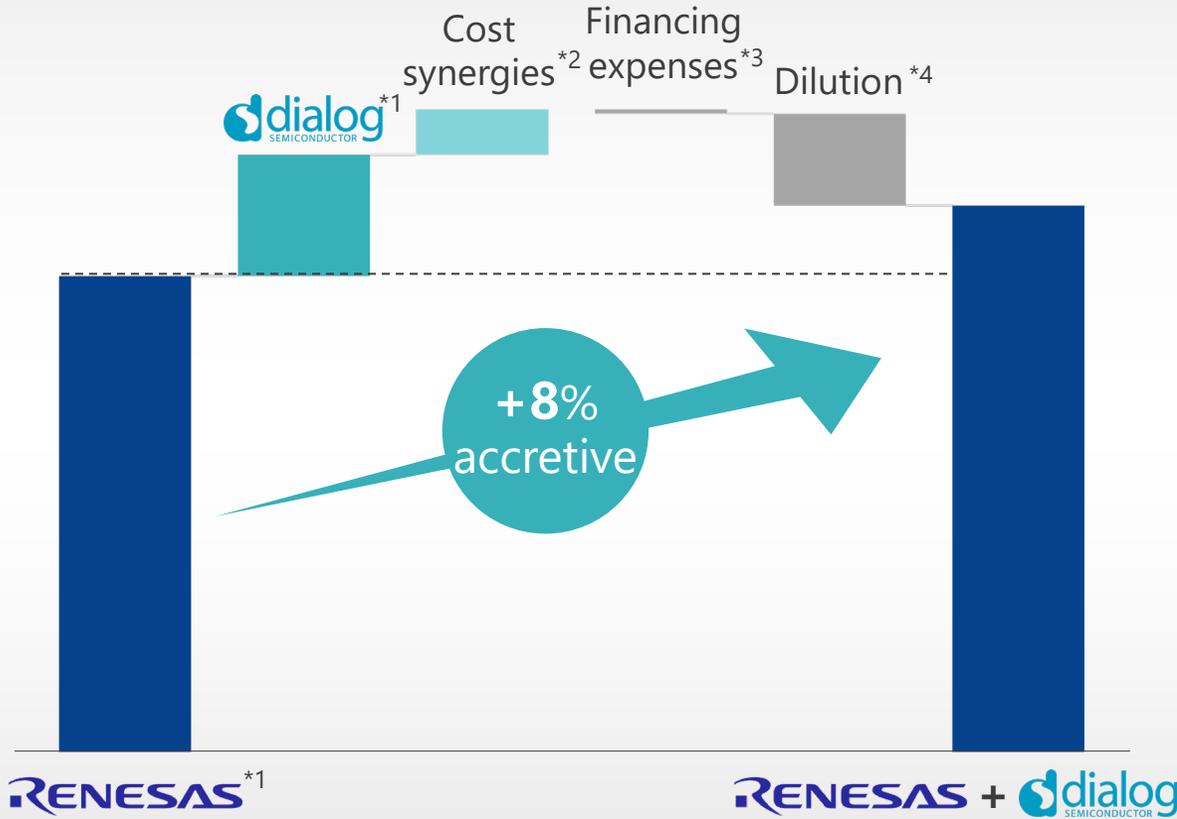


FINANCE

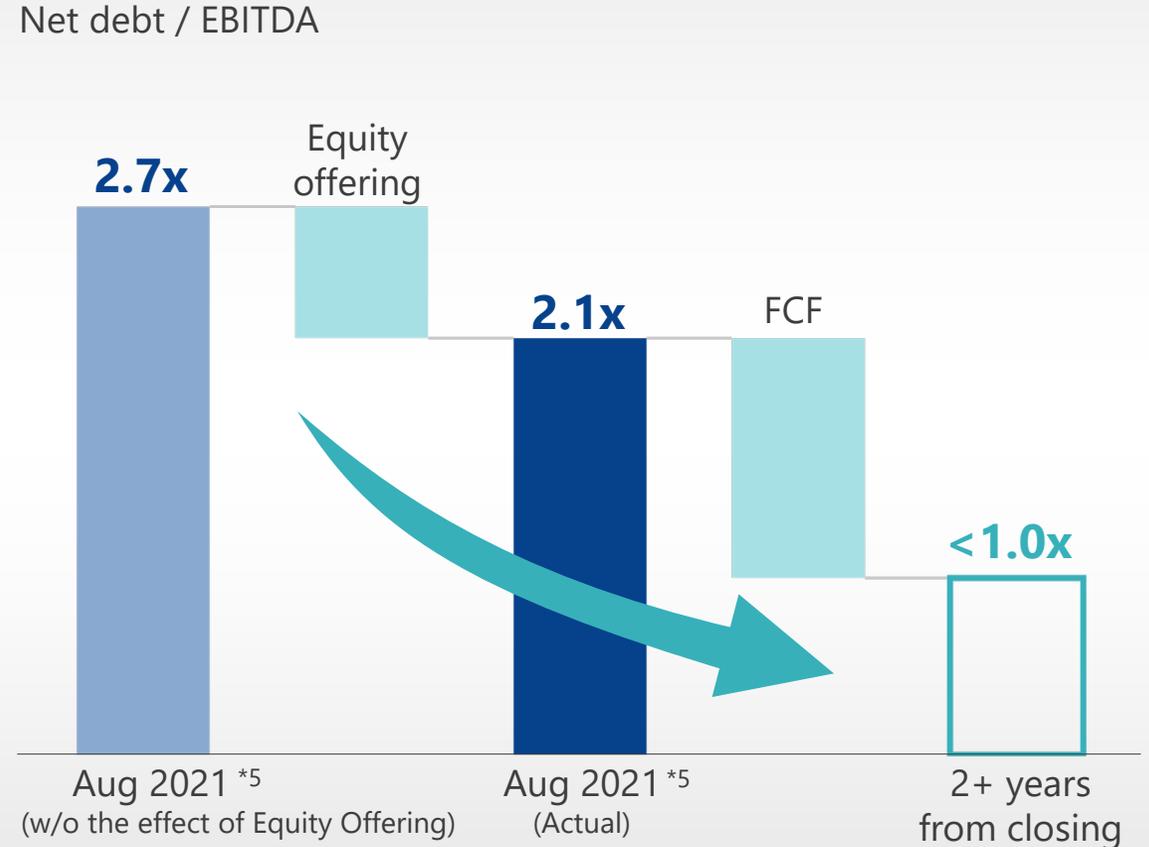
SEPTEMBER 29, 2021
SHUHEI SHINKAI
SENIOR VICE PRESIDENT AND CFO
RENESAS ELECTRONICS CORPORATION

DIALOG TRANSACTION SUMMARY

EPS



Net leverage



RENESAS^{*1}

RENESAS + dialog SEMICONDUCTOR

*1: Standalone EPS: 2021 Net Income forecast divided by # of shares outstanding of Renesas at the end of May 2021 (1.7B shares)

*2: Total cost synergies are based on the target figures, \$125M per annum

*3: Sum of the expected additional interest payment and deferred financing fees on permanent finance

*4: Based on the actual # of shares issued at the equity offering (1.9B shares)

