Capital Market Day 2026 (2nd half) (Held June 25, 2026)
Presentation and Question & Answer Summary

Presentation

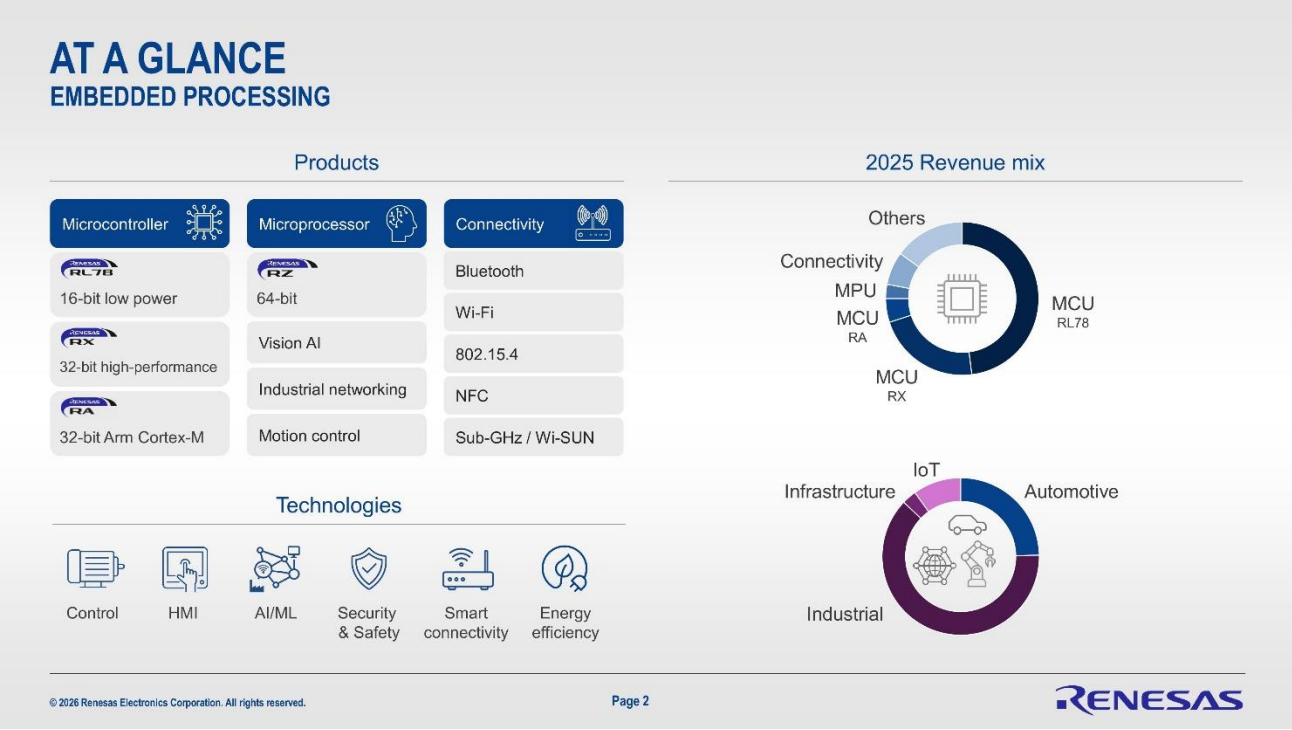
Moderator: The first presenter is Mr. Gaurang Shah, the Vice President and General Manager of Embedded Processing. Also, the Vice President of R&D and Digital Industries, Software and Digitization, Leigh Gawne will give us a demonstration.

Shah: Thank you for joining our briefing. My name is Gaurang Shah, General Manager of Embedded Processing at Renesas Electronics Corporation.

Today, I'll walk you through our digitalization journey. Fundamentally, this is how we are changing the way we go to the market and unlock the next phase of revenue growth.

The embedded market is at an inflection point. Demand is accelerating with edge AI and connected devices, but the traditional field support model doesn't scale. This clearly creates an opportunity, and whoever scales the engagement digitally and with the least friction will win.

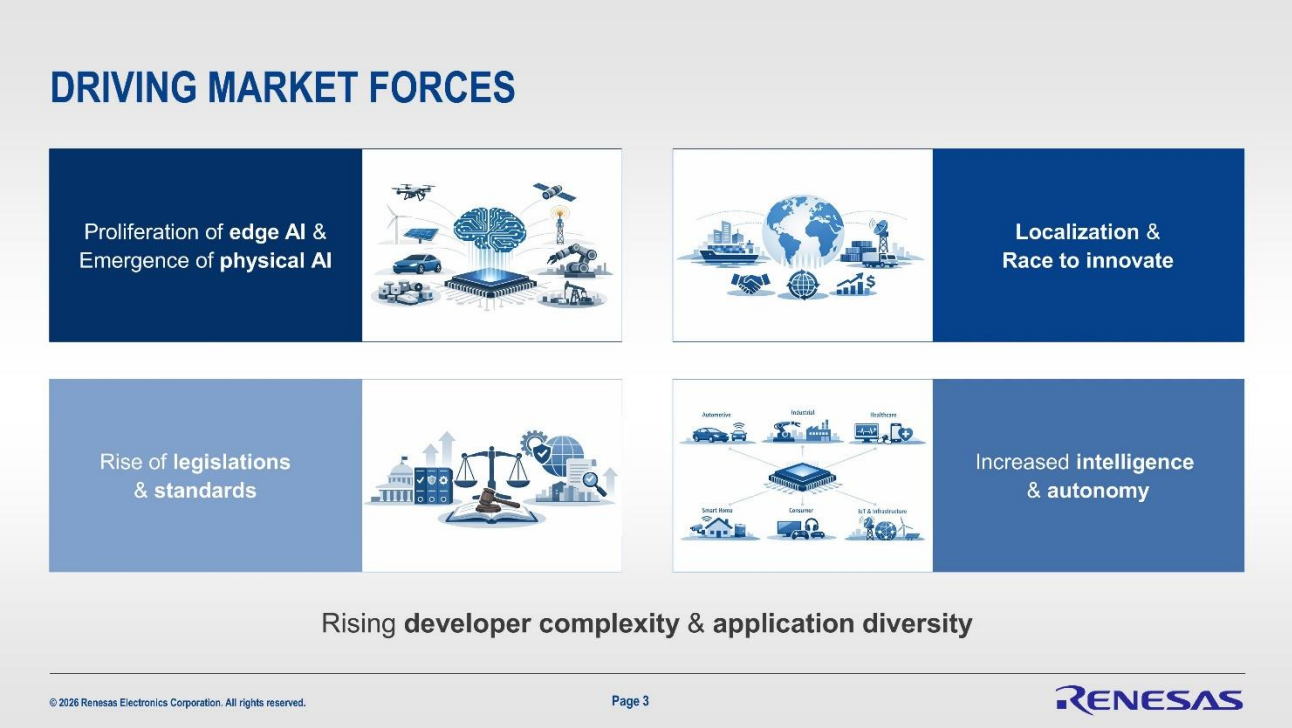
Our response to this challenge is a platform-driven model that expands reach and deepens engagement with our customers. The goal is 4x the customers and 3x the revenue for the business by 2035, powered by platform economics and recurring growth. As I go through the presentation, please keep in mind what Shibata-san mentioned in his presentation, beyond hardware and how do we grow into mass market.



This is the scale. This is the embedded processing business and the scale and balance behind our business. We operate across three silicon pillars: microcontrollers, microprocessors, and connectivity. Our MCUs are clearly tiered. RL78 family is for cost-sensitive application at 16-bit. RX for industrial and real-time control. RA, our new fastest-growing platform, is driving edge AI.

On the next compute class, our RZ microprocessors extend us into the higher compute zone for applications like vision and robotics. Our connectivity portfolio enables complete integrated connected solutions.

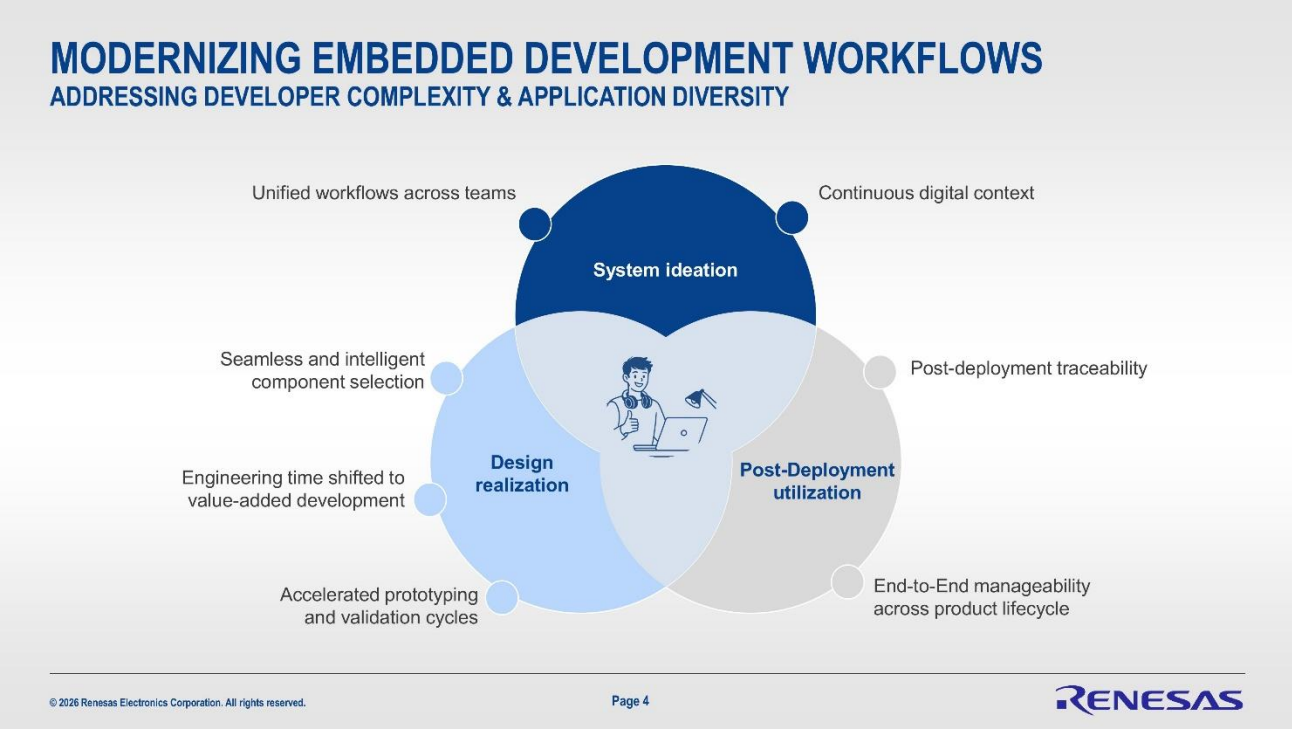
Underneath the silicon platforms, we differentiate with deep application-level technology. Artificial intelligence, machine learning, motor drive, HMI, safety and security, and energy efficiency are driving very strong design wins. The result is a very well-balanced business across products and end markets. It gives us the resilience and the multiple growth vectors and really forms the foundation for our platform strategy.



So, what are the market forces that are really making this the right time for launching a platform? There are four trends that make it the right moment.

First, edge and physical AI. It's driving local compute and expanding our addressable market into robotics, humanoids, and autonomous platforms. Second, post-COVID-19, governments are mandating localization of semiconductor ecosystem. That localization drives regional ecosystems that require faster innovation. That's the new growth vector for us. Third, rising regulation. Safety and security are no longer an optional requirement. They are mandatory, where we need to add those components and those technologies to our core compute platform. Fourth, edge AI is increasing system complexity. As systems become more intelligent, integration becomes harder and products become more software centric.

All four of these forces collide into one massive bottleneck, rising developer complexity or user complexity. The company that simplifies development experience will win market share, and that's exactly what Renesas 365 delivers.

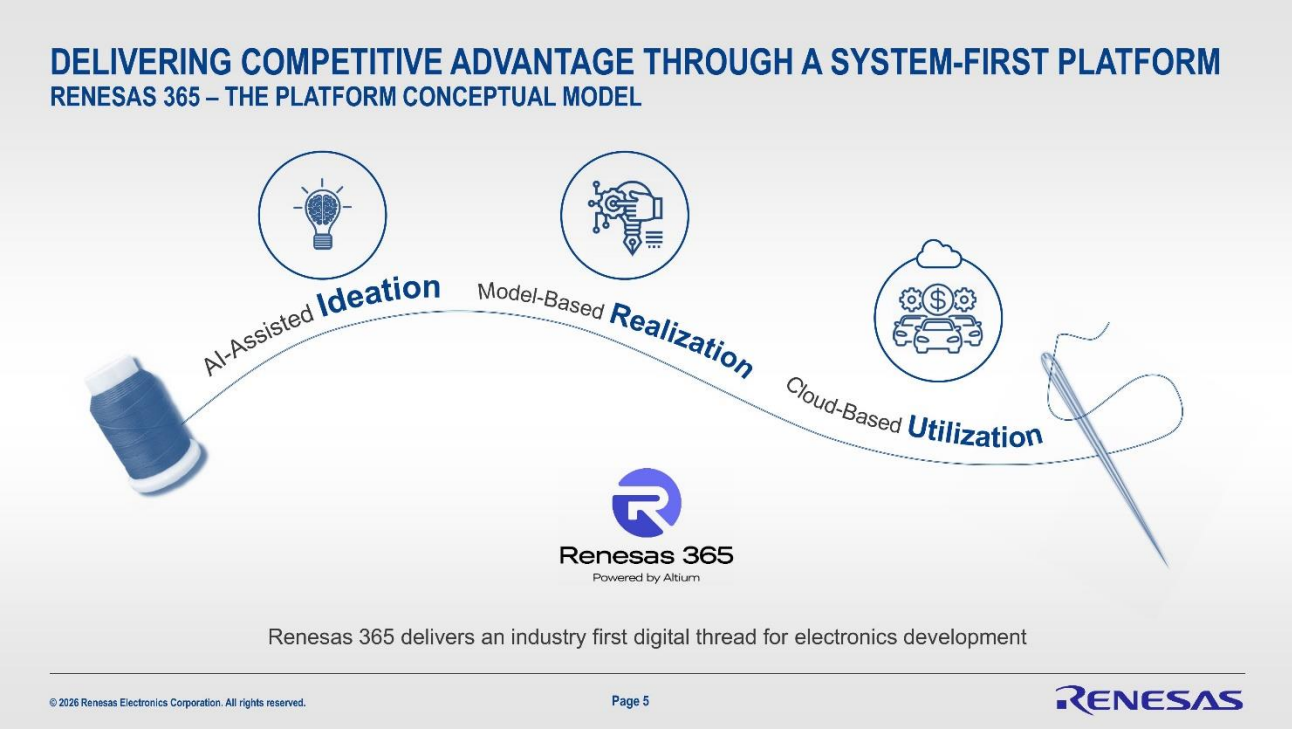


I'm going to walk you through the developer's pain point. When you have a user trying to design with an embedded system, what are some of the pain points? This slide shows where the value is lost today and how Renesas 365 unlocks it.

The first phase is ideation. This is where the engineer comes or the user comes, looks at the data sheets. And that process is extremely manual today. The tools, the data sheets, the reference designs are all on disconnected systems. The user is trying to make the decision using incomplete information with gaps, and that can create missed design wins.

The next is that development is extremely slow. Engineers are spending a lot of time in low-value tasks, such as trying to figure out how to use low-level software stack onto our devices. This delays products and delays revenues.

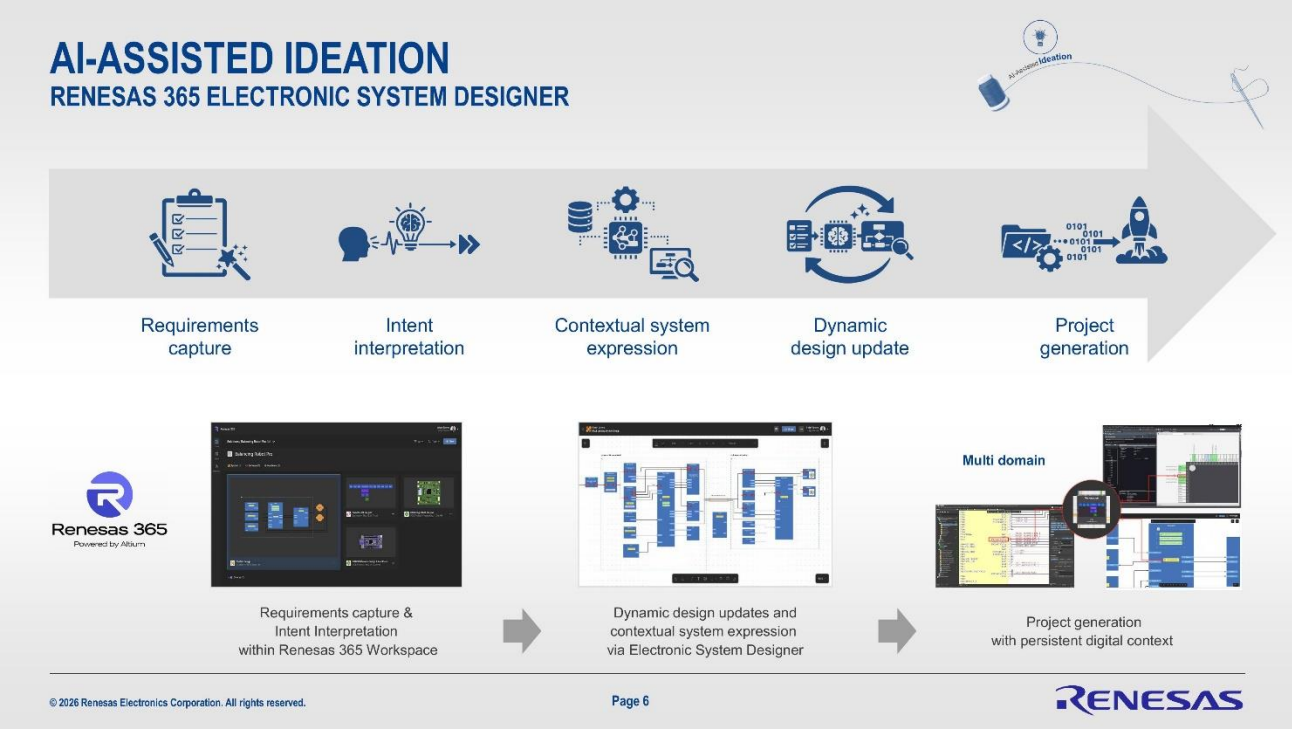
The last bit is after the product, the value stops. We sell the product, we deliver it to the customer, and that's where the journey ends. The products ship and disconnect, and there is very little ongoing engagement or life cycle management or recurring revenue. The core problem through these three development cycles is there is no continuous digital connection across the life cycle. Renesas 365 fixes this. It connects every step from idea to deployment, driving faster growth, higher productivity, and recurring revenue.



So, what is Renesas365? It's a turning point in how we make money in embedded systems. Today, the tool market is large, about USD15 billion, but super fragmented. No company owns the full workflow, and that's our opportunity to capture platform level value. We do that across three steps.

