

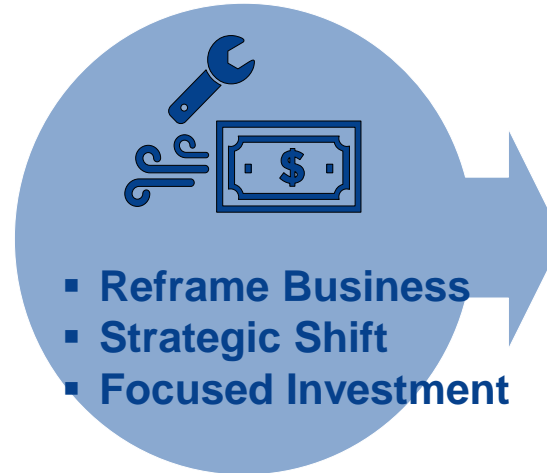
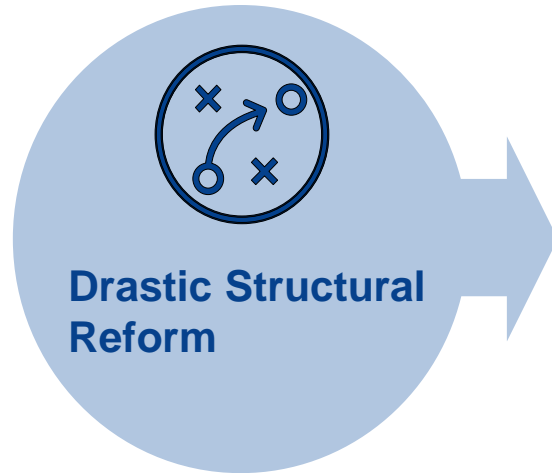


RENESAS GROWTH STRATEGY

TO BECOME #1 IN FOCUSED INDUSTRIES

September 13, 2016

SHIFT FROM STRUCTURAL REFORM TO GROWTH STAGE



Revenue from Core Business	65%	+ 25 pts	91%
Revenue from Auto + Industrial	55%	+ 15 pts	70%
Operating Margin	-3%	+ 18 pts	15%
# of Production Sites Worldwide	30	- 14 sites	16



Organic

In-Organic

CAPITAL ALLOCATION

DISTINGUISHED STRATEGIC APPROACHES TO BECOME #1 IN FOCUSED INDUSTRIES

	Automotive	Industrial	Broad-based, etc.
MCUs	 Intensive R&D Spend to Stay as an Industry Leader		Organic + In-Organic Approaches Leveraging Renesas' Market Recognition 
SoCs	Strategic Partnerships and Alliances Leveraging Renesas Proven Track Record and Market Recognition		
			
Analog & Mixed-Signals	Strategic Investment including Mergers and Acquisitions 		
Power Discretes	Selective Investment to Enhance Competitiveness and Profitability		

AUTOMOTIVE

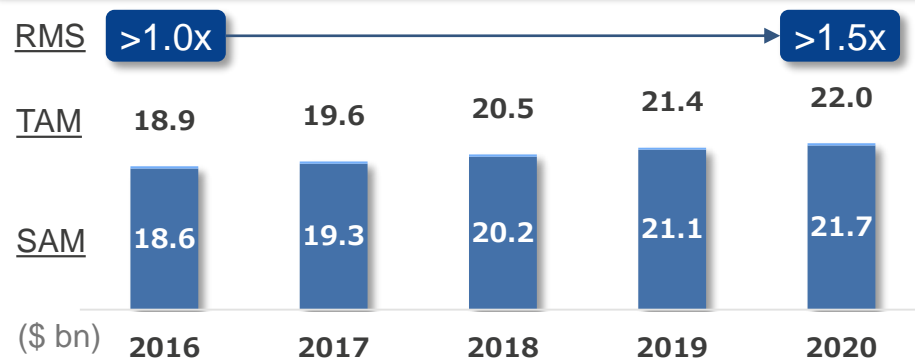
FOCUSED INVESTMENT IN “CORNER-STONE”^(*1) TECHNOLOGIES FOR THE NEXT GENERATION VEHICLE, LEVERAGING RENESAS’ QUALITY – ROBUSTNESS AND HIGH-RELIABILITY