*5: Aug 2021 EBITDA: LTM (last twelve months) and proforma basis

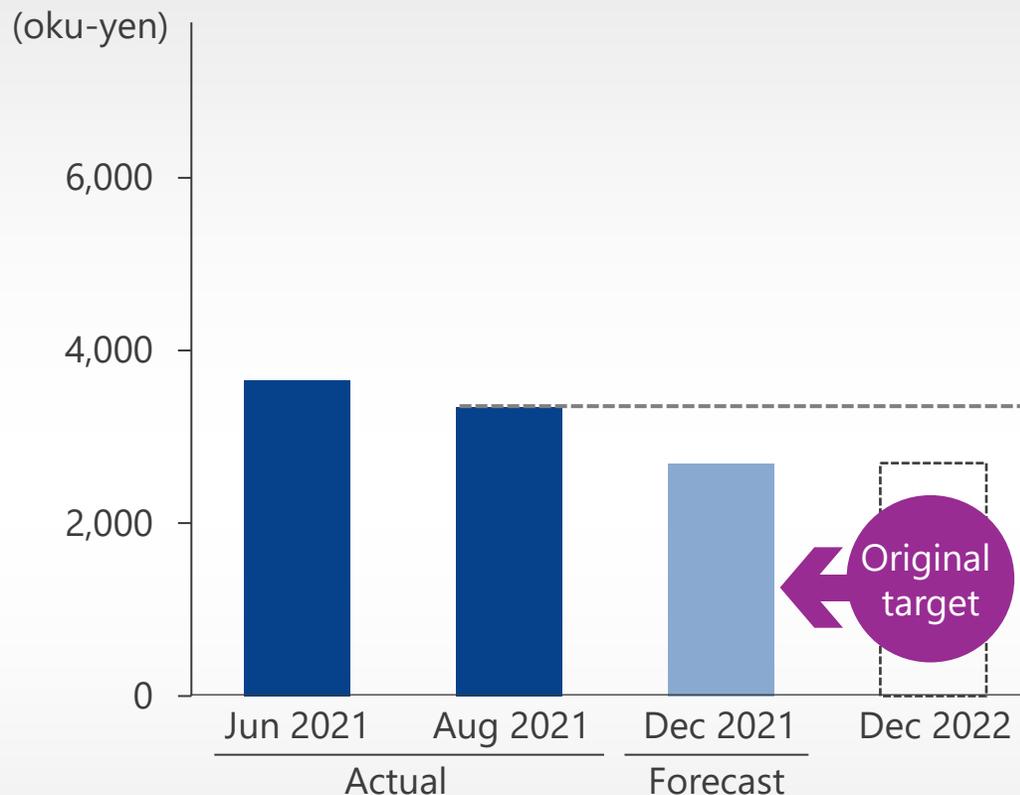
UPDATED TARGET FINANCIAL MODEL

	2019 Adjusted*1	2020 Adjusted*1	Long-term target*1 (Dialog included)		
			Industrial, Infra and IoT	Automotive	Total
Revenue	6,204 oku-yen	6,357 oku-yen	➤ Grow @SAM++	Grow @SAM	Grow @SAM+
Gross margin	43% *2	48% *2	➤ ≈60%	≈45%	50-55%
Operating margin	12%	19%	➤ 30-35%	20-25%	25-30%

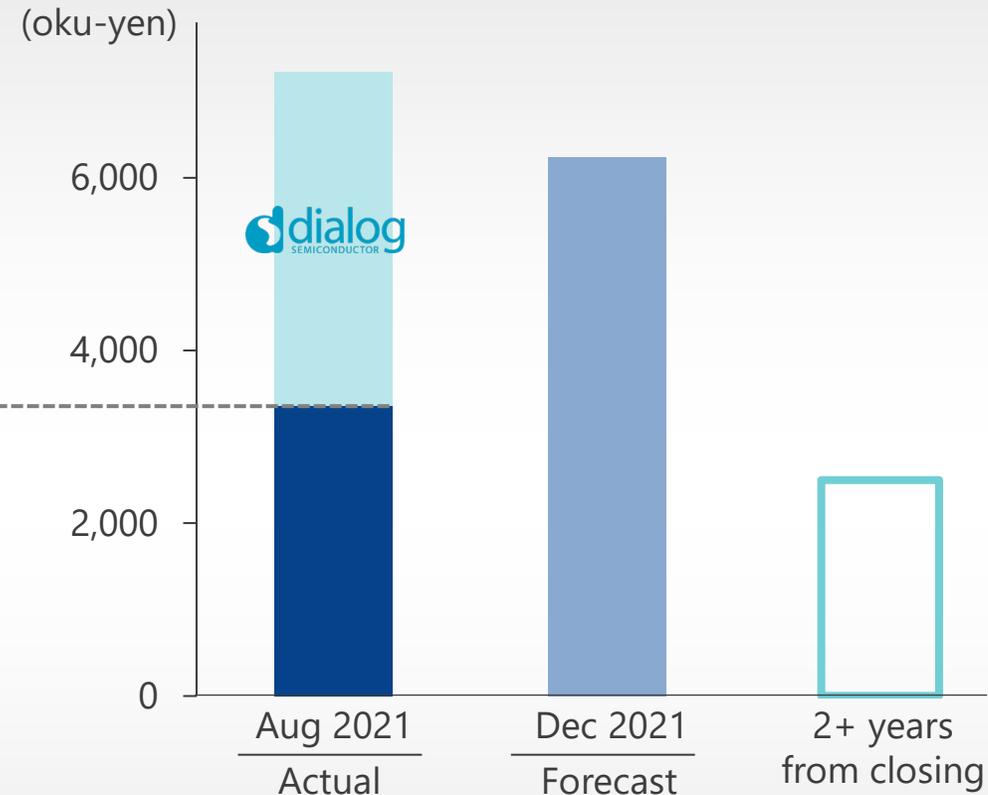
*1: FX 1USD=100yen, 1EUR=120yen. Continuing business only
 *2: After reclassification (part of SG&A reclassified to CoGs and R&D)

