

FY19/12 Q3 PRESENTATION

RENESAS ELECTRONICS CORPORATION
NOVEMBER 7, 2019

NON-GAAP BASIS INFORMATION

In this section, Renesas Electronics Group (hereinafter “the Group”) applies Non-GAAP financial measures (hereinafter “Non-GAAP basis”) used for management’s decision making. The Group defines the Non-GAAP consolidated financial results as financial accounting figures (hereinafter “GAAP (IFRS based)”) excluding or adjusting non-recurring and other items following a certain set of rules. The Group believes Non-GAAP operating profit is useful information to understand its recurring operating performance.

The Group reports its consolidated forecast on a quarterly basis (cumulative quarter total) as a substitute for a yearly forecast.

DISCLAIMER

- **Adoption of IFRS:** With the outlook that the Group will continue to expand globally and to provide financial figures that can be compared on a global scale, the Group discloses its consolidated financial statements in accordance with the International Financial Reporting Standards (“IFRS”) starting from the annual securities report for FY2018/12.
- **Presentation of financial forecasts:** Starting from the consolidated forecasts for the three months ended March 31, 2019, the Group presents its financial forecasts as a range. In order to provide useful information that will help to better understand the Group’s constant business results, figures such as revenue, gross margin and operating margin will be presented in the non-GAAP format, which excludes or adjusts the non-recurring items related to acquisitions and other adjustments removed as non-recurring expenses or income. The gross margin and operating margin forecasts are given assuming the midpoint in the sales revenue forecast.
- **Segment disclosure:** Although the Group designs and manufactures semiconductors, the financial figures disclosed have been reformed to two segments: “Automotive Business” and “Industrial/Infrastructure/IoT Business” since Q3 FY2019/12 in order to more appropriately disclose financial figures.
- **Purchase Price Allocation:** The allocation of the acquisition costs (PPA: Purchase Price Allocation) for the business combinations with Integrated Device Technology, Inc. (“IDT”), which Renesas acquired on March 30, 2019 (JST), has been revised at the end of the third quarter ended September 2019. The revised allocation of the acquisition costs are reflected in the figures of FY2019/12.

FY19/12 Q3 FINANCIAL SNAPSHOT

IFRS, NON-GAAP BASIS ^{*1*2}

YoY and QoQ results as well as the changes from FCTs of the Revenue are rounded off to one decimal place.

(B yen)	FY18/12		FY19/12								
	Q3 (Jul-Sep)	9 months (Jan-Sep)	Q2 (Apr-Jun)	Q3 (Jul-Sep) Forecast	Q3 (Jul-Sep) Actual	YoY	QoQ	Change from Aug 6 FCT ^{*3}	9 months (Jan-Sep) Actual	YoY	Change from Aug 6 FCT ^{*3}
Revenue	179.9	568.8	192.6	184.0 ~192.0	183.4	+1.9%	-4.8%	-2.5%	526.2	-7.5%	-0.9%
Gross Margin	43.9%	45.4%	44.8%	45.0%	45.0%	+1.1pts	+0.1pt	-	43.3%	-2.1pts	-
Operating Profit/Loss (Margin)	21.5 (12.0%)	84.6 (14.9%)	27.4 (14.2%)	31.1 (16.5%)	26.9 (14.7%)	+5.4 (+2.7pts)	-0.5 (+0.5pt)	-4.2 (-1.9pts)	61.5 (11.7%)	-23.1 (-3.2pts)	-4.2 (-0.7pt)
Net Profit/Loss	19.8	76.3	25.8	-	22.5	+2.7	-3.3	-	54.9	-21.4	-
EBITDA ^{*4}	45.5	156.3	53.2	-	51.8	+6.2	-1.4	-	137.3	-19.1	-
1 US\$=	111 yen	110 yen	111 yen	108 yen	108 yen	3 yen appreciation	3 yen appreciation	0 yen appreciation	110 yen	-	0 yen appreciation
1 Euro=	129 yen	131 yen	125 yen	121 yen	121 yen	8 yen appreciation	4 yen appreciation	1 yen appreciation	124 yen	8 yen appreciation	0 yen appreciation

