

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%	 Expanded R&D
Operating margin	30%	➤	27%	 IT integration delay

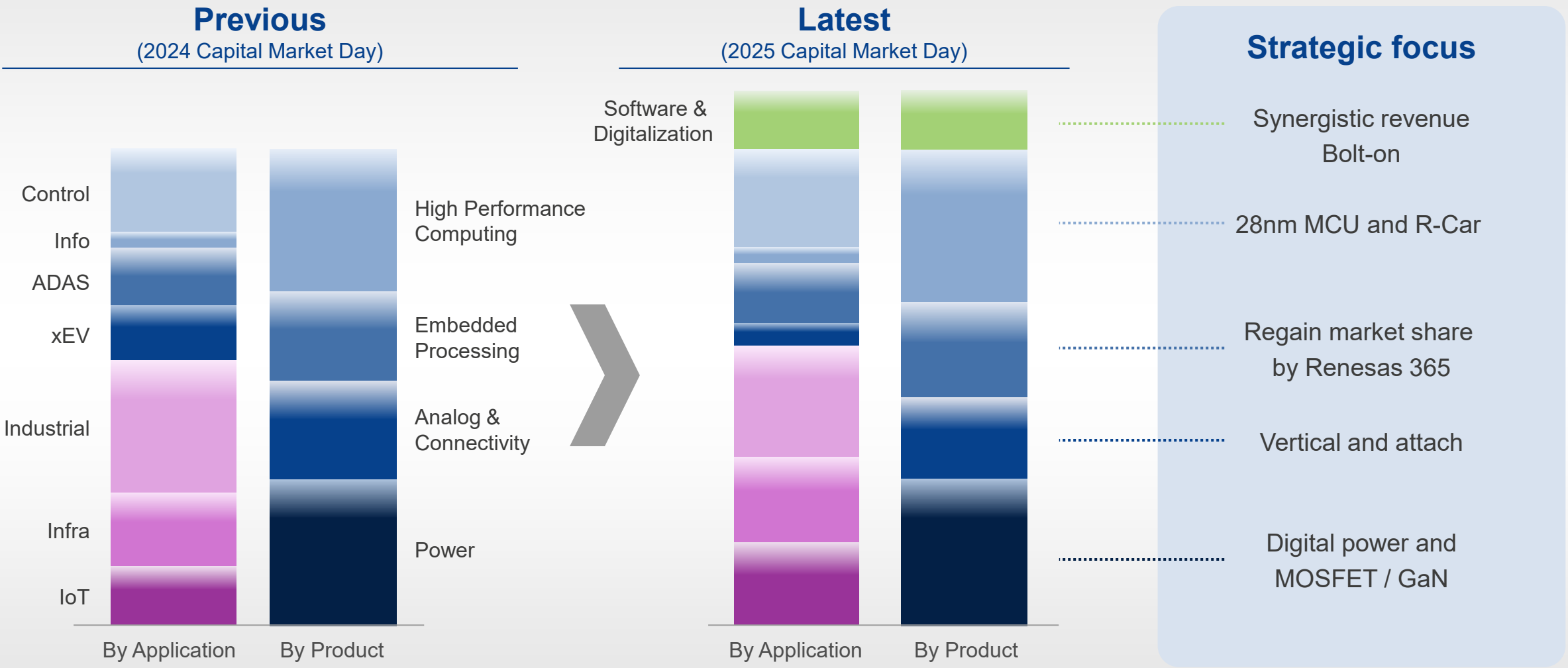
*1: Research & development expenses. *2: Selling, general and administrative expenses. *3: FX \$1 = 100yen, €1 = 120yen. Excluding 6" fab shutdown & structural reform-related EOLs. Excluding NREs