QUICK DELEVERAGE

Before Dialog acquisition*1



Post Dialog acquisition*2



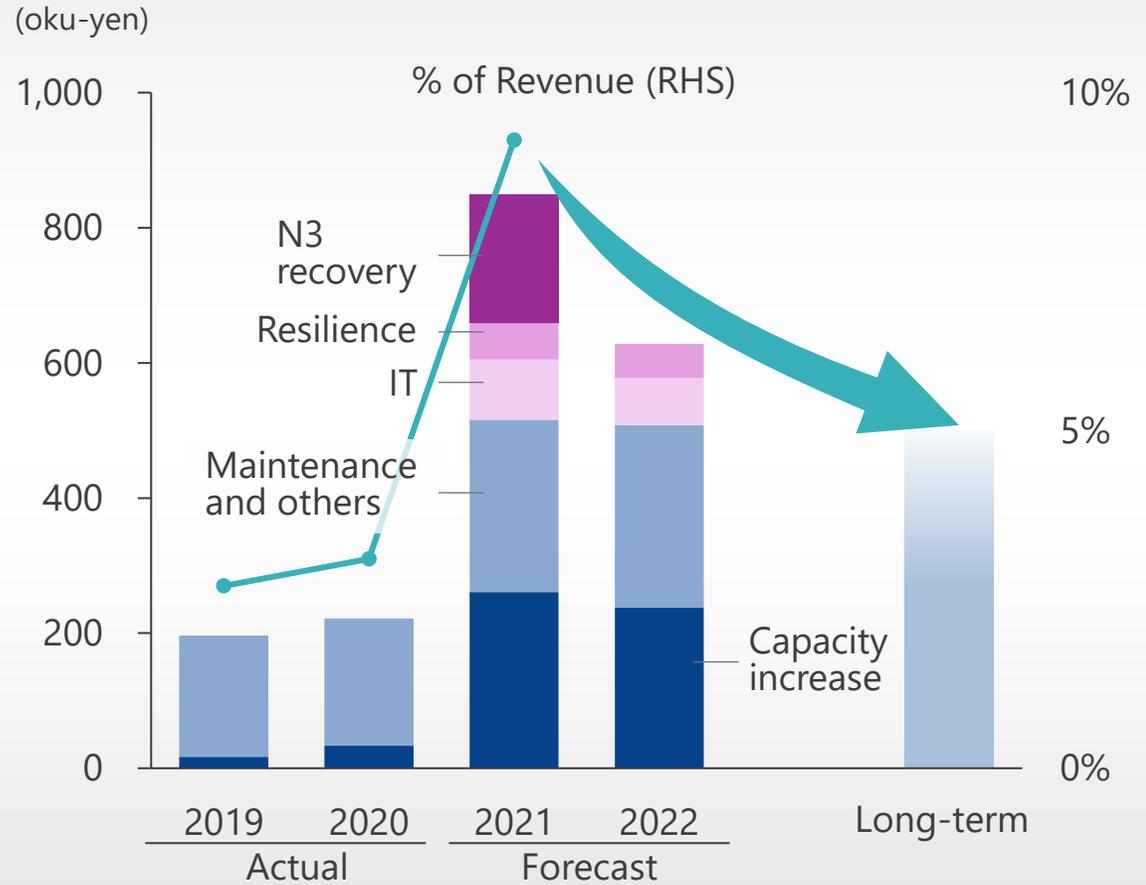
Net debt /EBITDA	1.4x	1.1x	0.8x	<1.0x	2.1x	1.7x	<1.0x
			✓				