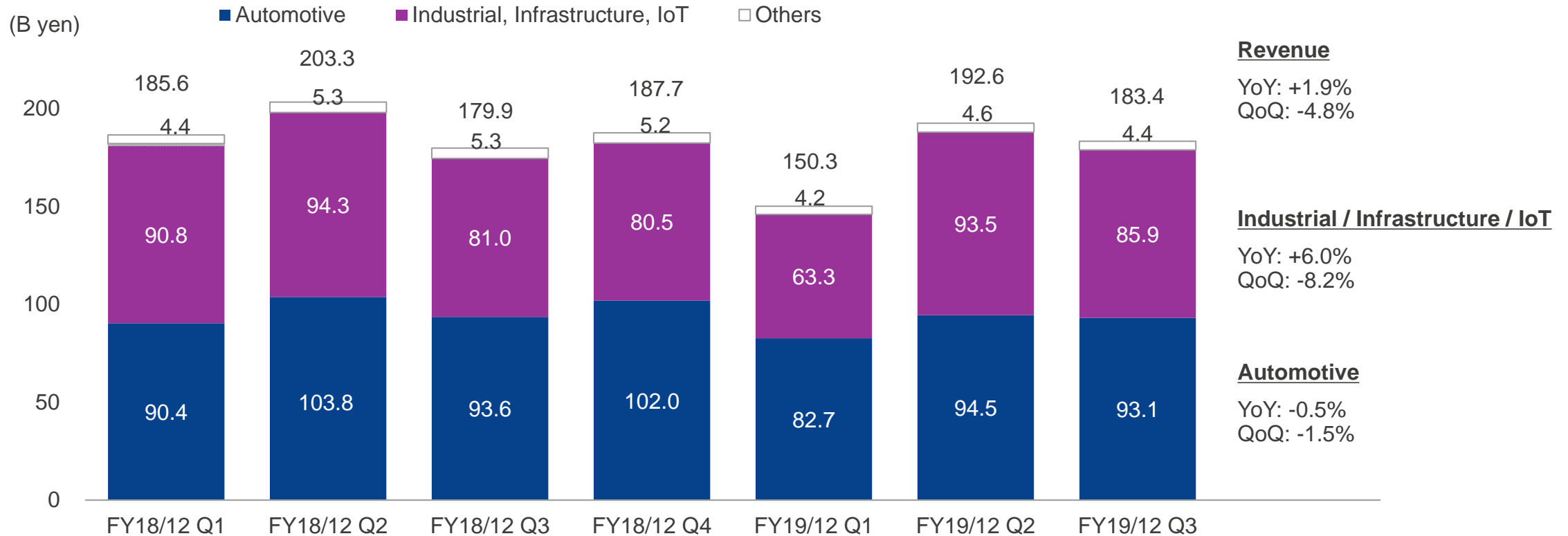
^{*1}: Non-GAAP figures are calculated by removing or adjusting non-recurring items and other adjustments from GAAP (IFRS based) figures following a certain set of rules. The Group believes non-GAAP measures provide useful information in understanding and evaluating the Group's constant business results, and therefore results are provided in non-GAAP base. This adjustment and exclusion include the amortization of intangible assets recognized from acquisitions, other PPA (purchase price allocation) adjustments and costs relating to acquisitions, stock-based compensation, as well as other non-recurring expenses and income the Group believes to be applicable.

^{*2}: As of the first quarter ended March 31, 2019, there has been a change in the Group's auditor, and therefore quarterly figures of the year ended December 31, 2018, provided under IFRS are not reviewed by the previous auditor. However, for each of the quarterly figures of the year ended December 31, 2018 provided under the generally accepted accounting principal in Japan (J-GAAP) have been reviewed by the Group's previous auditor.

