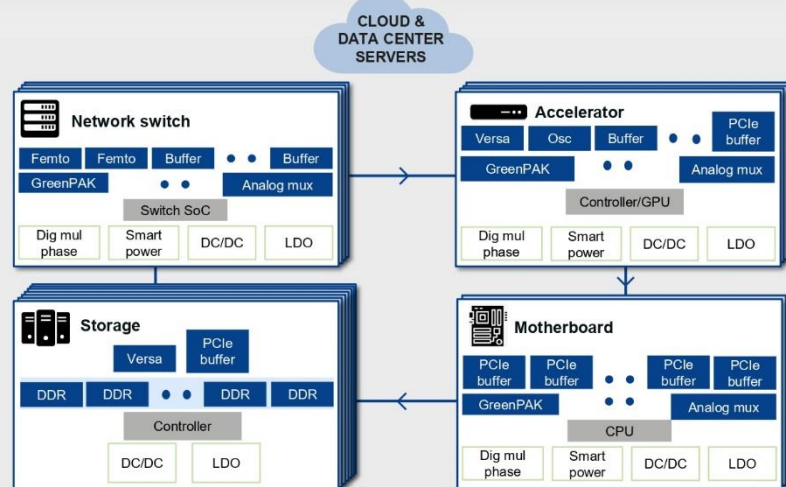
Timing:
FemtoClock, VersaClock,
PCIe, Buffers, Osc



Programmable analog:
GreenPAK, Analog mux



Up to 1K parts / system^{*1}



^{*1} System: Ultra-high throughput of 102.4 Tbps for next-gen data center and AI networking. GPAK: GreenPAK Programmable Logic.

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Next slide, please. As previously stated, our market leadership presence in memory and timing positions us well for continued growth in the AI-driven cloud and data center market.

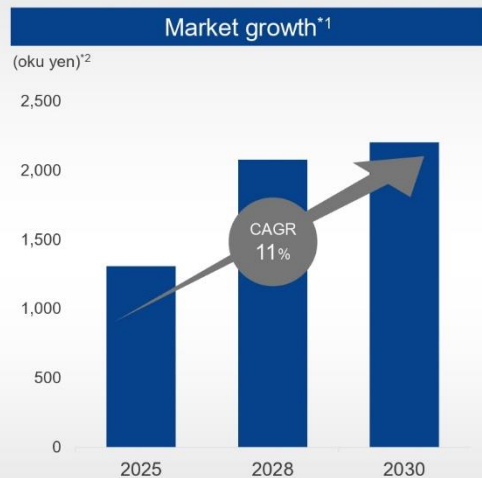
In this example, our leadership position allows us to maximize content in the cloud systems, whether it is in the network switch, the storage system, or the CPU-GPU boards. Each system will possess several Renesas products, thereby multiplying the dollar content per system.

In addition to memory and timing, we have our family of GreenPAK programmable analog solutions.

Our vertical strategy allows us to increase revenue in targeted growth segments like cloud and data center servers.

VERTICAL STRATEGY - MEMORY INTERFACE

MARKET GROWTH AND DDR5 TRANSITION AS AN OPPORTUNITY



- **Complete DDR5 chipset** with PMIC, TS, SPD Hub, RCD, DB
- **DDR5 adoption to reach 90% in 2025**
 - Gen3 ramp begins 2H 2025
 - Multi-gen support sustains ASPs
 - AI server growth drives DDR5 demand for higher bandwidth
 - Technical leadership in Gen4 and Gen5
- **MRDIMMs to boost chipset content**
 - Adoption accelerates in 2025
 - Positioned to lead with 6400 MT/s
 - Leader in Gen1 and Gen2 MRDIMMs
- **DDR6 expected by 2031; DDR5 MRDIMMs bridge the gap**

*1: Source: Renesas estimates based on Industry reports and Partner information *2: FX \$1 = 100yen, €1 = 120yen TS: Temperature Sensor SPD: Serial Presence Detect RCD: Register Clock Driver DB: Data Buffer

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Next slide, please. A good example of our vertical strategy is in memory interface.

Over the last few years, we have continued to invest in memory interface. Our persistence and innovation have positioned us to see share gains in DDR5, as it continues to expand in 2025 and beyond.

As stated last year, our presence in memory interface includes several products, RCD, temp sensor, PMIC, Data buffer, and SPD Hub.

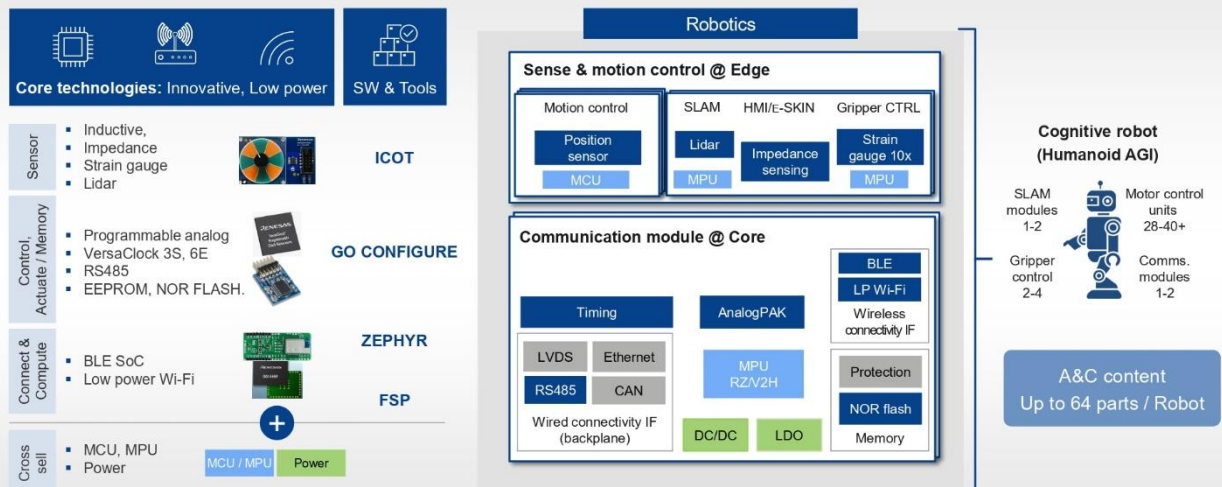
As DDR5 Gen3 ramps in H2 of 2025, we expect to see revenue growth. In addition to our position in DDR5 Gen3, we are also in technical leadership positions with DDR5 Gen4 and Gen5, driving future revenue growth.

We are also seeing deployment of MRDIMMs in 2025. Similar to DDR5, we have a leadership position, and we see revenue expansion, as MRDIMMs enter production.

Our continued investment in memory interface is resulting in technical and market leadership positions, and this is driving revenue growth.

HORIZONTAL STRATEGY

SCALABLE PORTFOLIO AS BEDROCK OF EDGE-CENTRIC PLATFORMS



SLAM: Simultaneous Localization And Mapping HMI: Human Machine Interface e-SKIN: Electronic Skin IPS: Inductive Position Sensing HOD/Impedance Sensing: Hands On Detection

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Next slide, please. On the horizontal strategy, our large and diverse product portfolio allows us to offer customers a one-stop analog solution stack, accelerating design, and integration.

In this example, our edge-centric products are ideally suited for robotics. We provide solutions that can sense, control, actuate, and connect. Combined with our other product lines and Embedded Processing and Power Management, we offer complete solutions that include compute and power.

Each humanoid will contain over 50 critical analog products along with MCUs and Power, leading to a very large dollar content per robot.

Some of our analog solutions also have advanced tools that expedite development in addition to optimizing performance.

For example, our inductive position sensors utilize ICOT, which is a cloud-based coil optimization tool that shortens time to market with a unique way to optimize coil design in real time, with 10 times better accuracy. It also replaces the need for expensive accurate optical encoders.

Another example of our cloud-based tools is our GreenPAK Go Configure Software Hub, which provides a completely graphical design process, requiring no programming language or compiler to configure, program, and test custom analog samples in just a matter of minutes.

Like the tools discussed in the Embedded Processing section, these tools will be integrated into the Renesas 365 Platform, further increasing value to our innovative universal cloud-based development platform.

SUMMARY



Grow MCU share in 2-Phase approach

- Focus on growth regions and markets
- Renesas 365 & core technologies keys to mass market

Total solution set built on our high-value analog strengths and leading MCU portfolio

Continued infrastructure investments leading to DDR5 / MCR & timing growth along with content increases

High performance analog, sensors & connectivity products ideally suited to address market demands as edge expands

Next slide please. Let me now summarize the key points. For MCU share gains, we will take a two-phase approach.

Phase 1 focuses on high-growth regions and markets where we currently have a leadership position and expand into tangent markets. Our core technologies and powerful tools will continue to bring value to these tangent markets. In Phase 2, we utilize the cloud-based Renesas 365 Platform to further expand our customer base, with a focus on mass markets.

For focused high-growth markets like AI infrastructure, our investments in memory interface and timing products puts Renesas in position for revenue growth, as the AI trend continues forward. Our family of high-performance analog and connectivity products offer differentiated solutions to address market demands on the edge.

Our broad collection of MCUs, MPUs, along with a comprehensive set of high-value analog and connectivity products, provides a diverse portfolio in which to build a solution. But when you combine this with Renesas 365, we are positioned to change the paradigm of electronic design and grow even further.

Next slide. Thank you.

Moderator: Next, we would like to ask Vivek to explain about High Performance Computing. Vivek, the floor is yours.

Bahn: Good morning and good afternoon. I am Vivek Bahn, Senior Vice President and General Manager of High Performance Computing at Renesas.

Today, I will take the opportunity to walk you through the strategic direction of our HPC business and provide an update on our current progress.

AT A GLANCE

HIGH PERFORMANCE COMPUTING

Our products / technologies



High performance, ultra-low power consumption 32bit automotive MCU

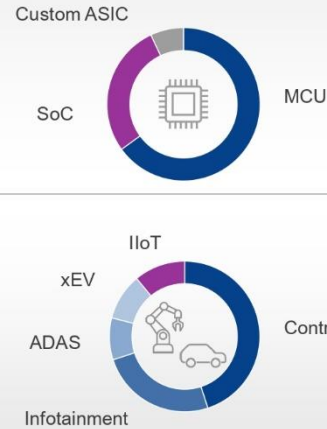


High performance, high efficiency SoC for automotive



High performance custom ASIC & ASSP

2024 Revenue



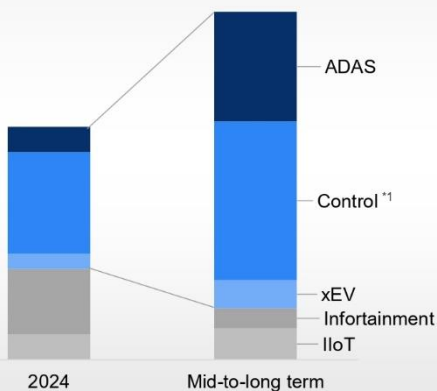
Next slide, please. Let me start by outlining the products that are supported within the high performance computing group.

We developed MCUs and SoCs for automotive compute, as well as compute solutions customized for non-automotive applications like industrial and factory automation. We, as Renesas, are uniquely placed in automotive, with a portfolio that addresses both the MCU and the SoC space.

GROWTH DRIVERS

HIGH PERFORMANCE COMPUTING

Revenue



**1: Gateway is included in "Control"

Growth drivers



ADAS



ADAS/AD with AI integration R-Car Gen4/5



Control



Strong MCU/SoC portfolio for E/E architecture



xEV



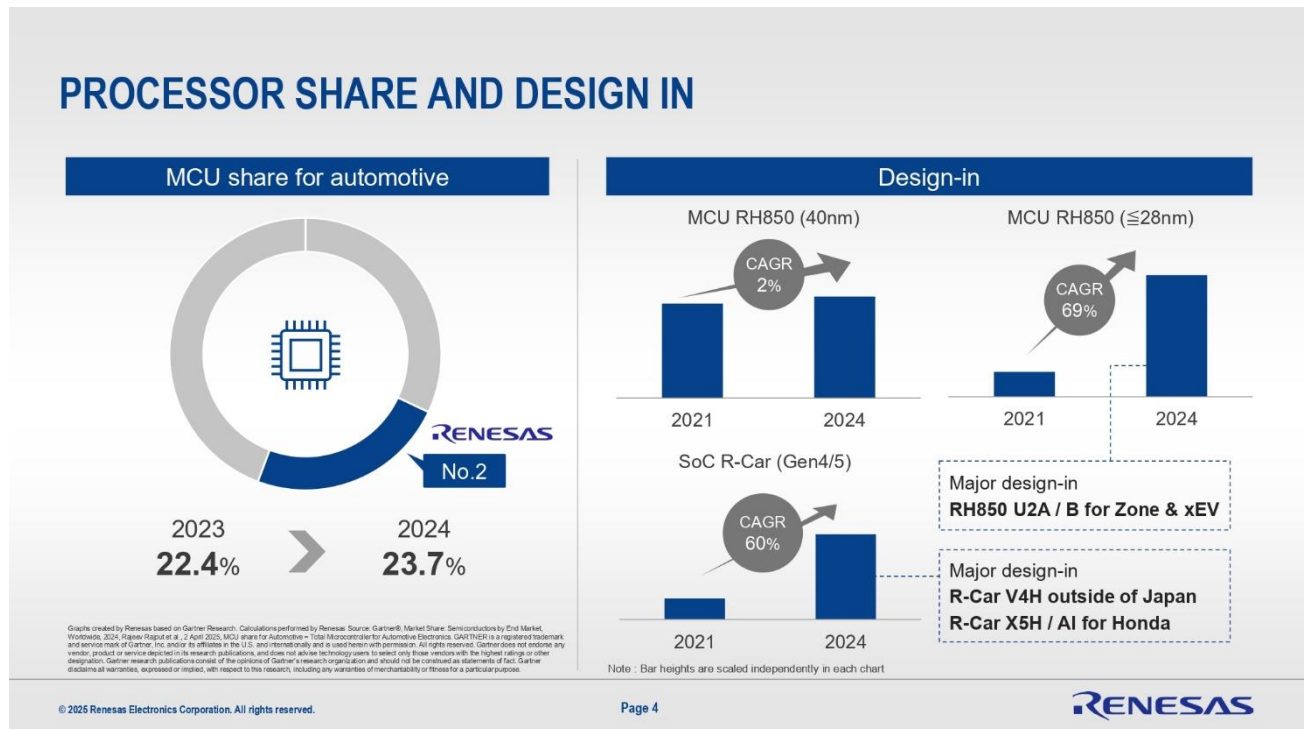
Motor control MCU with Power and Analog solution

Next slide, please. High performance computing growth drivers span across multiple domains.