AUTOMOTIVE CONTROL SYSTEM

EXPANDING BUSINESS WORLDWIDE WITH MARKET SHARE #1 MCU FOR AUTOMOTIVE CONTROL AND THE WORLD'S FIRST 90nm BiCD

Market Trend and Key Requirements



- Strengthened environmental regulations and increasing demand for xEV in EU, USA and especially in China
- Increasing needs for safety and robustness
- High speed and layered in-vehicle network
- Total solution proposition for xEV
- Enhanced functional safety and security levels
- Advanced gateway technology

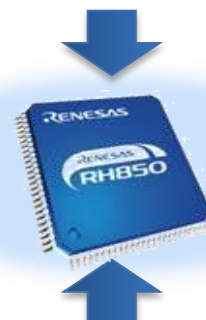
Renesas Solution

- High speed in-vehicle network (CAN-FD, Ethernet, etc.)
- Advanced gateway IP technology

- High accuracy sensor input by 90nm BiCD technology
- Sensing control technology for EV motor

Sensing

Connectivity



Functional Safety

Security

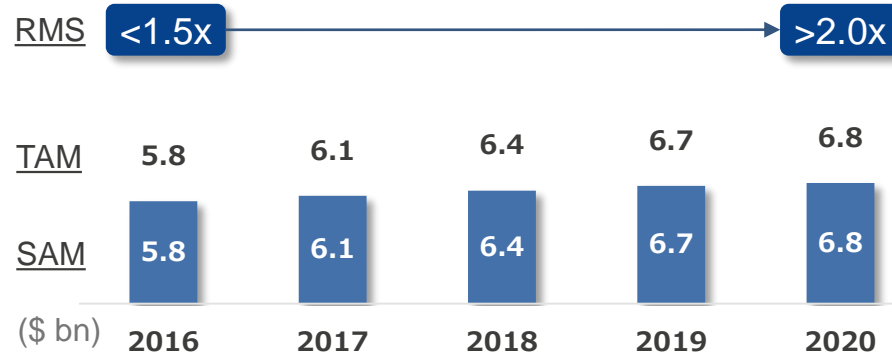
- International standard certified automotive security IP technology
- Protection from external attack and tampering

- Strong footprint in functional safety area, an ASIL-D certified supplier
- High integration technology to enable multiplex system

AUTOMOTIVE INFORMATION SYSTEM

EXPANDING STRATEGIC ALLIANCE/PARTNERSHIP AS A TOP SEMICONDUCTOR VENDOR LEADING THE RAPIDLY GROWING MARKET

Market Trend and Key Requirements



- New market participants from different spaces into high-end automotive information system
- Growing concern on security system for connected vehicles
- Intensive technology integration needs for future autonomous driving
- State-of-the-art HMI (Human-Machine Interface)
- Robust and secured communication system with external network
- Comprehensive technology for sensing/recognition/control.

Renesas Solution

- Real-time wireless technology for ITS/V2X
- In-vehicle communication (Ethernet AVB)

Connectivity



- Robust gateway between external information and internal control systems
- High-speed cryptography technology for secured V2X data exchange

Security

- Advanced functional safety solution for autonomous driving (level 4)
- Robust recognition/failure prediction system