^{*3}: Each figure represents comparisons of the midpoint in the sales revenue forecast range ^{*4}: Operating profit + Depreciation and amortization

QUARTERLY REVENUE TRENDS

IFRS, NON-GAAP BASIS *1*2



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FY2019/12 Q3 OPERATING MARGIN




IFRS, NON-GAAP BASIS*1*2





FY18/12 Q3 Actual (Jul-Sep 2018)	FY19/12 Q2 Actual (Apr-Jun 2019)	FY19/12 Q3 Forecast (Jul-Sep 2019)	FY19/12 Q3 Actual (Jul-Sep 2019)
12.0%	14.2%	16.5%	14.7%

YoY: +2.7pts
QoQ: +0.5pt
vs Forecast: -1.9pts

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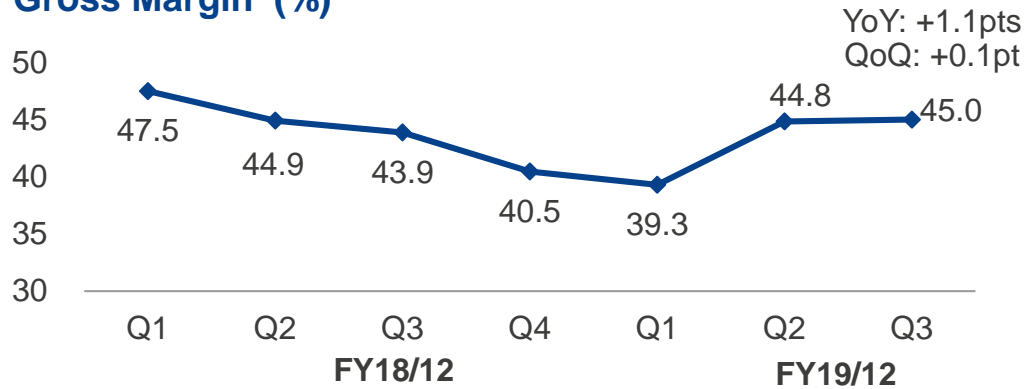
QoQ +0.5pt	
	Currency impact
	Profit decrease from sales decrease
	Expense decrease

vs Forecast -1.9pts	
	Currency impact
	Profit decrease from sales decrease
	Expense increase
	Accounting impact

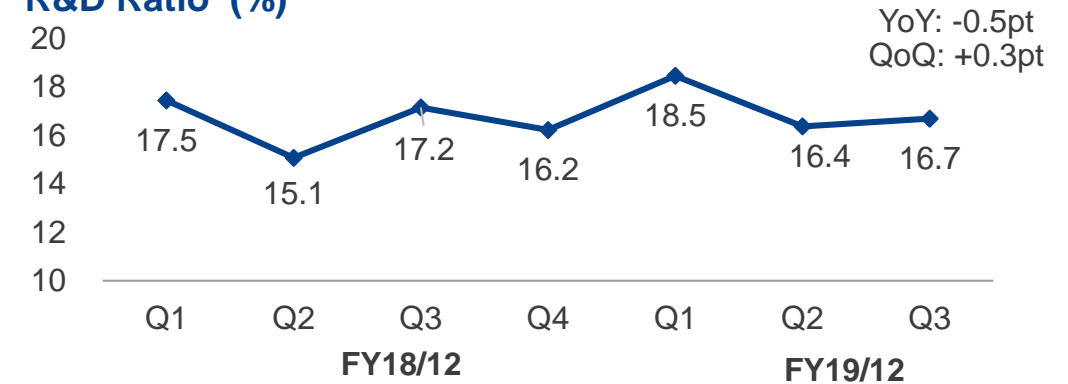
GROSS MARGIN, OPERATING MARGIN AND OPEX TRAJECTORY

IFRS, NON-GAAP BASIS ^{*1*2}

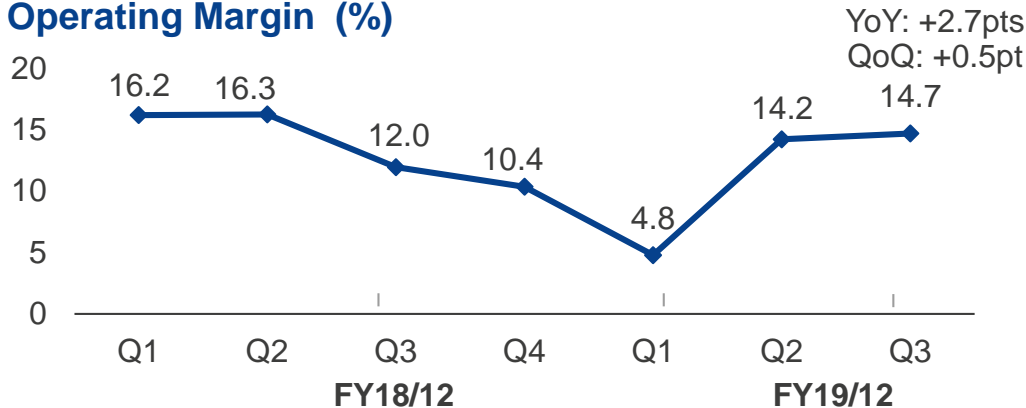
Gross Margin (%)