In ADAS, our R-Car Gen4 and Gen5 delivers a scalable range of compute solutions tailored to varying levels of AI integration.

In the control space, we are well positioned to drive the evolution of E/E architectures by leveraging our strong MCU and SoC portfolios.

For EV applications, our motor control MCUs and our other MCUs portfolio, combined with Analog and Power, deliver an efficient and optimized xEV system solution to the market.



Next slide, please. Here on this slide, we highlight our MCU market share in the automotive segment and the design-in achievements of our HPC business.

We have seen a steady rise in market share, moving from 22.4% in 2023 to 23.7% in 2024, including capturing foreign exchange impact.

Although we fell behind our leading competitor in 2023, we are on a solid path to recovery, with our market share continuing to grow.

On the design-in front, our 40 nanometer RH850 series continues to maintain a strong presence, while our newer products in 28 nanometer RH850 series have achieved a remarkable CAGR of 69% in design-in value from 2021 to 2024.

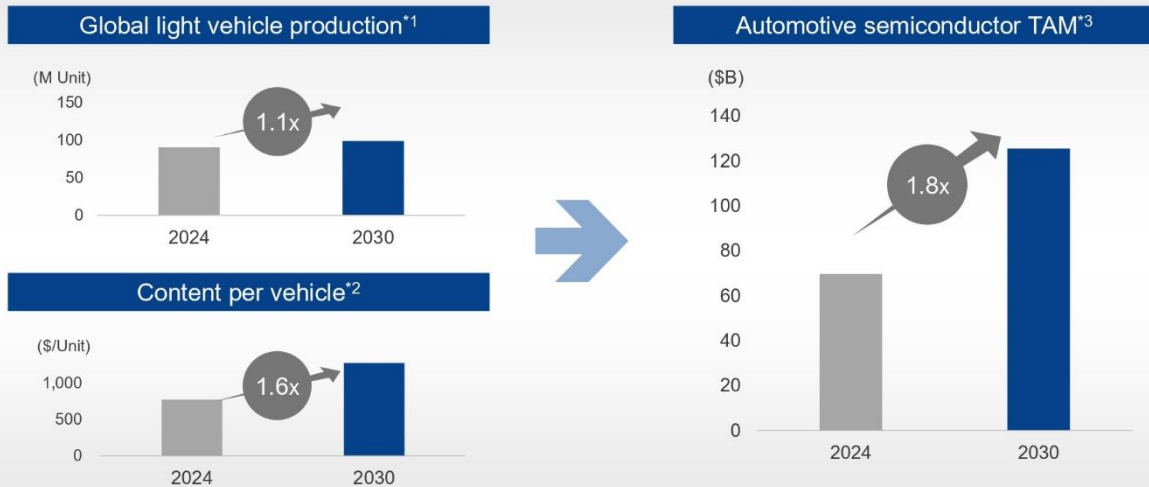
Some of the key design-ins in RH850 28 nanometer series are on U2A and U2B series products for zonal and xEV applications, which represent a major portion of our design-in success.

In the SoC space, we have also seen good momentum, with design-in value increasing at a CAGR of 60% from 2021 to 2024.

Notable design-ins recently include R-Car V4H Gen4 for outside of Japan and also R-Car Gen5 X5H products for Honda.

MARKET OUTLOOK (AUTOMOTIVE)

AUTO SEMICONDUCTOR MARKET GROWTH IS DRIVEN BY CONTENT PER VEHICLE



*1: Source: GlobalData Global Light Vehicle Forecast (May 2025)

*2: Source: Technisights Automotive Semiconductor Demand Forecast (2Q25)

*3: Source: Technisights Automotive Semiconductor Demand Forecast (2Q25)

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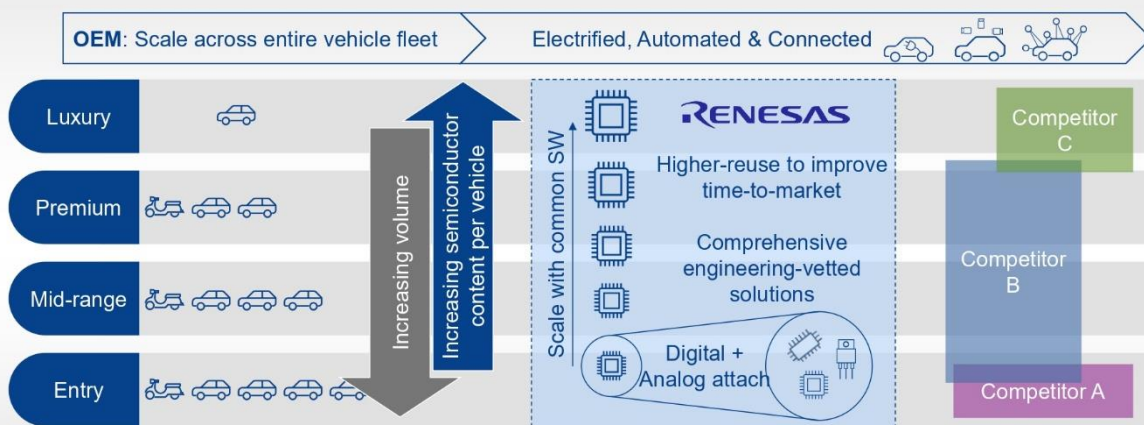
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Next slide, please. Before we dive into business strategies, let's take a quick look at the overall market momentum.

Although global vehicle production is expected to grow only modestly over the coming years, the automotive semiconductor market is experiencing significant growth. This is primarily driven by increasing semiconductor content per vehicle, as cars become more electrified, connected, and software-defined.

AUTOMOTIVE COMPUTE STRATEGY

FULL PORTFOLIO FROM MCU TO SOC WITH SCALABLE, FLEXIBLE AND CUSTOMIZABLE PLATFORM



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Next slide please. Our automotive compute strategy emphasizes a comprehensive approach, showcasing a full portfolio that ranges from MCUs to SoCs. Due to our broad portfolio, we offer scalable compute solutions

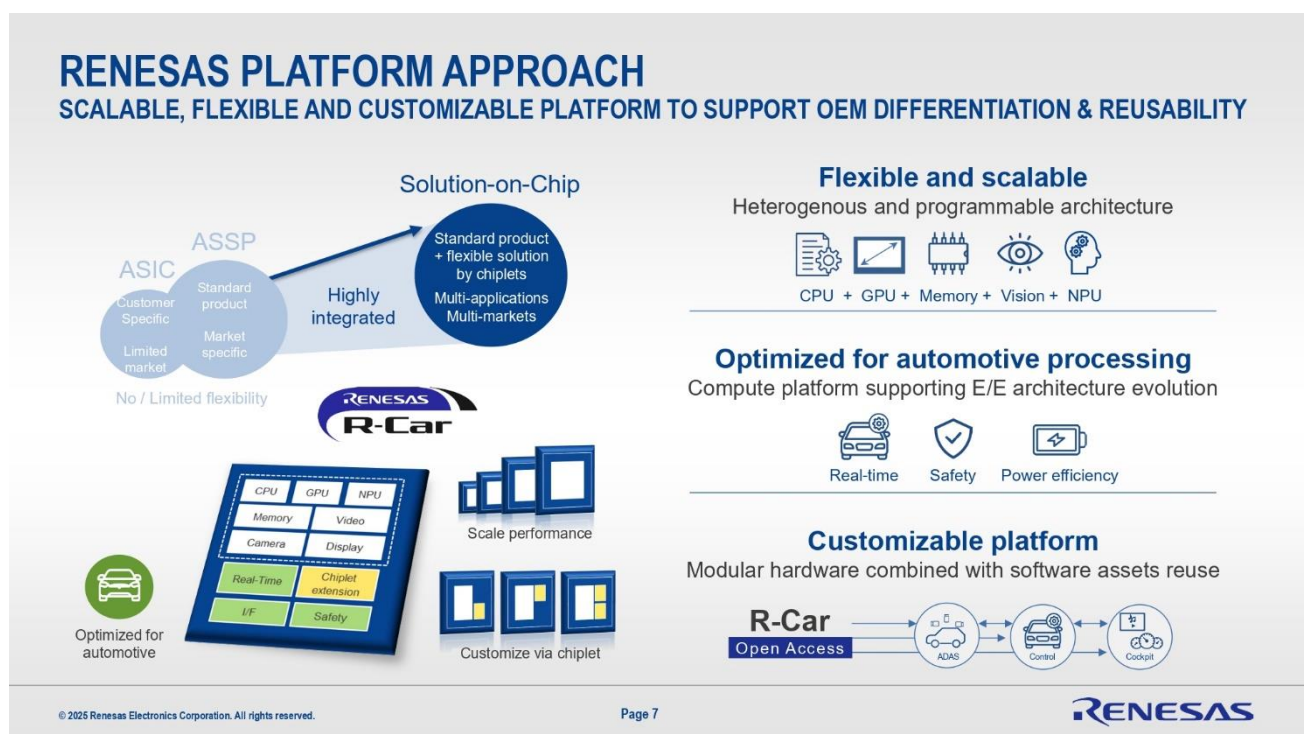
that allow OEMs to flexibly choose the best fit across their vehicle lineup, from entry level to luxury models, providing advantages that competitors cannot easily replicate.

To further enhance this value, we place strong emphasis on leveraging common software platforms to streamline development processes. This approach significantly eases OEM efforts by providing consistency and compatibility across the entire computing lineup.

By promoting greater use of software, our customers can accelerate time to market and maintain competitiveness in a rapidly evolving industry.

Additionally, our unique capability to integrate both digital and analog technologies allows us to deliver optimized system level solutions that effectively address a wide range of automotive requirements.

Altogether, this strategy uniquely positions Renesas to effectively meet the complex and growing demands of the automotive industry.



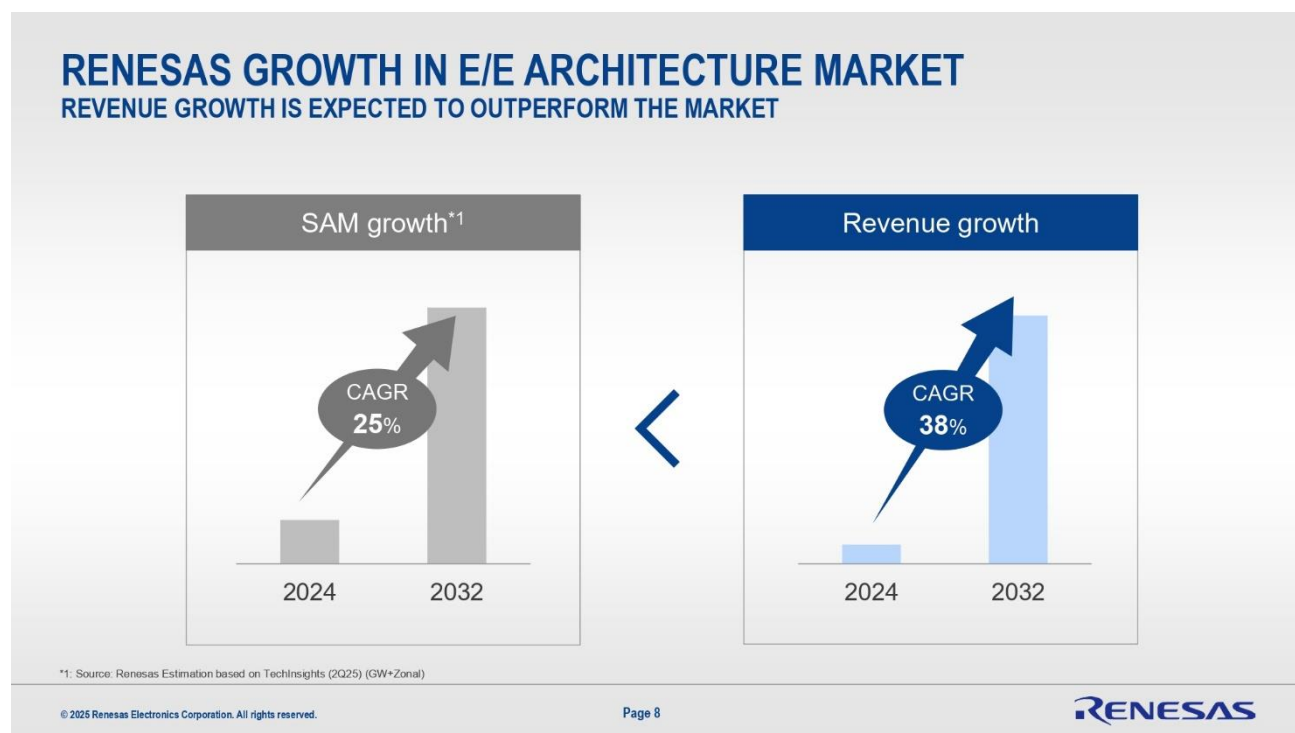
Next slide, please. The automotive market landscape is very dynamic, and one size does not fit all.

There is a rapid evolution of vehicle architecture, moving from distributed to central car compute with integrated domains, combined with a shift from hardware-centric to software-defined vehicles, and an acceleration of autonomy with mass deployment of ADAS systems.

To address those industry changes applicable to the entire vehicle fleet, Renesas is unique in bringing flexibility and scalability to OEMs, with its R-Car purpose-built SoC portfolio optimized for automotive processing.

Our customizable compute Platform leads in real time safety and power efficiency includes latest chiplet and process node technologies and is available to our customers in our Renesas Open Access SDV environment, enabling software use and portability with common architecture.

The modular hardware approach, with its ability to mix and match different functions and products, allows customized systems via the chiplet approach, including future upgrades across the vehicle platforms that will be critical for new software-defined vehicle deployment.



