

FINANCE







JUNE 26, 2025
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SVP AND CFO
RENESAS ELECTRONICS CORPORATION

PROGRESS TO DATE

	2019	2020	2021	2022	2023	2024		Mid-term model*1 (2024 Capital Market Day)
	Adjusted*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%

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

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%	
Operating margin	30%	➔	27%	 Expanded R&D  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

MID-TERM MODEL UPDATE

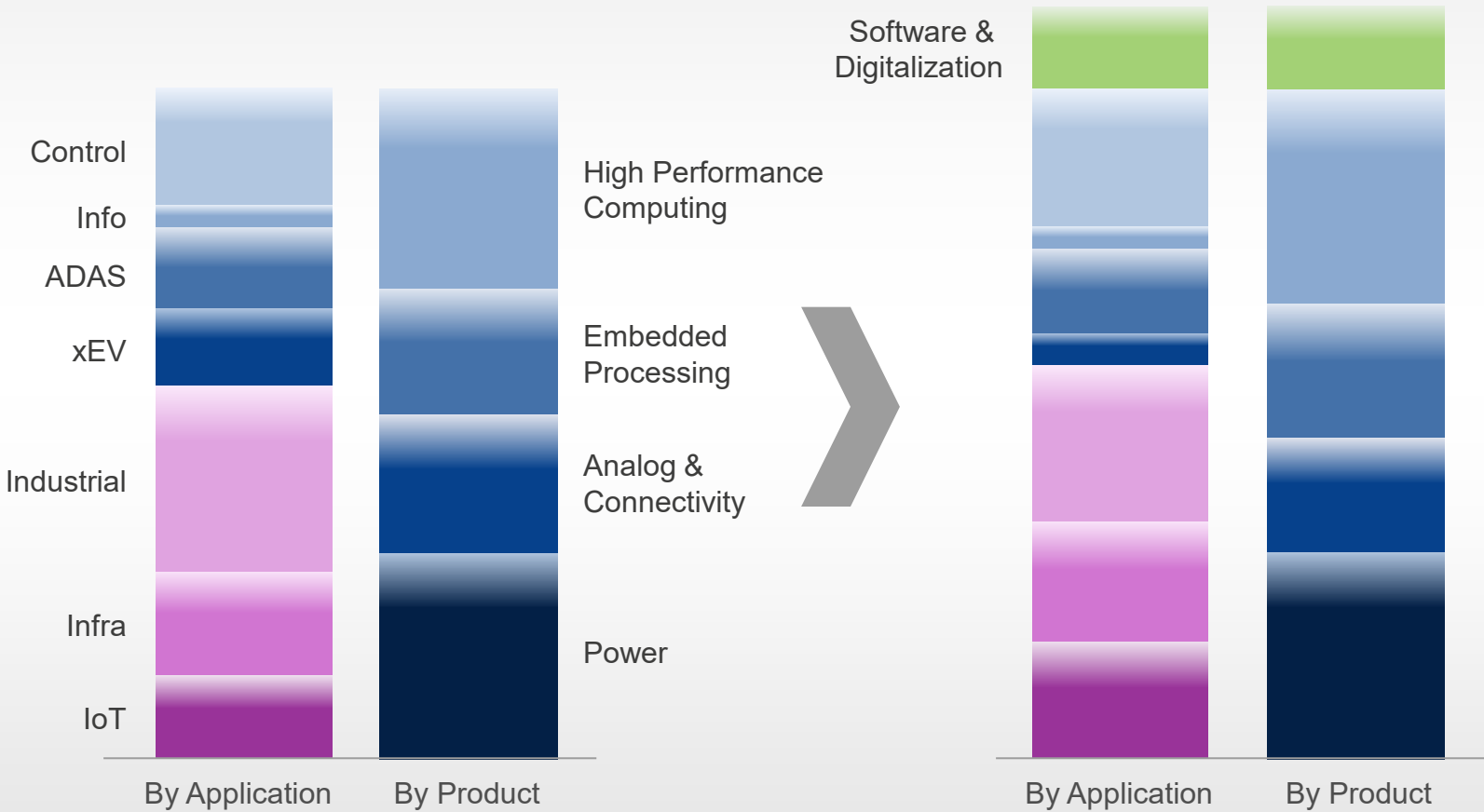
	Previous*1 (2024 Capital Market Day)		Latest*1,2 (2025 Capital Market Day)	Rationale
Revenue	Grow @SAM+	➤	Grow @SAM+	
Gross margin	55%	➤	55%	Operational excellence
Operating margin	30%	➤	25 - 30%	Purposeful and disciplined investment