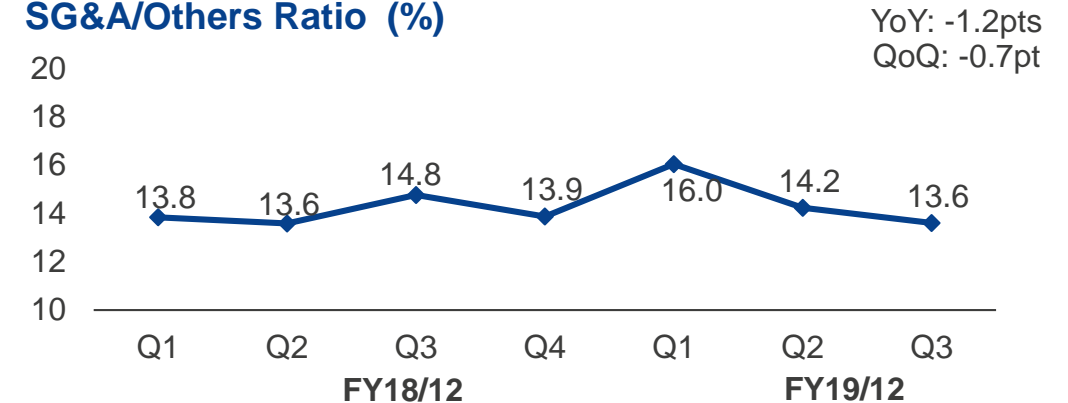
R&D Ratio (%)



Operating Margin (%)



SG&A/Others Ratio (%)