The first step is AI-assisted ideation. We make that manual process work with AI, where project starts and it makes the user's journey a lot easier at the beginning and helps us win more designs. The next is model-based realization. It speeds up development, improves efficiency, and increases customer lock-in. The last bit, which is untapped, is cloud-based realization or life cycle management. It enables ongoing services and recurring revenue.

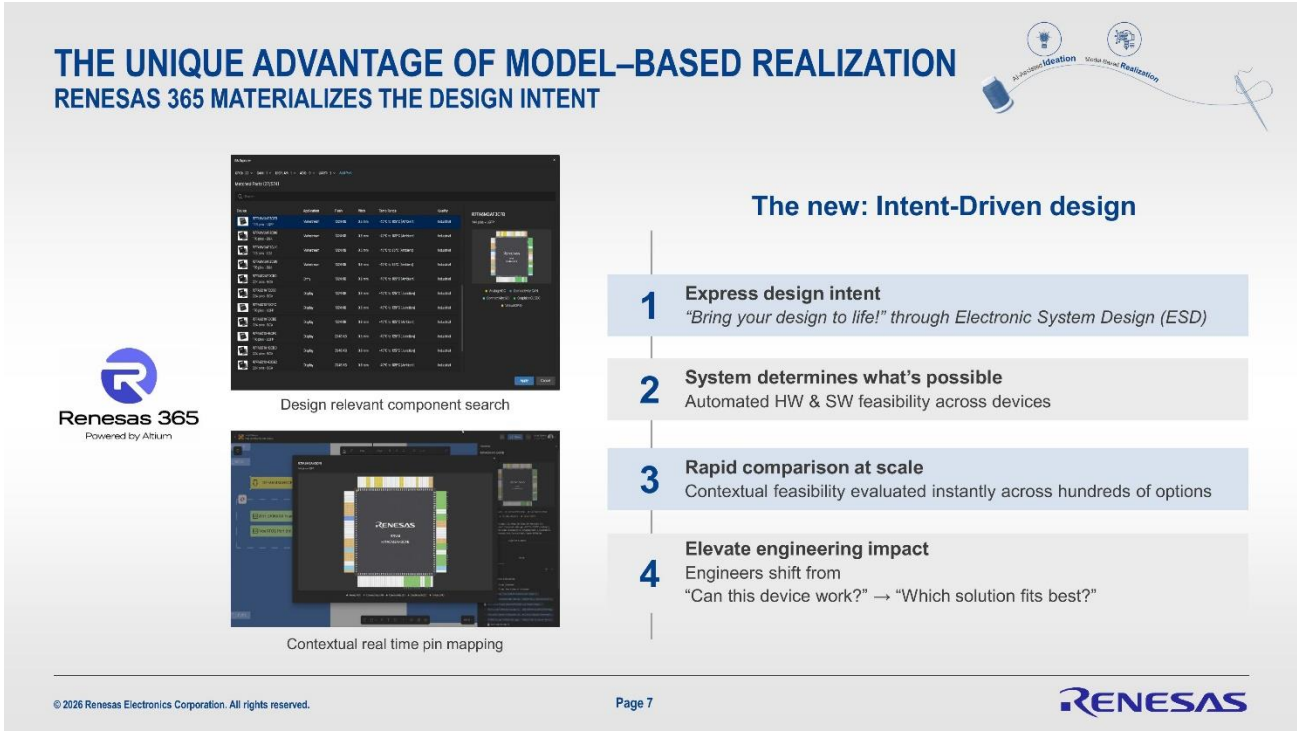
What makes this powerful is throughout these three steps, there is a digital thread. It connects every step from idea to deployment. Once customers build, validate, and deploy on the platform, switching becomes very hard, moving us from one-time chip sale to recurring platform revenue. That's the idea behind Renesas 365.



Now let me walk you through the first phase of the first pillar of Renesas 365. It's the main driver for customer acquisition and customer growth.

Today, the design starts manually. If the developer doesn't know our products or doesn't know the product family, the wrong product family gets chosen or we don't get considered at all. That's a massive lost opportunity for us. We changed that. Developers describe what they need in the Electronic System Designer, which is at the heart of Renesas 365. The platform quickly generates a validated design using relevant Renesas products. Instead of choosing from hundreds of products, it narrows it down. This makes it much easier for a developer to start with us and grow with us over time.

Two things make it sticky. It's a multi-domain view across hardware and software, and it's a digital context that carries the decision forward. The result, we drive towards our vision of 4x the customers with much greater efficiency.

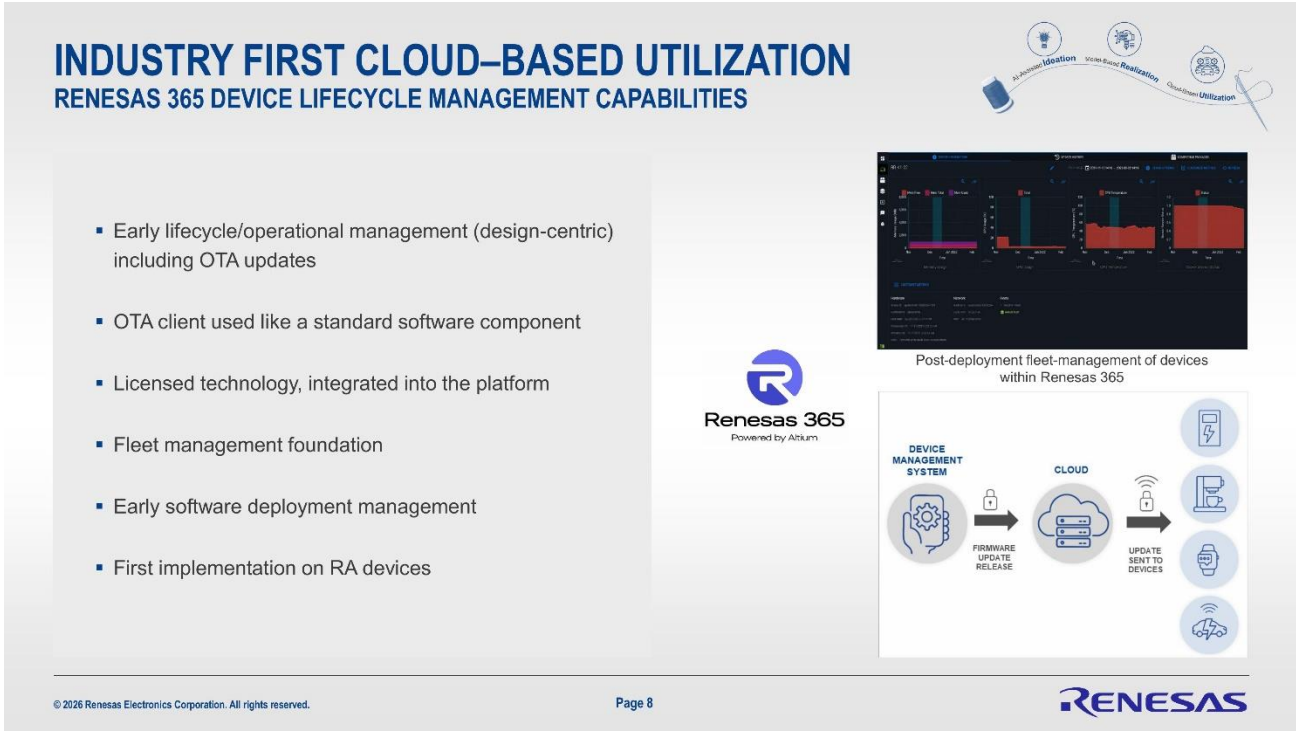


This is the heart of Renesas 365. It's model-based realization, and this is where the strongest lock-in for our customers happens. We turn the design intent into a working system much faster at scale and with a lot higher efficiency.

Today, the workflows are very fragmented across hardware, software, and tools. Renesas 365 brings this together into one platform. The user defines the intent of the system and the platform automates lots of key decisions, reducing manual work and speeding development.

There are two key points. This is the strongest lock-in. Validated design choices are built over time and makes it very difficult for users and customers to switch out of our system. It’s a very scalable model. We don't have to scale people to be able to gain more customers, and that's what enables mass market. So, we can grow our customer base without needing to scale FAEs or marketeers, and that's a very big plus.

This is already alive in our RA product family. It was launched at embedded world in March 2026, and it will be expanding across the product portfolio.



The last bit or the last pillar, which is the cloud-based utilization. This is where higher-margin recurring revenue comes from. In the past, our relationship ended when the product shipped. Now it continues across the full life cycle. Capabilities like OTA update, fleet management, security, and traceability are becoming essential, driven by connected devices and regulation.

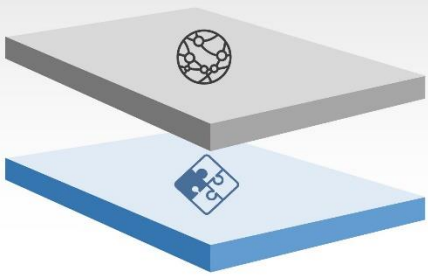
Customers will get today these services from third-party vendors or other companies. But since we have the digital context throughout the journey of the customer, we can deliver these services with a lot more efficiency, and that's what we intend to do as their partner.

The impact is very clear as a result of this. It's recurring revenue from the installed customer base. It's a much stronger customer lock-in throughout the journey. We also collect real-world data from our customers so that we can improve our next products. This execution is also underway. We've already launched OTA solutions on the RA platform, and we'll be expanding across all of the platforms and the devices that I talked about.

THE ROAD AHEAD

Now we've covered the strategy, what is Renesas 365, and what the platform enables. Now let's turn our attention to execution. The next section shows how we scale 365 through our road map, through our go-to-market, and through our organization, through the organization at Renesas, the power of the organization that we have. As you go through it, please focus on three questions. Is the road map credible? Is the go-to-market targeted for growth? Are we built to execute?

THE FUTURE IS PLATFORM & DIGITALIZATION



Open sub-system ecosystem

Range of component vendors
3rd party developed subsystems
Value-chain engagement (IDHs, CMs, Channel, Universities)
Open-sourced Renesas sub-systems

Product building-blocks

Enhanced system integration
Pre-integration of high value technologies
Reduced time-to-compliance
Domain-specific readiness

Future

Augmenting the rich developer experience with a powerful and open ecosystem to further aid system design

Rich developer experience

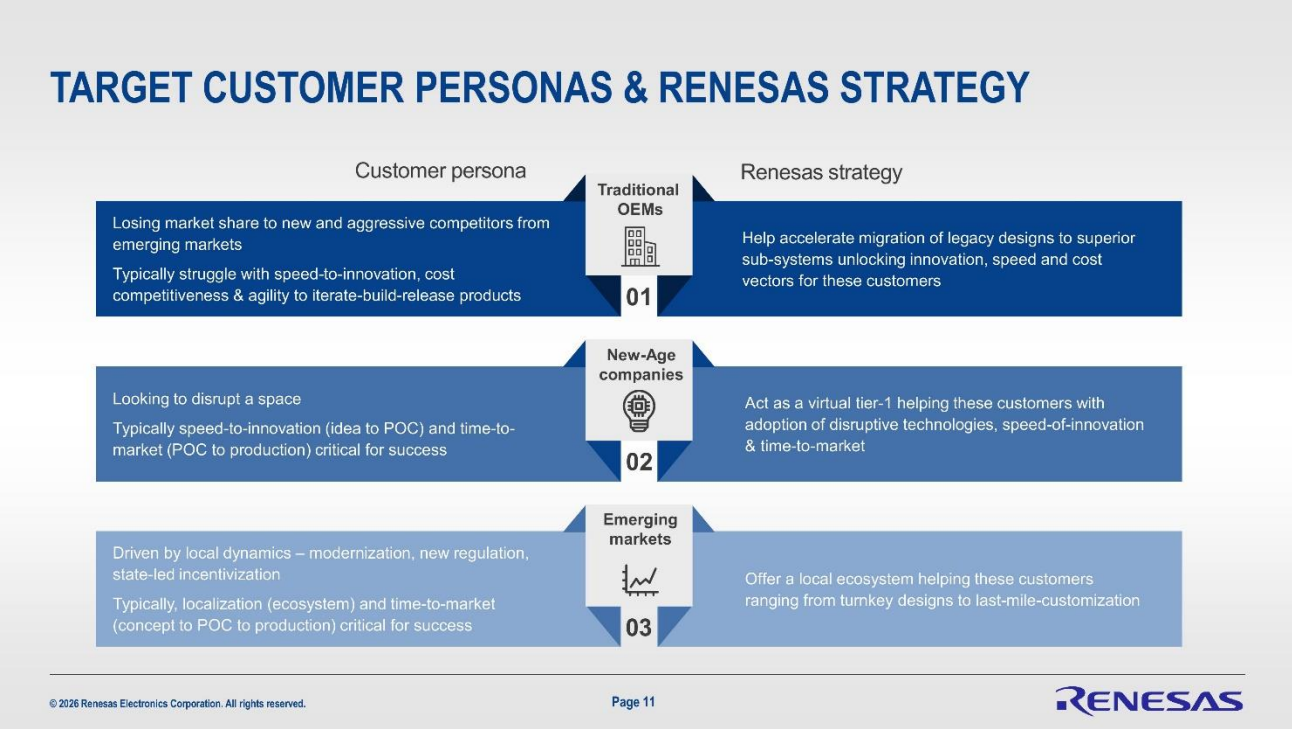
ESD-driven sub-system templates
Cloud-native development
AI-assisted design
Model-based design

Today

Generally available as of March 2026, and will continue to evolve

Let's first talk about the evolution of the road map. Today, we already offer a strong developer platform. AI-assisted design, model-based workflows, and cloud development is already in play on our RA platform. We are already in the market, and we are getting early traction.

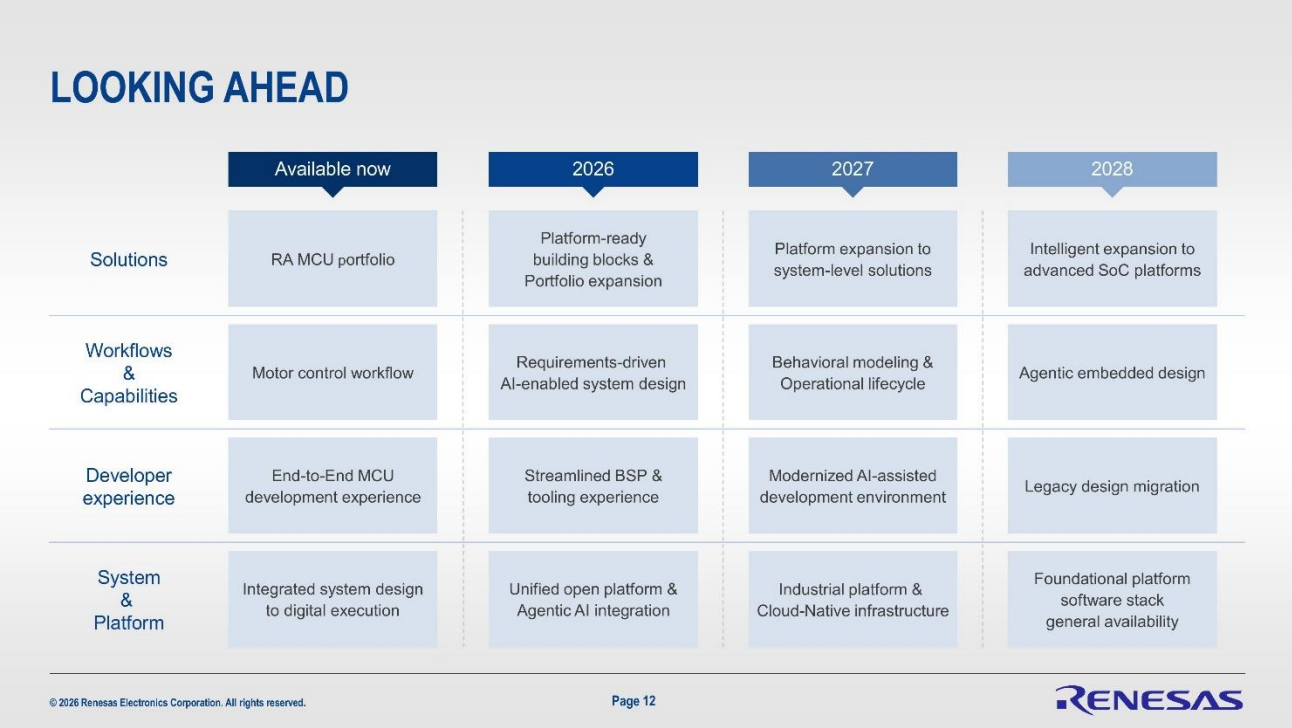
Next, we want to move up with prebuilt validated subsystems and blocks. This makes the digitalization beyond component to a subsystem level. That makes it much easier from selling components to enabling subsystems. Long term, this is our long-term vision, we want to build an open ecosystem. Partners, third parties, maybe even competitors who can add IP and solutions to our platform, and that creates a massive network effect. At each step, our market expands and the platform gets stronger. Our goal is to make Renesas 365 the platform of choice for the embedded industry.



What kind of customers are we trying to target with this platform? These are the three different personas of customers that we want to focus on. We first have the traditional OEMs, our current customers. Their challenge is agility. We are focused on speed and competitiveness, and we help them move faster with our model-based design, with our electronic design, with our digitalization, increasing our share and content per system.

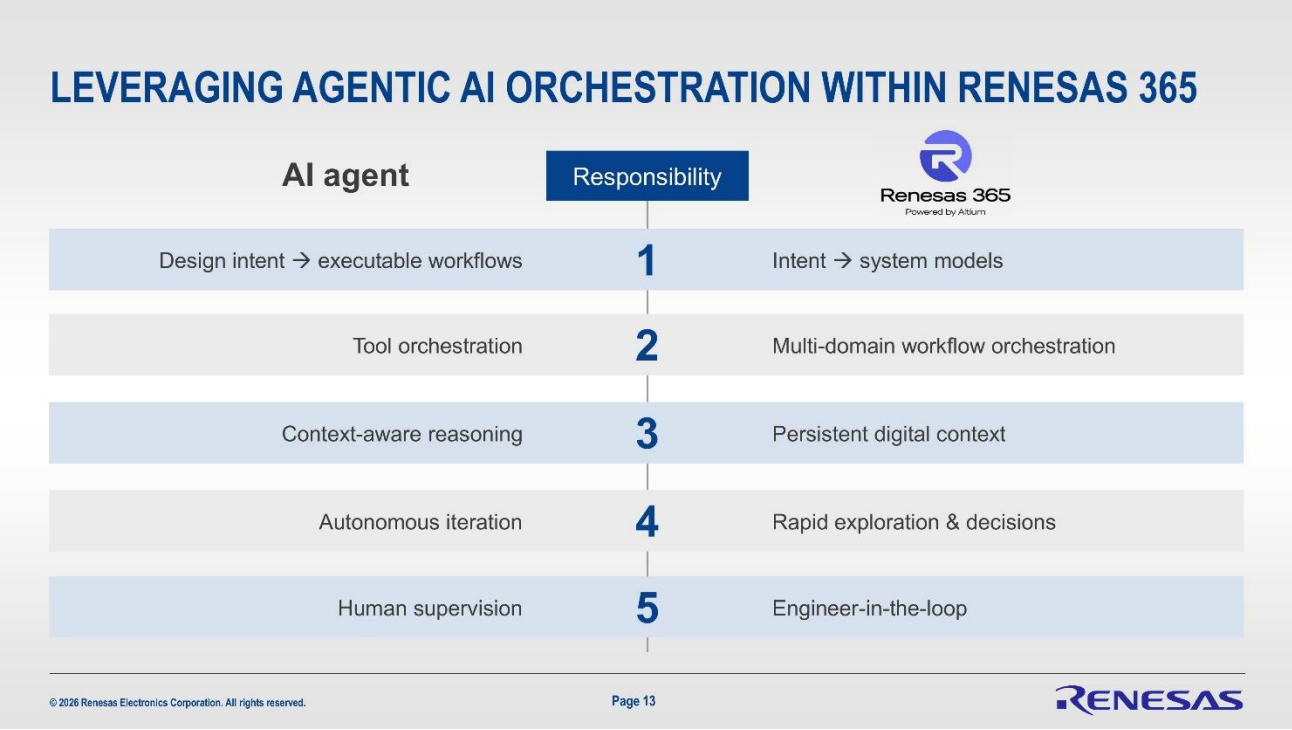
Then there are the new-age companies where for them, they are trying to compete with the traditional OEMs and where the speed to market is critical. There, we want to act as the virtual tier-1 using AI to win the designs quickly.