*1: Renesas standalone. Based on Renesas net debt before Dialog acquisition and Renesas EBITDA (LTM: last twelve months basis)

*2: Renesas + Dialog proforma: Based on Renesas net debt after Dialog acquisition and sum of Renesas EBITDA and Dialog EBITDA (LTM: last twelve months basis)

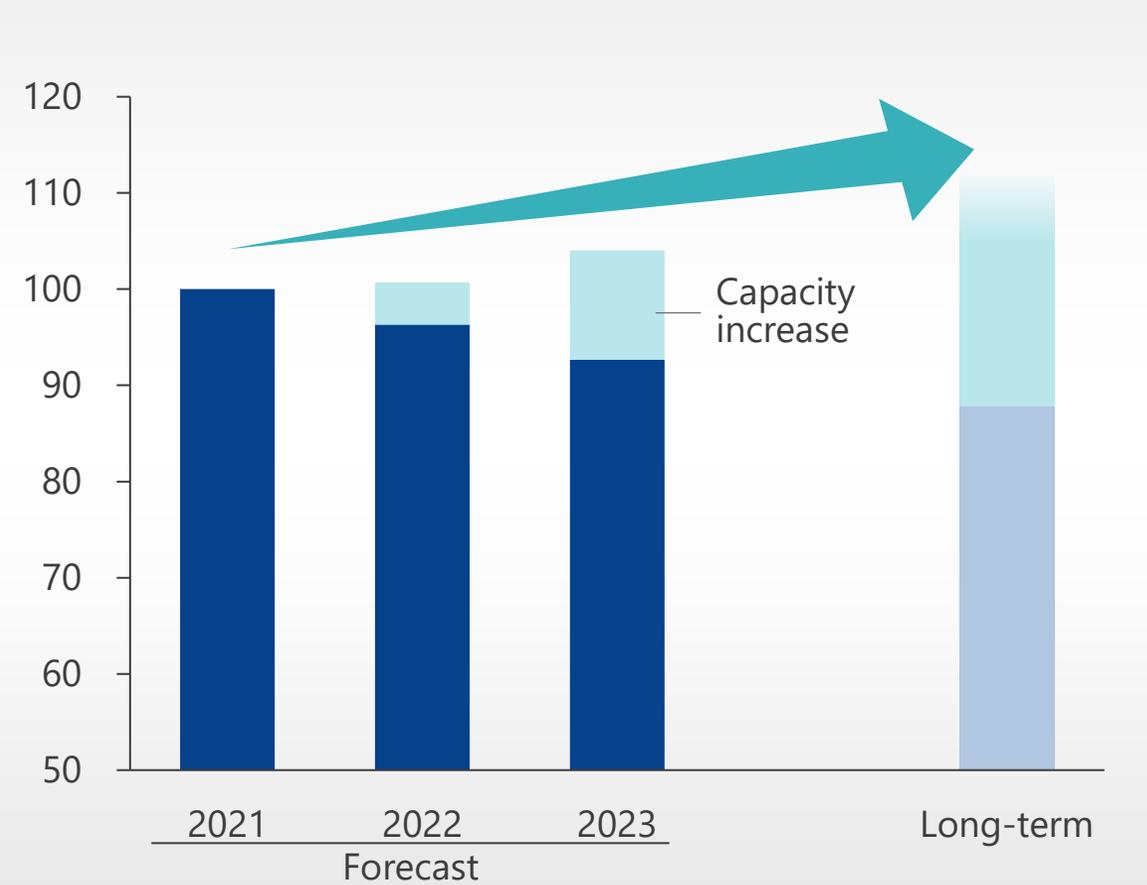
CAPEX & CAPACITY EXPANSION