Functional Safety

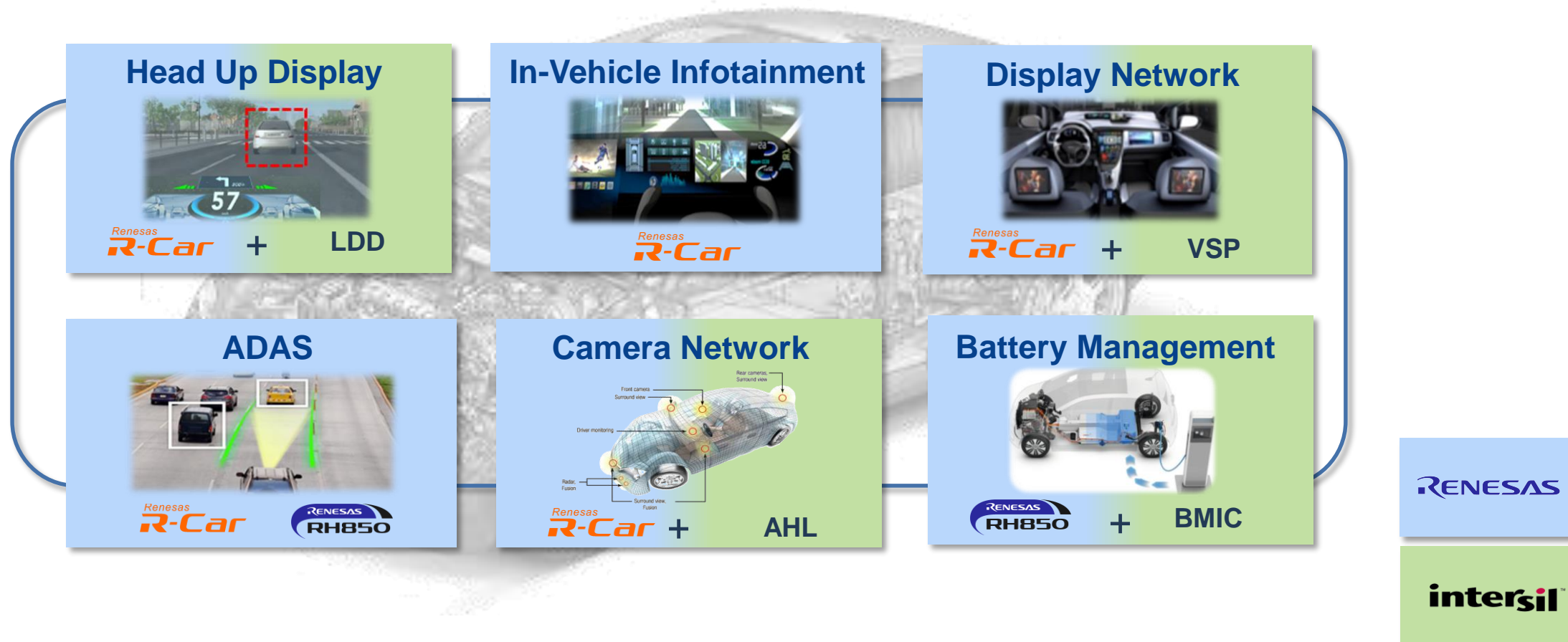
Sensing

- Camera image recognition and distortion correction
- Driver monitoring system

Renesas
R-Car

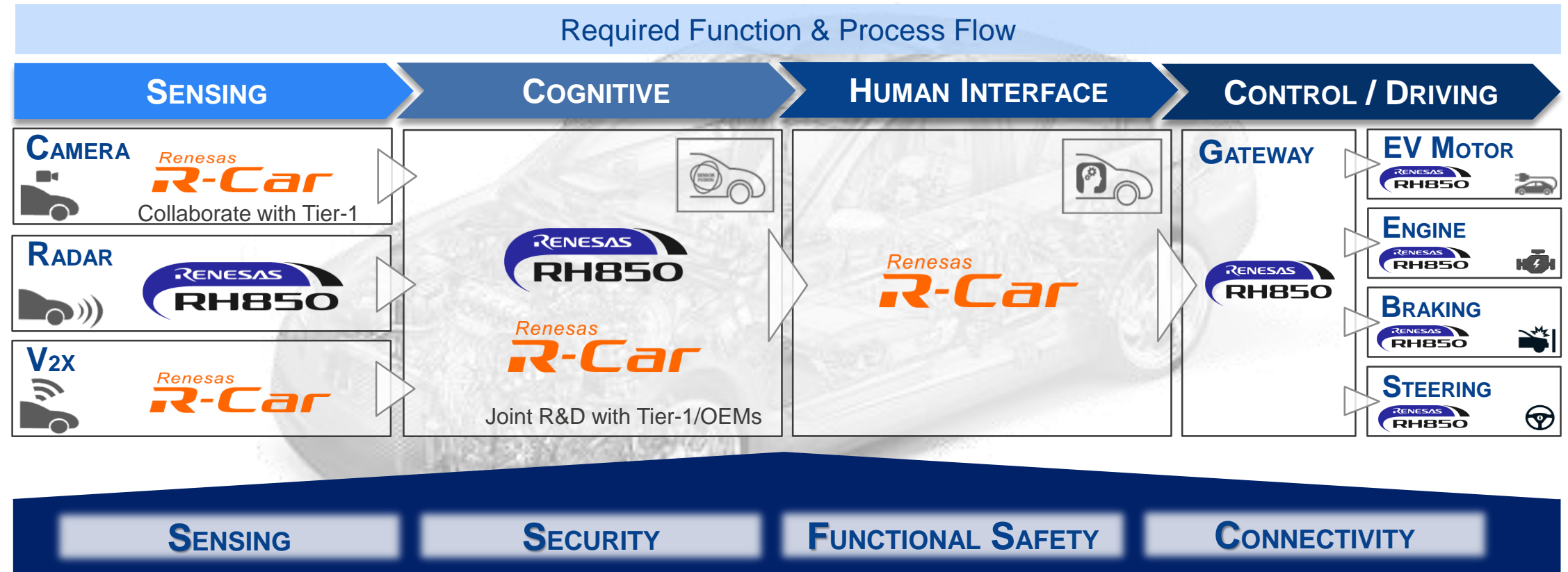
SOLUTION FOR NEXT GENERATION VEHICLE