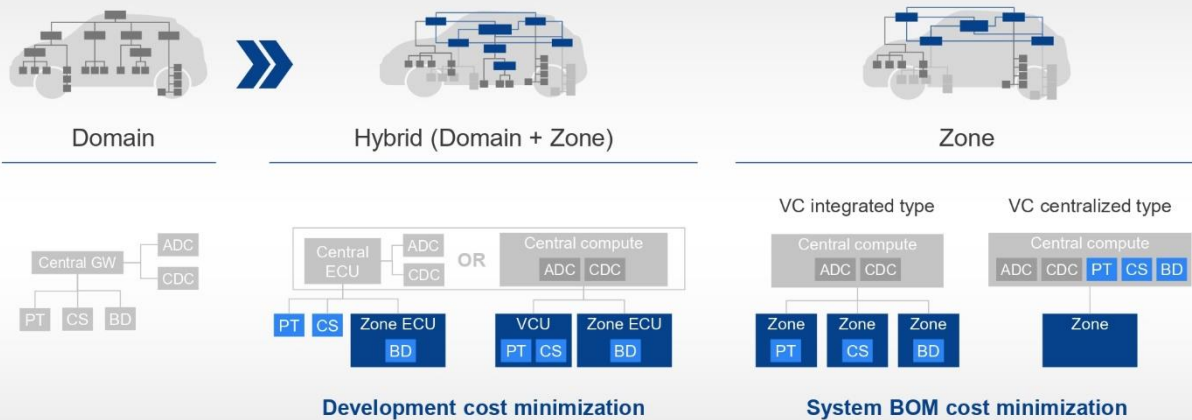
Next slide, please. Now, I would like to take this opportunity to share our progress and strategy in the E/E architecture space.

Leveraging our extensive product portfolio and strong customer interest, we are confident that our revenue growth in this area will outpace the overall market.

Our solutions are well positioned to address the increasing complexity and demands of the modern vehicle E/E architecture, enabling us to capture significant new business opportunities.

ZONAL ARCHITECTURE TREND IN VEHICLE CONTROL

OUR FLEXIBLE AND SCALABLE INTEGRATED SOLUTIONS SUPPORT THE NEEDS OF GLOBAL OEMS



VCU: Vehicle Control Unit (incl. DCU) PT: Powertrain (xEV) CS: Chassis and Safety BD: Body (BCM) ADC: ADAS Domain Controller CDC: Cockpit Domain Controller

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Next slide, please. As E/E architectures continue to evolve, OEMs are taking diverse approaches in balancing integration, development effort, and system BOM cost.

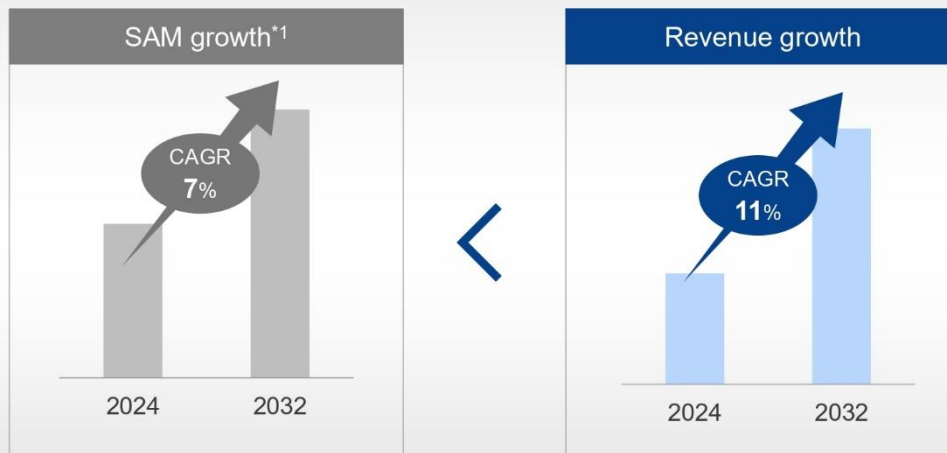
While some of the OEMs are moving towards fully centralized architectures to enable software-defined vehicle vision, others are adopting more gradual or hybrid models. We, as Renesas, are well positioned to support this diversity.

Our flexible and scalable solutions are designed to accommodate a wide spectrum of OEM strategies, from traditional domain-based systems to hybrid E/E architectures and also fully zonal implementations.

We offer a comprehensive range of hardware and software, including central compute solutions with varying levels of real-time capability, ensuring that we can meet the unique requirements of each OEM regardless of their approach to E/E architecture.

RENESAS GROWTH IN EV MARKET

REVENUE GROWTH IS EXPECTED TO OUTPERFORM THE MARKET



*1: Source: Renesas Estimation based on Technisights (2Q25)

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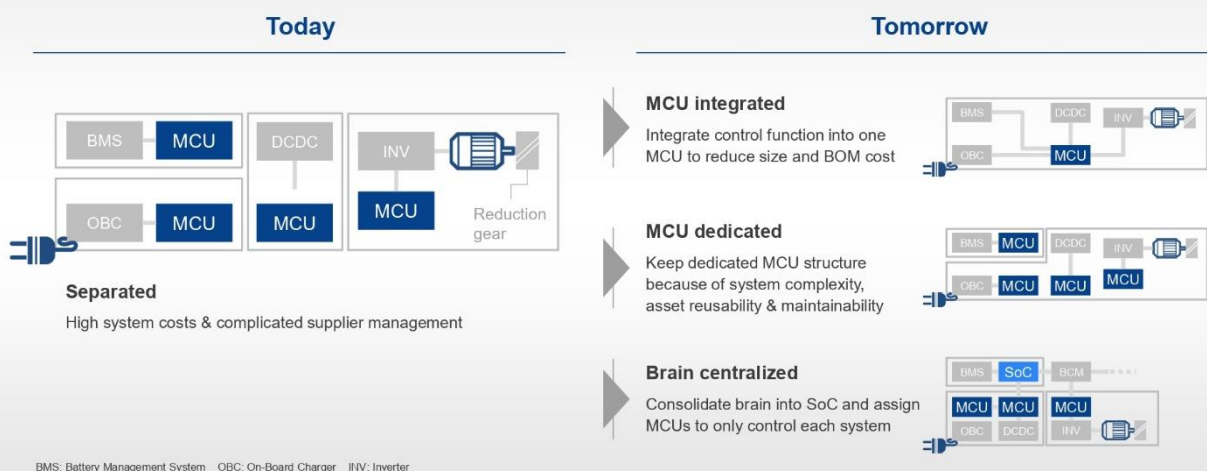
Next slide, please. Now, turning to the EV segment, our solutions are similarly well positioned to meet the rapidly evolving requirements of electric vehicles.

With growing customer engagement and an expanding product portfolio, we expect our revenue growth in the EV segment to also outperform the overall industry growth.

xEV MARKET TREND FOR INTEGRATION

EXPANDING MCU PORTFOLIO COVERS FROM STAND-ALONE OBC UP TO FULL INTEGRATION OF X-IN-1

xEV system will be integrated into X-in-1 type in the future, but integration level will depend on OEM



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Next slide, please. As the xEV market continues to advance, system architectures are shifting towards higher levels of integration, such as X-in-1 Platforms that combine inverters, onboard chargers, DC/DC converters, and many more systems.

While the trend is clear, the path to integration varies widely by OEM, depending on their own platform strategy. Renesas is well positioned to support this transition with a comprehensive and flexible MCU portfolio, from stand-alone onboard charger control to fully integrated xEV Platforms.

This allows us to address diverse customer needs, offering OEMs the right solution at each stage of their integration road map, while enabling smarter, safer, and more efficient electrified vehicles.

HIGH PERFORMANCE COMPUTING MCU PRODUCT STRATEGY

BROAD AND SCALABLE MCUS TO ADDRESS ALL OEM AND TIER 1 APPLICATIONS

RENESAS RH850 RENESAS R-Car

- Broad & scalable MCU platform**
 - Broad market-leading MCU portfolio for all applications
 - Scale across all architectures with common software
 - Investments focused on strengths and emerging trends
- Easy & efficient development**
 - Robust and common development tools and software
 - Broad and validated 3rd party partner solutions
 - Easy to use GUI development environment

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Next slide, please. Now, let me take the opportunity to share how we are shaping our MCU product strategy to support a wide range of customer needs and future trends.

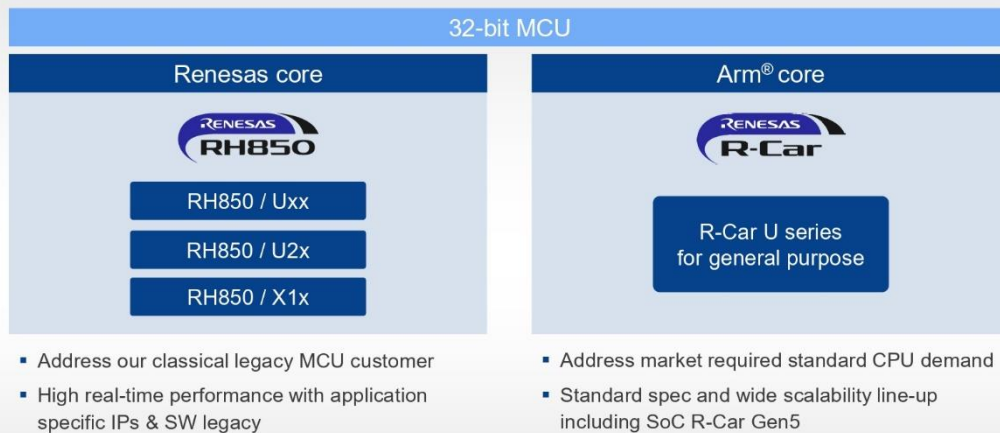
We have built a broad and scalable MCU lineup, covering everything from small control units to very high-performance applications. This portfolio is supported by a common software Platform, which helps simplify development and makes it easier to scale across architectures. Our R&D efforts are focused not only on areas where we lead today, but also on addressing emerging needs like electrification and software-defined vehicles.

Equally important is making development as smooth and as efficient as possible. We provide robust and common development tools and software, along with a broad network of validated third-party solutions. Our intuitive GUI environments further support fast and user-friendly development, helping customers reduce time to market and improve productivity.

Altogether, this approach defines the unique value our MCU strategy brings, empowering our customers with scalable solutions, with a seamless development experience across a wide range of applications.

TARGET MARKETS OF AUTO 32-BIT MCU

PROVIDE A RICH LINE-UP OF AUTOMOTIVE MCUS FOR THE VARIOUS NEEDS OF OUR CUSTOMERS



Renesas plans investments in RISC-V Core, Sub-system, ISA for future

Next slide, please. Let me now introduce our 32-bit MCU product strategy, which is currently built around two complementary core architectures, the first one being the Renesas core or the proprietary core and the second one based on the Arm core, to meet a wide range of customer needs.

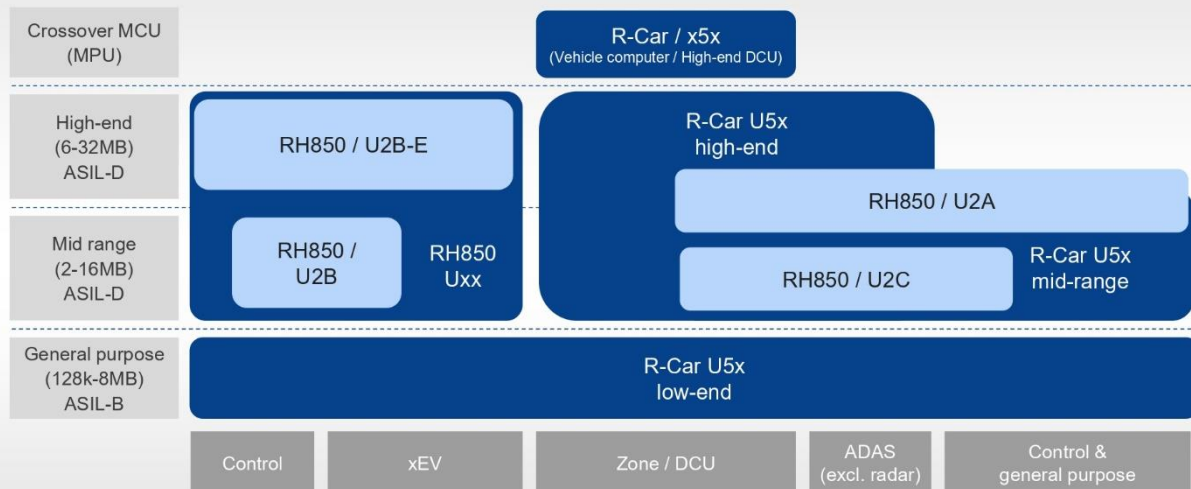
On one side, our RH850 MCUs, based on the Renesas core, are designed to support our classical legacy MCU customers. These devices offer high real-time performance and come with application-specific IPs and rich software legacy, making them ideal for customers who value deterministic control and long-term software continuity.

On the other side, our Arm-based MCUs address growing market demand for standardized CPUs. In this family, we offer standardized specs and a scalable lineup, reaching up to SoC-level capabilities with R-Car Gen5 to meet a broad range of system requirements.

Together, this dual core strategy enables us to offer a rich and versatile 32-bit MCU lineup, well equipped to meet the diverse needs of a broad customer base. In addition to the proprietary core and the Arm cores, we are also outlining our plans for investments in RISC-V cores and the associated instruction set.