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

LONG-TERM TARGETED PORTFOLIO

Previous
(2024 Capital Market Day)

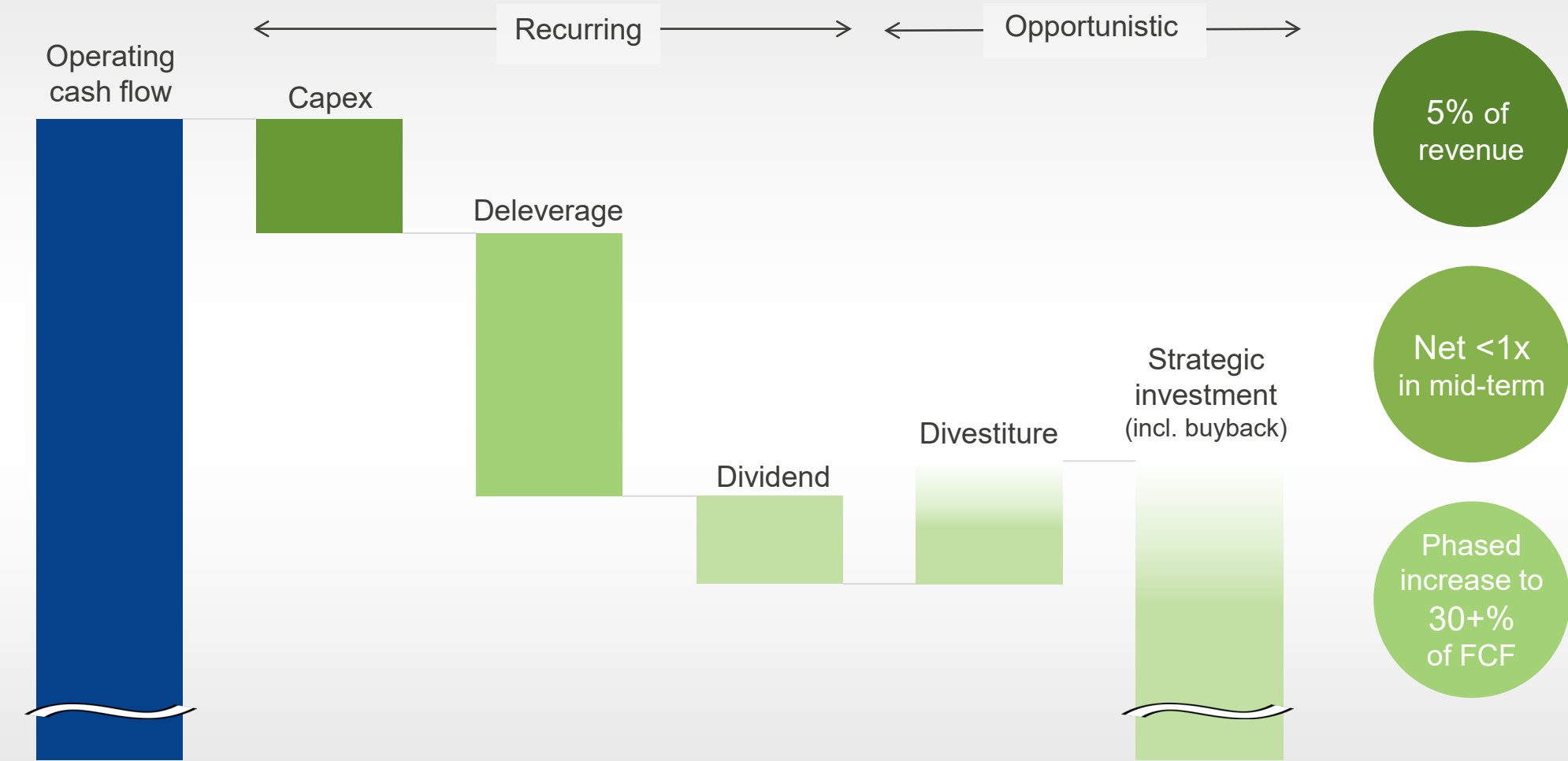
Latest
(2025 Capital Market Day)