Capex*1



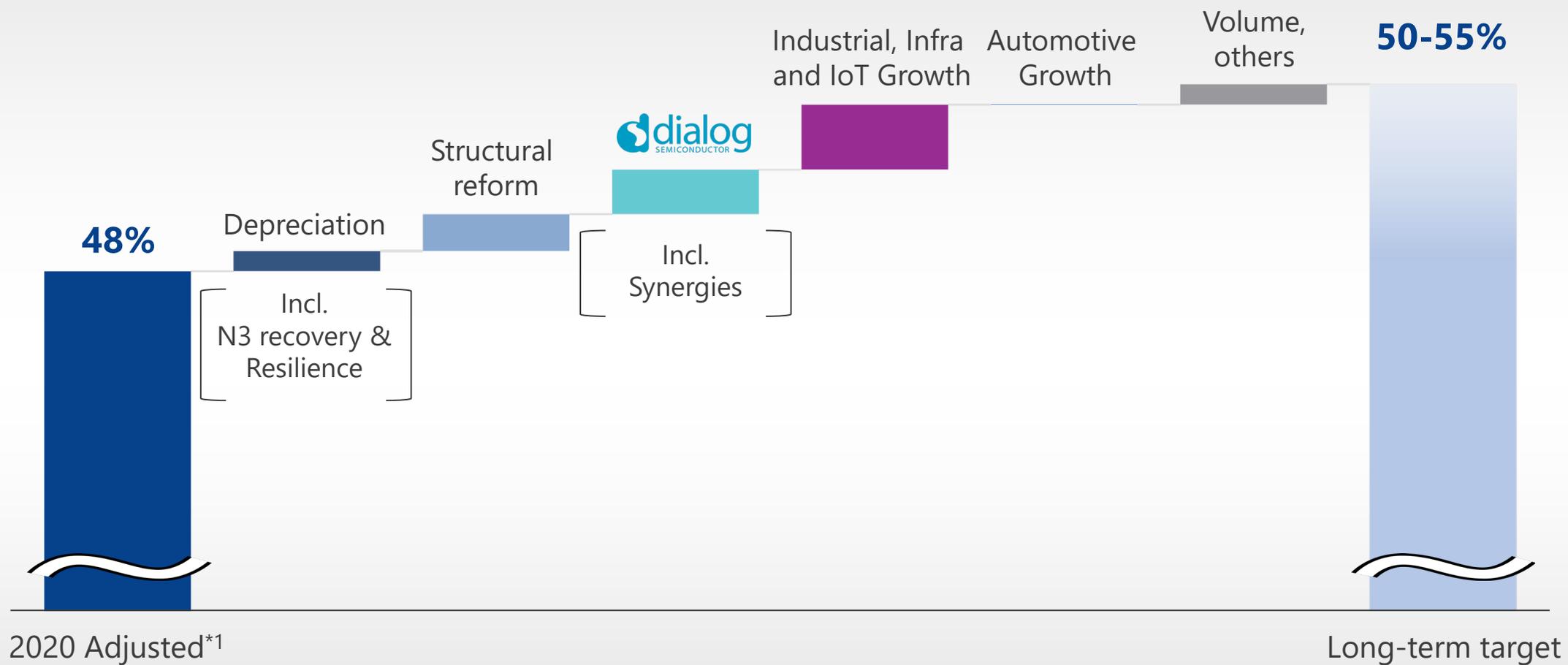
*1: Management accounting and authorization basis

Inhouse front-end capacity*2



*2: Index 2021=100, 8 and 12 inch only, 8inch equivalent

GROSS MARGIN OUTLOOK



*1: FX 1USD=100yen, 1EUR=120yen. Continuing business only, after reclassification (part of SG&A reclassified to CoGs and R&D)