HPC 32-BIT AUTO MCU MARKET COVERAGE

MCU PORTFOLIO WELL COVERS ENTIRE AUTO MARKET REQUIREMENTS



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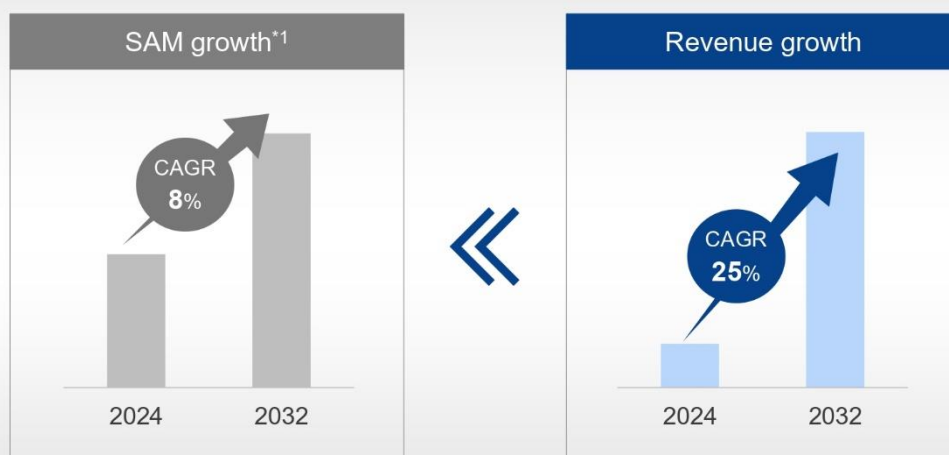
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Next slide, please. Our MCU portfolio is among the most comprehensive in the industry, covering a wide range of memory capacities and performance levels, from low end to high end, along with optimized IP to meet diverse application needs and functional safety requirements.

We will continue to invest across all application segments to drive the evolution of electronic control in the automotive market.

RENESAS GROWTH IN ADAS MARKET

REVENUE GROWTH IS EXPECTED TO OUTPERFORM THE MARKET



*1: Source: Renesas Estimation based on Technisights (2Q25) *2: Including XSH

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Next slide, please. Now, I would like to take this opportunity to share our progress and strategy in the ADAS space.

Similar to other key growth driver segments, such as E/E Architecture and EV, we expect our revenue growth in ADAS to outperform the overall market.



Next slide, please. Our R-Car high-performance compute SOC's are uniquely positioned, with a comprehensive portfolio that spans all major automotive domains, from automated driving and connectivity to the transition towards software-defined vehicles.

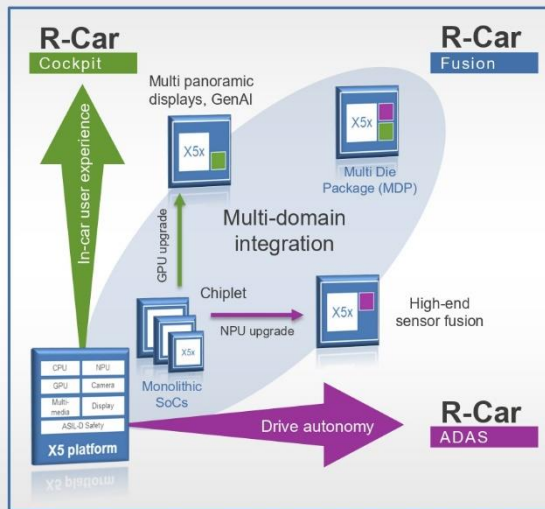
Due to the scalability and flexibility of R-Car family, we can support a wide range of vehicle classes, from entry level to high end, with solutions tailored to each customer's specific needs. Its modular architecture enables customers to scale performance using chiplets and customize their systems with ease.

This strategy is reinforced by our Renesas Open Access Platform, RoX, which is a cloud-native SDV development platform. RoX brings together all essential components and tools that automotive developers need to accelerate next-generation vehicle development with continuous, secure software updates.

RoX is more than just an open-source reference. It provides pre-integrated and pre-validated software stacks, enabling faster prototyping and reducing time to market.

We will continue to invest in our software assets to service the needs of our customers.

5TH GENERATION OF R-CAR AUTOMOTIVE SOC DESIGNED TO ADDRESS THE SHIFT TO CENTRALIZED ARCHITECTURE



Leading-edge technology

3nm technology process for best-in-class power efficiency



Modular hardware approach

Cost effective heterogenous architecture with chiplet extension



Mix-criticality up to ASIL-D

E/E architecture transition to SDV and centralized architecture



Available today

First silicon derivative sampling to early adopters



Next slide, please. I am very excited with our continued investment in R-Car Gen5, designed to address the unique challenges of the automotive industry.

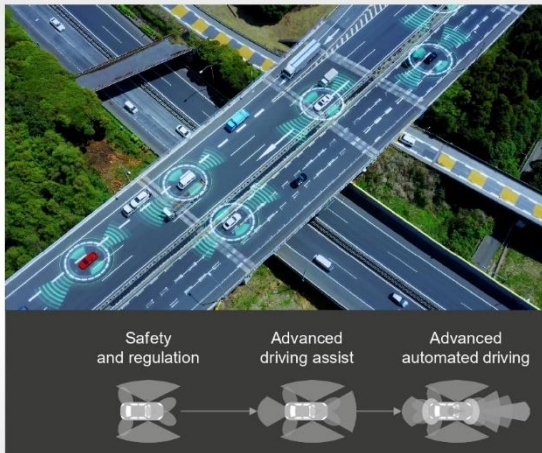
What sets Renesas apart is our flexible and customizable platform that supports a wide range of vehicle segments and applications, from ADAS and cockpit issues to cross-domain systems.

Gen5 offers top-class performance and power efficiency with 3 nanometer technology, and its modular chiplet architecture is ideal for high-performance automotive computing, with robust support for functional safety and mixed criticality.

Early silicon for our first product in Gen5 SoCs is already with our lead customers, and we expect SOP to be around 2028 and beyond, making our R-Car Gen5 a key enabler of next-generation software-defined vehicles.

R-CAR FOR ADAS/AD

MULTI-GENERATION HISTORY WITH DRIVING ASSISTANCE SYSTEMS



Gen3

Gen4

Gen5

LLM: Large Language Model VLM: Vision-Language Model

Japan and global footprint

Gen3 on the road today for ADAS systems (and for cockpit)



New products ramping

Gen4 focused on ADAS ramping in 2H 2025



Core AI technology

Gen5 optimized for advanced automated driving

CNN
Transformer / GenAI
LLM and VLM



From dozen to
2,000 TOPS

Building partner ecosystem

Market-ready software and AI stacks

Next slide, please. Talking about ADAS, Renesas has a long-standing presence in the ADAS market, with multiple generations of R-Car SOC's deployed.

R-Car Gen3 is already powering various ADAS systems globally, including smart cameras, surround view, park assist, driver monitoring, and sensor fusion.

We are excited to ramp our new R-Car products, with the Gen4 Platform launching in the 2nd half of 2025 to support cutting-edge advanced driver assistance systems.

Building on this momentum, R-Car Gen5 delivers up to 2,000 TOPS of performance and supports the latest AI workloads, from CNNs and transformers to GenAI and LLMs, all within a scalable platform designed for seamless software reuse and development efficiency.

Finally, Renesas R-Car offers a flexible engagement model that enables customers to develop and optimize their own software stacks or leverage the rich RoX partner ecosystem with market-ready software and AI solutions.

R-CAR FOR SOFTWARE-DEFINED VEHICLE

ACCELERATE TIME TO MARKET AND MAXIMIZE REUSE OF DEVELOPMENT ASSETS



HILS: Hardware In the Loop Simulation SILS: Software in the Loop Simulation

SDV architecture

For centralized and multi-domain compute solution



Open, flexible platform

Built on open-source, pre-integrated ecosystem solutions

Linux Xen RTOS Commercial stacks

Tooling infrastructure

Integrated tools platform with end-to-end AI toolchain



System validation

Test complex central ECU system integration and KPIs

Emulators, HILS, SILS, Performance modelling

Next slide, please. Automotive industry trends are increasing the demand for compute, driven by greater autonomy, such as ADAS, upgradeability through SDVs, E/E architectures, and scalability, enabling flexible upgrades and reusable software across the fleet.

As we expand our purpose-built automotive SoC portfolio, software-defined vehicle is a cornerstone of our R-Car strategy. A key enabler to our compute engine is the Renesas R-Car Open Access Platform. Built on open source with integrated ecosystem solutions, it helps accelerate time to market and maximize reuse of development assets.

In parallel, we are focused on delivering a high-performance integrated tools platform, including end-to-end AI toolchain, AI toolchain with simulators, AI compiler and workbench, and cloud infrastructure, to support large-scale testing.

With RoX's software-first approach, we build SDKs and in-house system proof of concepts that support early validation, enabling customers to evaluate complex central ECU integration and validate key system KPIs while maximizing reuse of the development assets.

SOC JOURNEY BEYOND GEN5: FOUNDATIONAL INVESTMENTS

Our focus: Strengthening our capability and infrastructure for the SoCs of the future

Shift left, SW first development

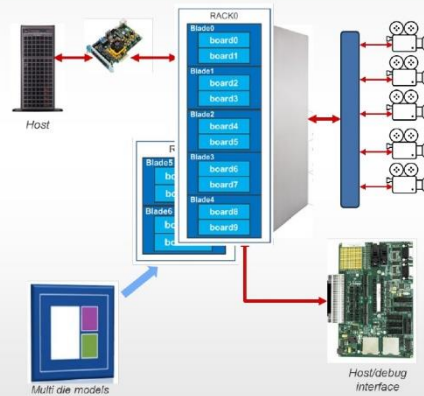
- HW and SW simulators, emulator and models
- Chiplets & advanced packaging

Invest in differentiating IP

- New cores subsystem development and SW
- Seamless AI tool chain

Boost execution efficiency

- Renesas integrated development environment
- Intelligent automation through AI-powered flows



Next slide, please. In addition to our products, as Shibata-san mentioned, Renesas is making investments in technology and methodology to strengthen our capabilities and infrastructure to build world-class execution for our future generation of products.

We, as Renesas, are investing around expanding our modeling capabilities, our verification and validation platforms using the latest tools, and methods to deliver best-in-class products and solutions to the market.

We are building new core IPs like RISC-V. We are expanding our software capabilities and offerings, expanding our tool chains to optimize AI networks and AI performance.

Renesas is also building a uniform development environment across all our locations to boost efficiency and integrate leading edge automation through the latest techniques, AI-enabled flows, and methods.

CHINA STRATEGY

- MCU footprint increasing by successful launch of 28nm products (Growing revenue YoY)
- MCU market penetration in high growth segments (Zone, xEV, ADAS)

Our approach under review for China market

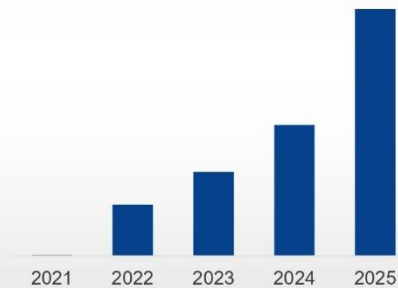
Accelerate “China production”

- Localize manufacturing to align with China's supply chain
- Ensure compliance with China-specific standards and regulations

Strengthen local partnerships

- Collaborate closely with OEMs/Tier1s via joint labs, on-site teams, and early development engagement
- Partner with local solution providers for fast, high-quality customer development

28nm RH850 revenue for China



Next slide, please. Let me now walk you through our strategy for China market, one of the fastest growing and strategically important regions for Renesas.

We are seeing strong momentum in our MCU business in China, driven by the successful launch of our 28 nanometer products, which has led to YoY revenue growth.

These products are enabling us to expand our footprint in China, particularly in high-growth segments, such as zonal architectures, xEV and ADAS. As we look to grow further in China, we are taking steps to deepen our local engagement.

One key initiative is to localize our manufacturing, allowing us to better align with China's supply chain. At the same time, we are committed to ensuring full compliance with China-specific standards, which are essential for gaining long-term trust in that market.

Equally important is our effort to strengthen partnerships with local players. We are deepening collaboration with OEMs and Tier 1 suppliers through joint labs, on-site engineering support, and early engagement in development projects.

Additionally, we are actively working to expand with local solution providers to deliver fast, high-quality development support that reflects the speed and expectations of the Chinese market.

Through these efforts, we aim to further expand our business in China and capture new growth opportunities in this important market.

SUMMARY



Next slide, please. To summarize, Renesas offers a comprehensive and scalable portfolio that covers key automotive domains, including ADAS, zonal, and xEV architectures. This allows us to flexibly support a wide range of OEM requirements, from traditional distributed systems to next-generation centralized platforms.

Our latest R-Car Gen5 has been specifically designed to support the industry's shift towards centralized compute, enabling higher integration, higher performance, and better efficiency. We are also promoting an open development platform, which helps customers accelerate time to market and maximize asset reuse across vehicle models.

In the MCU space, our scalable product lineup featuring both Renesas and Arm cores allows us to address both legacy system needs and the growing demand for standardized CPU-based architectures.

We are also strengthening our engagement in China, one of the world's most dynamic automotive markets, through local production, ecosystem partnerships, and customer collaboration.

And finally, we are investing in building stronger foundations, capabilities, and framework to deliver better products for the future.

Thank you for listening. Thank you.

Moderator: Thank you. Moving on, we would like to invite the SVP and General Manager of Power, Chris Allexandre, to deliver his presentation. Chris, the floor is yours.

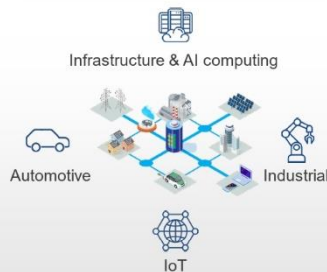
Allexandre: My name is Chris Allexandre. I'm the GM of Renesas Power Product Group, and I'm very excited to share with you today our progress in executing the strategy and group journey we introduced last year.

AT A GLANCE POWER

Our products and technologies



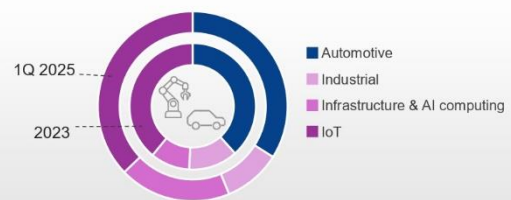
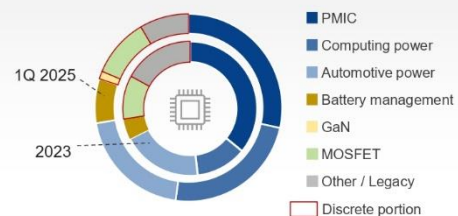
Markets we serve



Macro trends driving growth



2023 and 1Q 2025 Revenue mix



Next slide, please. Let me start with a comprehensive view of the Power business.