Last but not the least is our emerging markets. I mentioned about localization post-COVID-19, and that's driven by growth, localization, and regulation. We want to enable these local players from turnkey solutions to customization, expanding our reach. In essence, we've got the three segments that drive growth, but it's one platform. We deepen our engagement with our current customers, we acquire new customers, and we expand our geo presence.



This is an eye chart. I'm not intending to go through every block, but this is the execution of our road map through 2028 across four layers: solutions, workflows, developer experience, and platform. Today, the foundation is already in place. RA is platform-ready. Key workflows are live and the core system, the ESD, the Electronic System Design and the digital thread is operational.

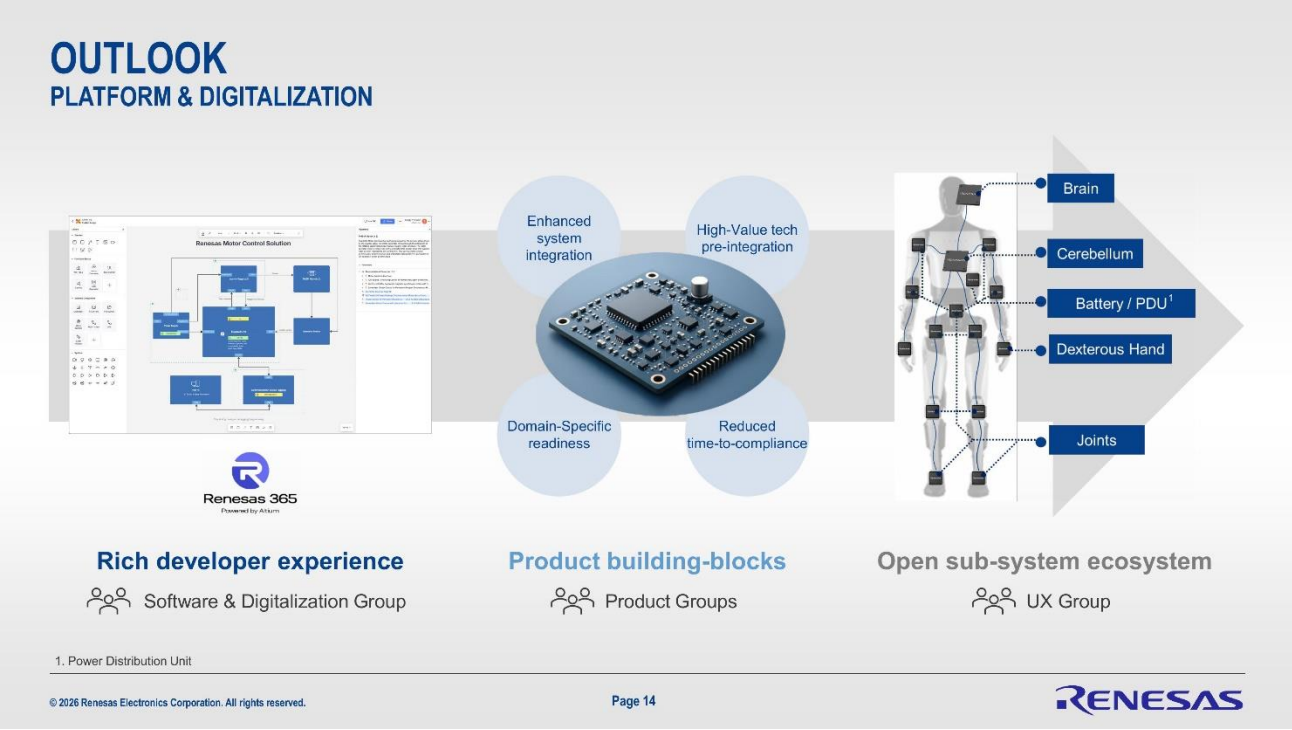
In 2026, we will broaden. We're going to add more devices, RX, RL78, RZ, RH850, all of the capabilities of Renesas plus our analog and power components, essentially with AI-driven workflows and a unified data model with open APIs. By 2027, we are going to scale up, expanding into higher complexity devices with subsystem solutions and full life cycle management. By 2028, we will be completing our vision. We will be adopting agentic design and agentic flows that really make the platform a lot more active. It makes intelligent recommendations and legacy migration will happen at scale. Each step builds proven capabilities with AI as a step function accelerator throughout our journey.



How are we going to leverage agentic AI as the future of Renesas 365?

Our intention is to make the platform active, not passive. It understands where the developer is in the process and guides the decision in real time without slowing them down. It also helps developer get started faster by understanding the intent of the developer, setting up the environment, and generating working designs from the very beginning.

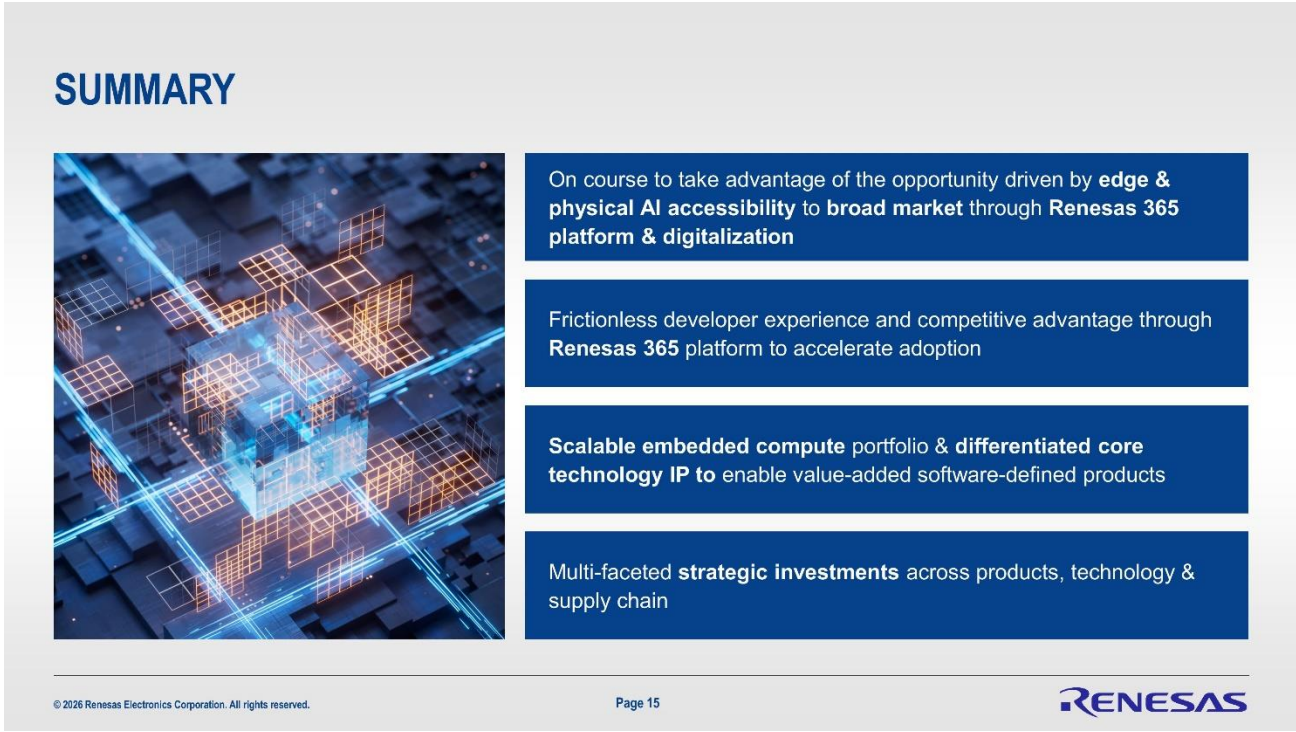
Importantly, it moves us up the stack from component level tools to system-level guidance, bringing hardware, software, and designs together. This is the key transformation from a silicon supplier to a platform-driven company.



I gave a lot of great ideas about Renesas 365, but are we really set up to succeed and execute within the organization?

The platform sits at the intersection of three key groups: Software and Digitalization, Product Groups, which are all the different business units, and the User Interface Group or UX led by Ivo. Together, these three groups will deliver all the layers that we need for the platform.

Developer experience will be provided by SWD. Product building blocks will be given by the different Product Groups and the open ecosystem subsystems will be driven by the User Interface Group. This is not a side initiative for us. This is at the core of our company. We have a very clear mission, and there is a lot of accountability that is being driven from top to bottom.



So, with that, I will summarize my presentation with four closing points.

First, AI growth is a tailwind for us. We are very well positioned for edge and physical AI with the right silicon and a platform that makes adoption easy. Second, there is a clear advantage. Renesas 365 reduces time to design, improves retention, and builds strong switching costs. Third, differentiated IP. We have a very large portfolio of our IP-enabled software-defined systems across artificial intelligence, motor control, security, connectivity, power. These are all the modalities that we are looking at in terms of developing our platform and our IP.

Fourth, the execution is in place. We have strong aligned investments, a very clear road map, and early traction with Renesas 365. Overall, we are shifting from product sales to a platform-driven recurring model, driving long-term growth and shareholder value for our shareholders. Thank you.

Now I'll invite Leigh to give a demo of Renesas 365. Thank you.

Gawne: Gaurang, I will do my best to bring all of this to life with a real demo today of Renesas 365.

All right. What you're looking at right now is a real live Renesas 365. This is in the browser. This is effectively where users or developers will come to, to get started on Renesas 365.

The great thing about it is that it's available anywhere, any device, any place, anywhere in the world, you can come and access this. Immediately, you're being freed from the shackles of those point tools, which are generally buried or located somewhere else, a lot of the time inaccessible. It's a very accessible platform.

What you're looking at here is what's known as a workspace. This brings together all of the different design assets in a design. It also allows people to come together to collaborate. All of those stakeholders in the value chain can come together and work together in one digital place.

There's a few different ways you can get started with Renesas 365. If you're an existing customer, you could connect your existing project to the platform. You might also come in and want to explore some of our

technology, through our evaluation kits or software projects. The other way is you might have some idea. You want to get started, maybe bring that idea to life from scratch, so you can go ahead and do that here as well.

As I scroll down, what you're looking at here is what we call solutions. The solutions are essentially things that are container for all of the different kind of design assets that come together on the platform. I've got a bunch of them in here today, but we're going to take a look at one of them specifically. We're going to jump into this balancing robot solution. This is a real balancing robot that we built. You can see here on the left-hand side, this big tile is the system design. I'm going to jump into this in a moment, talk a bit about what you can do here. This is where ideation starts.

On the right-hand side here, we've got other tiles, and these represent things like hardware designs and the actual software projects themselves. If we scroll down a bit further, you can even start to see devices that come alive on the platform. This is real instances of these devices that have been built that we can deploy and manage software on. That's the kind of operational life cycle management part of this.

When you start a new solution, we've also got the ability to bring in reference designs. So, a lot of the time, as Gaurang was saying, these things are fragmented. It can be difficult to go and find the assets that you want to actually use and bring in and start a design from. But in Renesas 365, we make that really easy. For example, if I want to find all of the evaluation kits for our RA series of microcontrollers, I can just scan them here, click import, and they're brought immediately into my solution.

Similarly, with software projects, I can do the same thing. This makes it extremely seamless in terms of starting to leverage all of the design assets that Renesas provide today, making it very easy for you to get started with designs.

Let's jump into this electronic system designer because this is where, as Gaurang mentioned, this is the heart of things and where you get started. Most designs start with some block diagram, some conceptualization, some idea of what you're trying to do. Here, much like if you're using, say, a Visio or a Lucidchart, you can just start effectively free drawing what you're interested in and what you're trying to achieve. This is the beginning of capturing system design intent.

But of course, in Renesas 365, this is much more than just a graphical diagram. This isn't just a bunch of blocks and pictures. The platform itself actually starts to understand what you're trying to do. What this means—and I'll show you this kind of interaction in action—is that as I'm drawing these things, and this is a diagram, obviously, that's been built up a bit, so there's a few things in here. But I can start to say click on the things inside the diagram. You'll see on the right-hand side, this panel starts to react to what I've got selected. It's reacting to my context and what I'm interested in and what I'm looking at.

Now this means that the platform can actually start to surface design documentation, design assets, things that are relevant to you in helping you build things. You think about how people do this today, it's really up to them to go away and start finding these things, searching through websites, trying to find links and things that might be relevant. With the platform, it starts to come to you based on your context. So you can start to see the intelligence emerging here.

The other thing that it can do, I mean, it gets much deeper than that, you'll see up here, we've got this little thing in the top right that says we found 595 matching parts for you. Now what the system is doing is that as I've described my design intent here, I've got this block with a few different interfaces and some connections. In the background, what it started to do is look across all of our product portfolio as far as the RA series goes today, and it started to come up with devices that actually fulfill those requirements.

Now doing that today is a very manual thing to go and do. I've got to go and take that intent, search through wherever I've got to search through, data sheets, so on and so forth and actually find things that might fulfill my needs. But here, we actually do all of that completely automatically.

Now we not only do that automatically, we do it across several hundred of those devices in one go. If I want to come in and change those requirements, say, for example, I want to increase the number of UARTS that I have on my design or whatever it might be, we will go away and evaluate all of those, hundreds of them just within a few seconds and actually come up with, say, a new set of devices that fulfill those requirements.

This is really, really powerful because it means that individually, users don't have to go away and kind of do that essentially one by one. Doing that one by one would be very laborious. It would take quite a lot of time ordinarily. But now the system is going away, and it's doing that completely in the background. So, in a few seconds, that will come up, and I'll get a list of all the devices that are essentially compatible with those requirements.

On the right-hand side, you'll see we've actually got the configuration of that device. It's not actually just searched to say well, this might work. It's actually come back and said this configuration will work with the design. That's really, really powerful because this is the deterministic nature of this model-based approach to design.

Now that we've got our high-level system design here, our robots looking like pretty reasonable. We've said from the top, what we want this to kind of go and do. We now get into the kind of development phase of this. Again, the whole platform connects not only the system design part, but the hardware design and the software implementation together.

What you're seeing here, if I select this thing surrounding this blue block is actually one of our evaluation kits that I can bring in directly into the platform. That evaluation kit, I can click on this open project here. That will actually take us to, say, the actual model of the evaluation kit directly here inside the browser. I get this nice 3D visualization on that evaluation kit. I get all of the reference material supporting that. So this is all the schematics, layout, and all those kinds of things. Again, it gives me a great starting place from which I can start my design from.

Similarly, I can bring all of my custom hardware into this as well. This is a custom board for that robot. That, again, is connected directly into the platform, as you can see it here.

Now, let's just jump back out real quick. It's not only the hardware side of things, but it's the software side of things, too, that's also connected into the platform, into the system designer. Now this is where it gets really exciting because what we can do, we can take that high-level intent that we've already kind of like put together, the systems already, say, understood what device I want to use and how I want to use it. We can actually now generate software for the user to actually start building their end-application on.

Going back to what Gaurang was saying, this is really important because engineers are not now spending time doing all of the things, which I'll say is the grunt work, the kind of boiler plate things. The things that are not particularly interesting or value add to them, we get them past that much quicker, and we get them to focus on what they need to do, which is building their application and building that quicker. The whole thing makes for a much nicer experience. It makes it much faster. It makes it much more enjoyable. We want people to come and use and want to use what we do and not need to use what we do.

Let's just say, for example, we've completed this implementation now. Our software is there, our hardware is together. I actually want to go and say, deploy this either onto an evaluation kit that might sit on my desk. Maybe it's a prototype that's in the lab. It could even be something that's out in the field and later on even

production devices. This is where we've got the full kind of operational life cycle management part in the platform.

I'm just going to go back to our solution here. You can see I've got a few different devices. I connected three of them here. I'm just going to switch to one of those over here. You'll see that this is one of our balancing robots, and this defines essentially information about that robot. That robot can report back telemetry to the platform. You'll see that actually in a really nice demonstration a little bit later with the robotic hand, how we're actually not only bringing back, say, textual telemetry, but also even things like live video feed and things like that can also be brought back into the platform. Then from here, we can also start to do things like deploy software directly. If that thing might not be accessible, it might not be sitting next to me, it might be out in the field somewhere or something like that, we can manage all of that from the platform as well.

I appreciate this is something of a whistle stop tour, and there's a lot within the platform. It's difficult to kind of compress all of this into 10 minutes. But hopefully, it starts to give you guys some kind of understanding and an insight as to how we start to tie this digital thread together and weave it all together.

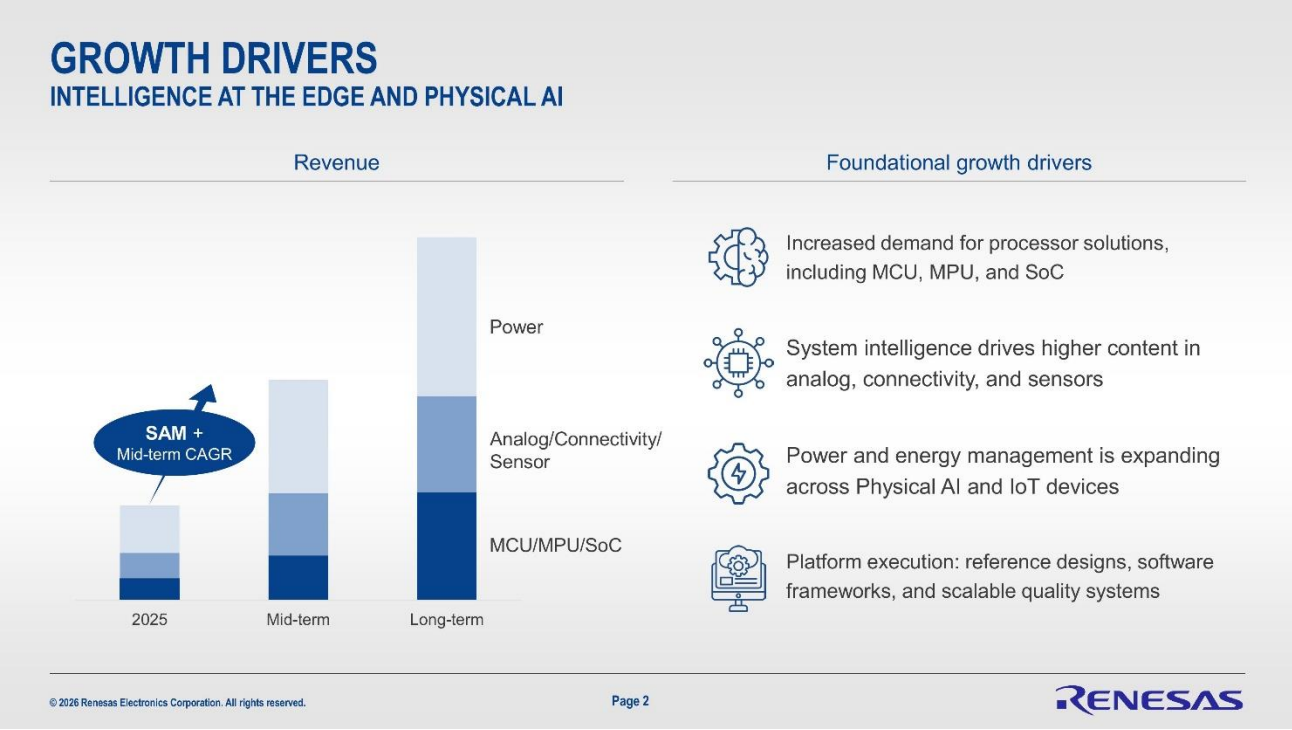
Thanks very much for your attention and listening today. If you'd like to see some demonstrations after this, we'd be very happy to talk to you at the back afterwards. Thank you so much.