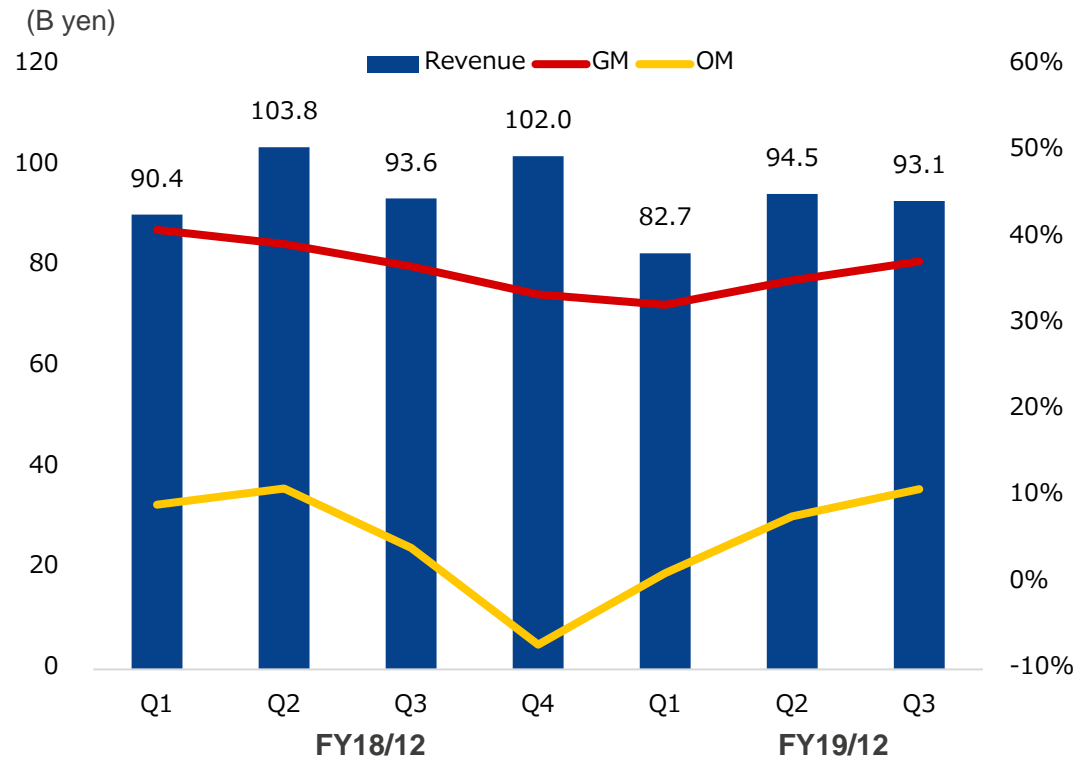
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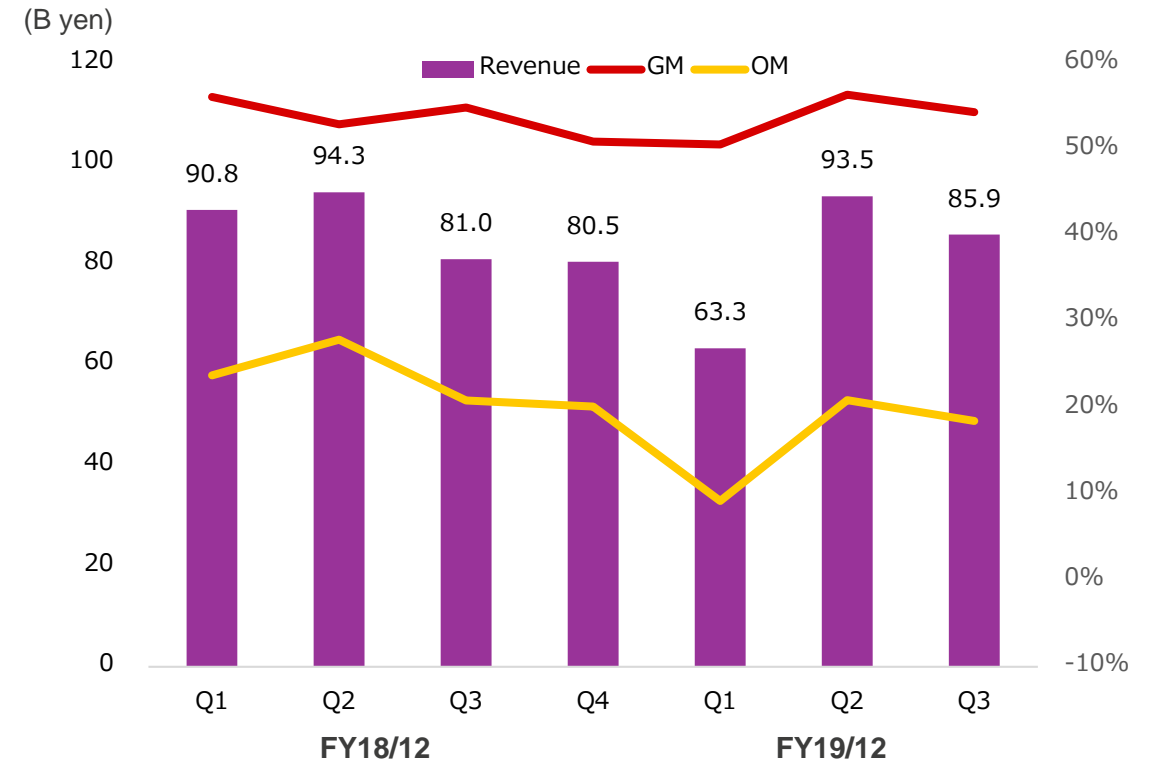
QUARTERLY REVENUE AND PROFIT TRENDS BY SEGMENT