As Davin talked about, we've done multiple strategic acquisitions over the last few years, from Intersil, IDT, Dialog, and more recently with Transphorm. But the real value has been from the very recent, in the last two years, integration, aligning IP and engineering teams to scale, unlocking synergies on clear strategy to drive revenue growth.

For our market focus, we shaped the portfolio to serve four core markets, infrastructure and AI computing, industrial, IoT and client, and automotive.

Those are high growth segments fueled by rising demand for power semiconductor and driven by two micro-trends, such as cloud infrastructure and smart connected edge.

For our product portfolio, we have PMICs, the efficiently charged electronic devices, and our MCU and SoC that Vivek and Davin talked about.

Computing power, based of Digital Power, digital controllers, Smart Power Stage, and more lately Power modules, they are critical in efficiently powering CPUs and GPUs in server and AI Platform. The need for power density in this segment is growing at unprecedented rates, and we power this revolution.

Battery management system designed to monitor, protect, manage, and charge batteries with safety and precision, and present in all our key markets. Discrete GaN and MOSFET, enabling high power density and higher efficiency in all critical applications.

And finally, automotive power solutions, including PMICs, converters, and integrated protection tailored to specific demand of electrification, but not only, and tightly coupled to Renesas MCUs and SoC.

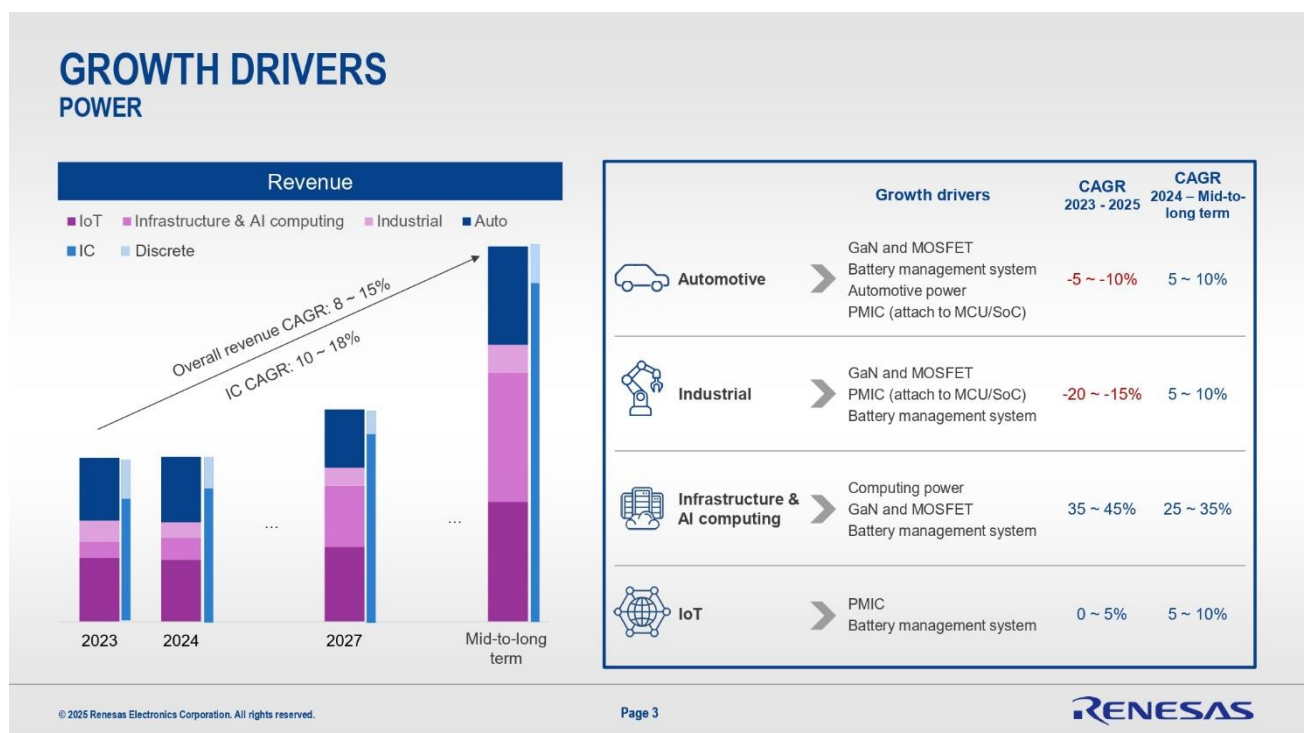
You can see that IGBT and SiC are no longer a part of our active portfolio. We did portfolio realignment, putting the development of IGBT and SiC on pause, as Shinkai-san and Shibata-san talked about. The reality is the market changed drastically over the last 24 months.

SiC is facing ongoing oversupply and prolonged inventory correction. The price of IGBT and SiC are under tremendous pressure, and we have seen more competition, partly locals in China. Adding to the fact that we needed to put significant Capex to scale, with less return, we made the decision to pause the development.

We, however, are doubling down on GaN and expanding MOSFET, where we have competitive strengths and see healthy, sustained demand. Putting this in perspective, while this pivot slightly reduced our SAM, we continue to address some of the most promising markets and growing SAMs.

This pivot has materially and positively impacted on our margin, especially versus 2023. This operational improvement will continue as we reduce our discrete exposure and drive growth through IC. Our revenue remains well-diversified, and we continue to prioritize high-value segments where we can win.

You will note at the bottom of the chart on the right side that we have significantly increased our exposure to infrastructure market, while the overall revenue of Power has grown, signs of accelerated growth in this segment, which I will detail later.



Next slide, please. The long-term goal is clear and has not changed, more than double the revenue of Power group in the non-distant future. The growth strategy is diversified with the ambition of all focused segment driving growth, also fueled by more products in each market.

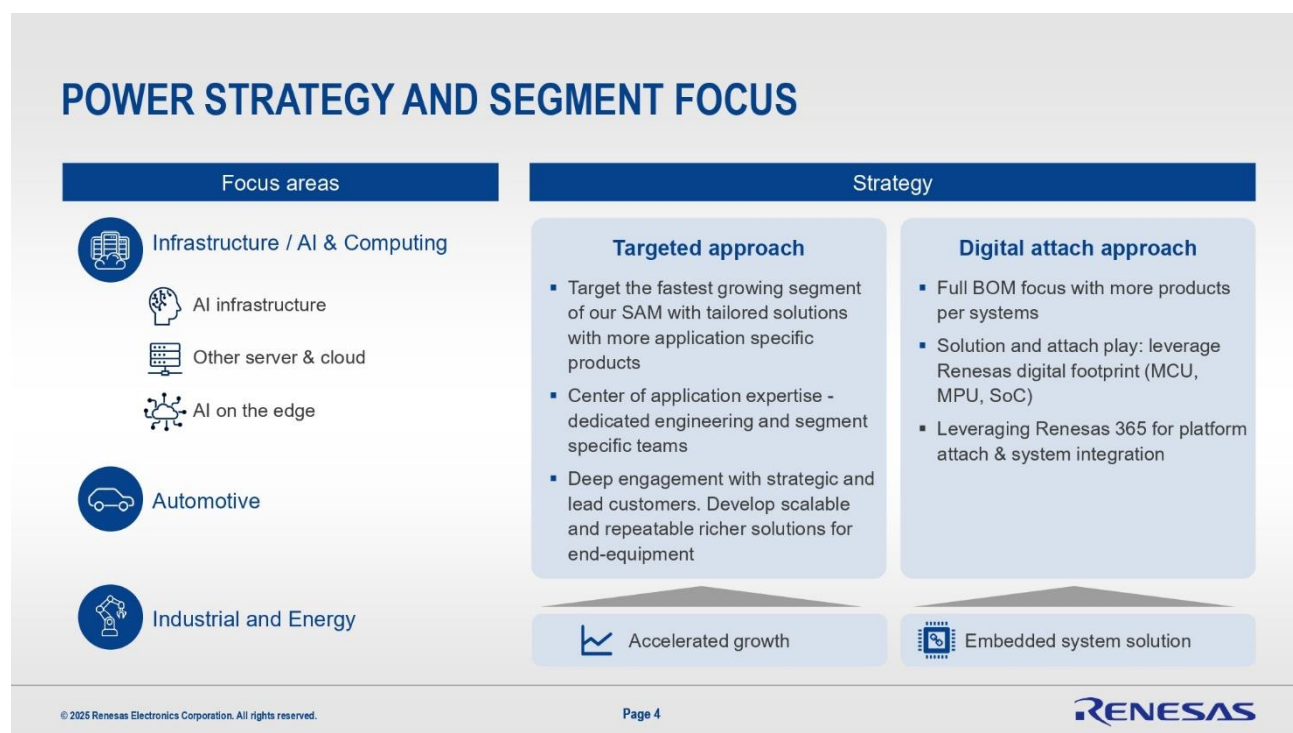
You can see that on the right side of the slide. Some evidence that we are on the right track are there. The last two years, despite market downturn and headwinds, we drove overall growth for the Group and gained share in our focus area.

Despite market pullback in automotive and industrial, mostly driven by inventory correction, we could grow the top line driven by infrastructure, AI computing, and IoT. You can see the growth was fueled by very strong IC growth, offsetting partially the high-voltage discrete correction and phase out.

Increasing our percentage of business in IC, as explained before, is helping Gross margin. We will continue to see stronger growth in IC moving forward.

Our growth is based on selling comprehensive product portfolio across four key segments to build resilient and consistent growth strategy. Each segment will drive growth, 5% to 10% CAGR in automotive, industrial and IOT, with an accelerated growth with 25% to 35% CAGR in infrastructure and AI computing. Those are well above market and represent share-gain plans in all those segments.

As I stand today, based on strategy, product lineup, investment, and the last two years of results and momentum, I feel very strong that we are aiming in the right direction and can execute that plan.



Next slide, please. We remain committed to the strategy outlined last year. Everything I've covered so far reflects that continuity and focus. You can see on the left part of the slide the focus area we just discussed.

Infrastructure and AI clients with power computing remain the most dynamic growth engine driven by the demand for performance, scalability, efficiency in cloud and edge systems.

Automotive, not just xEV, we're also expanding presence in our EV Platform too, leveraging the full Renesas Power product portfolio, including GaN, MOSFET, USB charging IC, IPD, e-Fuse PMIC, and building them around Renesas MCUs and SoCs that Vivek talked about, giving us multiple attach points per vehicle.

Industrial, a very solid and diversified segment from factory automation, energy storage and grid sector, residential and commercial appliance where the breadth of our portfolio, with battery management, GaN, MOSFET and PMIC can be attached to the industrial focus digital footprint that Davin talked about.

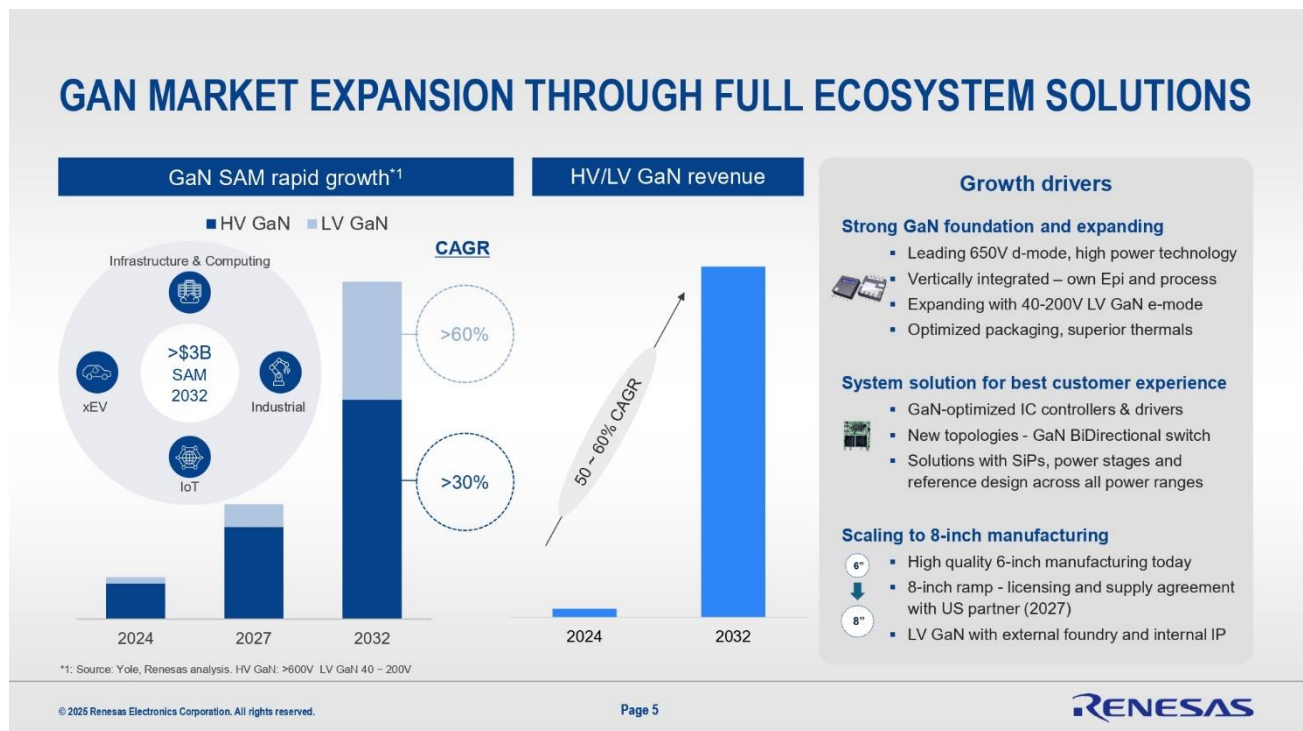
Our strategy to win is based on a two-pronged approach, what we call the target approach. We focus on selected high-growth SAM, where we can bring tailored, application-specific solution to strategic customers.

We drive stickiness and customer loyalty with differentiated hardware, but also and mainly with advanced software and development tools. We support both high touch engagement and both strategic customers with dedicated engineering team and business team.