Moderator: Thank you very much.

Next, Vice President and Head of UX, Ivo Marocco, and Vice President, General Manager of Analog and Mixed Signal, Peter Jenkins will present. The floor is yours.

Marocco: Hello, everybody, and welcome. My name is Ivo Marocco. I'm Head of UX or User Experience at Renesas.

Today, after looking at the growth drivers of intelligence at the edge, as one of our secular growth vectors for Renesas, we will dig into humanoid robotics in more detail, particularly why we believe this market is so important to us and how we're addressing it today. We will look into some of the challenges, technical challenges and how Renesas today is looking to address them, the differentiation we bring with our portfolio, and especially what we're going to do in the future to establish ourselves as a credible and reliable player in this space, of course, with the intent of grab a significant part of this market share.



As I said, let's take a quick look at the composition of revenue that is supporting intelligence at the edge and physical AI that are key growth drivers for Renesas.

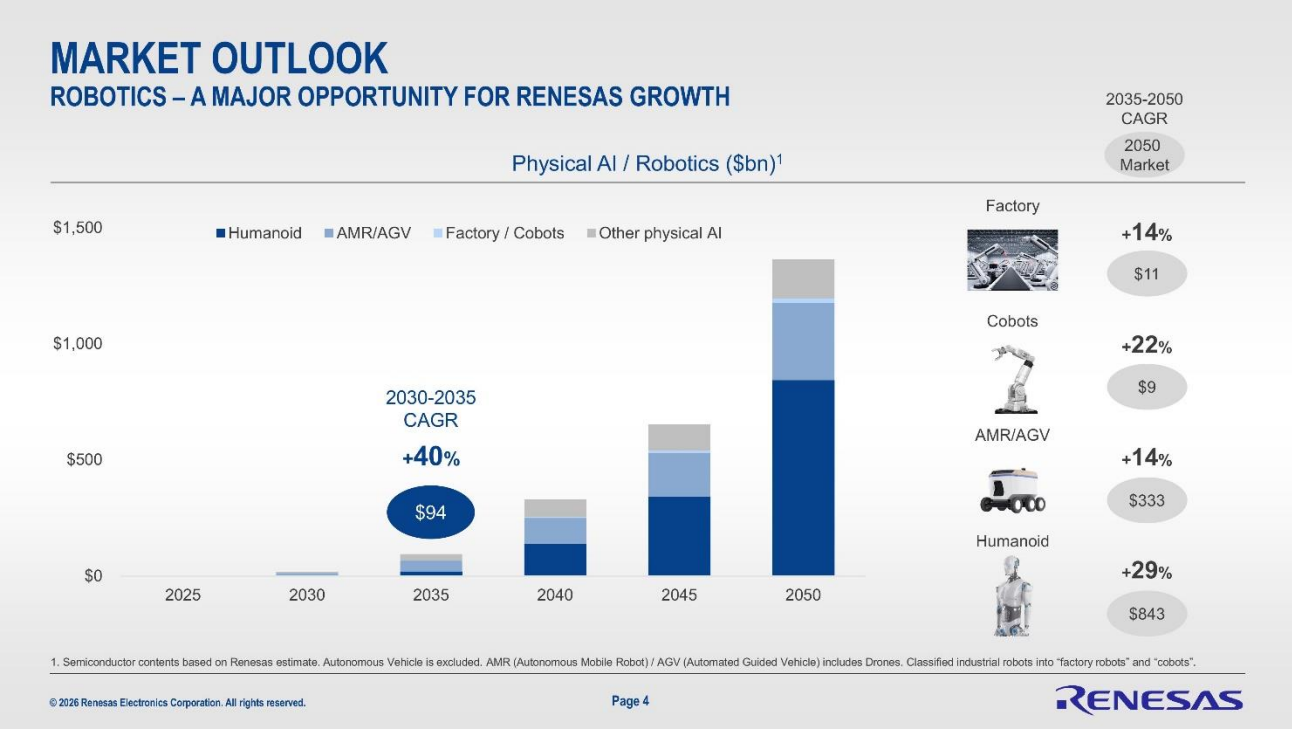
The contribution of revenue is encompassing edge AI, smartphones, IoT devices, robotics, and humanoid robotics. Our growth is actually supported by four foundational drivers.

The expansion of intelligence is increasing demand for processors solutions. These are including microprocessors, microcontrollers, and SoCs. The increasing system intelligence is also driving much more content in analog, connectivity and sensors. We also see that expansion of power and energy management is becoming critical. This is due to the emergence of physical AI, the proliferation of IoT devices. This is including PMIC, battery management, and GaN solutions.

Lastly, with our platform approach that we have just seen, basically, we are combining components together with software, making the solutions stickier, but creating also more designs, more solution, go-to ready solutions that enable partners and enables also customers and users to scale and adopt faster.

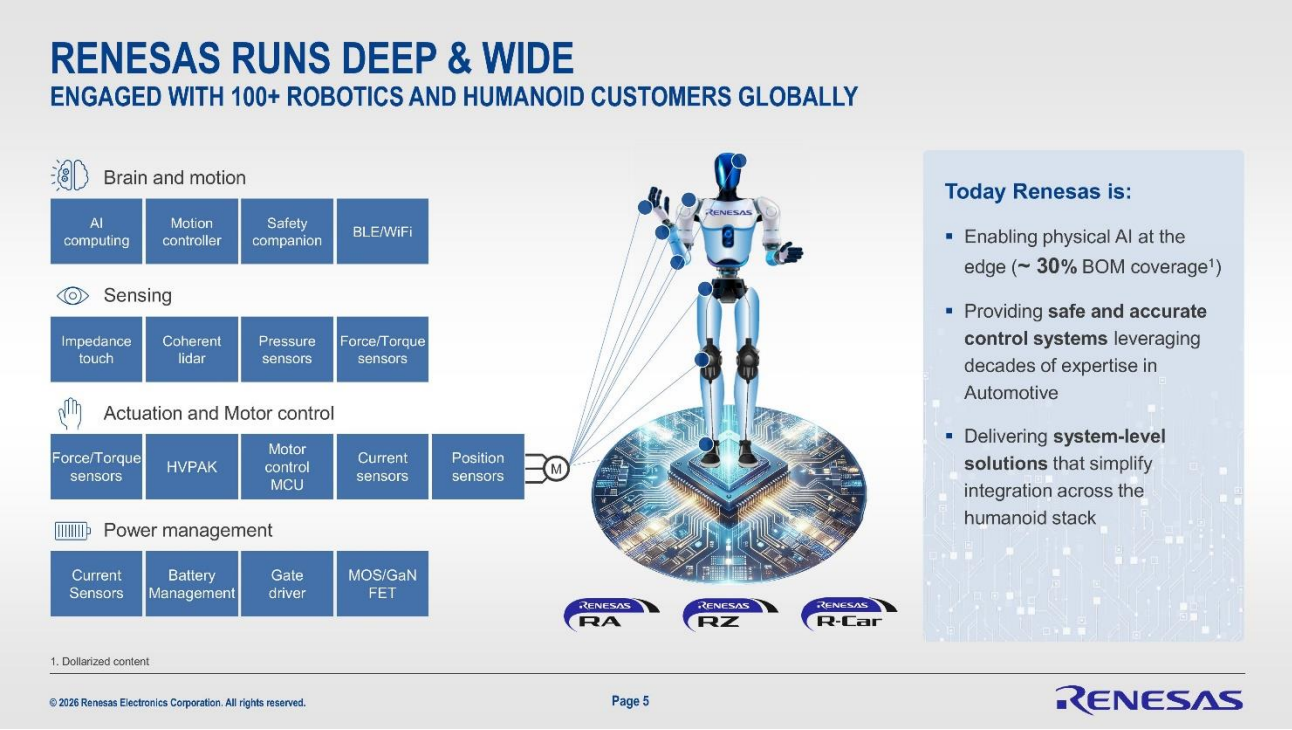
Let's take a closer look at physical AI and humanoid robotics. With emergence of physical AI, intelligence is actually changing in the sense that it's interacting with real world, and is much more than a compute problem statement that requires pretty much low latency. It is an intelligence that interacts with the world, so it has to learn from it and respond to it.

In this way what we are observing is an increased complexity of how to solve this problem. This is basically pulling more sensing, more compute, more power management, safety, and reliability. All of this has to be dealt with in a very harsh environment. Robotics, particularly we will see also humanoid robotics, is the embodiment of such complexity. This is representing a shift or is driving a shift. I'm sure you all are aware of what the interaction with machines will mean moving forward. But this shift actually is also opening up a full stack silicon opportunity for us. This is where the excitement comes from. I think we all believe we are very well positioned to address these challenges.



Let's dig into the market, why we believe the market is attractive. Let's also take a look at the challenges and the position we have to address the challenges today, and what we're going to do in the future to basically continue to gain the momentum and the market share.

Clearly, with the emergence of physical AI, the long-term opportunity is created. We're looking at here, robotics as one of the segments that is benefiting from it. Within it, we can see also how the humanoid robotics segment stands out in terms of attractiveness. This is where we want to play. This is where actually our strategy is aligned with the trend. We will go through the reason why in the next few minutes. This transition is really creating a meaningful unique opportunity for us to capture.



Humanoid robotics should not be seen as a single product, right? It's really a composition or an aggregation of connected system domains that each of them has their own challenges. Brain and motion, sensing, actuation and motor control, and power management, each of them has their demanding technical requirements. In each of these domains, Renesas already plays a fundamental role.

Let's take, for example, brain and motion. Perception data needs to be processed locally. It needs to be translated into deterministic real-time control for rapid decisions. But where is the challenge? The challenge is that there are very tight limits from a power management standpoint, from a compute standpoint, low latency standpoint and, of course, memory. Here is where we have a fit already in offering a scalable portfolio of processors, having already experienced in motor control and progressing in development of motion control solutions. We have also connectivity and a long history of functional safety that we can leverage.

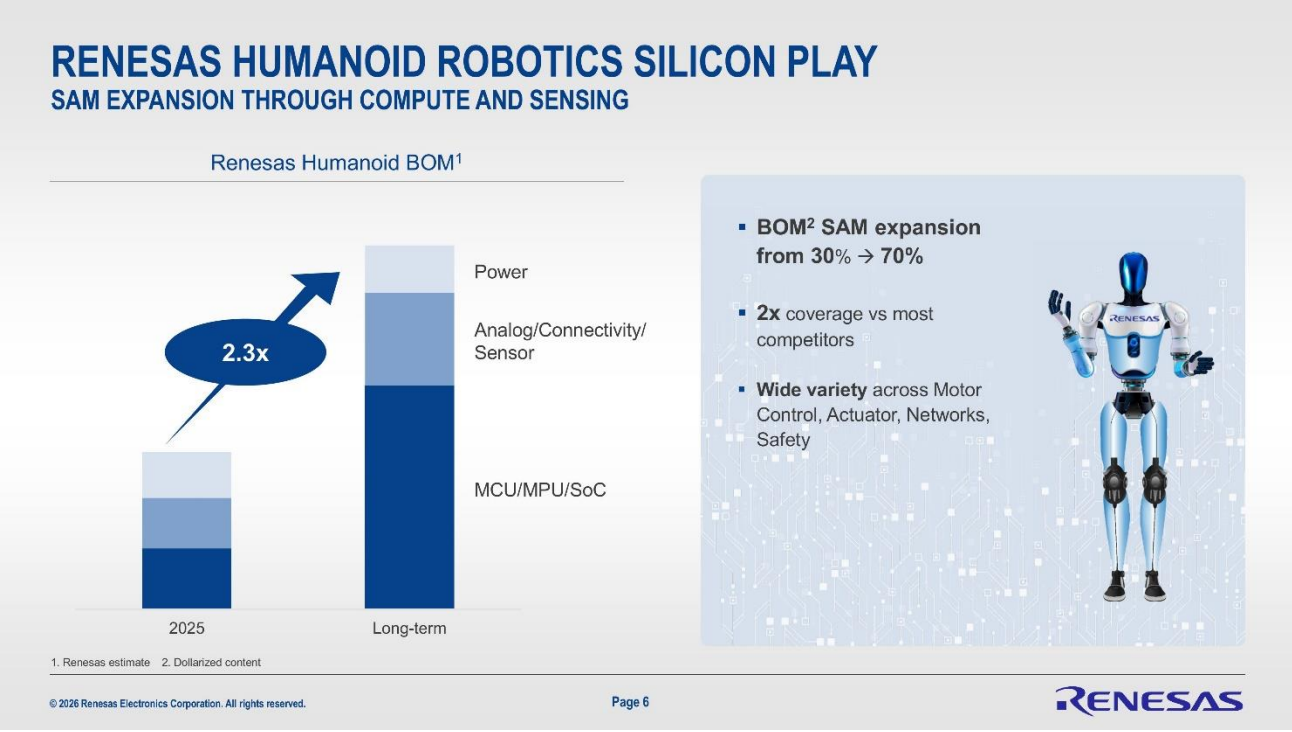
In sensing, low latency is not only the name of the game, but also very high accurate data acquisition that needs to be synchronized and turned into actionable intelligence to support real-time fast decision. Peter Jenkins will dig into this, showing our portfolio, our strategy, and especially above all, our differentiation.

When we talk about actuation, for example, which is another of the most relevant challenges or most relevant subsystem, the focus has to be around precise and safe motor control for all the joints through the robot. We do it through motor control MCU, sensors, and power devices. These are all connected together in a feedback loop really like a single system. This is a natural fit for Renesas given the experience and given the long history of working in application, both in the industrial market and automotive market where we solve these challenges already.

Lastly, in power management, system efficiency is really critical. I'll touch base in a second about what the evolution of humanoid robotics really means. But of course, you can imagine run time for battery is going to be extremely important. The ability of addressing these challenges with intelligent power, intelligent battery management, really taking care of handling thermal performance, and heat dissipation and especially, I'd say, very important, enabling and keeping the overall delivery of the power throughout the whole architecture is imperative for the functionality of the humanoid robot.

As humanoids become more capable, this becomes more important. Also, in battery management, and in power management in general, we do have a strong portfolio and a way forward. Today, basically, with all this, we are in the position to cover roughly 30% of the overall bill of material for humanoids. We are doing it through all the solutions that I mentioned, through the ability of providing safe and accurate control systems and system-level solutions ready.

As a result of it, we actually have more than 100 customers globally, who are actively engaged with us today.



But just to make sure that I make my message clear, where is this growth coming from? What is the reality behind this?

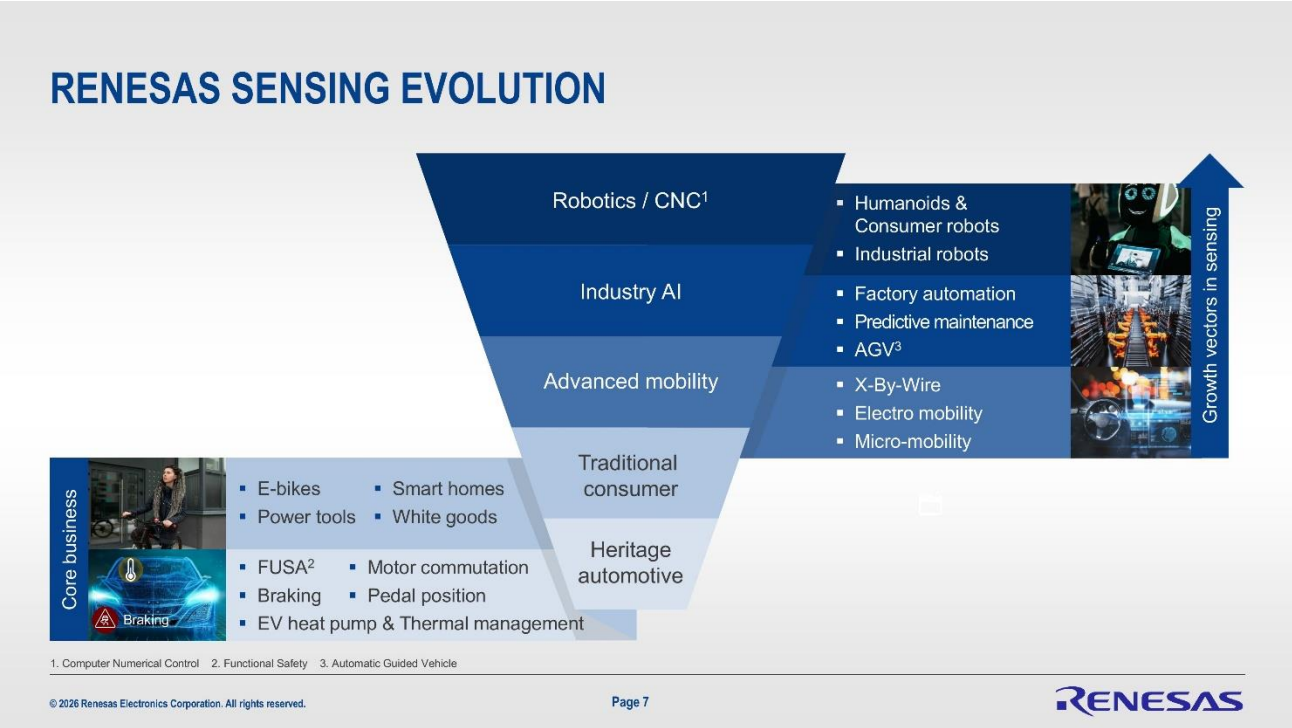
The emergence of physical AI is happening, but the evolution is something that we're going to witness very soon. We will see this even though there is a very strong price pressure on each component in the semiconductor world. Let's say, for example, humanoid in 2025 or even, let's say, today, they are a very early stage. There are basically maybe around about 30 joints throughout the overall robot. There is limited functional safety and the ability of using hands is very basic as well as the fact that the intelligence is very much concentrated in the brain. As a result, they can operate very well, but in a very controlled environment.