COMBINATION WITH INTERSIL ENABLES A MORE COMPREHENSIVE SOLUTION PROPOSITION



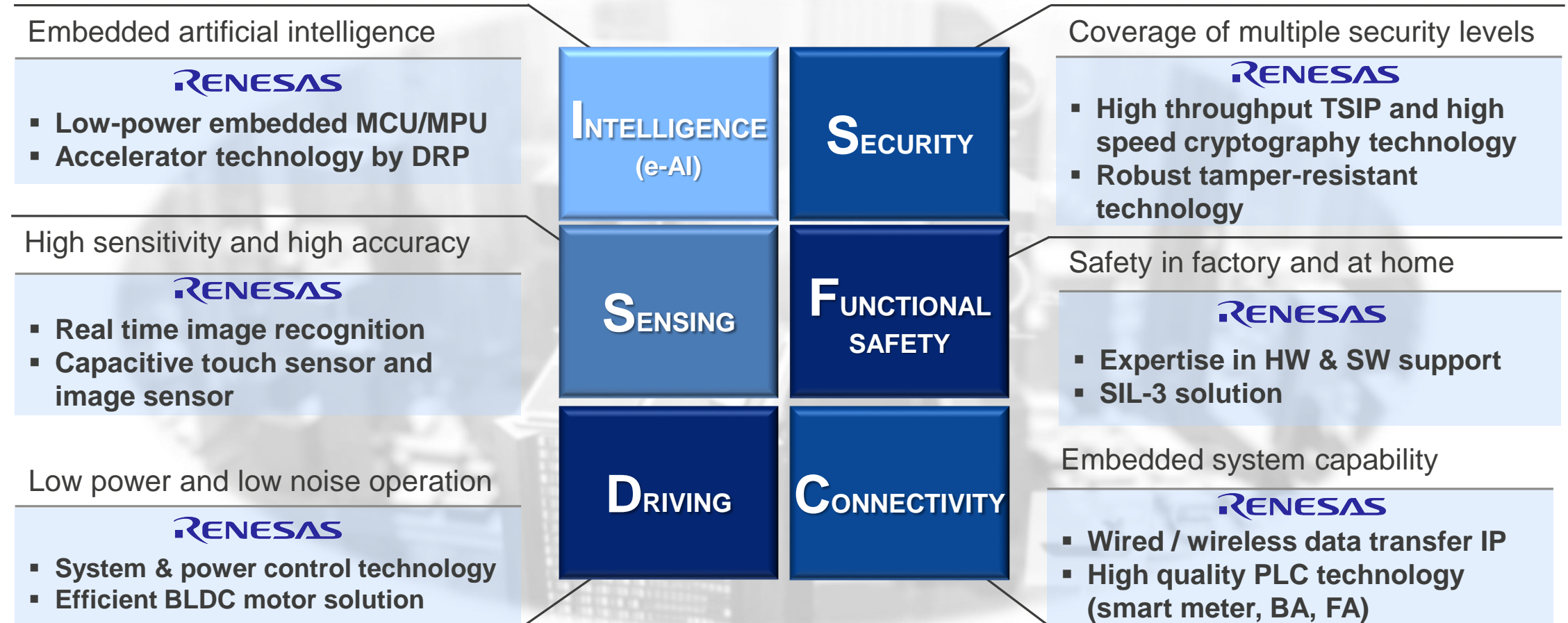
AUTONOMOUS DRIVING

UNDERSTANDING THE WHOLE ARCHITECTURE OF A VEHICLE IS CRUCIAL FOR AUTONOMOUS DRIVING. RENESAS IS THE ONLY PROVIDER THAT CAN OFFER A COMPLETE SOLUTION