This is the model that allowed us to move much faster than competition, serving customers more deeply and ultimately win share. The digital attach or solution play, this ties directly with Renesas' vision of delivering

complete embedded system solution as Shibata-san talked about, all Renesas solutions combining analog, Power, MCU, SoC, and connectivity.

Mid to long term, the core enabler will be Renesas 365, as discussed by Aram, a powerful ecosystem that will allow us to increase solution attach, maximize system content per design, and make it easier for our customers to adopt a complete solution. This approach allows us to scale wins by delivering integrated systems that are reputable, defensible, and sticky.



Next slide, please. After talking about strategy and growth plans, let's dig in some of those key vectors. Let me start with GaN, which is by far the most exciting add to our growth portfolio.

Since the last Capital Market Day last year, what I presented, we closed and integrated Transphorm into Renesas. We combined it with our controller and IC product into one integrated GaN plus ecosystem business units, and we are now accelerating customer engagement with our large Renesas sales footprint and scale. The initial results are very exciting and very promising.

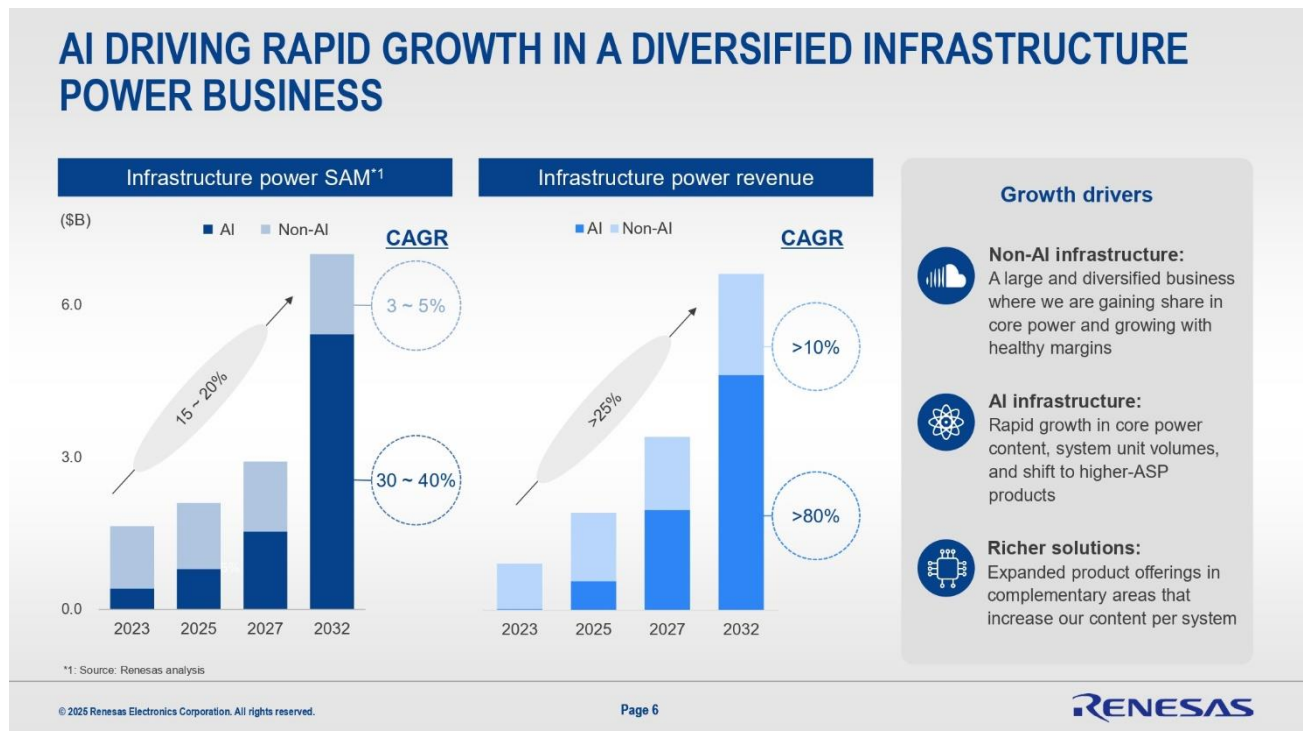
First, GaN remains the fastest Power growing SAM. We expect the SAM to approach USD3 billion by 2030, which we can serve with a solid share position. We see rapid growth in demand for both high voltage and low voltage GaN across multiple core market from infrastructure and AI, industrial energy, e-mobility, and high value IoT.

Transphorm gave us a very solid foundation, a vertically integrated leading edge Power, 650-volt d-mode technology and product. We are now expanding that with a 40-volt to 200volt low voltage GaN that will ramp in 2026.

But this is not just about GaN FET. We have an ecosystem based GaN approach, as I discussed earlier, which drive our roadmap. We focus on providing optimal combination of IC and GaN either as full solution or integrated system on the package to our customers.

We are doing this with integration, leveraging Transphorm engineering, and IP, combined with the former Renesas drivers and controllers teams and IP. Another prime example of our guiding principles is our use for customers and delivering solutions.

At last but not least, to drive scale and aggressive cost down, we're expanding MOCVD EPI manufacturing, and scaling to 8-inch wafers with the recently announced partnership with the US foundry. This strategy will no doubt position us as a GaN leading supplier in what represents one of the most, best opportunity of growth in the Power segment today.



Next slide, please. Switching gear to Computing Infrastructure. Where we have seen tremendous growth over the last two years, we expect to grow and continue to grow to outpace the market in the future too.

You can see on the left part of the chart, rapid acceleration of the Infrastructure Power market with growth in AI and non-AI segments.

Everybody talks about AI, and we'll spend more time on it, but the non-AI market represents still a significant and growing market. Both segments are important for us, and we expect to grow at twice the market pace, and gain share in both, as you can see on the chart on the right.

What are the growth drivers and enablers? In non-AI, we are recognized as market leader in core Power, powering directly to CPUs and other high-end SoCs needed in data centers. We grow here by gaining share, and we have gained share over the last 24 months.

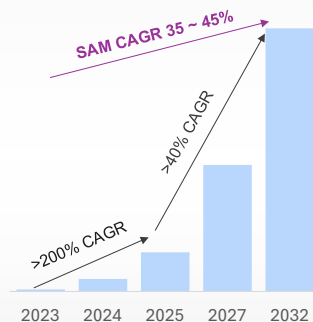
The enablers of our success are track record, solid portfolios of Controller and Power Stage, stickiness of our controller technology, world-class support and tools. The growth expected here is by far not insignificant, especially in such a large business.

Of course, growth in AI infrastructure, where we also expect to gain share. Growth rates here are much higher, due to the multiplier effects of increasing system units per volume, higher content of Power, driven by higher power level, as well as the product specifically designed for AI system, commanding a much higher ASP.

Richer solutions is the third part of it, the strategy outlined earlier of more product in same application. We continue to increase product portfolio to sell more in each of the system we serve. Complementary technology like GaN, MOSFET, but also point-of-load regulators, e-Fuse, and other bus converters.

CAPITALIZING ON AI MOMENTUM WITH MODULE AND SYSTEM POWER TOTAL SOLUTIONS

AI infrastructure revenue*1



*1: Source: TrendForce, Renesas estimate

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Investing and ramping AI-tailored products for GPU, TPU, and custom AI SoCs

- Core power remains solid backbone powering AI revenue growth: Digital controllers, Power Stages, MOSFETs, ICs
- Building on existing relationships with leading GPU provider and Hyperscalers
- Adding high density modules and vertical power solutions
- Winning and co-developing with key AI cloud players and Hyperscalers

Relative density	1.0	1.2	1.2~2x	3.0+
	Standard smart power stage 2009-present 1x ASP	Dual smart power stage >1.5 x ASP	High density module	
			Integrated power stage > 3x ASP	Quad-Phase power tower > 8x ASP

Driving rapid market adoption through an innovative 48V solution

- The first and the only proven onboard, cost-effective 48V solution, winning at majority of Hyperscalers and 3x 2023 to 2025

Expanding product portfolio to provide one-stop system solution

- Total solutions in development covering Point of Load and e-Fuse
- Leveraging GaN / Ecosystem and BMS for complete system coverage

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Now, let's look at each of those AI and non-AI markets more specifically. Let's start with the non-AI infrastructure Power.

As I said, we see share gain today and in the future. It includes server, storage, networking in cloud, enterprise, and telecom application. It is a large, mature market, typically growing at low single-digit, and we expect this to continue.

Over the last two years, we've delivered double-digit growth, clear proof of gain share, particularly in core Power, and we have solid evidence from the customers that we can continue to outpace the market in our competition and gain share.

What is driving our success? It starts with industry leading Digital Power solutions with probably software and design tools. These tools help customer to accelerate development and simplify system-level design. Those are huge different shares compared to our competition.

Number two, we're also benefiting from supplier consolidation trend. Customers are narrowing down their supplier base and choosing to partner with those that show consistency, technical strengths, and long-term investment in core application, and we are as well benefiting from this.

As a result, we build strong momentum with US hyperscalers. We are designing all current and next generation system at all top four US cloud providers across multiple CPU cores and architecture.

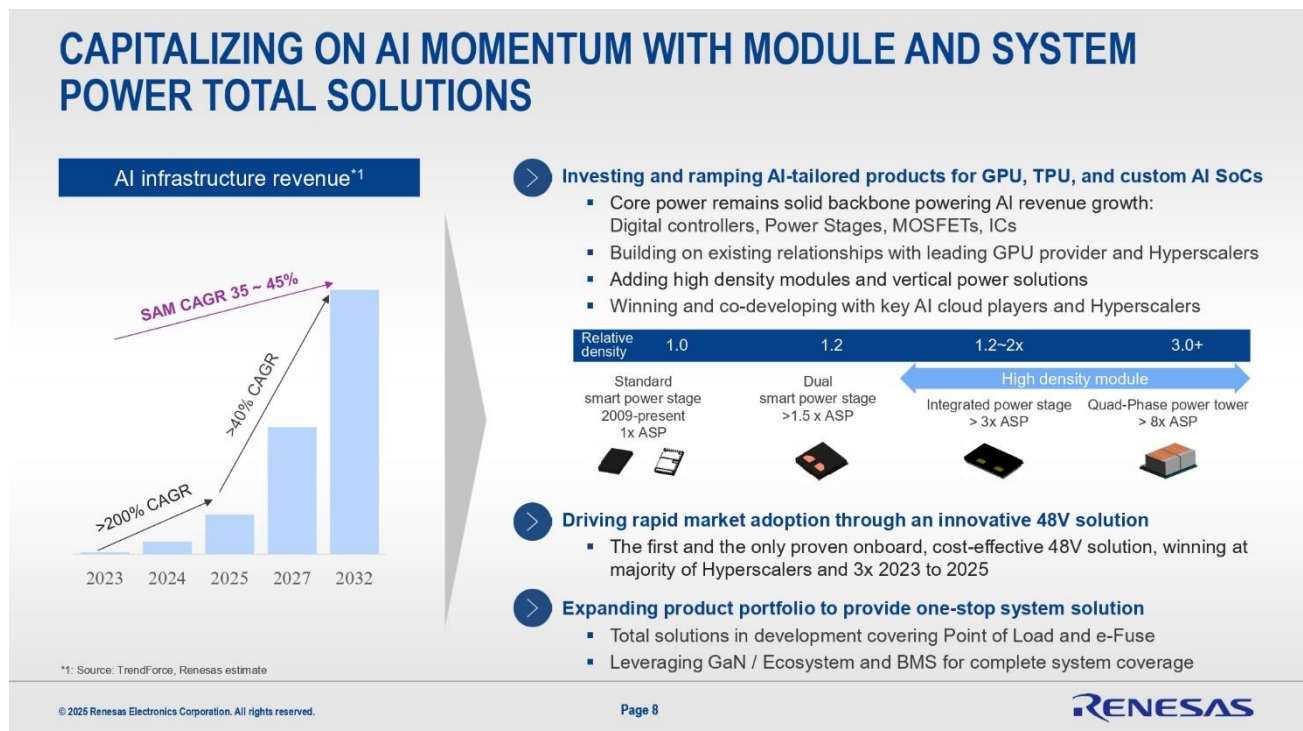
Beyond cloud, we also have strong and growing position across enterprise, networking, and telecom OEMs, and that alone together drove double-digit YoY growth that you could see on the slide, from 2023 to 2025.

Also, as I said, we're expanding into adjacent functions and bordering beyond core Power with new products, and expanding our SAM.

Customers are asking us to provide those products, as they can continue to reduce supplier base. They want to engage strategically with us as key suppliers across AI and non-AI workloads.

Overall, my key point here is, while all excitement and explosive growth is coming from AI infrastructure, the non-AI Power business remains large, diverse, the source of much higher profit, and a very sustainable long-term play.

This also gives us the foundation to attack the AI infrastructure market with technology and scale.



Next slide please. Now, let's turn into AI Power infrastructure, the major growth engine.

We increase our AI infrastructure revenue multiple times from 2023 to 2025 and continue to see a great momentum in the next few years, with over 40% CAGR.

We power today industry leading AI GPUs, and we are designed into next generation GPUs, TPUs, and accelerators SoCs across all major SoC vendors and hyperscalers. We are meeting extreme Power demands.

The power consumption per rack has grown dramatically, from 20 kilowatts to 30 kilowatts in traditional enterprise system to over 130 kilowatts in today's GPU-based AI system and adding to 500 kilowatts to 700 kilowatts in the next generation AI Platform starting in 2026.

NVIDIA has publicly stated that Rubin Ultra will integrate hundreds of GPU per rack, and all other vendors at the similar roadmap. To meet those unprecedented power and density requirements, we're investing in high density Power modules and Vertical Power delivery, specially designed for extreme AI workload.

We are partnering and co-developing with leading customers. We launched our first-generation module in 2024, and we are set to release our second-generation high-density modules this year. Those modules have higher content and a higher value.

They are built on our success, with Smart Power Stages and using advanced embedded packages and integrate multiple passive components to deliver greater density and performance. Their complexity and the higher system content drive higher ASP that translates into the accelerated growth that I showed you.