Now fast forward 10 years from now, 2035 for example, we can foresee the number of joints going much higher. Maybe 40-plus that are safety-enabled joints with more sensing capabilities, more integrated position force, and torque sensing. Hands will definitely develop and evolve from just bare dexterity or grippers to the ability to interact with the world around. This is through an increased number of degrees of freedom, probably around about 20 degrees of freedom and more rich sensing. Intelligence also, we will see becoming more distributed. Again, going from just the brain with architectural development of different type of way of doing it, intelligence will most likely also be distributed in joints and limbs.

As a result, this will bring better latency, better scalability, and safety. Actually, this is the reason why with the growing complexity and evolution, the semiconductor content will expand. This is the reason behind the fact that we are so interested and we're also already positioned to go after it. This is why portfolio breadth matters. This is why the position we have today is already strong.

We offer end-to-end coverage across motor control, actuator, network and safety, with high product solutions that are spanning from compute, power, analog sensors, and so on. As a result of this, we expect and we can claim confidently that we could go from a 30% BOM coverage today to a 70% BOM coverage in the future, positioning us to catch a disproportionate amount of market share.

Having said that, I would like to now pass on to Peter Jenkins for digging into the sensors and portfolio.



Jenkins: All right. Thank you, Ivo. My name is Peter Jenkins. I'm the General Manager for the Analog and Mixed Signal Product division.

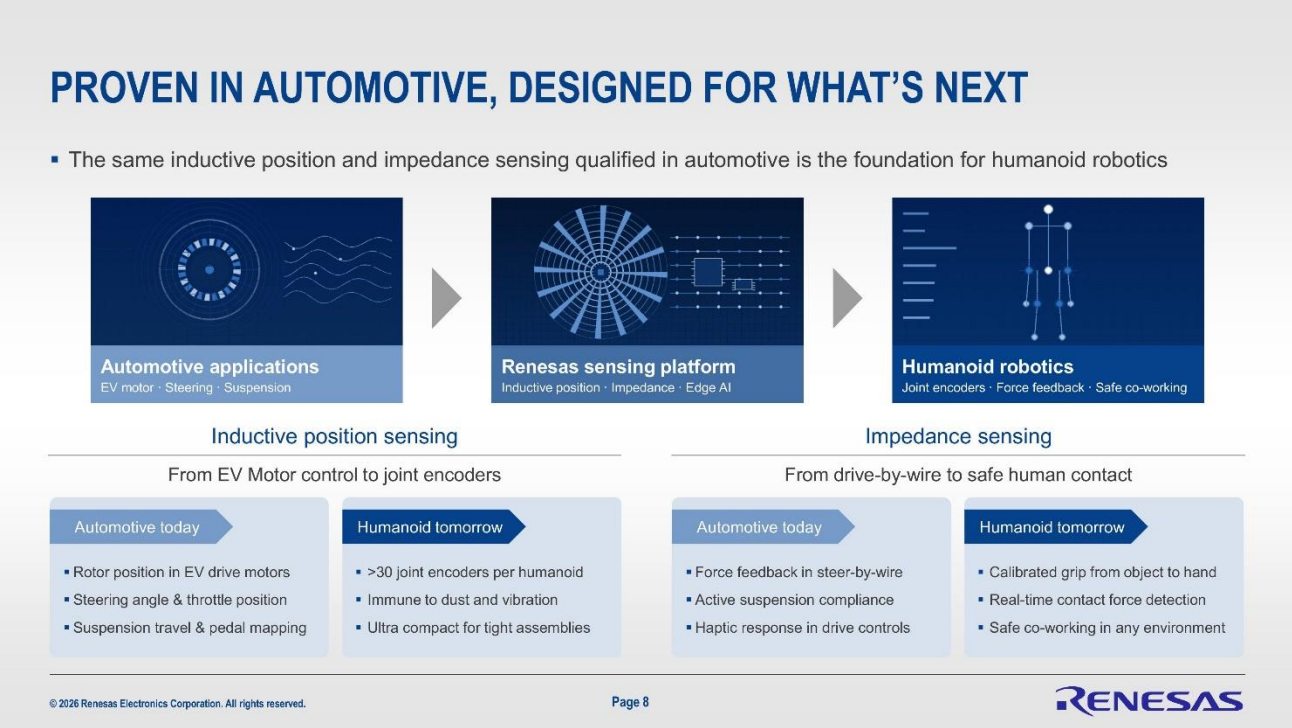
At Renesas, our sensors portfolio is based in a strong automotive foundation. We continue to be ranked number one with over 30% market share in automotive SSC solutions, giving us a solid foundation in future revenue growth and market knowledge.

New product intros consisting of position and impedance sensing are winning designs at leading EV manufacturers and two-wheeler companies across the globe, particularly in the US, India, and China. Targeting motor control and sensing has been key to our success and will remain a key focus area for us in the future. However, looking to tomorrow, our fastest growth will be outside of our traditional expertise and revenue lanes. Renesas is expanding its focus into new secular growth areas. Among these, advanced mobility, industrial AI, and robotics, which are natural fits for our existing portfolio and maximize our technology advantages and key customer relationships.

This evolution reflects a natural shift as the markets of automotive and industrial sensing start to merge. It brings Renesas to the forefront as a key supplier and innovation leader. Just to name a few examples of this, leading robotics manufacturers out of India are evaluating our solutions for use in welding applications and warehouse autonomous robots, while US-based precision surgical companies are evaluating our new solutions for robotic-assisted surgery.

When looking at future trends, supporting robotics and humanoid advancement, our automotive expertise carries over extremely well into this emerging market. From safety and reliability to EMI hard and in tune

solutions, Renesas is well prepared to address these development needs and plan for future advancements that are required for humanoid adoption.



Our newest solutions in impedance sensing and inductive position sensing are great examples of how this technology is bridging markets. The same successes our latest sensors are seeing in automotive applications like EV motor control, hands-on detection, drive-by-wire are the same technology humanoid and robotics companies need for joint encoders, force feedback, and safe human contact. The duplication and reuse matters here. We are extending a proven automotive-grade platform into a brand-new market without rebuilding our R&D base, so upside and new opportunities will materialize quickly.

A single vehicle uses a handful of these sensors, but a humanoid needs more than 30 joint encoders alone, which multiplies our addressable content per unit as the robotics market scales. In short, our automotive franchise derisks the technology, while our robotics expertise dramatically expands the total addressable market, diversifying us beyond a single end market and into one of the fastest-growing categories in technology today.

Very quickly, let's address how these technologies cross market boundaries. The force feedback we already deliver in a steer-by-wire solution is the same in a calibrated grip a humanoid needs to touch and feel. The active suspension we tune for ride quality becomes real-time contact detection at the joint or the hand and the haptic response and drive controls becomes the safe co-working behavior required when a robot operates right alongside people.

It's these similarities that have triggered core robotics and humanoid companies in China to start evaluating and using our tactile solutions today. Several leading Chinese humanoid robotics companies, including major players in dexterous hand development and full-body humanoid platforms have either chosen Renesas solutions already or working with our engineering teams today on integrating these sensors into next-generation designs.

HUMAN-LEVEL TACTILITY: SUB-1% SSC PRECISION IN DEXTEROUS HANDS

SUCCESS @ INSPIRE ROBOTS: LEADER IN DEXTEROUS HANDS

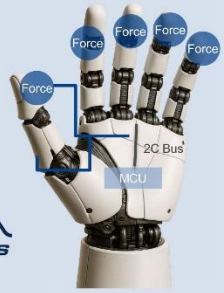
Each 6° of freedom: **12 Joints**

(6 Force sensors, 12 Tactile sensors)

Sub-millimeter repeatability

Similar size with real hand

Load capacity of several kilograms



因时机器人 INSPIRE-ROBOTS

Leader in dexterous hands

RAAS2S4251 innovation advantage

- Measurement range, 100N/200N/400N
- Linearity error, ±1%FS, Repeatability error, ±0.1%FS
- Size 11x13mm, Resistance 1KΩ
- Sensitivity 1mV/V

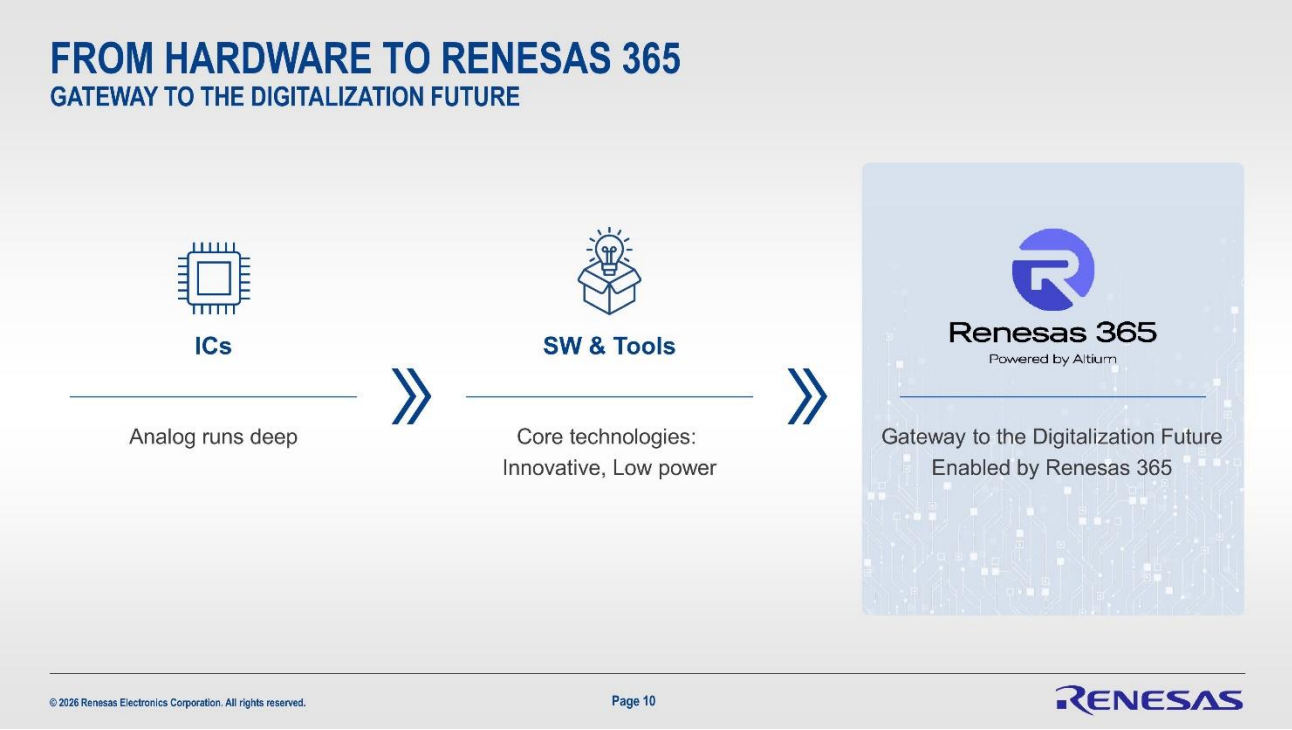
Why we won @ system level

- De-risked the force sensor with proven design + test/validation expertise (plan/fixtures/characterization)
- Improved beyond ~3% baseline via multi-point calibration in firmware
- Unified calibration to single-step (no pre/post-assembly)

RENESAS

Let's talk about one of those activities next. One of the wins in robotics that I want to showcase today is with INSPIRE, who is a leading dexterous hand manufacturer. INSPIRE selected our strain gauge SSC to reach human level tactility requiring sub-1% precision and extreme repeatability. Winning a category leader validates our differentiation and tends to pull through follow-on designs across this field. The reason we won extends beyond just performance though and into system-level knowledge. Performance is obviously key, but our solution was able to reduce calibration into just a single step. It lowers our customers' cost and time to market. With dexterous hands being extremely sensors rich, having multiple force and tactile sensors across many degrees of freedom, each win like this carries high-value content per unit and technical advantages that can't be replaced.

Our goal is to have the highest performing sensing solutions on the market, but our rich sensing background with these devices enables greater benefits that we just showed here today. Examples like these are the reason Renesas' sensing solutions are gaining traction in multiple end markets across the entire robotics landscape.

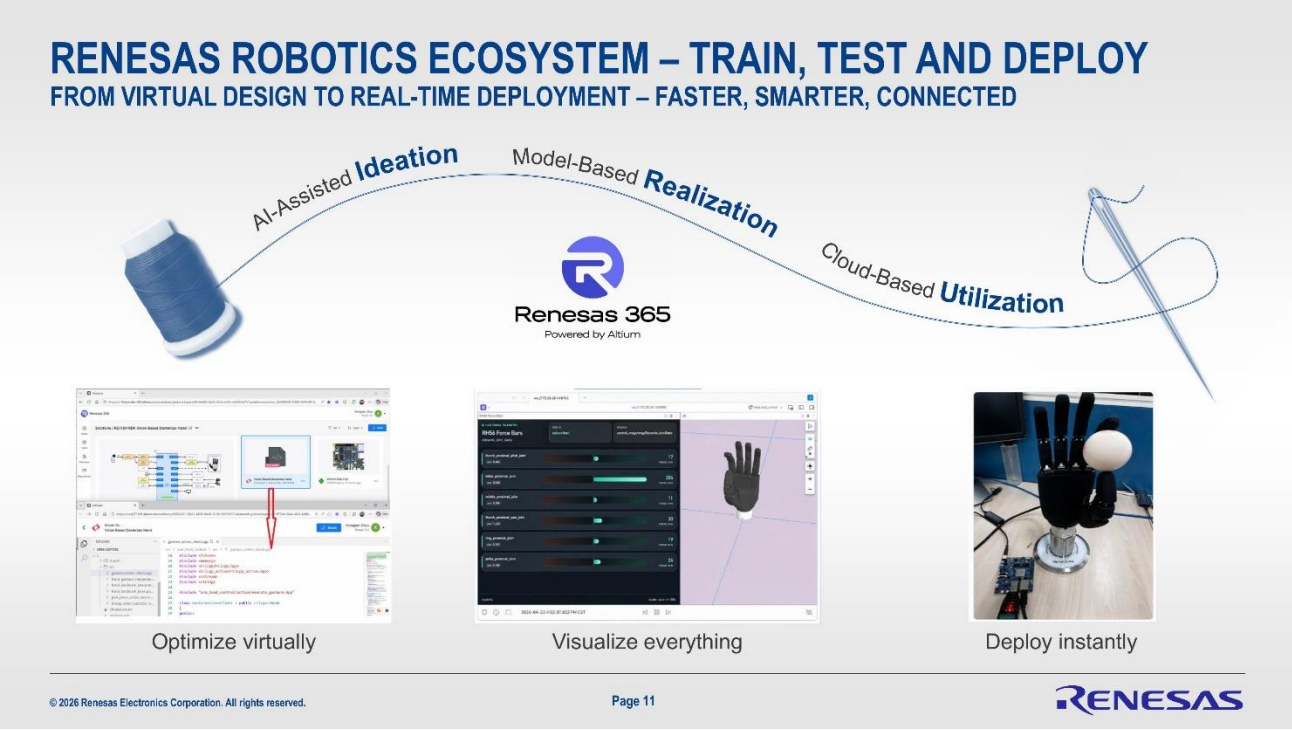


The full analog solution surrounding our sensing platform runs extremely deep, including a refresh of standard products in basic analog and all the way to our fully customizable solutions in GreenPAK, AnalogPAK, and GreenFET. Add on top of that, our Forge FPGA technology that targets edge applications, Renesas is able to deliver the analog solutions to enable hardware level sensor aggregation and real-time data processing needed to excel in this space.

As part of the complete solution approach, Renesas is offering our software tools for sensor and analog customization online. Our ICO tool, purpose for designing inductive sensors embedded in the PCB gives hardware engineers freedom of customization to their own solution based on size and performance. Alongside online sensor tools, our Go Configure Software Hub is the key to truly unlock customizable analog hardware and in the entire family of GreenPAK products. But we're evolving from selling hardware to delivering complete solutions that are bundled together with software and tools under the new Renesas 365 framework. Pairing these core technologies allows for true platform digitalization, pushing Renesas up the value stack and targeting a broad customer landscape.

Back to you, Ivo.

Marocco: Thank you. Okay.



As we have learned already through Gaurang and Leigh, at the center of this robotics ecosystem, there is the Renesas 365. It's our flexible and scalable cloud-based development platform that enables developers to go from ideation to realization and eventually utilization. This is helping customers and users to optimize virtually, eventually visualize everything in front of them before deploying everything else on the hardware itself.

This is actually enabling a much smoother path in developing products, removing a lot of friction between software and hardware, and actually easing the process of integrating the software on the hardware itself. I would like to share with you maybe a couple of minutes video that is giving a taste of the capabilities of the Renesas 365, our technology using Renesas 365, and our products in developing a dexterous hand.

Can we play the video, please?

[Video Begins]

The Renesas sensor fusion dexterous hands solution demonstrates multimodal perception. It combines vision, tactile, and force sensing to enable adaptive grip control across a variety of objects.

Powered by the RZ/V2H edge AI processor, this low-power MPU can simultaneously run two cameras and models. This allows for identifying objects and the required grip force while also tracking hand landmarks for human gestures. The RAA2S4704 impedance sensor enables tactile interaction. The RAA2S4251 sensor signal conditioner provides high accuracy amplification to identify force values in each finger.

The combination of high-performance compute, vision, tactile, force sensing, and AI/ML is a powerful combination in dexterous capabilities. We are able to detect different objects and apply the correct amount of grip force. Objects like cans or solid pieces of fruits or vegetables need to be gripped with greater force. Based on the object detected, we can apply different levels of force across the fingers for accurate control.

A paper cup, as an example, shouldn't be deformed from grip pressure and doesn't require all the hand fingers to hold. Fragile objects like an egg require the least amount of force to minimize the chance of breakage. Being able to identify, perceive, sense, and calibrate takes the Renesas solution to another level and is the launch point to other innovations in the dexterous hand space, especially in safety critical human interactions.