INDUSTRIAL AND BROAD-BASED

MAINTAIN INDUSTRY LEADERSHIP BY INVESTING IN “CORNER-STONE” TECHNOLOGIES FOR SMART SOCIETY (RENESAS IS A MARKET LEADER IN INDUSTRIAL / HA / PRINTER / SMART METER TODAY)

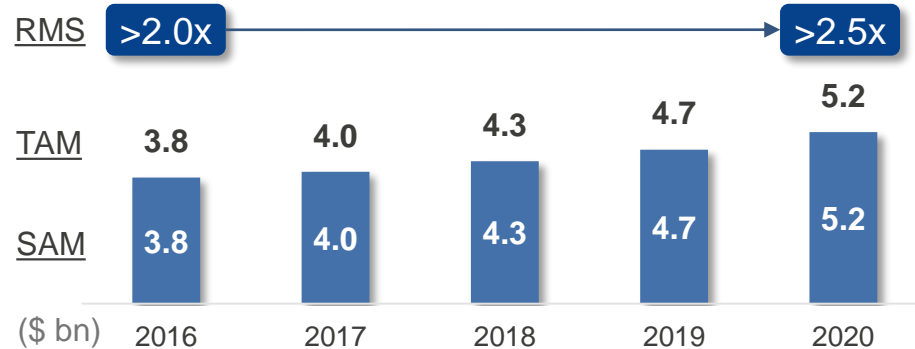


SMART HOME

#1 IN INVERTER CONTROL TO SIGNIFICANTLY REDUCE POWER CONSUMPTION

EXPECT MARKET EXPANSION MEETING ENERGY-SAVING REGULATIONS IN EMERGING COUNTRIES

Market Trend and Key Requirements

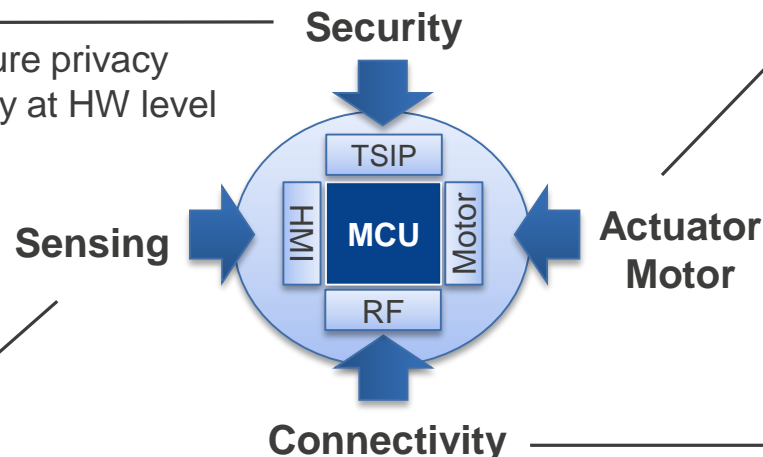


- Integration of smart home appliances and healthcare applications
- Energy-saving for HA and expansion of inverter solution
- Requirement for comfort performance and energy-saving

- Security technology to secure privacy
- Optimized power control and advanced energy-saving technology
- Solution for crime prevention and surveillance

Renesas Solution

- End-point security technology to secure privacy
- TSIP embedded MCU to offer security at HW level
- Face recognition technology for crime prevention and surveillance
- High sensitivity touch sensor IP
- Bio-information sensing
- Battery charge monitoring with single digit % accuracy



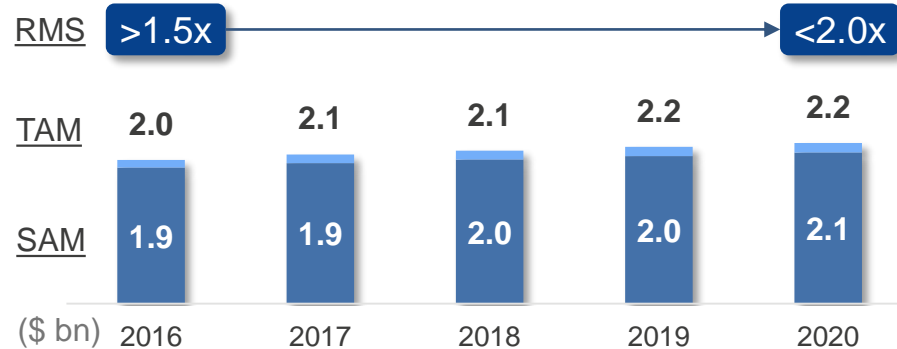
- BLDC motor solution to reduce noise by 90%, power consumption by 50%
- Development tool for optimized motor control