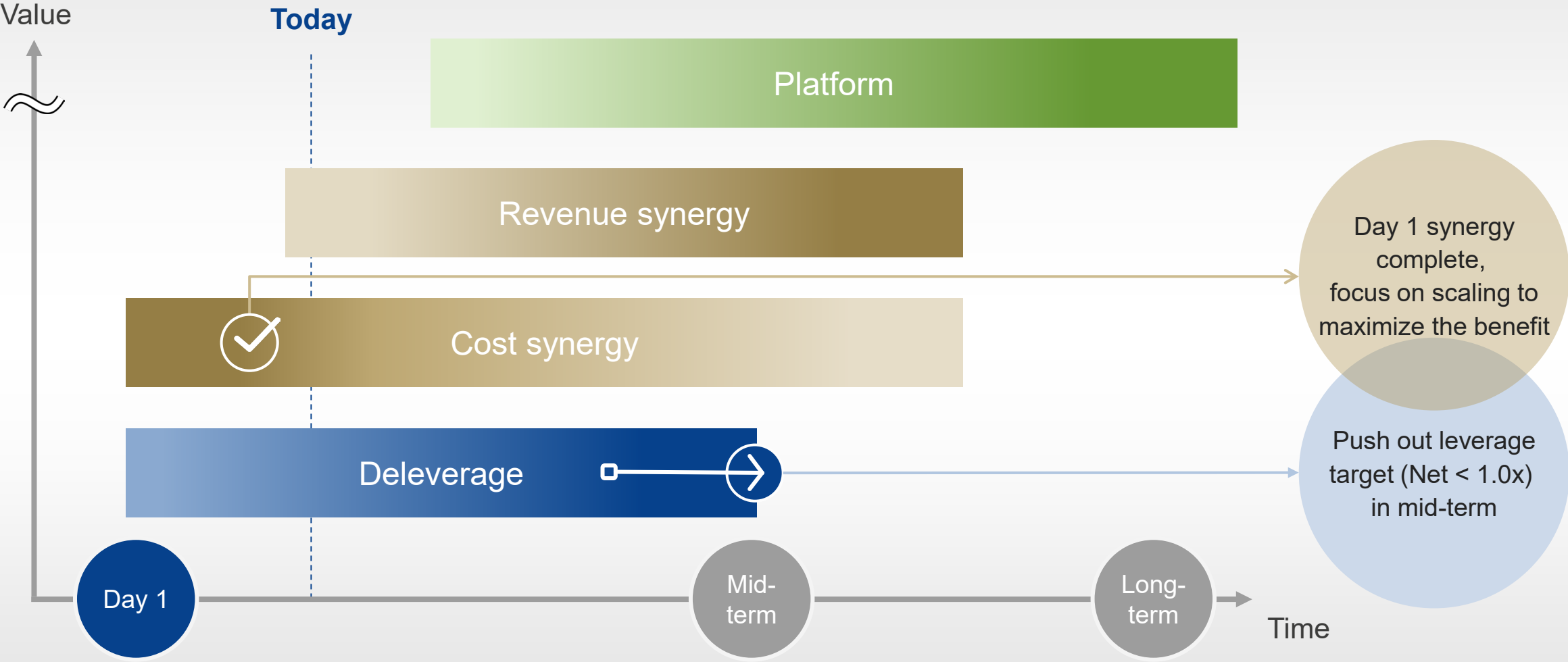
Strategic focus

- Synergistic revenue Bolt-on
- 28nm MCU and R-Car
- Regain market share by Renesas 365
- Vertical and attach
- Digital power and MOSFET / GaN