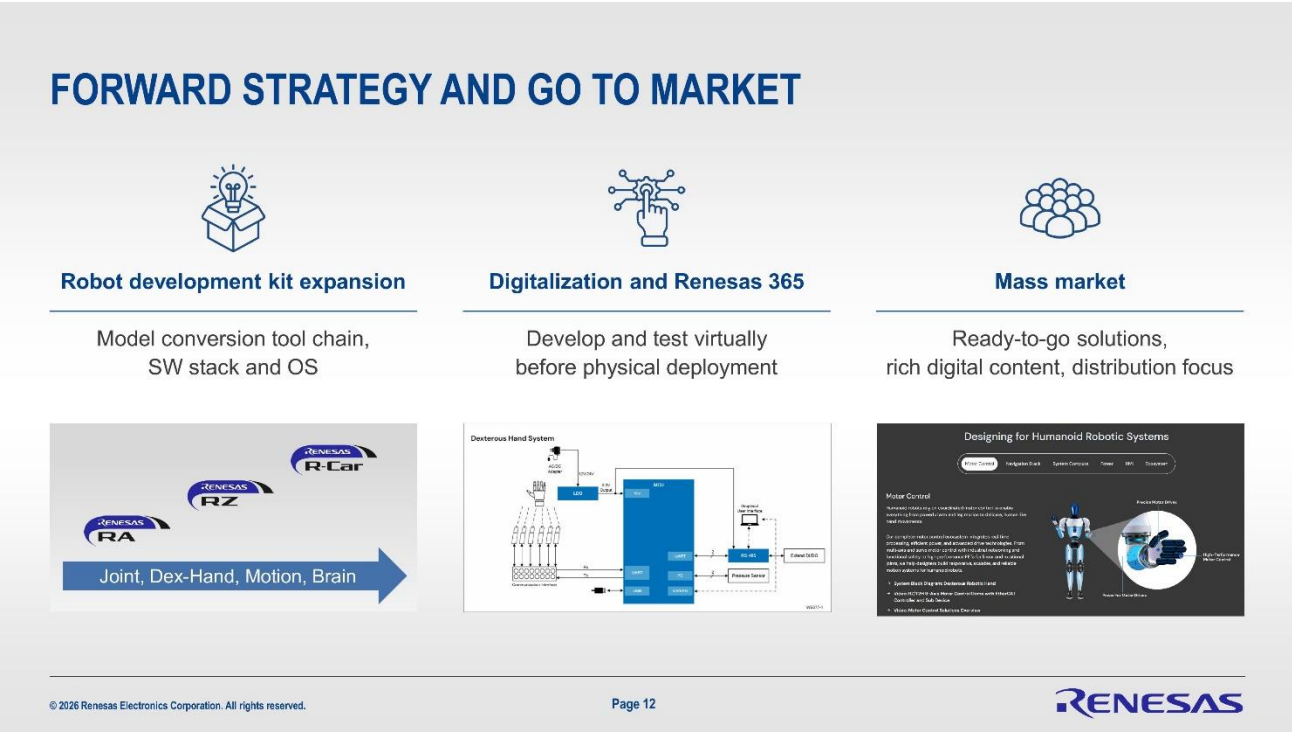
This solution is part of Renesas 365, an integrated platform that unifies workflows and context. Each part of the solution preserves digital context from block diagrams all the way through schematics, PCBs, firmware, and system logic. Boards can be accessed remotely, removing local hardware barriers.

Through the deployment interface, solutions are assigned to specific boards built in the cloud and pushed directly to the target device anywhere in the world. Renesas 365 includes a live metrics engine that tracks CPU utilization, power draw, processing time, and frame rates. The metrics dashboard is fully customizable, letting teams add or remove indicators for debugging, performance tuning, or validation.

By combining solution management, remote deployment, and live metrics, Renesas 365 streamlines embedded system workflows from cloud to edge.

[Video Ends]

Marocco: Excellent. The demo is at the back of the room. I encourage you and invite you to familiarize yourself with that at the end.



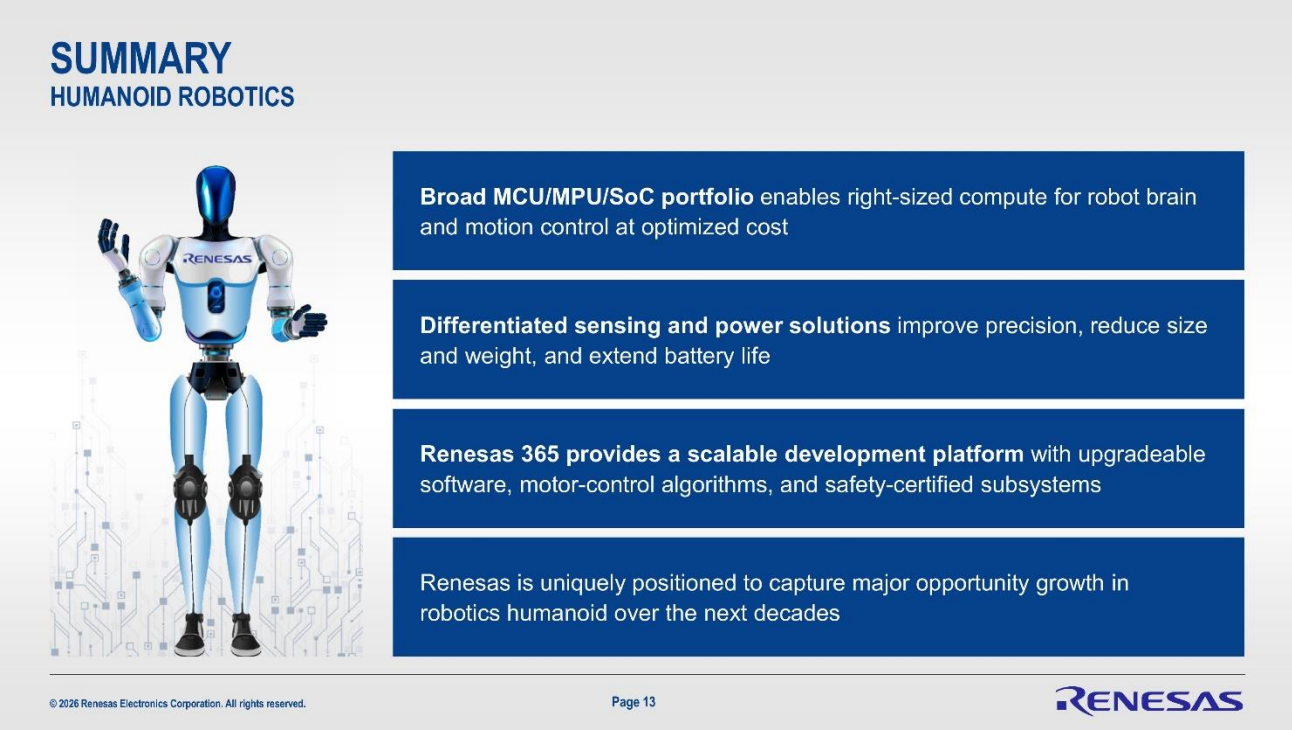
A couple of more things before we close the segment. What is our forward strategy and go to market moving forward?

First, we will expand our robot development kit, and this is going to be done by providing complete model conversion toolchain, software stack, and operating system support to simplify the overall development across parts of the robots like joints, dexterous hands, motion, and eventually brain, leveraging our portfolio, as I mentioned, of scalable processors from microcontrollers, microprocessors, and SoCs.

We want to accelerate this digitalization through Renesas 365 so that the development and the test can be done virtually before the deployment is done on the hardware itself.

Then lastly, also, we want to take an approach where we support overall the mass market direction that Stephen has mentioned at the beginning by providing, again, a quite rich content, digital content, providing more ready-to-go solutions, more models that we will populate on the 365, and especially having a

distribution focus with our collateral and with our resources. Together, these pillars help customers move faster from concept to deployment, which will directly tie eventually into our growth.



I want to close this segment summarizing a couple of things. First, we do believe that humanoid robotics represents an important long-term opportunity for us. As Physical AI evolves, as I mentioned before, also the semiconductor content will expand. This plays directly into the strength of our portfolio breadth as well as our solutions across compute, connectivity, analog sensors, and power.

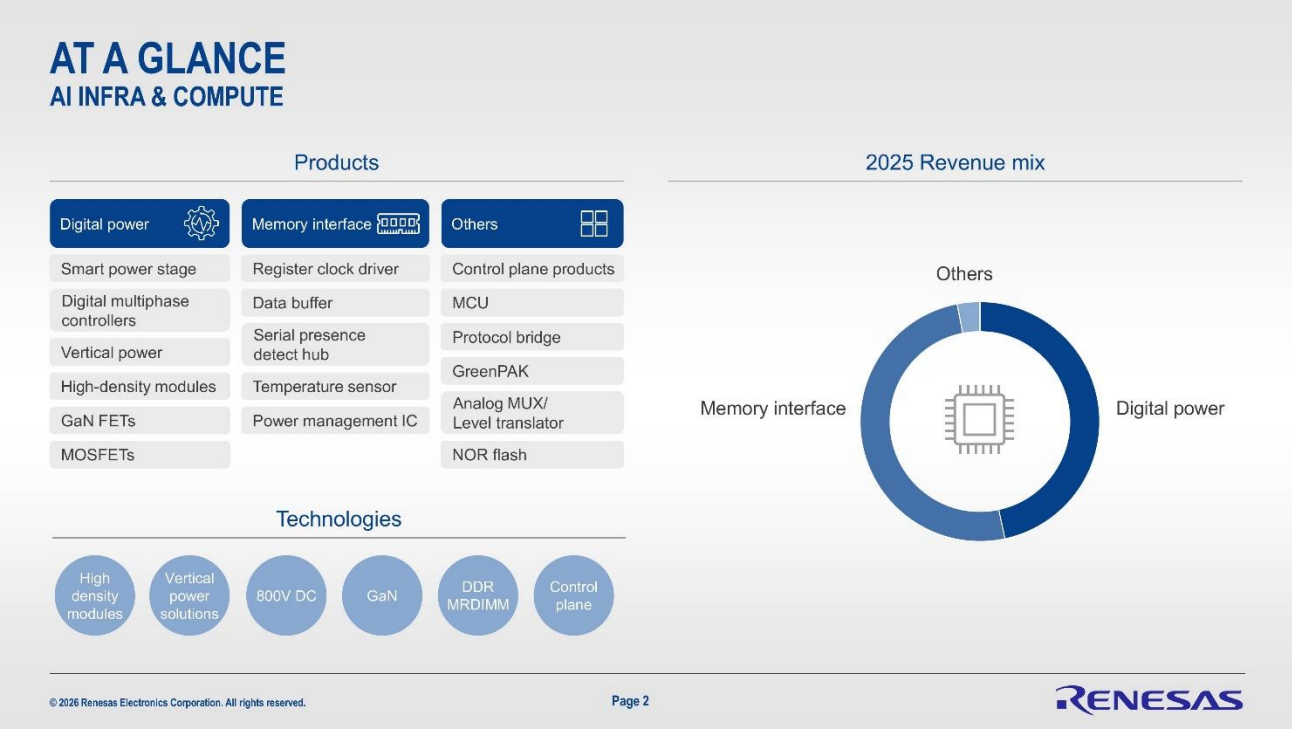
What differentiates us is not only the breadth of portfolio, as I already mentioned, but also our ability to deliver system-level solutions, software ecosystem enablement, and the Renesas 365 will help us go into this direction very fast. We believe for this reason that we are uniquely positioned to capture an increasing value of this market as it matures over time.

Again, I want to thank you for your attention and continued interest in our portfolio and our journey. Thank you.

Moderator: Thank you.

Moving on, we would like to invite Zaher Baidas, the SVP and General Manager of Power. The floor is yours, Zaher.

Baidas: Thank you. Hello, everyone. My name is Zaher Baidas. I'm the General Manager of Power Product Group at Renesas. I'm very excited to share with you today Renesas progress in the very fast-growing and very dynamic AI infrastructure and compute market.



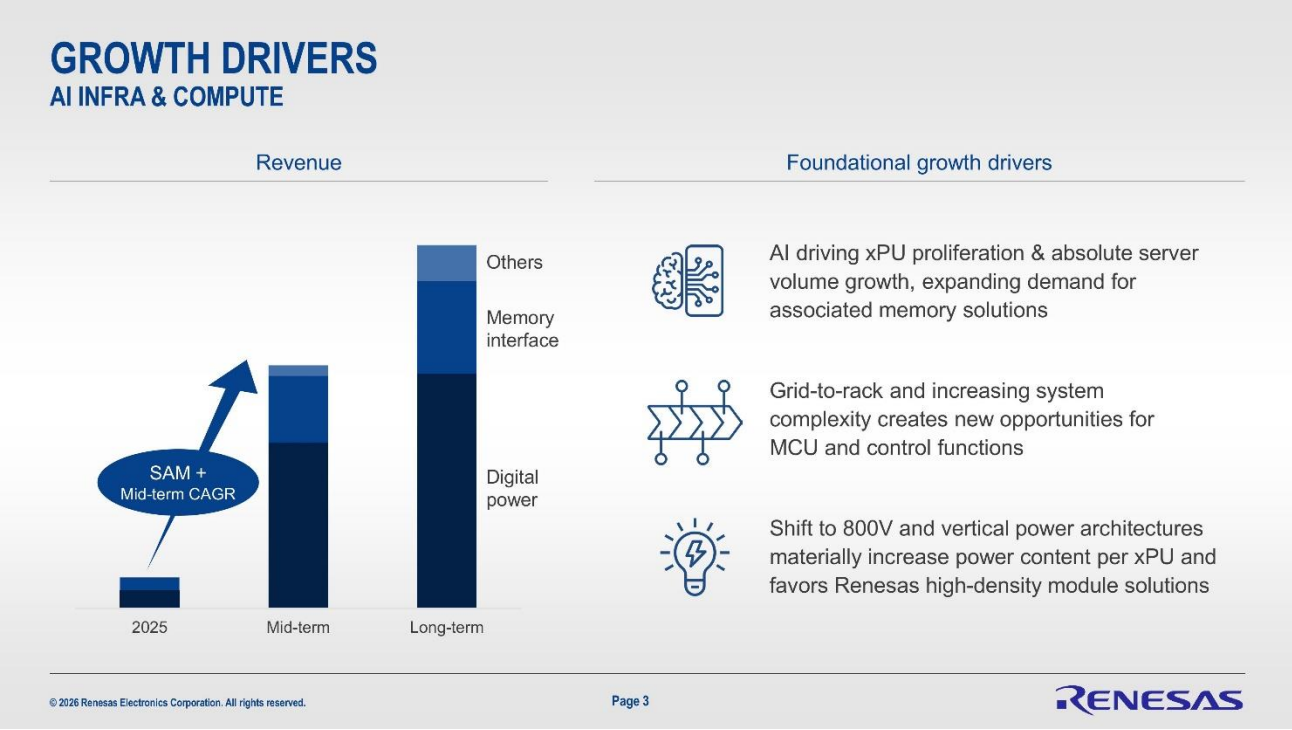
I would like to start with an overview of our portfolio. Renesas has an impressive portfolio of products and technologies that addresses the AI infrastructure and compute market needs.

We have three pillars of growth. First, our Digital power plays a critical role by delivering the high-power density and thermal efficiency required for next-generation data centers.

In addition, we have been, for a long time, leading the Memory interface market with technology critical to maximizing compute efficiency and addressing data bottlenecks. This is becoming increasingly important for AI inferencing.

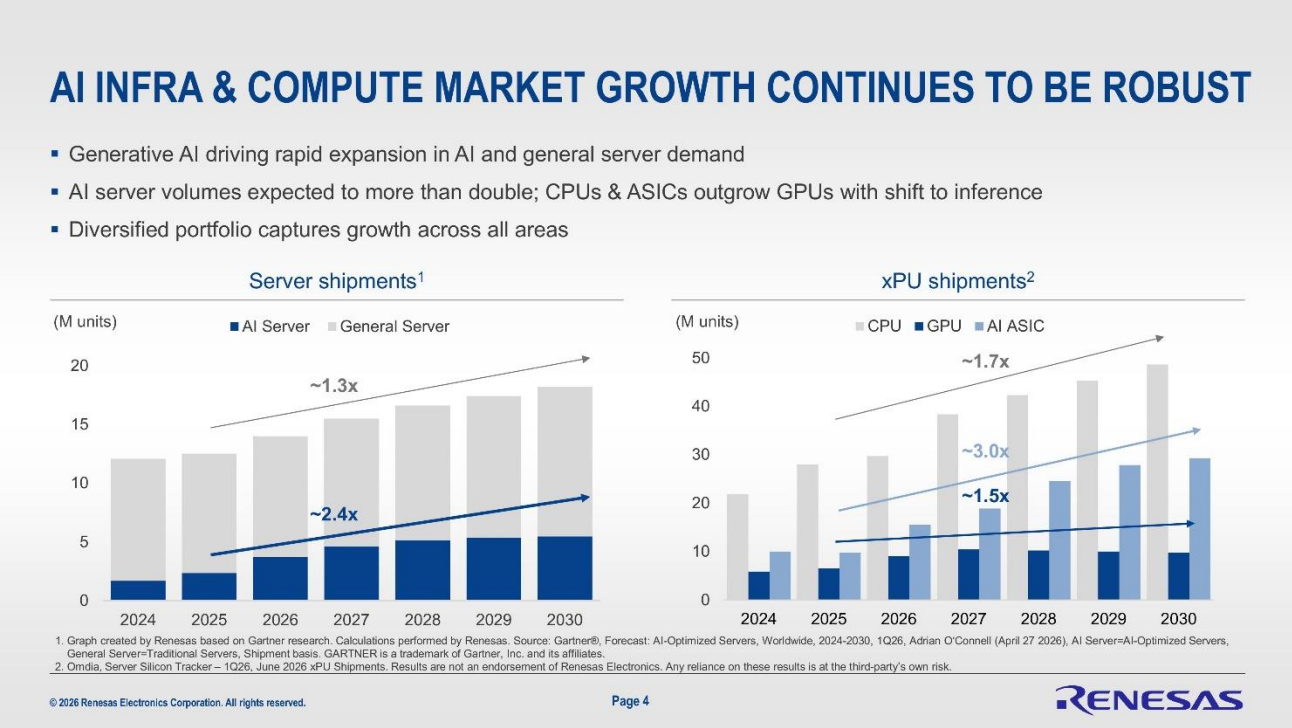
Finally, our legacy with MCU technology puts us in a great position to capture control opportunity in this market as well as analog attach.

The balance of these pillars is shown in our 2025 revenue mix. Combined, they uniquely position Renesas to capture the healthy sustained demand we are seeing in AI infrastructure and compute.



AI infrastructure and compute market for Renesas includes Digital power, Memory interface, Control plane and other analog components, servicing AI servers and general servers. Over the past two years, we have seen tremendous revenue growth in this space. As we look ahead, we expect to continue our momentum and grow market share with our three growth pillars.