- Network HA and connected devices (e.g. BLE)
- External connection through home gateway
- DC power supply by USB-PD

SMART FACTORY

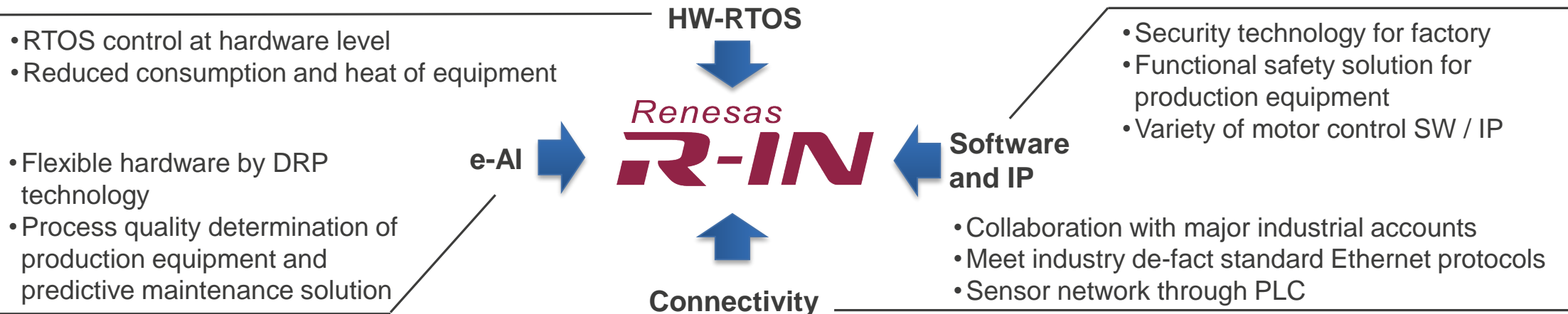
REALIZE INDUSTRY 4.0 BY OFFERING EDGE DEVICE WITH WORLD TOP MARKET SHARE “R-IN” PRODUCT AND EMBEDDED ARTIFICIAL INTELLIGENCE

Market Trend and Key Requirements



- Rapid “industrial Ethernet” penetration for industry 4.0 (EtherCAT / Profinet / CC-Link protocol)
- Volume market at mid-low price range expanding in China and other emerging regions
- Real time responsiveness with low power consumption
- High accuracy of network control, and strengthened security feature

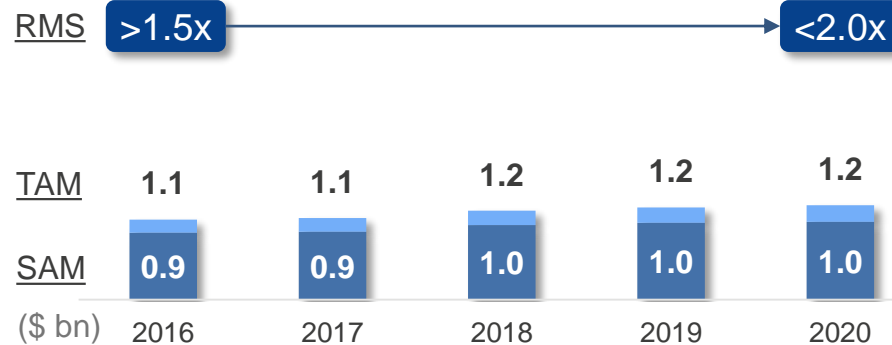
Renesas Solution



SMART GRID

#1 MARKET SHARE IN MCU FOR POWER METER IN INDIA FOR POWER THEFT PREVENTION
BE THE FIRST ONE TO ENTER THE GROWING MARKET

Market Trend and Key Requirements



- Global needs and rapid expansion of smart meters to level peak power consumption.
- Demand expansion in China, India and ASEAN countries.
- Gauge IP to meet standards / regulations in each region of the world
- Flexible and robust data transfer IP (power theft prevention)
- Low cost and low power consumption solution