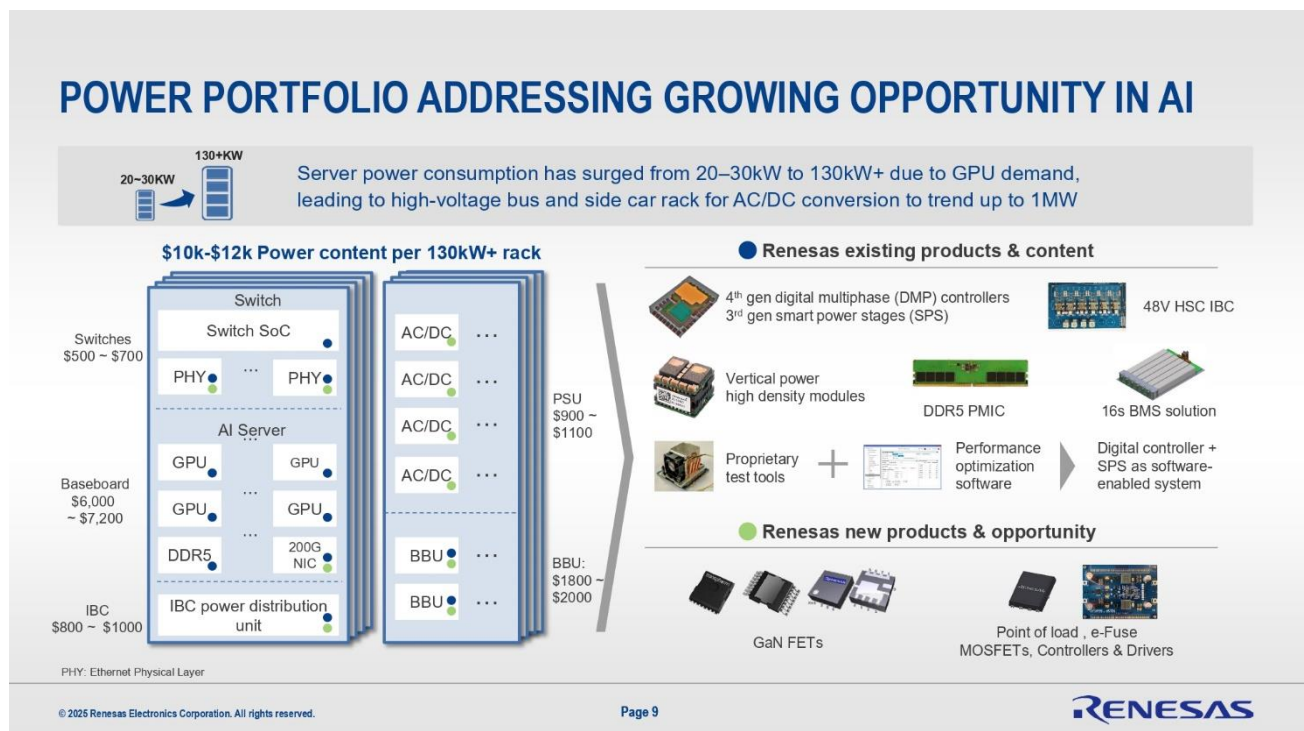
Already won few high-volume programs, with leading US Hyperscalers ramping later this year and next year, and it will be our fastest growing business over the next five years. We also have parallel growth in 48-volt system power, which is the new standard for AI server, replacing legacy 12-volt system.

Our 48-volt is the first and only proven onboard cost-effective architecture on the market today, reducing BOM by over 60%. It has already been adopted by every major AI customer, and we expect to ship over 30 million units of 48-volt controllers and drivers in 2025, across more than 10 infrastructure customers, delivering 3x revenue growth YoY.

As I said earlier, we also focus on capturing full system value. Customers are increasingly asking Renesas to cover more of the Power sockets in their design. As an example, just adding our new REXFET MOSFET to 48-volt doubles the content.

We're investing in complementary offerings like e-Fuse, point-of-load, hot swap controllers, and many others. The execution is well on the way, customers are waiting for samples, and this product will drive growth already in 2026.

In summary, our products now cover all major Power applications in AI, from 48-volt down to the core, giving us exponential growth opportunity across the board. It has started, and we are delivering NPI and the ramp as we speak.



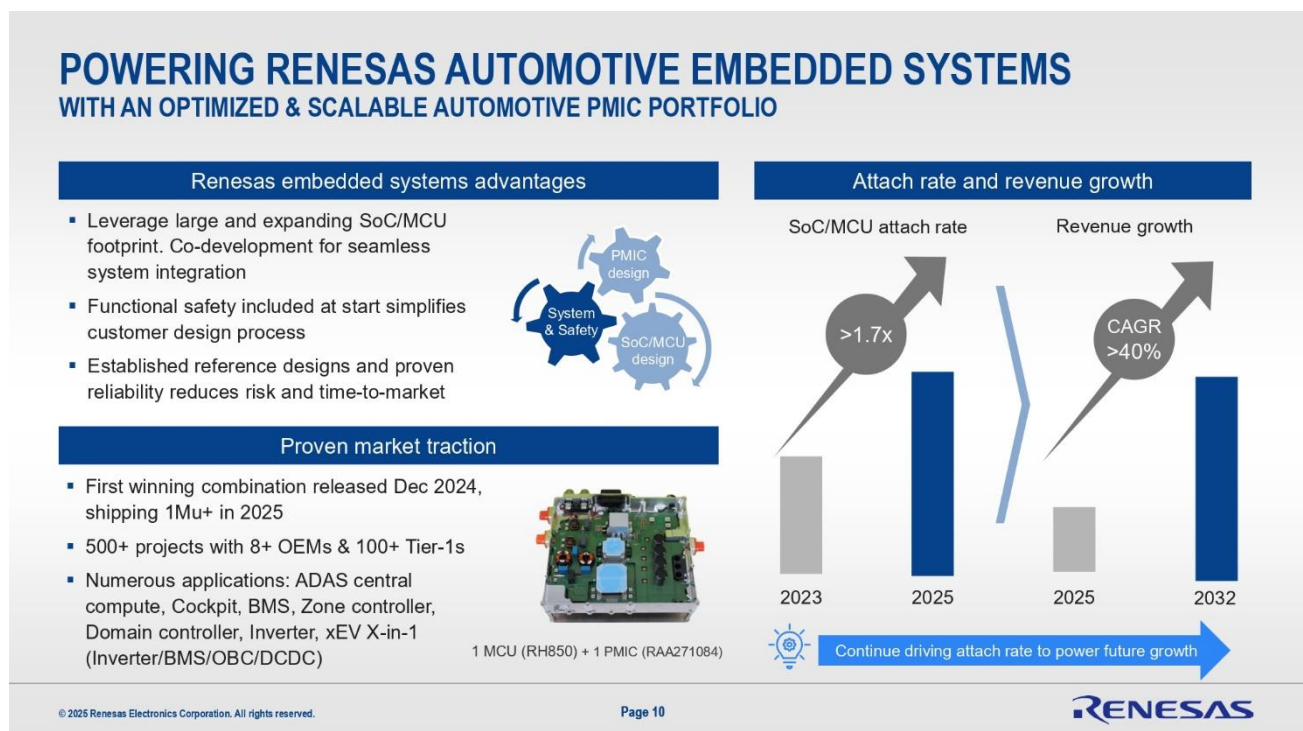
Next slide, please. This slide summarizes well the market dynamic and our portfolio play in AI infrastructure, and why we are positioned to win in this market, which is accelerating. I'm going to use it as a summary.

First, the market and the content in the market. Next generation systems are expected to require several hundreds of kilowatts per rack. NVIDIA announced at GTC 2024 that their new Blackwell-based rack will be up to 1,200 kilowatts, 5x to 10x higher already, and it will continue. Those are not incremental. They represent a

step function change in infrastructure Power level and needs that create exceptional growth opportunity for us.

Number two, we are already a market leader in gaining share in core Power products and solutions that we have today, and including our tools, which I discussed earlier, which help our customers to accelerate time to market. What works in non-AI is working in AI too, and we see that benefit carrying over to AI.

Number three, we are expanding in modules and Vertical Power delivery, as I mentioned previously. Not in the future, today, and we are delivering new products as we speak. This leadership is opening new adjacent opportunities for us, not just in the rack itself, but also in high-voltage domain like AC/DC conversion, battery backup units with battery management, and high-voltage DC/DC application, where our GaN portfolio is going to play a key role in the future.



Next slide, please. Now, let's close by talking about how we enable the embedded system solution that Shibata-san talked about.

Our attached strategy relies on developing PMIC that seamlessly combines and attaches with the Renesas digital footprint of MCUs and SoCs that both Vivek and Davin talked about. This was one of the strategic initiatives we launched two years ago, which I outlined last year, when I presented at the Capital Market Day.

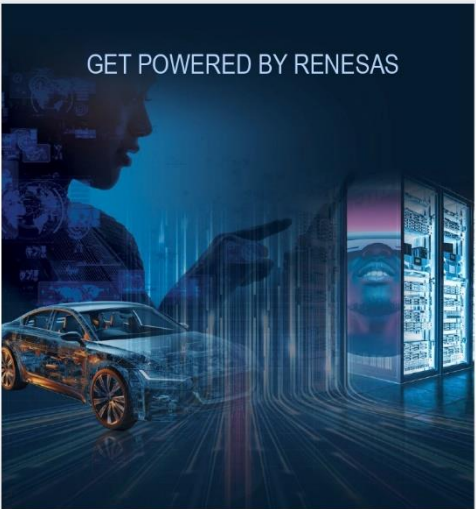
The goal is to deliver customers' best users and design experience, offering tightly integrated solutions that reduce engineering effort and accelerate time to market. This strategy is now starting to pay dividends. We see results. You can see on the slide the early success with the new RH850 integration and core and MCU that Vivek talked about.

Our first product, paired with this new MCU 28-nano, was released in H2 2024, and the market response has been by far outstanding. 500 active projects and engagement with more than eight OEMs and more than 100 Tier 1s. We expect to ship more than a million units in 2025 alone, and we see significant upside, as we expand this approach across multiple MCUs and SoCs, and this is ongoing.

Why does it work? Because combination delivers simply what the customers are asking for, seamless integration and reduced complexity to get faster time to market, simplified functional safety, which is growing complexity and becoming more critical, and more importantly, greater reliability and performance.

We'll continue to invest in this attached-based solution, as they help us to improve and increase content per system in a scalable, repetitive way, leveraging the great footprint of Renesas Digital discussed by Vivek and Davin.

SUMMARY



- Comprehensive power portfolio and strong IP serves as a solid foundation for scalable and rapid growth
- Targeted high-growth verticals and digital attach strategy to drive diversification and sustainable, broad-based growth
- Accelerated growth fueled by the momentum in AI - infrastructure
- GaN driving high voltage, high power business. Capitalize on Infrastructure & Automotive content expansion
- Hyper-focus on solution selling into Renesas existing footprint of digital, analog, connectivity and power products

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Next slide, please. Now, in summary, we have a comprehensive and expanding product portfolio. It is coming from integrating the IP and successful various acquisitions, which I mentioned. We are now scaling and getting the full benefit of those acquisitions by integration and synergy.

Number two, we have targeted diversified yet strong growth and will gain share with two key vectors. One is the targeted segment that will drive acceleration with daily solution and pull of any product, and two, the solution-attached play, leveraging the large footprint of Renesas MCUs, MPUs, and SoCs.

Three, we see an acceleration growth in AI, which have already been started in 2024, and will continue with strong momentum.

We are expanding in GaN. I talked about GaN and the importance of GAN. We're expanding in GAN, which we can serve and leverage to all the applications we serve.

And last but not least, the endless focus on solution, which is not aftermath, but the core to our strategy.

With that, I want to thank everybody for listening today, and as Shibata-san said earlier, I will be leaving the Company very soon, so I want to take this opportunity to thank Shibata-san and the entire Renesas employees and customers and distributors for their partnership and collaboration, and in particular the board team for their great work over the last few years to deliver such a great performance.

Thank you.

Question & Answer

[Questioner 5]

Q: These are the two questions from me.

The first question regarding HPC. On R-Car, particularly the H-series is now being adopted in ADAS, especially in the high-end segment. For the ADAS high-end segment, NVIDIA is quite strong. And also, in some areas, particularly in China, they use a dedicated SoC. OEMs are developing their own SOC.

So, with that context, how is the R-Car series positioned? How is it going to compete against NVIDIA or OEMs own SoC, which is highly customized? How is your R-Car going to compete against this or respond to these other competitors' products?

Shibata: Thank you. So, of course, I would like to ask Vivek to take this question. Vivek, please.

Bhan: This is Vivek Bhan. Thank you for asking that question. To start with, yes, NVIDIA is strong on the high-end side, high-compute side, and we do see local players emerging in China. To answer your question, as far as Renesas is concerned, we're doing quite a few things to stay strong in that space.

We're building compute capabilities that provide scalability for our customers. We offer not only high-end, but also solutions that can be scaled down to the very low-end. So, scalability is a big part of our strategy. Our flexibility on top of that to make sure that customers can combine our compute solutions with different combinations of accelerators and chiplets is the second part of our interaction and engagement with our customers.

So, scalability is number one, flexibility is number two, and then reusability, making sure that when our solutions are adopted from very low-end to high-end, the software development and overall development done by our customers is very reusable from one class of vehicles to the next class of vehicles, even if they change a few components, is a part of what strategy we are working with our customers.

So, scalability, flexibility, reusability, build around our good compute engine and expanding tools for AI are part of how we are positioning R-Car Gen5 products going forward.

Thank you.

Q: Thank you very much. Now, on to the second question regarding Power. This time in the presentation in Power, you spent a lot of time explaining about data center-related business. So, regarding this particular area so far, compared to the other segments, digitalization does not seem to bring much benefits, at least I do not hear about benefits from digitalization.

So, as we try to grow the Power business, what are the important components? Is it the technical capability of Renesas, or the servers, the customer relationships that you've built over the years? Are they important components? Or will there be additional synergies to be introduced through digitalization?

This is my second question.

Shibata: So, I will ask Chris to take this question. Thank you.