IFRS, NON-GAAP BASIS *1*2

Automotive



Industrial/Infrastructure/IoT



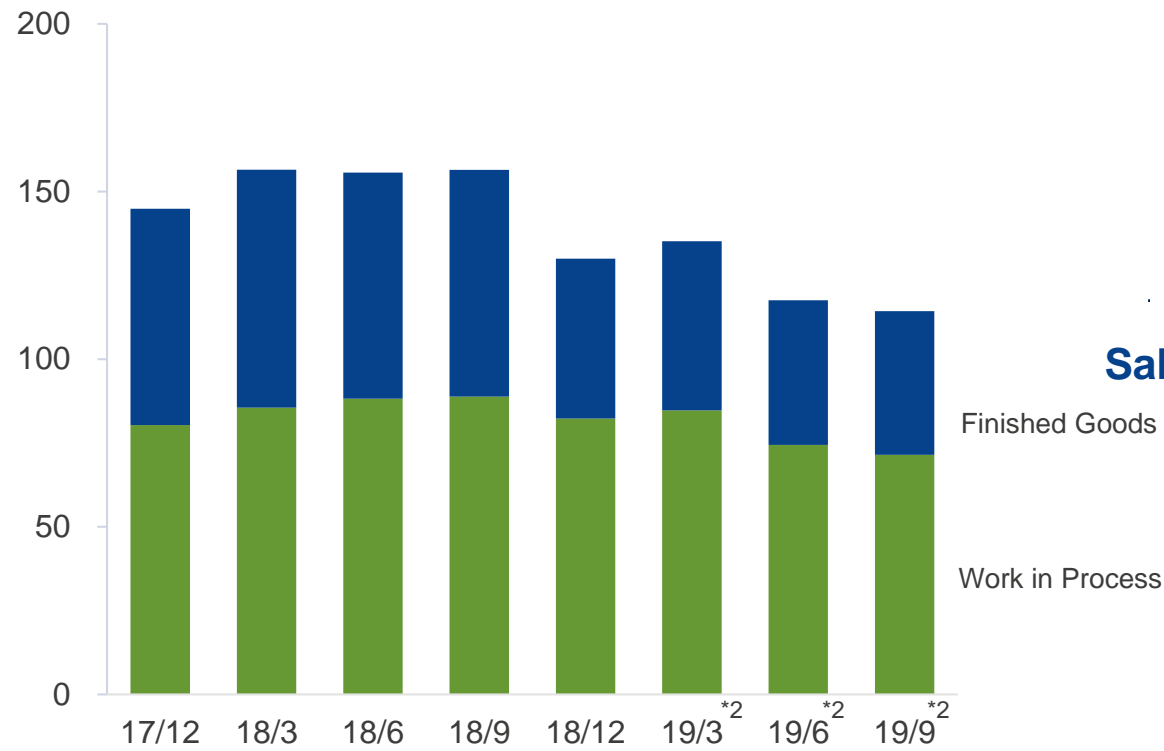
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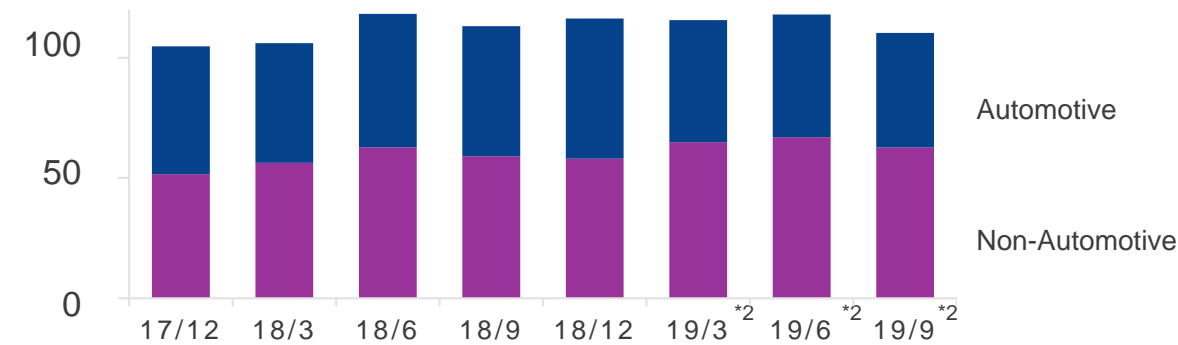
INVENTORY