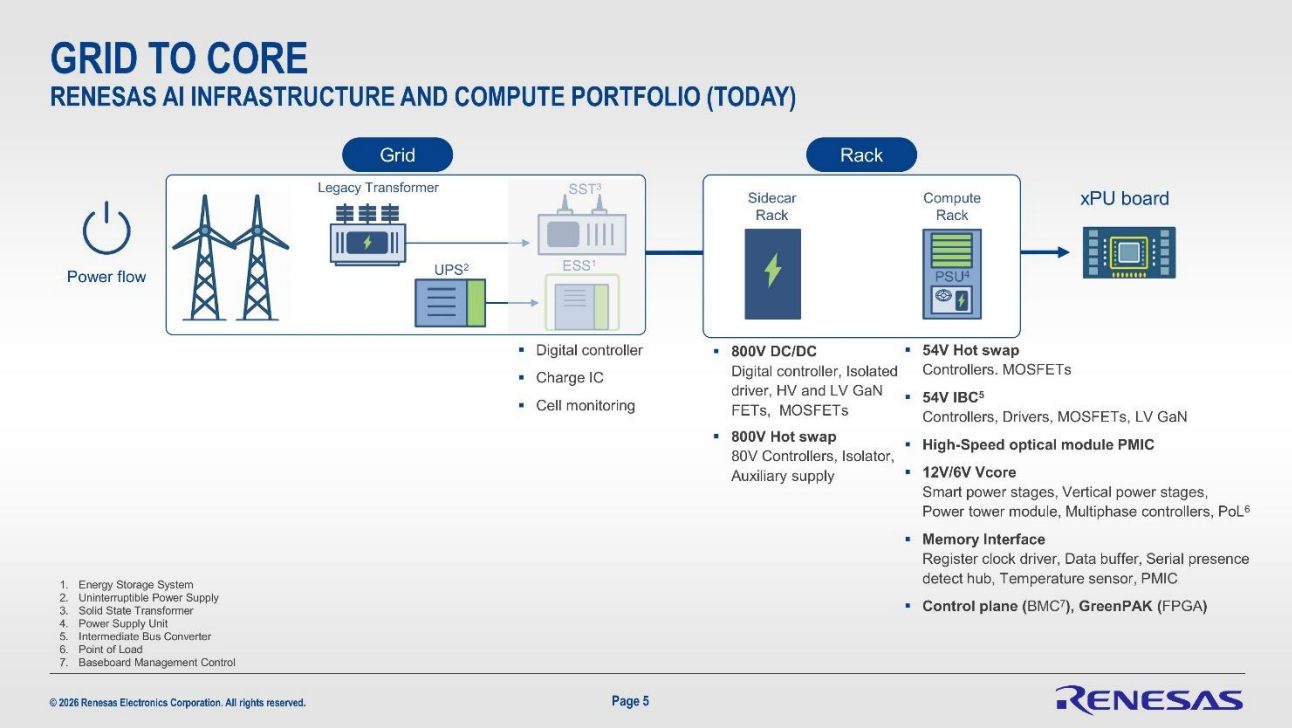
There are three compounding effects here. First, we see a huge increase in AI accelerators and CPU volumes, which means more power and more memory products. Second, our growing portfolio allows us to address more sockets in the data center for both power delivery, data and control plane functions. Finally, the architecture shift to support 800V DC as well as higher power demand favors our module solution that are specifically designed for AI workloads and command a higher price. All of this translates to faster revenue growth, positioning us to achieve above-market growth well into the future.



Our confidence is supported by the massive demand we've all seen for compute driven by generative AI adoption. As reported by Gartner and Omdia, the data center market is expanding at a great pace with AI-specific server volume expected to more than double by 2030.

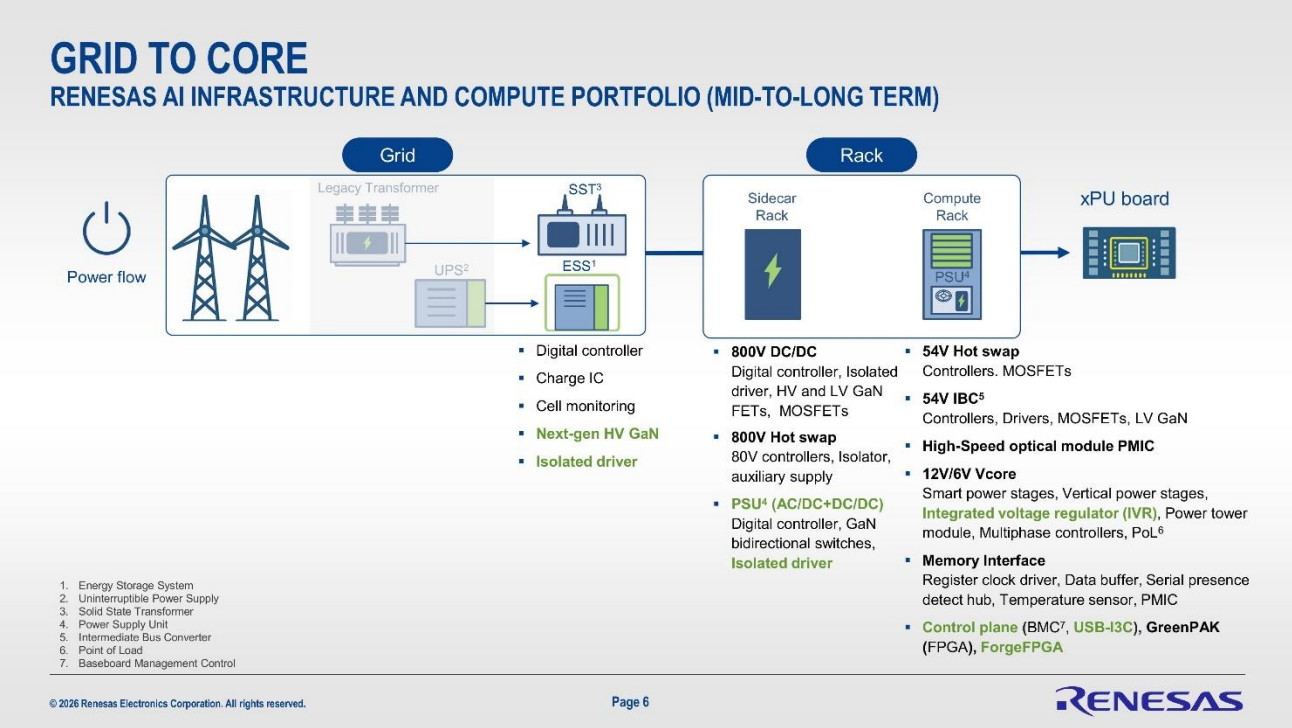
What's really interesting here is that while GPUs for AI have been dominating the initial build-out, we see AI ASICs and CPU volumes growing at a faster pace as workloads shift towards AI inferencing. Since Renesas' diverse product portfolio serves AI and general server, CPUs, GPUs, and AI ASICs, we stand to benefit from the overall growth regardless of the speed of transition of AI inference.

It's important to note that with CPU-related power, and Memory interface content now growing alongside AI accelerator, the distinction between AI and non-AI is becoming blurred. As Shinkai-san answered in one of the questions in the earlier Q&A session, going forward, we will be reporting and discussing this business as data center revenue.



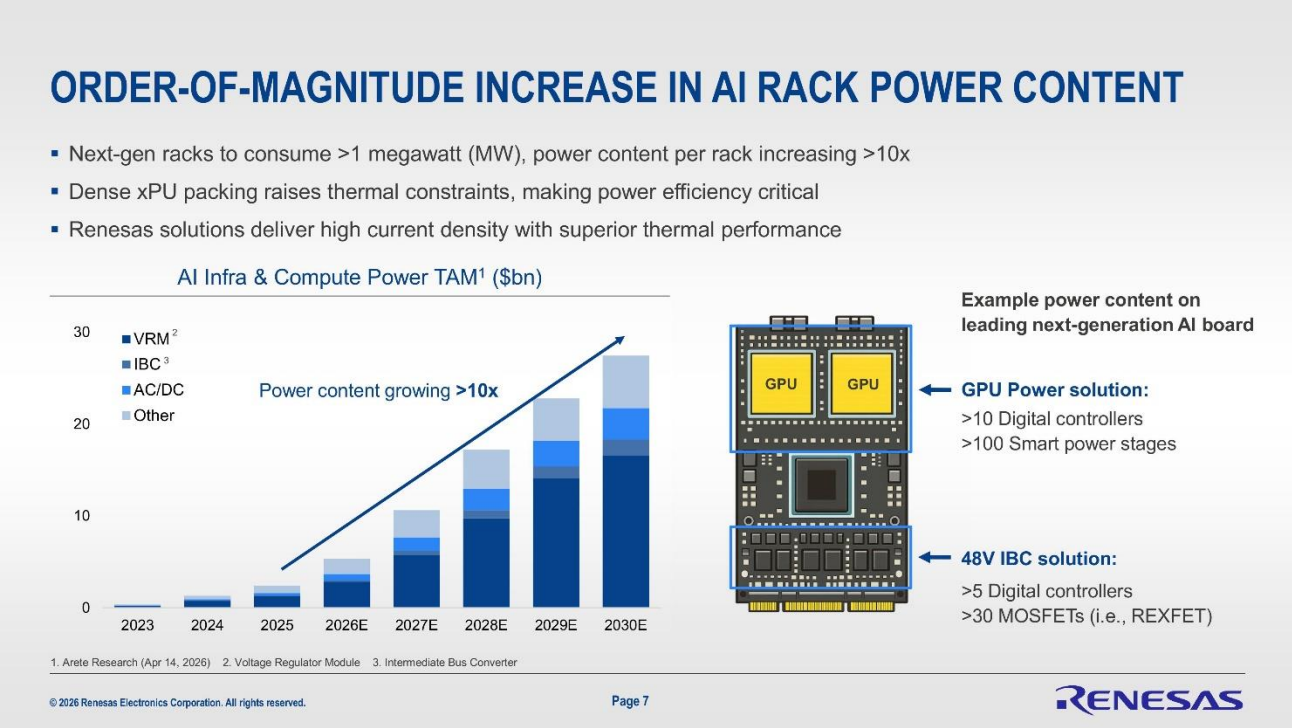
Let us look at the big picture, starting with the whole power delivery path from the grid all the way down to the sub-1V supply on an xPU. AI incredible power demand is driving a major redesign of this entire chain. Renesas is one of the few companies with products and expertise in every critical stage.

Our portfolio today can address the high-voltage conversion from the grid, the 48V distribution in the rack and the core power on the board.



Now as seen on the next slide, we continue to invest and innovate in power technologies such as GaN FETs and isolated gate drivers, which will allow us to capture more content as the power architecture transitions.

At the same time, our memory interface technology will continue to play a pivotal role in improving speed and bandwidth of data transaction at the rack level. We have an excellent attached opportunity with our MCUs targeting both power and control plane.



Let us now spend some time to expand on each one of these growth pillars, starting with Digital power.

Overall, we see power content growing by over 10-fold as next-generation data center packs large number of accelerators or CPUs as close together as possible. Doing so will maximize system performance but require careful planning of power and heat management. This is not a trivial problem as next-gen racks are on pace to consume over 1MW of electricity each. That's enough electricity to power over 1,000 homes just for a single rack.

Now Renesas' presence in this market is highlighted in the figure on the right, showing a leading next-generation AI board where Renesas digital multiphase core power and intermediate bus converter occupy a sizable footprint. In this example, we were able to provide a total power solution, including MOSFET in the 48V IBC stage, which is, in this case, has a leading performance as measured by our customer in this particular board.

PURPOSEFUL INVESTMENT IN DISCRETE PRODUCTS FIT FOR AI

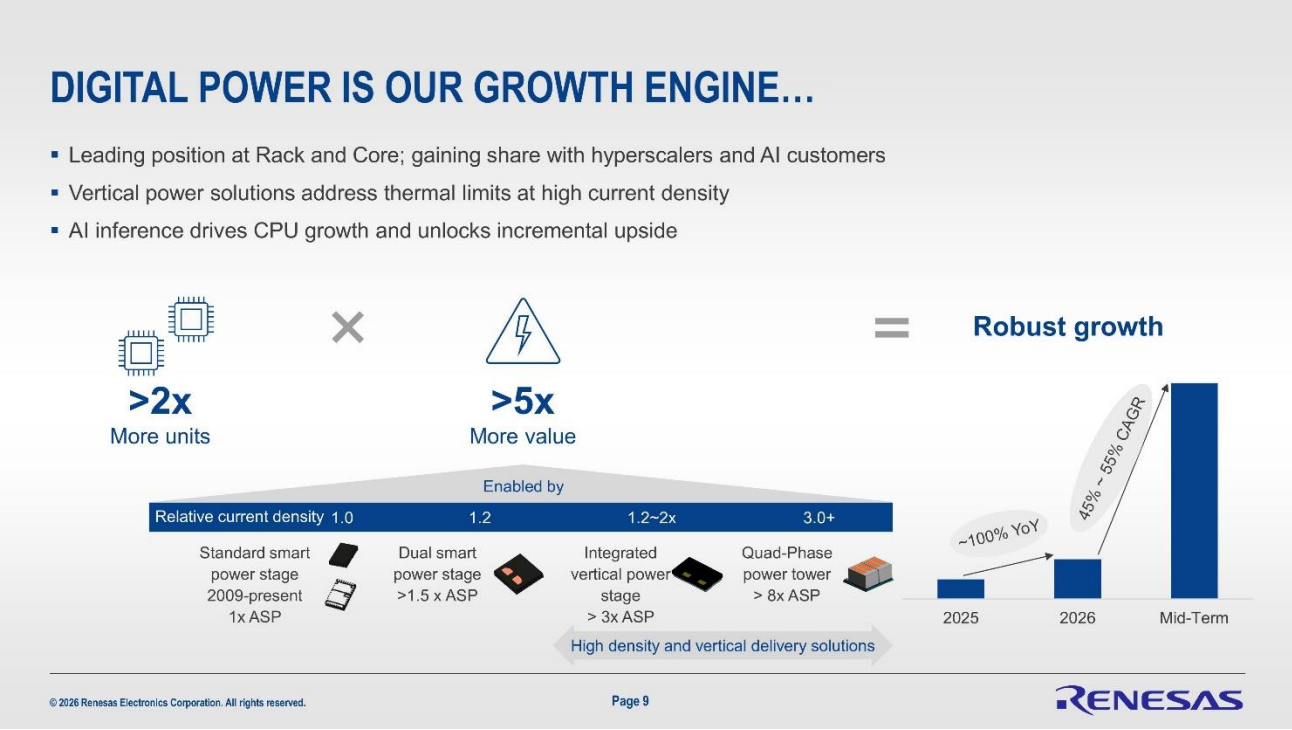
- Broad GaN portfolio (e-mode & d-mode) supports low- to high-voltage applications
- Continued investment in GaN and MOSFETs for 800V transition
- D-mode GaN optimized for high-power (>15kW) systems with efficiency and thermal advantages; additional savings with leading bi-directional switch design
- Latest MOSFET shows major improvement in efficiency and thermal performance; designed into next-generation boards

800V to 50V / 12V DTX Boards:

- Full load efficiency 98% / 97%
- Power Density 2600 W/in3 / 1600 W/in3
- Switching frequency 900 kHz / 650 kHz

Now supplying large numbers of accelerators in a rack require a new type of power architecture and move towards 800V DC. 800V DC reduces current, minimizes its conduction loss, and improves system efficiency. To address this, Renesas is continuing to invest in discrete technology. Our high voltage D-mode GaN products are ideal in the conversion stage from 800V down to intermediate voltage like 48V and in some cases, 12V due to its compact form factor and fast, efficient switching.

In addition, our bidirectional GaN switches opens the door to replacing a two-stage architecture with a single stage for improved efficiency and cost saving. We believe these investments will continue to help position Renesas as a key GaN market leader. We also continue to invest in our MOSFET technology and deliver competitive products that are getting designed in this market.

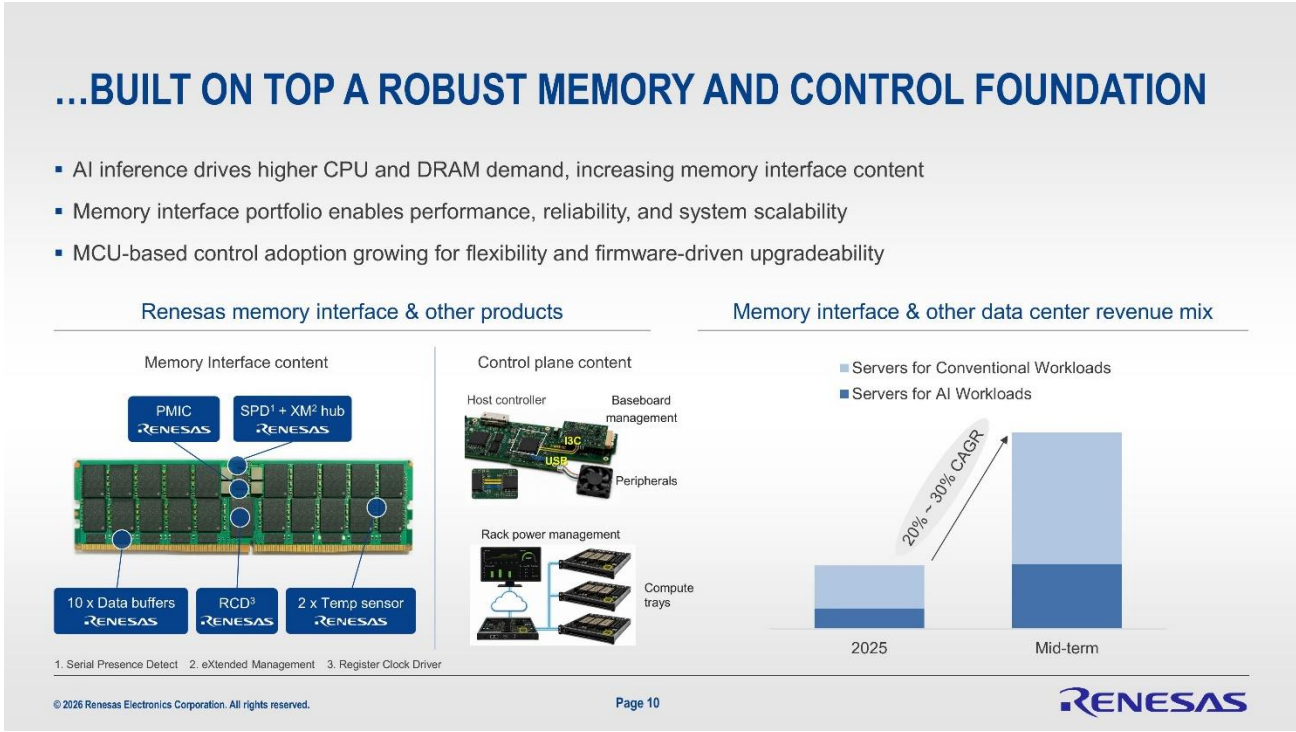


To summarize, within AI infra and compute portfolio, the main growth engine so far has been Digital power. We are currently in a very strong position, our solution gaining share with all leading market players. As each new AI generation demands a big leap in power delivery, our power modules and vertical power solution directly addresses this. It's our biggest content opportunity in this market.

It's worth spending a moment highlighting the innovation in vertical power stages. Our module-based approach to this technology delivers a world-class solution that does not only deliver best-in-class performance but also addresses some of the customers' most challenging problems, managing the SoC thermals. Our modules are 50% better than our competition at conducting heat out of the SoC. This is a clear example where Renesas system knowledge and innovation allowed us to differentiate. We did not stop there because we cannot be complacent. We know our competitors will catch up. We are working on our next generation of that module that will offer similar leap in heat connectivity.

Overall, the growth equation is simple, quantity times value. On one hand, we have more xPUs being deployed over 2x growth in volume by 2030. On the other hand, each of these xPUs require far more Renesas content, roughly 5x in power. These together create a powerful growth trajectory.

In addition, we expect the shift toward agentic AI will further unlock aggressive growth opportunities as we supply stand-alone CPU power rails.