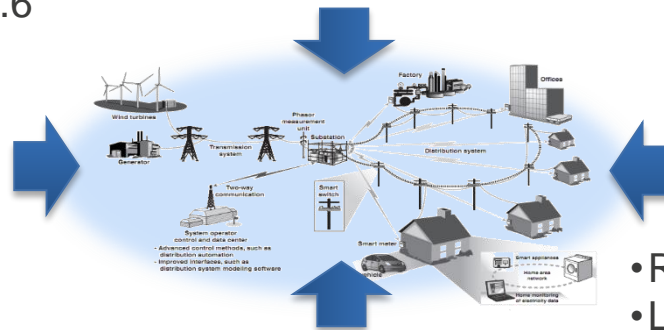
Renesas Solution

G3-PLC (Golden Module) and PRIME1.3.6 certified PLC solution

- Joint evaluation with EU-based power supplier
- Proactive involvement in determining next generation standard PRIME 1.4

Alliance

Wired Data Transfer IP



Security

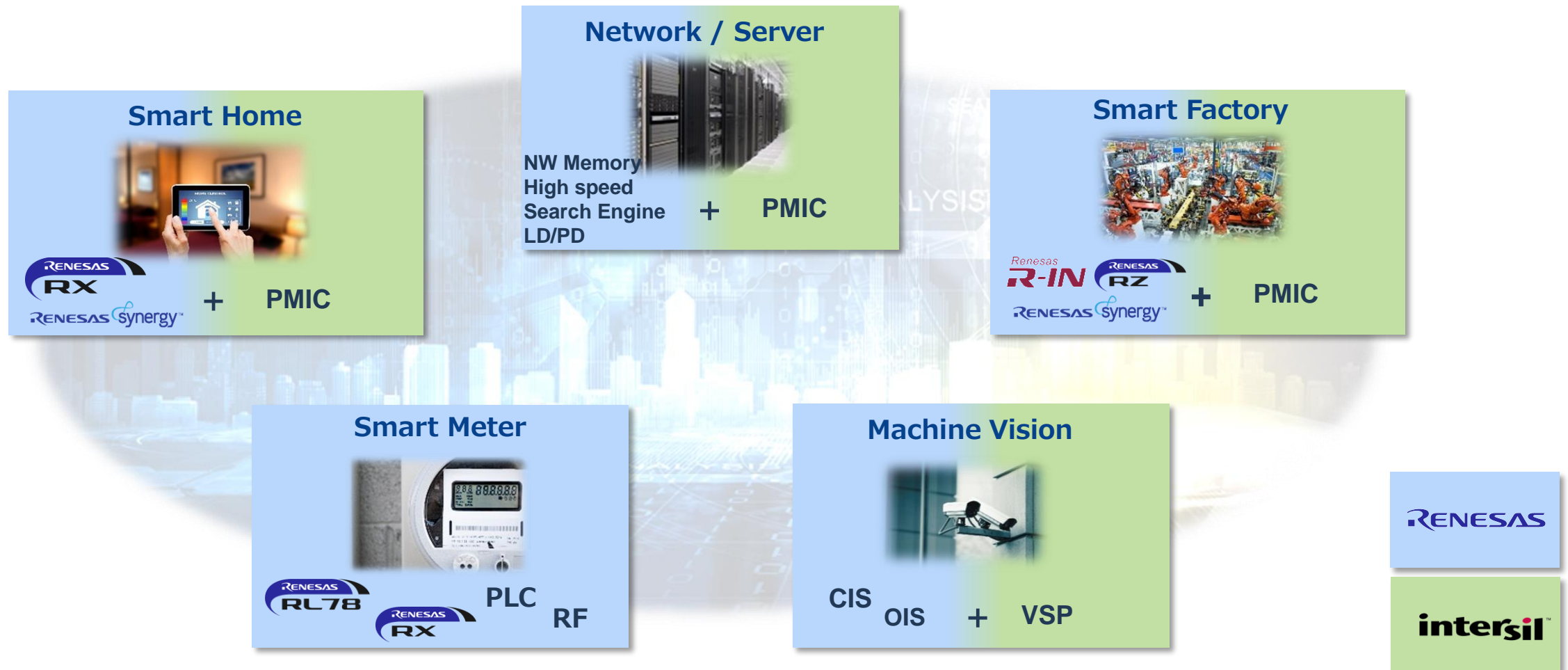
Gauge IP

- Meet standards / regulations in each region of the world
- Variety of reference models for emerging countries