MANAGERIAL ACCOUNTING BASIS, BILLION YEN

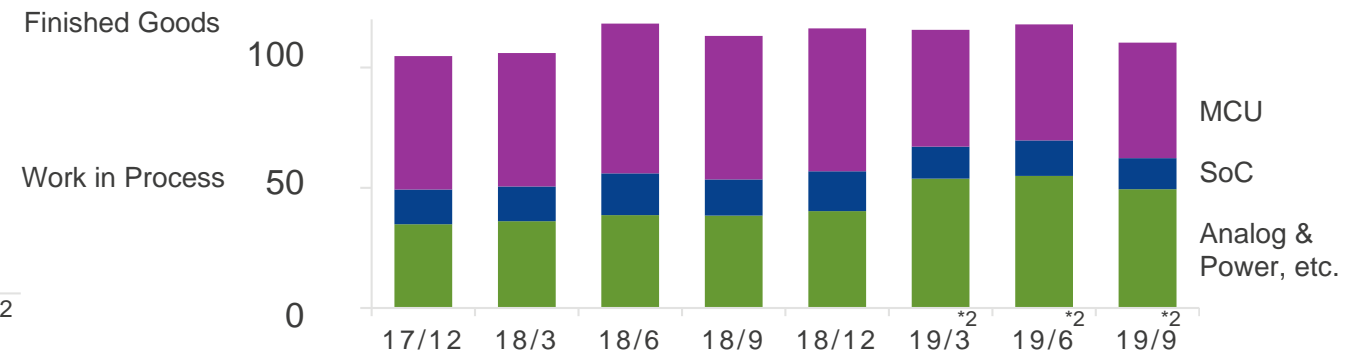
Inventory Change (Work in Process + Finished Goods)



Sales Channel Inventory ^{*1} (by application)



Sales Channel Inventory (by product)

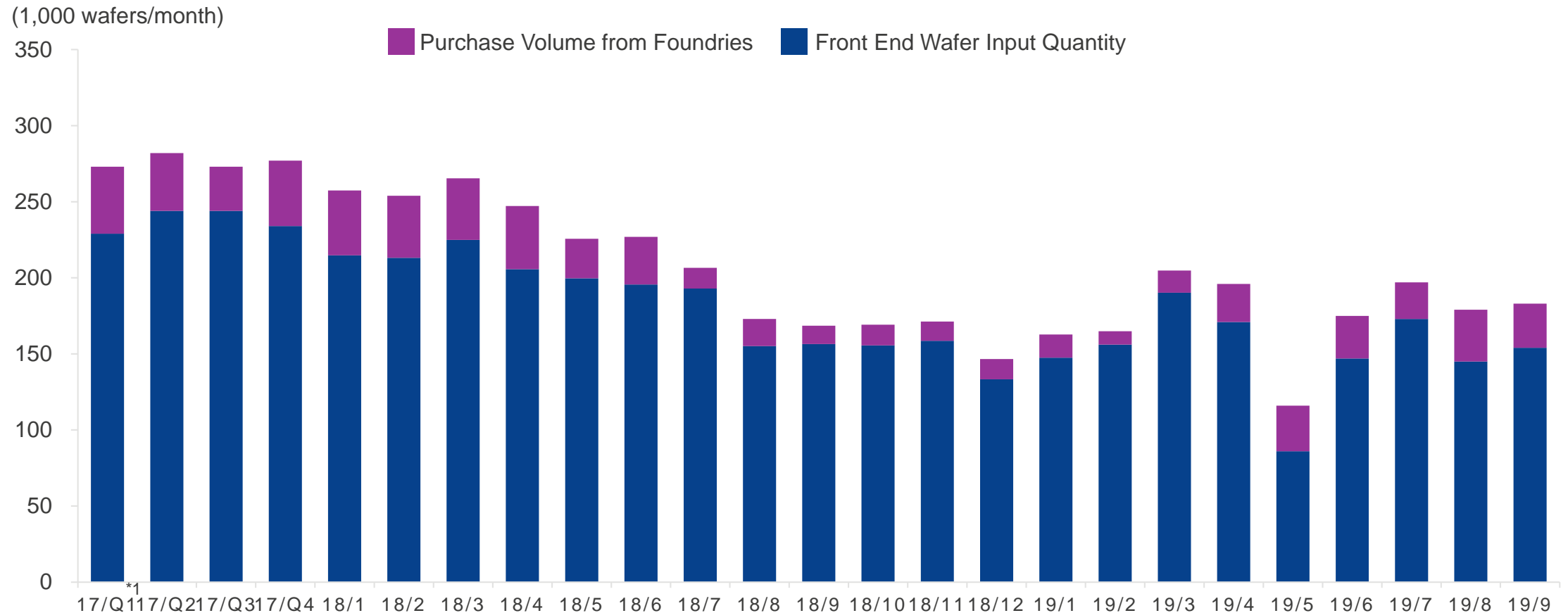


^{*1}: Total inventory of the 16 exclusive sales distributors for Japanese customers and overseas distributors including distributors for former Intersil and IDT.