MID-TERM MODEL UPDATE

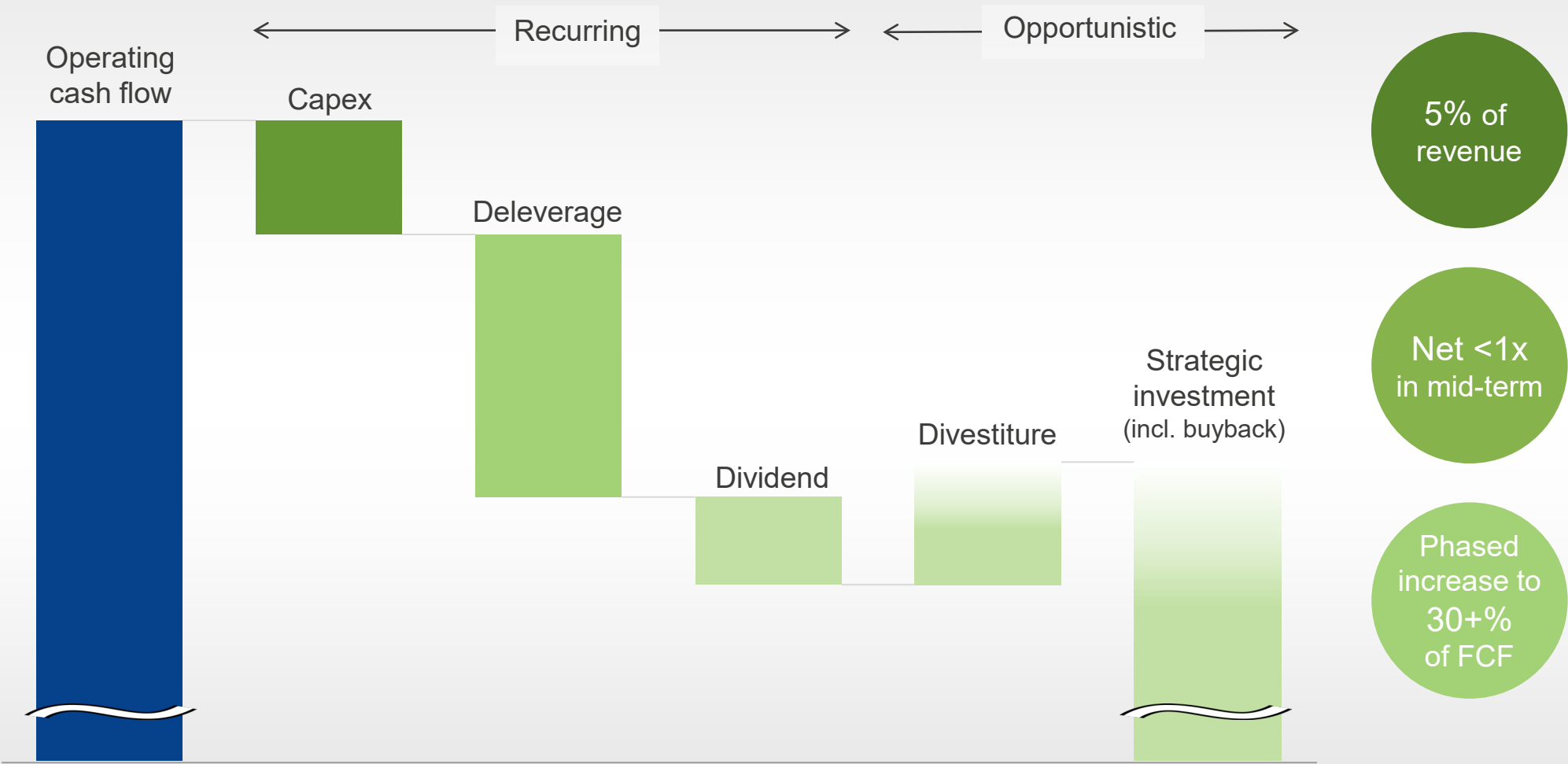
	Previous ^{*1} (2024 Capital Market Day)		Latest ^{*1,2} (2025 Capital Market Day)	Rationale
Revenue	Grow @SAM+	➤	Grow @SAM+	
Gross margin	55%	➤	55%	Operational excellence
Operating margin	30%	➤	25 - 30%	Purposeful and disciplined investment