- Robust HW security solution (IEC compliant)
- Low power consumption and compact implementation

SOLUTION FOR SMART SOCIETY

COMBINATION WITH INTERSIL ENABLES A MORE COMPREHENSIVE SOLUTION PROPOSITION



NOW READY FOR TAKE-OFF

SOLID D-IN TO SUPPORT ORGANIC GROWTH

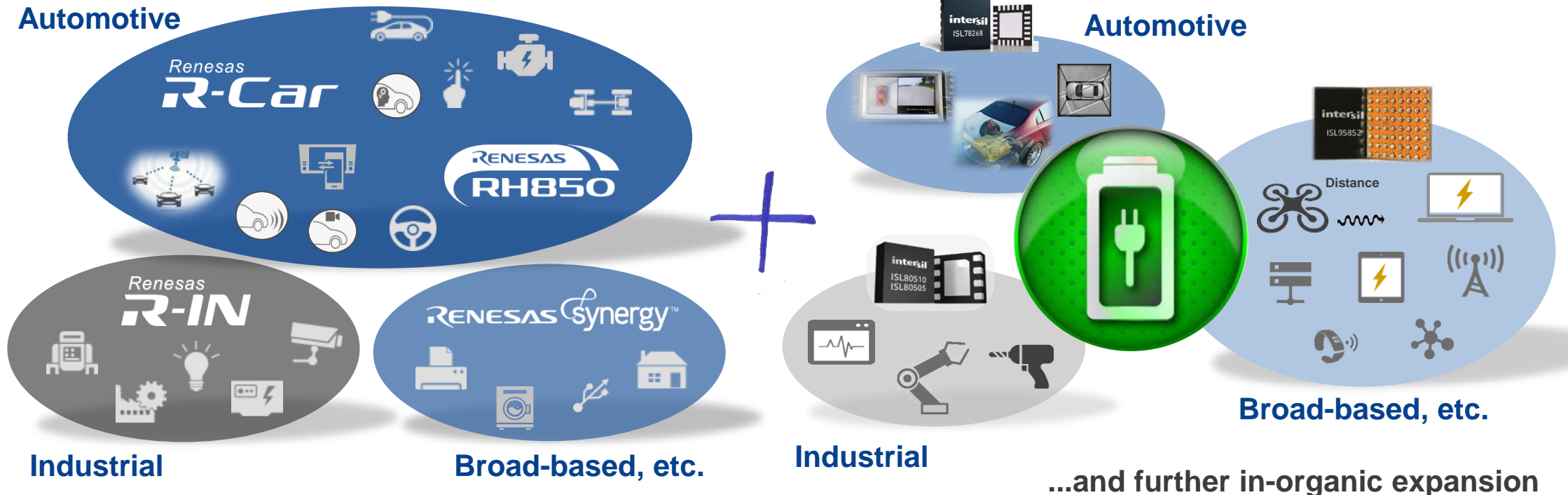
ADDING STRATEGIC IN-ORGANIC APPROACH TO BECOME #1 IN FOCUSED AREAS

Organic

Significant number of designed-in projects in the pipeline ready to launch in focused area in coming years

In-Organic

Intersil's broader analog portfolio and expertise to enable Renesas to enhance complete system solution offering



FINANCIAL TARGET TO BE UPDATED, BUT FOR NOW...

Revenue

**Focus domains to outperform
their markets**

Gross Margin

45%

R&D / Revenue

15%

SG&A / Revenue

15%

Operating Margin

>10%

(Figures on a non-GAAP basis)



... MORE TO COME



stay tuned...

FORWARD-LOOKING STATEMENTS

The statements in this presentation with respect to the plans, strategies and forecasts of Renesas Electronics and its consolidated subsidiaries (collectively “we”) are forward-looking statements involving risks and uncertainties. We caution you in advance that actual results could differ materially from such forward-looking statements due to several factors. The important factors that could cause actual results to differ materially from such statements include, but are not limited to: general economic conditions in our markets, which are primarily Japan, North America, Asia and Europe; demand for, and competitive pricing pressure on, our products and services in the marketplace; our ability to continue to win acceptance of its products and services in these highly competitive markets; and movements in currency exchange rates, particularly the rate between the yen and the U.S. dollar. Among other factors, a worsening of the world economy; a worsening of financial conditions in the world markets, and a deterioration in the domestic and overseas stock markets, would cause actual results to differ from the projected results forecast.