MID-TERM CAPITAL ALLOCATION POLICY



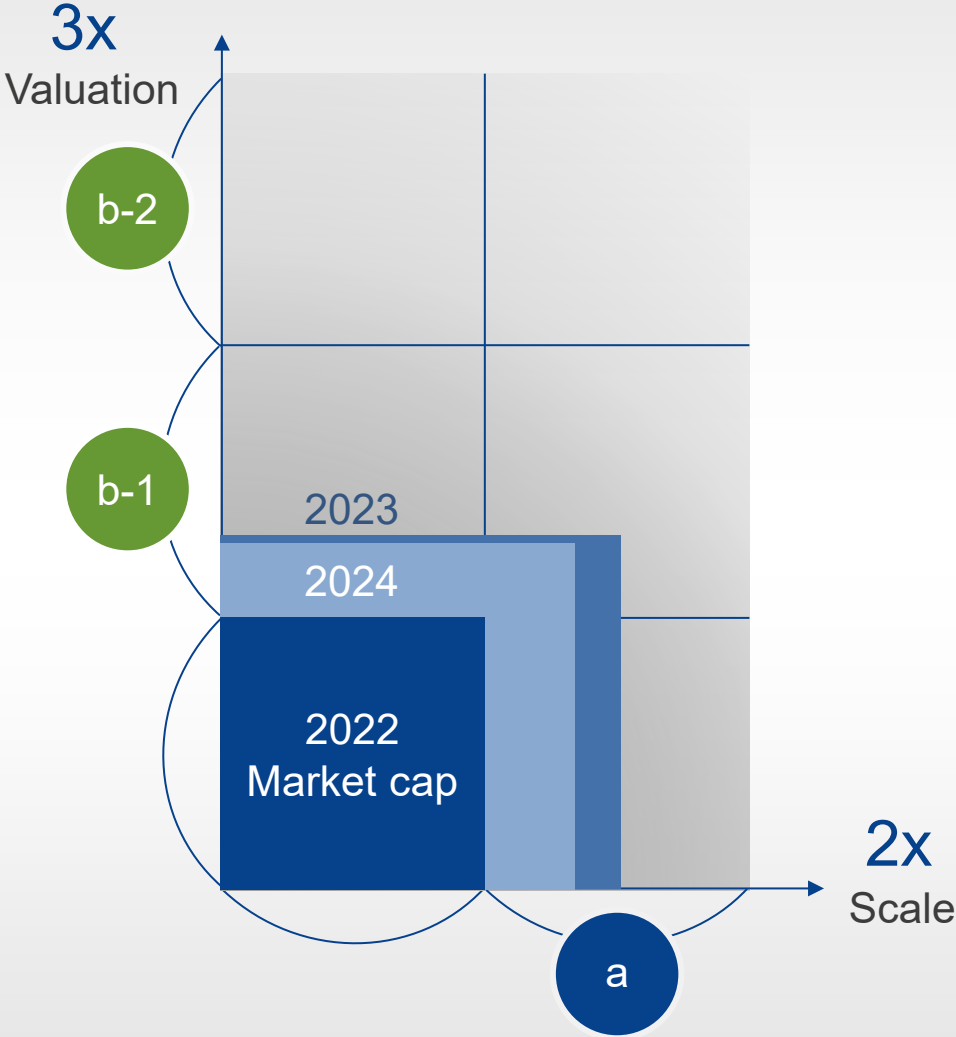
ALTIUM SYNERGIES



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

6x BREAK DOWN



a Execution of mid-term plan

- Back to basics
- Focus on fundamentals

b-1 Valuation gap-fill

- Portfolio management
- Capital allocation

b-2 Multiple expansion

- Digitalization



THANK YOU