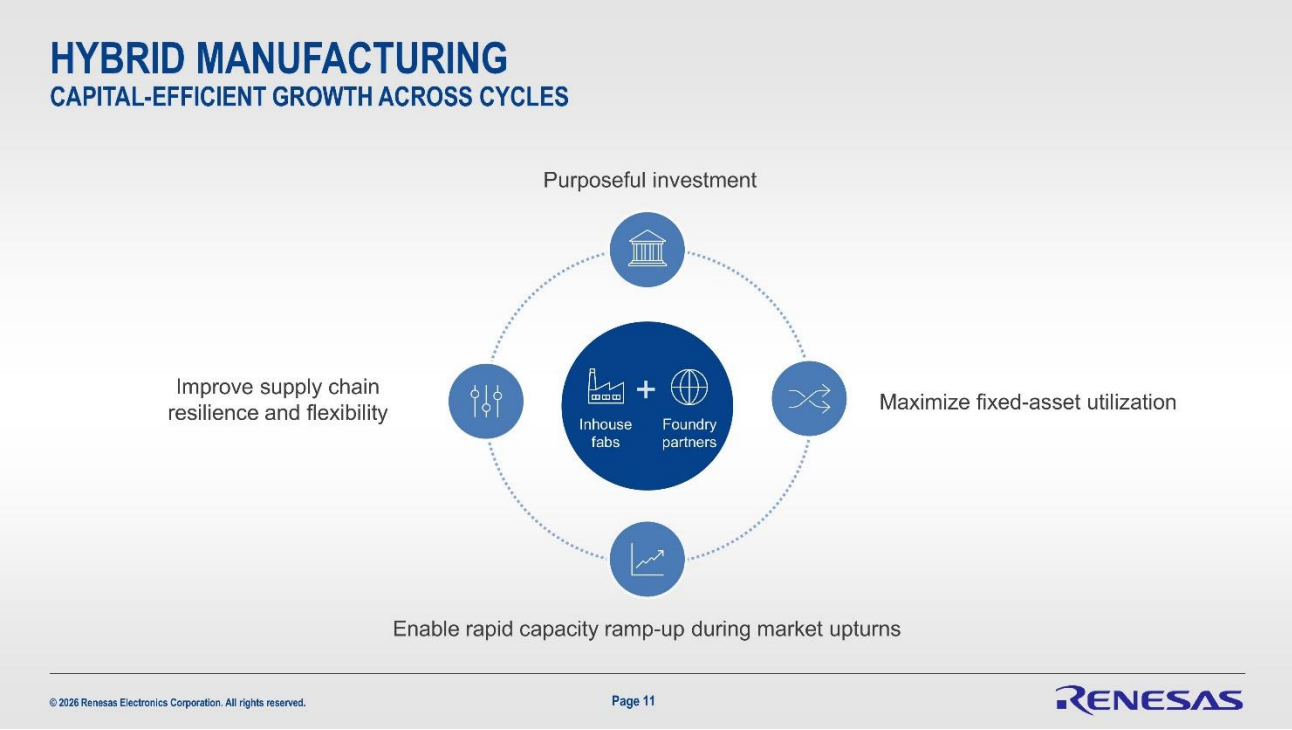


Speaking of CPU growth, I wanted to highlight that our Digital power growth engine is built on top of a very robust and stable memory and control foundation, the other two pillars of our AI infrastructure and compute growth story.

As AI inference dominates and server GPU to CPU ratio decreases, we expect the volume of x86 and ARM CPUs to significantly grow above our current modeling. Each CPU will require RAM, making our memory interface products a key enabler of AI system scaling.

As shown in the slide, our comprehensive Memory interface portfolio covers all chips in DDR modules. Next-gen data center performance will increasingly depend on efficient data movement between the processor and the memory, and Renesas Memory interface technology innovations are going to be critical.

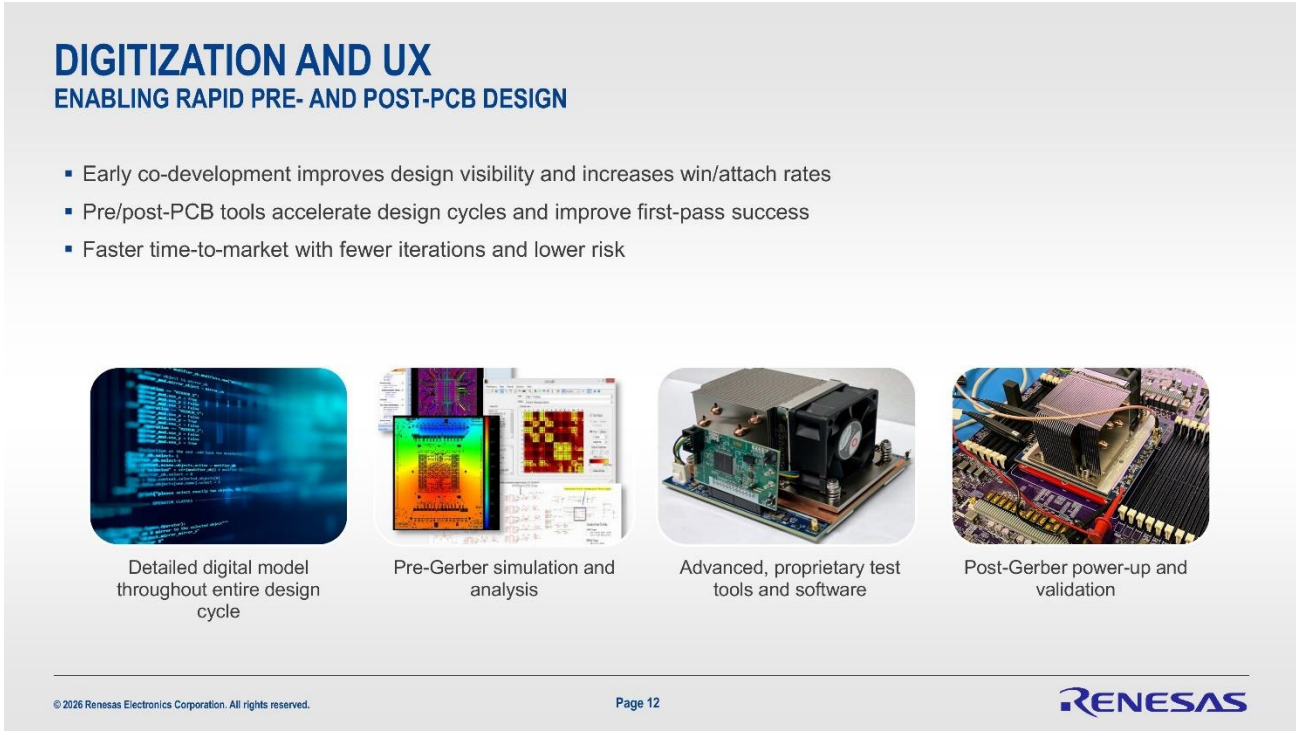
Finally, our expertise in MCU is well known. We are beginning to see increased popularity of MCU-based implementation for Control plane as well as power management within the server, due to the flexibility MCU provides over other solutions such as FPGAs, for example.



Now it's very important to highlight how Renesas will deliver in this current environment.

AI demand, as you know, can be volatile. How we scale as a company is critical. Renesas is one of the few companies that purposely built a balanced supply model. We combine our own internal manufacturing with external foundries to add capacity on demand. This gives us the agility to respond to rapid shifts while reducing execution risk compared to being a single-sourced company.

With 14 manufacturing facilities in Japan, China, Southeast Asia, and the US, we will have stable base capacity in-house plus flexible capacity through our partners.



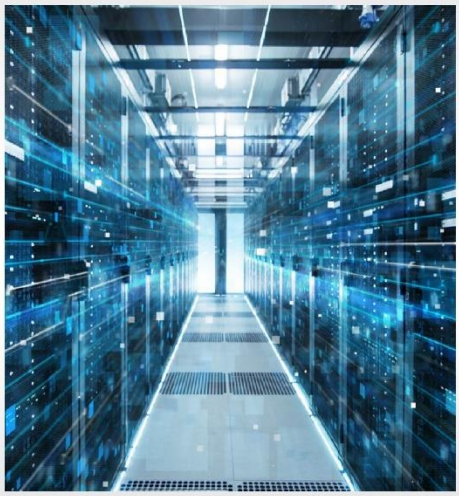
Finally, this is one of my favorite slides, and I was discussing it with some of our guests in the break. I wanted to touch briefly on what sets us apart when it comes to working with our customers early in their design cycles.

Currently, these ASIC design boards happen in parallel with the actual ASIC. There is a greater risk for customers that these boards do not behave as expected. We help mitigate that risk through an early engagement with pre-PCB modeling followed by an excellent test tool and software. We do have the test tool in the model. I encourage you to have a look at it.

Basically, this test tool emulates with great accuracy the thousands of amps the SoC consumes, including transients. It has an accompanying extensive suite of software for analysis and monitoring. This allows us much higher initial design quality and first pass power of success.

For Renesas, digitalization and UX, along with our world-class system and application teams means that we are the first to engage at very early stage in SoC development. This increases visibility into system-level challenges quite early in the design, which directly improves our D-in success, and more importantly, expands our attached opportunity of complementary product. While competitors are now working on similar offerings, we have released our third generation of this hardware. In addition, we are actively investigating a path to offer these tools to a wider audience through Renesas 365.

SUMMARY
AI INFRA & COMPUTE



- AI driving sustained infrastructure buildout needing higher power, memory bandwidth, and control
- Renesas offers next-generation power delivery solutions that meet increasing voltage and current density requirements with best-in-class quality
- Renesas memory interface technology critical to maximize compute efficiency and scale up memory capacity for Agentic AI
- Renesas helping customers minimize time-to-market with custom SoC end-to-end design, test, and verification toolset

To summarize, we are living through an unprecedented market expansion as AI usage drives more power and more memory. Today, I shared how Renesas can offer not just next-generation power delivery solution, but also Memory interface technology. On top of that, MCU capability will also play a critical role in Control plane.

More importantly, with our deep automotive supply chain heritage, we are able to do so at the quality levels demanded by our customers. Ultimately, with our digitalization and UX efforts, we offer a smooth design experience that helps our customers and ultimately makes our lives easier.

Thank you for your time and attention.

Question & Answer

[Questioner 5]

Q: My question is about the power. I have two questions on power.

First question, the target for the power to have a slightly stronger growth than the market growth and gaining market share, I believe that's what's meant by this. I'm sure there are many other competitors in this market. In order to ensure the market share in this market, what are you going to do? How are you going to ensure the market share? What confidence do you have?

Baidas: We are confident, but we cannot get complacent. It's a great position Renesas finds itself in. It came through the multiple years of innovation in this field and our ability, as I discussed, to support customers in a very unique way with our system knowledge. We need to continue to innovate, and we have high level of confidence that we are capable of innovating. As long as we innovate, we should be able to continue growing in this market.

It's not an easy challenge. When I talked about the innovation we've done in vertical power stages and when I discussed our crown jewel with the modeling system and the emulation system we have, we have to continue doing that.

Q: One more question. This is again related to the power business. In the first half of your presentation, you touched on the AI infrastructure, but there is no major price increase, maybe not factored in for AI. But in this mid-term, for the power products, what is your pricing strategy? Can you maybe elaborate on this? Zaher-san, please?

Baidas: I think Stephen did actually mention that. We will not be shy from increasing prices if the cost increases. Now this has to happen in a very, very delicate balance. Our customers today are big customers with a very, very big power. We want to make sure that we adjust our pricing to protect our margins while we actually protect our market share. It's a delicate balance. We are working on it every day as we speak, and we are confident we can execute.

Shibata: Regarding margin, on the same note. Well, from the revenue perspective, as you see further integration taking place, then you have more current, then ASP will be growing, right? It looks like you seem to be selling something similar, but your unit price ASP is going up. Along with the volume from both perspectives, I think that will work possibly on revenue, right?

[Questioner 6]

Q: I also have two questions pertaining to power, especially Digital power.

In your presentation, you said that it's not going to be so easy to expand your market share in the earlier presentation session, but you are going to achieve growth this time around at a pace faster than TAM. Was there any event that allowed you to deepen your confidence? I had an impression that you are very strong at the board. But in order to expand your business on the rack level and higher, is there any missing piece? Where is your confidence coming from, especially for Digital power?

Shibata: Now okay, then we'll start with Zaher again.

Baidas: Our confidence is high. The big piece of the story is what I mentioned, which is modules. Our innovation in modules, gaining market share in modules, and delivering a unique vertical power stage module for our customers, which is already seeing a big traction, is going to be providing us with the growth against the market.

Now you mentioned other sites. We have modeled it as not a very significant growth at this point. But as I mentioned, we will continue to invest in our discretes, our GaN devices, then try and address as much market with that with innovation.

Q: The vertical power supply, I think other companies are ahead of you in that regard. So you are going to catch up with that. The thermal design, I think you are very good at the thermal dissipation. Why are you so strong in that space? Can you elaborate on that?

Baidas: It goes back to our system engineers. When we presented vertical power and modules last year, we got a lukewarm response. But that's what Renesas DNA is. We try to innovate, differentiate, and find a place where we can deliver power in a very, very specific innovative way. These vertical power stage modules that we are talking about, we actually delivered unprecedented performance. Our competitors are working now to actually match this performance, taking our vertical power module footprint.

As I said, we cannot be complacent. We found a unique entry to this market that we are using. That's why we are working on our second generation of this module. While the first generation is still going to samples and hasn't reached production yet.

Q: My second question relates to Memory interface. The microphone is not on.

The Memory interface, other companies are achieving a higher growth rate, I believe. I'm so sorry. This is a question relating to Memory interface. All these players are expecting a higher growth than the TAM. So once again, compared to your competitors, what is your strength in Memory interface? Other companies have a good portfolio of Memory interface products. They have a one-stop solution. Once again, can you elaborate why you are confident that you will be able to increase your market share in the Memory interface space?

Shibata: For that, Peter, I think, will be responding to that question. Peter?

Jenkins: I think the question is a good one. Renesas is, I believe, the only one that is a full solution provider across all the Memory interface components. The one-stop shop definitely applies to our core portfolio. But our key to success is being the first to sample. In every new iteration of device from DDR to MR, we're the first to sample. That's our number one goal. That's how all of our metrics are based. If we're first to sample, we set the benchmark of what performance looks like and what quality looks like. That's our goal. That's how we maintain market share, and that's how we evolve customer relationships for future growth. So, that's key. If anything else, that's the number one that we focus on.

Shibata: This is a product with a standard. It's not we are going to deliver some uniqueness with our design. But instead, the speed of execution and the quality become very important. In another expression, put it the other way, if you do a good job there, even before the actual revenue comes in, we shall be able to predict the position that we can secure in the market. If it becomes two generations or three generations ahead, as long as it's one generation away, it is very predictable. Our position is quite predictable. If it's the next three years or so, we can talk about the story with a good amount of confidence. We cannot foresee 10 years ahead, but this is the nature of this product.

[Questioner 7]

Q: Power and memory interface related question.

In the past, Renesas had a certain level of capability in this era. The very first with the rocket AI infrastructure, I think we heard it seems to be quite promising. Whether are you going to introduce new type of products? Is that what you mean? Or those strong products you had, are you trying to increase the SKUs or maybe increasing slightly their performance or the capabilities or functions? Would that be the case? Can you elaborate on this point first? That's my first question.

My second question is about the automotive, the cars. I have this question on the car. Sorry about asking about the car. There are people who are driving for more than 10 years. I've been driving my car for 15 years, and it's quite long. But compared to that, AI growth is so fast. With the R-car Gen5, I think you had quite strong computing power. I think you mentioned that you should be able to accommodate the expected evolution of AI. But when we think about the future from now on, just by updating software will be good enough to keep up with the evolution? Do you have to maybe change the hardware? Is that also option? I just wondered if that is also an option or not.

For example, you could use when you're talking to OEM makers or component makers, so the hardware will remain the same. So trying to upgrade the software, is that how you're trying to reach them? Is that still the case? Or are you also talking about potentially changing the hardware? Would that be also in the scope or not? That is my second question.

Shibata: The first question, first answered by Zaher. If needed, Peter can elaborate. Zaher-san, please.

Baidas: Sorry, I missed the beginning.

Shibata: Yes. In your presentation, AI infrastructure and power and memory, you're showing growing faster than the market, meaning that you are taking market share, right, to grow stronger than the market. But to do that, are you trying to introduce completely new products to accomplish this market share gain? Or are you thinking of utilizing existing products? Then you're trying to increase the SKUs or different products? What is the direction you're thinking to grow the business?

Baidas: I think Shibata-san in his introduction did touch on that. We are not going to do something drastically completely different where we cannot differentiate and we don't have any core product. Having said that, our power heritage and Memory interface heritage puts us in a place where we can do a lot.

As for one example we have where we said we went from SPSs all the way to module and vertical power stages. Then we will be looking at the next generation and the next generation out of that. At one point in time, we will be working on four different generations, looking all the way to the future when it comes to power. It's all about increasing the density, improving efficiency, and dealing with better thermals.

When it comes to Memory interface, I actually had the luxury of being involved with some of these designers based on my previous life and as was part of the analog interface. It involves everything, very high-frequency SerDes, a lot more complex clock management. This applies to many things that we can do, when Shibata-san briefly talked about interconnect, that could be a place where we can actually strive because it's in our core business, our core capability, and our engineers are uniquely positioned to deal with that.

Shibata: Yes. In the power business, this is slightly different from other product lineups. To integrate many more IPs or multiple devices to be laid out on the board, to build a system, that's not the only thing we can do. The factor itself is actually changing. It's not like just many more layers on the chip but trying to increase the voltage to get closer to chip. It's something going beyond the conventional semiconductor and such an

innovation is taking place in a very rapid manner. We have a dedicated team for that. Conventional semiconductor engineer to take care of everything that's no longer happening right now. This is quite a unique area. The same product reinforcing furthermore, it's not the case. Almost every day, but every year, completely different products must be generated or created.

Q: So, you're introducing new products at the module level?

Shibata: Yes, roughly speaking, yes, roughly speaking. At the module level, yes.

For automotive, I am assuming according to your question, this is my understanding, though. In the past, automotive sector, in order to ride a car for 15 years, the electronics has become quite old-fashioned even from the new car. I've been thinking what we can do about this situation.

Let's say, ECU, it's like a blade. If you can reinsert the board, then we can use the new electronics. That's what I thought. But now it hasn't become like that. Well, partly, Tesla is doing things like that, but it's not that easy to reinsert with something new. It's just like a battery replacement. It's how hard it is. So unfortunately, at this point in time, such an architecture it's not really considered. We haven't really heard that, and no one has really approached us in that direction. I don't think there's no OEM looking into that possibility. I think currently, they were rather working on trying to secure enough headroom and then trying to address by updating software. But finally, we started to see that direction. But of course, we're very excited to see more to come, such a modular approach, still not seen at all right now, so it could happen.

Moderator: We would like to wrap up the Q&A session because we have exceeded the allotted time. Shibata-san please remain on stage. Others, please get back to your seats. Thank you.

In closing, Shibata-san will give a closing remark.

Shibata: Yes, this has been an in-person Capital Markets Day in a while. It's been several years since the previous one. Thank you very much for your participation.

Let me repeat. Of course, numbers are important, but those are results, result-related indicators. How are these numbers going to move going forward? That has to do with the competitiveness. Even if we say it, you need some evidence. By talking to our executives and taking a look at the demos and samples that we have partially provided, I think you will have a better understanding of where we are headed.

Up until now, be it online or in person, we have been conducting Capital Markets Day every year. Up to this point, as I responded to one of the questions, I think the way forward has become clear, at least to me. Whether having this every year or not or following our competitors having this every two years or three years or not, that is something that we would like to consider and update you in due course. I am not sure how useful this was for you. But at least, I hope you were able to feel something beyond the usual earnings calls. Some kind of leading indicator, although qualitative, I hope you achieved that at least in today's event.

This year is expected to be a very strong year. So, I hope to see you again at the next earnings call. Thank you for your participation today.

Moderator: With that, we would like to close the Capital Market Day 2026 for Renesas. Thank you very much for participating over a long period of time.

[END]