SHAREHOLDER VALUE CREATION

KEY INITIATIVES TO DELIVER SHAREHOLDER RETURN

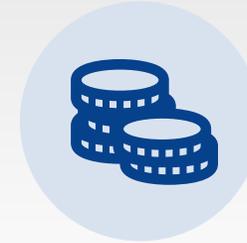


Commitment to results

Achievable financial targets

Achieved

New target



Focus on cash generation

Optimizing leverage

Achieved

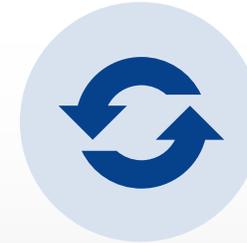
New target



Investing for growth

Sustained R&D
Disciplined Capex and M&A

Continuing

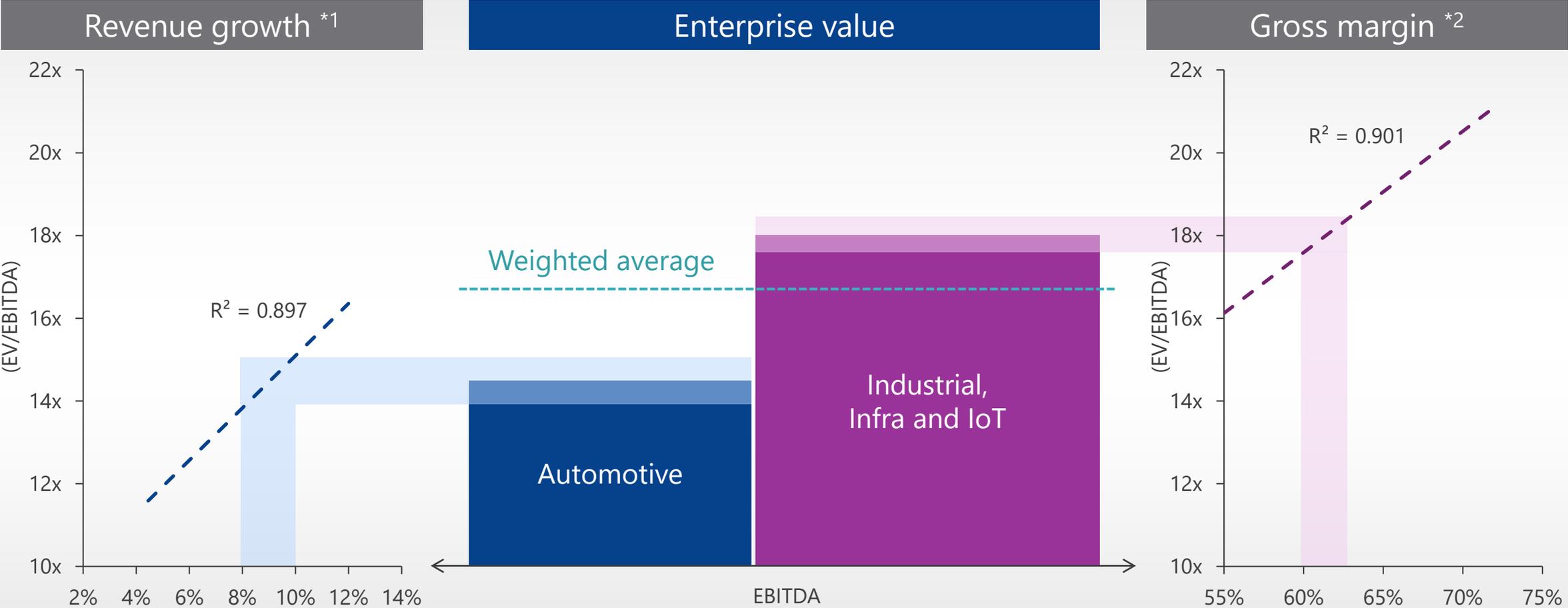


Shareholder return

Priority on buyback
Dividends

In range

SUM OF THE PARTS UPDATE



*1: 2021-2023 Revenue CAGR (Calendar year basis)
 *2: 2021 Gross margin (Calendar year basis)

ACTIONS TO FILL THE VALUATION GAP

Growth	Capital allocation for growth	✓
Operational	Reducing fixed cost and operational leverage	✓
Strategic	Value realization of Industrial, Infra and IoT	
Disclosure	Key financial metrics for segments	✓
Liquidity	Improvement of liquidity and institutional investor ratio	✓
ESG	Incorporation into ESG indices	

■ Newly added

[Renesas.com](https://www.renesas.com)