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

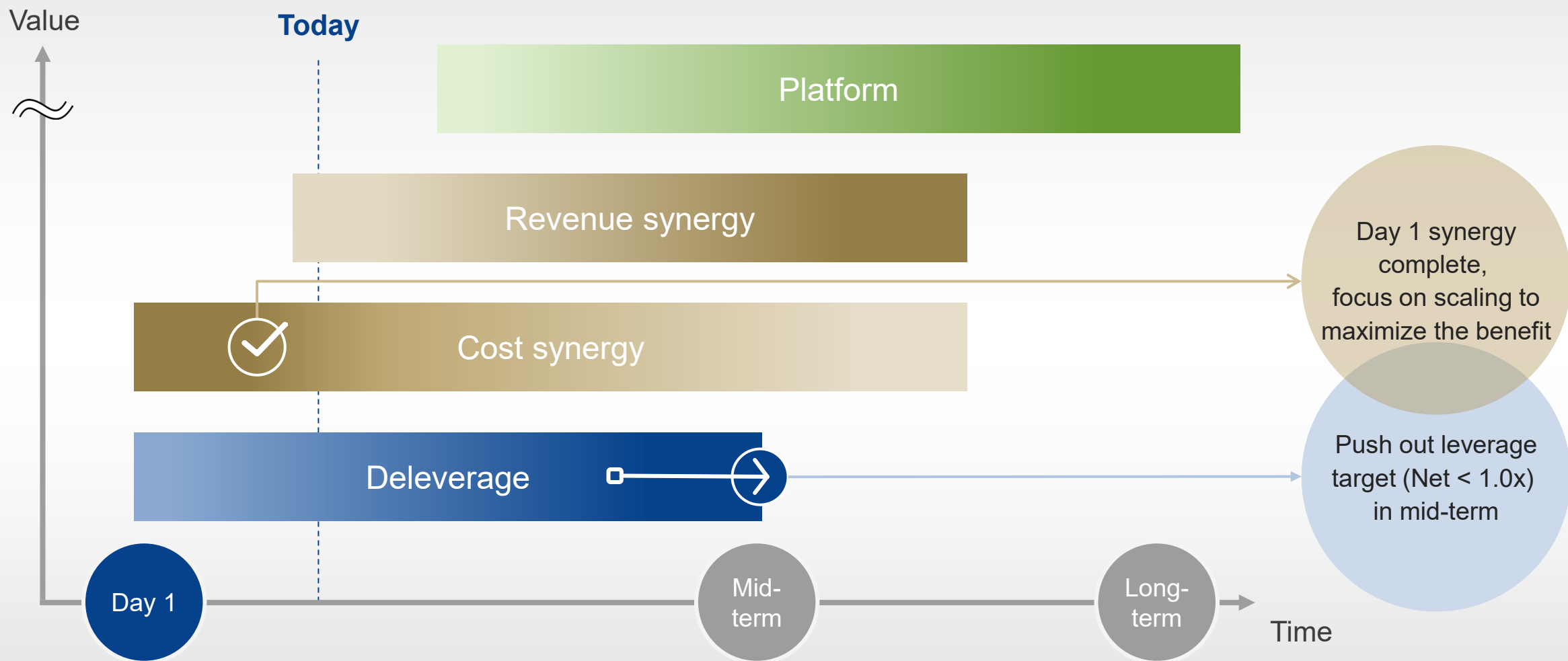
LONG-TERM TARGETED PORTFOLIO



MID-TERM CAPITAL ALLOCATION POLICY



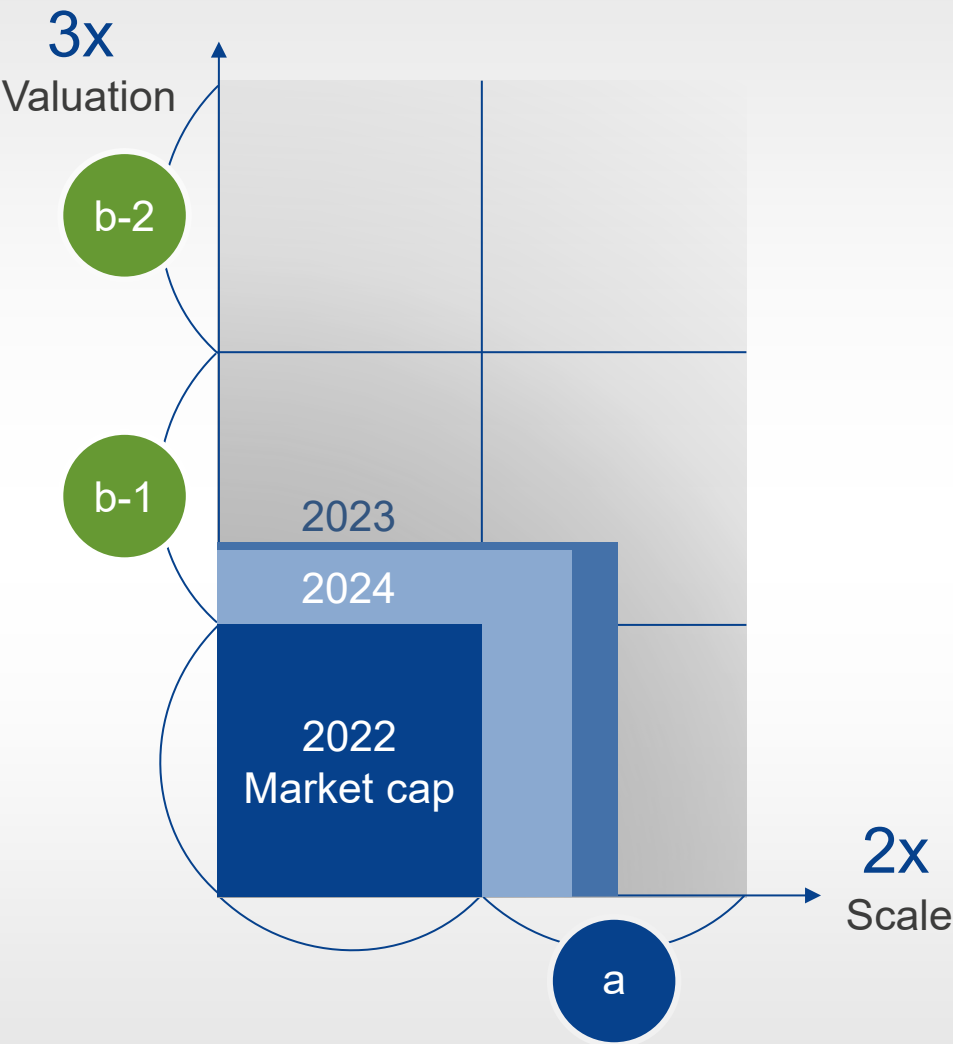
ALTIUM SYNERGIES



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