Allexandre: Hi, this is Chris Allexandre, and I would like to answer that question. So, first of all, it's all of the above. Customer relationship, we have been in the server business, non-AI, for a long time. And we have very

close relationship with those customers. We have established position on technical side with our hardware product. And as I mentioned, more and more of the differentiation is coming from the software and development tools. That's the bridge to the digitalization that you talk about, so very good question.

Moving forward, the complexity of a system will require customers to innovate on how they implement and design their system. And this is where Renesas 365 will also help us to provide customers with a better Platform to design those complex systems. It will take some time, but I'm confident that this will bring some benefit.

Shibata: I would like to give some additional information, particularly when it comes to AI compute power. If I may use an analogy, it's like making an F1 car. Of course, this is quite high performing, but not everyone can drive, and not everyone needs an F1 car. But the technology that has been developed, this will be transferred to the regular, the ordinary vehicles later on.

So, for AI Power, for us, this is an angle that is different from the digitalization. We are here to further sophisticate this technology so that this technology may be transferred to other areas in the future. So, it is a key area for us without doubt, but we are pursuing more traditional winning path.

That's all for me. Thank you.

[Questioner 6]

Q: I also have two questions.

The first question is also about HPC ADAS. For the mid to longer term, up until 2032, so it's very difficult for me to understand, but compared to one year ago, if you look at 2030 as that outlook, are you seeing better visibility of the outlook for 2030? What are the things that are going well? What are the shortcomings if it's not successful? So, compared with one year ago, what is your current status in terms of the ADAS business?

Shibata: All right, then Vivek, can you answer that? Vivek, please.

Bhan: This is Vivek, and again, thank you for asking the question on ADAS.

As far as the status of our ADAS business is concerned, as was also shown in one of the slides, we are right now selling Gen3 ADAS products around the globe for different kinds of ADAS applications. So, Gen3 is in high production across many customers across the market.

Gen4 will be going into production in H2 of this year, and we also expect Gen4 adoption outside Japan to start after 18 months from Gen4 shipping into Japan.

We also have early customers for Gen5, and the content increase in ADAS is also significant in terms of integration and the ASP that one can charge, as we go from Gen3 to Gen4 to Gen5.

So again, there is a history. Gen3, again, in production, Gen4 about to go in production. We have early customers for Gen5, and we are working closely with our customers to enable higher levels of integration and be able to provide more complete central compute solutions, including ADAS, for the SDVs of the future. Thank you.

Shibata: If I try to add additional comments, if you look into 2030 or 2032 as a time frame, but I would say Gen5 will start up and the performance will become observable during that time frame. So, when we look at that, I don't think our evaluation has changed all that much compared to a year ago, or I would say we cannot

say something definitely unless more time is given to us. It's not because of our situation. It's rather because of the EV- and ADAS-related markets, the customer requirements, or the timing has shifted significantly over the last couple of years.

So, because of that, there are requirements to ship earlier of, or there are also some conversations that they are going to delay because they want to use existing products longer. So that is going to affect the timing of shipment. That could possibly happen with a good probability.

Now, with Gen3 to Gen4, we are going to make this transition gradually, starting the latter half of this year. And Gen4, therefore, will probably continue volume production for some time. So, in that regard, the feasibility for the future is not bad for us.

But after all, Gen4, we have to ensure customers will adopt this in a very solid fashion. But in order to achieve that, as the complexity of hardware increases, using the product in a very proper manner is becoming more difficult compared to before in reality.

So, we have to learn from that and reflect that in Gen5. Because the transistor volume quantity is going to significantly increase, the complexity is going to be much more complex. So, we have to address that in Gen5 in a proper fashion.

And also, in order to drive growth after Gen5, hardware alone is not sufficient. We do understand that we were aware of that from before. But in our daily activities, we realize this even further in our daily operations. So, we have to make it usable. And we have to intentionally allocate a lot of resources in order to ensure that. That is the underlying theme that I would like to convey to you today.

That's all for myself. Thank you.

Q: Thank you. My second question, this is about the overall business. You said that you are going to review your ad hoc approach. And Mr. Shibata, when you look at the individual businesses, what are the ad hoc things you wanted to address and improve in the future? I'm so sorry for this individual question, but if there are any challenges, Mr. Shibata, let us know about that.

Shibata: Well, to avoid any misunderstanding, Davin and Vivek and Chris, they share their presentation. And all these overall stories, it's not the ad hoc things. They said that they are going to work on those very basic things in order to grow in the future. So, the IP, the foundation technology, ecosystem, we are going to make proper investments in that. That is a common theme across different businesses.

And for example, my expression ad hoc may not be adequate. That could be misleading. So, I would like to avoid any misunderstanding here. But if you look at the traditional activities, such as the IGBT business that we suspended this time around, we had a very solid and very good technology core. That's the reason why we started this, but we were too hasty in ramping up this business. So, as it turned out, we rather try to focus on customized products and sell them to a very selected number of customers.

And we are going to enter that business as a second supplier. We fell into that spiral. And as a consequence, the customers, depending on the adoption of the customer, our business became too distant to them, or in order to ensure the adoption of the customer, our core technology, we were not really able to allocate a lot of resources to migrate to the next generation in a sufficient manner.

So, that was the vicious cycle that we fell into. That is the reflection that we have. So, we don't want to repeat that. We would like to draw a very solid roadmap for our technology and implement that in a steady fashion. That is the priority actions that we are going to address. So, we don't want to add. It's not about acquiring a new customer and adding a new socket. We would like to suppress that impulse and go through this plateau.

That is what I wanted to convey to you. And based on that, I wanted to share the presentation by the three gentlemen here.

[Questioner 7]

Q: Regarding automotive processor, I have a question. The MCU or SoC for automotive applications, will that be covered in Renesas 365?

Shibata: They are. They are included. In my part and Aram's part, I believe we presented. RH850 is one of the earlier ones that was covered in, or that will be covered in Renesas 365.

On the other hand, whether automotive will be fully integrated or not, this depends on the level of complexity that is required in terms of hardware and also software and AI deployment. The level that is required is quite different. So first, initially, we would like to start with fully covering the low compute area, and then in the next phase, we would like to fully integrate the automotive part, so that's the roadmap.

I apologize. In the interest of time, perhaps I was not able to provide a sufficient explanation, but that's the plan, and I thought I intended to show that in one of my slides. I apologize if that was not clear.

And in HPC for automotive, the reason why R-Car was not intentionally included is because it's very iconic of high compute. The complexity level is on a different scale, but of course, in the future, everything that is also high compute will be included in the Platform, but we will be taking steps one step at a time. That is our plan.

Q: Thank you.

This is my second question. Regarding MCU for automotive, you mentioned that you are currently number two. In the past, Renesas used to be number one in this area. So, compared to the manufacturer that is currently at the top, what is lacking in Renesas, in your opinion?

Shibata: I would like to ask Vivek to take this question. Vivek, please.

Bhan: Thank you for asking the question. Again, this is Vivek. Your question is about market share. We are number two. We were number one, as you rightly said, and I think we explained a little bit of it last year also. We made some decisions around products and roadmap in the 2017-2018 time frame. Products that were maybe too early for the market, and the adoption of those products was a lot slower, and we also missed some segments in the past, in the 2017-2018 timeframe, that led to the opportunity for our major competitor to come and expand in those segments, specifically in the middle segments.

Since then, and obviously with those gaps created in the 2017-2018 time frame, we saw those impact in 2023 in terms of market share loss to the main customer.

We have recognized that the issues that led to that drop from number one to number two. We have been continuously addressing those issues, making sure our roadmap is well aligned to the market. We are covering all major segments that are growing in the market, whether it is a low, middle, high, whether it is around EVs, ADAS, and zonal and domain architectures.

And we believe that with the roadmap that we have put forward, both with proprietary cores, which is our history, and the new core Arm architectures, we have a very rich portfolio of MCUs that are helping us gain market share. We are seeing strong momentum for D-ins, and we are continuing to learn from our past, but ensuring that we continue to gain market share through the work that we are doing in the MCU space.

Thank you.

Shibata: I would like to give one additional comment. I think this has the same root as the Japanese semiconductor discussion. In the past, automotive MCU, of course, we had a significant share. Our sales were quite significant, but in terms of profitability, it was not up to par.

Of course, managing a company, running a company is not as easy as going after zero or one. Of course, there may be some contradicting things, and then we have to pursue both. But in the middle of 2010, we made a decision to prioritize profitability to protect the business. So, we made that shift, and after 2013, after the change of ownership, the margin had constantly increased, as you might recall.

One of the initiatives implemented was because we made a decision to prioritize. And as a result, of course, this drawing from unprofitable businesses was a necessary move. And on a temporary basis, the top line decreased. I would not say decreased, but relatively speaking, the top line was lower, and a share also was lost. But this was unavoidable. We were aware of that. And of course, because of the missed specifications, the missed specs, of technology.

In the short term, we had seen unexpected movements. But as you heard from Vivek, we had already addressed this. So, from here towards the future, we have all the measures necessary already in motion.

One of the themes for this year's Capital Market Day is are we going to pursue short-term profits, or are we going to revenue, are we going to ensure profitability or profits? So, all of these things are somewhat in a trade-off relationship. So, we need to be cognizant of the balance, and at any given time, we need to change our focus as necessary. That's all. Thank you.

[Questioner 8]

Q: This is a question relating to the former part, R&D percentage to your sales 20% to 22%, you said that you're going to rise to that level. Right now, the R&D run rate today is about JPY220 billion or JPY230 billion range. In order for you to change the Model, are you expecting a JPY50 billion increase in R&D spend? This is an awkward question, but are you really able to increase the R&D budget by that much? In what way are you going to increase because you have 22,000 people in your workforce, and are we expecting a huge increase in the total workforce? That's my first question

My second question relates to Mr. Shibata's previous comments. This was quite left a strong impression on me. You said that the one technology, if you invest, for example, in autonomous driving, and then suddenly, the technology changes that in order to avoid any investment to become useless you said that you're going to expand the end exposure so that's the reason why you continued your acquisitions. I remember you made that comment.

But this time around, you have decided to make an investment into digital transition. That is reasonable, but aren't you foreseeing any risk with making additional investments in Renesas 365? How do you foresee the risk of that turning out power and not successful? So, how do you perceive that risk? Those are the two questions that I have.

Shibata: As to your first question, this is only a Model, so naturally, in the actual operation, we have to deliver results better than the Model. That's our habit. In my part and also in Shinkai-san's part, we presented the Operating margin and range, and that's because of this reason.

Operating margin, we are not saying that we are going to reduce it to 25% level. From time to time, in order for us to achieve the 30% level, we sometimes stretched our efforts. We don't want to repeat that. So, we

would like to have a breathing room or head room, so we have decided to allow for 25%. That's the reason why we updated a Model in that way. So, JPY50 billion, a continuous increase of R&D, continuous increase of workforce, that's not intended here.

To add some more comments, we have started doing this in some business areas. But even more than before, we would like to ensure thoroughly purposefulness and thereby improve productivity. And at the end of the day, the R&D intensity vis-a-vis revenue may not have to increase that much but still be able to make a necessary investment for the growth areas. That is what we like to achieve as a purpose. That is the goal that we have in ourselves.

R&D, compared to our competitors, had it been allocated a higher percentage of budget, but we have to do more. It's not because of meaninglessly increased intensity. We would like to reshuffle the content for the activity of R&D investment, but we don't want to terminate things in a short term because that will entail negative outcomes. So, in order to ensure smooth transition for the short term, we would like to secure a range. That's the reason why we updated a Model. That's the rationale behind this update.

And then, regarding Renesas 365, your second question, of course, there's a lot of risks here, to be honest with you. But for one thing, financially, software R&D intensity is not that high anyway. So, on a relative note, although this may look as a very aggressive investment, if you look at the totality of the Company's total spend, it's not going to impact on the Company's overall performance in a significant way, so you don't have to worry about that.

In addition, if I may add another comment, Renesas 365, if you will, is a conduit to the Platform. And beyond that, we have to expand further. So, by doing this, by working on this, well, behind the question, this is something that lies behind the question. Traditionally, Renesas has done many different efforts, but our strength was dependent on the resource for customers around the world. But we primarily grew together with those major customers, but going forward, through digitalization, we would like to expand our customer base and capture more customers that are about to grow from now onwards.

So, the Renesas 365, if this takes off successfully, I think depending on the different stages of customers, we can address better and a more diverse level of customers or those who have an established position and those who are going to start expanding from now onwards. So, Renesas 365, if it takes off, I think the stability of our business will improve further.

Of course, there's a risk of the start-up risk, and we will implement necessary measures in order to alleviate those risks. But I think after things start off and take off, I think the risk will be moderated quite significantly.

Moderator: Thank you very much. We've already gone over the scheduled time, so this concludes the Q&A session. Thank you very much to the presenters and speakers. Lastly, Shibata will give the concluding remarks.

Shibata: Chris, in his part, did allude to this. But again, allow me to use this opportunity to thank all the work for Chris. It's not that he's parting because our relationship's soured. There's a lot of reasons behind this. And it was something that he had been planning from before. And so, we very much support his future success.

And once again, thank you very much, everyone. I know there's time constraints. And perhaps there have been some contents that did not really focus fully to what you have been expecting to hear, but at least in a short-term perspective.

This is something that we ask you to join in our Q2 earnings call so that we'd be able to focus more on what we have been able to do thus far and in that quarter. But today, what we wanted to show you is something much more in the longer future.

What kind of methods there are, what products there are. And if we wanted to really materialize that, what do we need to do? And one of that was to make sure we solidify this foundation to make sure that we have a purposeful investment.

And it's not that we'd want to sacrifice anything in the short-term perspective. What we are targeting in the short term is something that we will work on. But in order to make sure that we have more confidence in gaining what we want in a longer term, that is why we want to put a range to what we'd be looking in a shorter perspective, so I hope you'd be able to understand that.

I know it had been long, but thank you very much for joining us. And we hope that we'd be able to use our future opportunities to update our work thus far.

Thank you very much.

Moderator: Thank you very much. With that, we will end Renesas Electronics' 2025, Capital Market Day. Today's recording videos, as well as our materials, are posted on our IR website. And the video recording will be uploaded nighttime and Japan time.

So once again, thank you very much for your participation.

[END]