^{*2}: Figures after consolidation of IDT

MONTHLY CHANGES IN FRONT-END WAFER INPUT QUANTITY AND PURCHASE VOLUME FROM FOUNDRIES

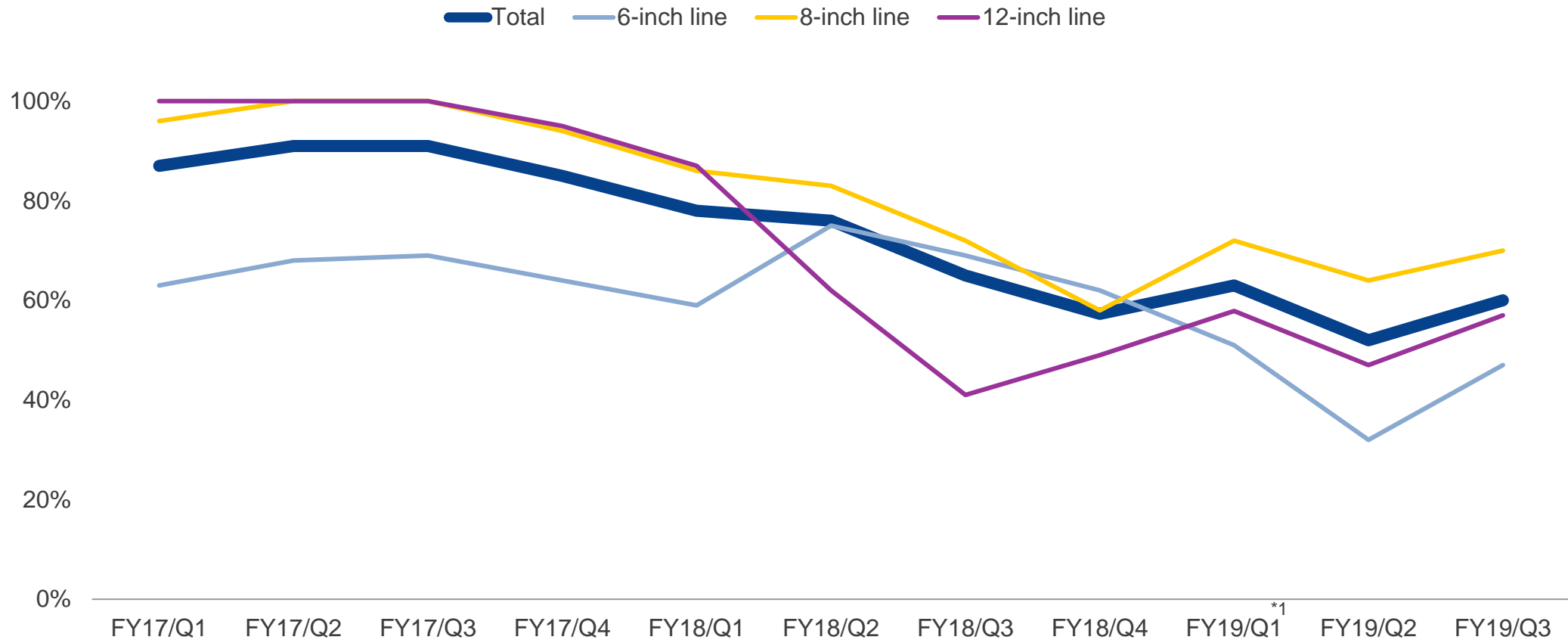
8-INCH EQUIVALENT



*1: FY17 includes average monthly wafer input per quarter as well as purchase volume from foundries.

QUARTERLY TRENDS IN FRONT-END UTILIZATION RATE

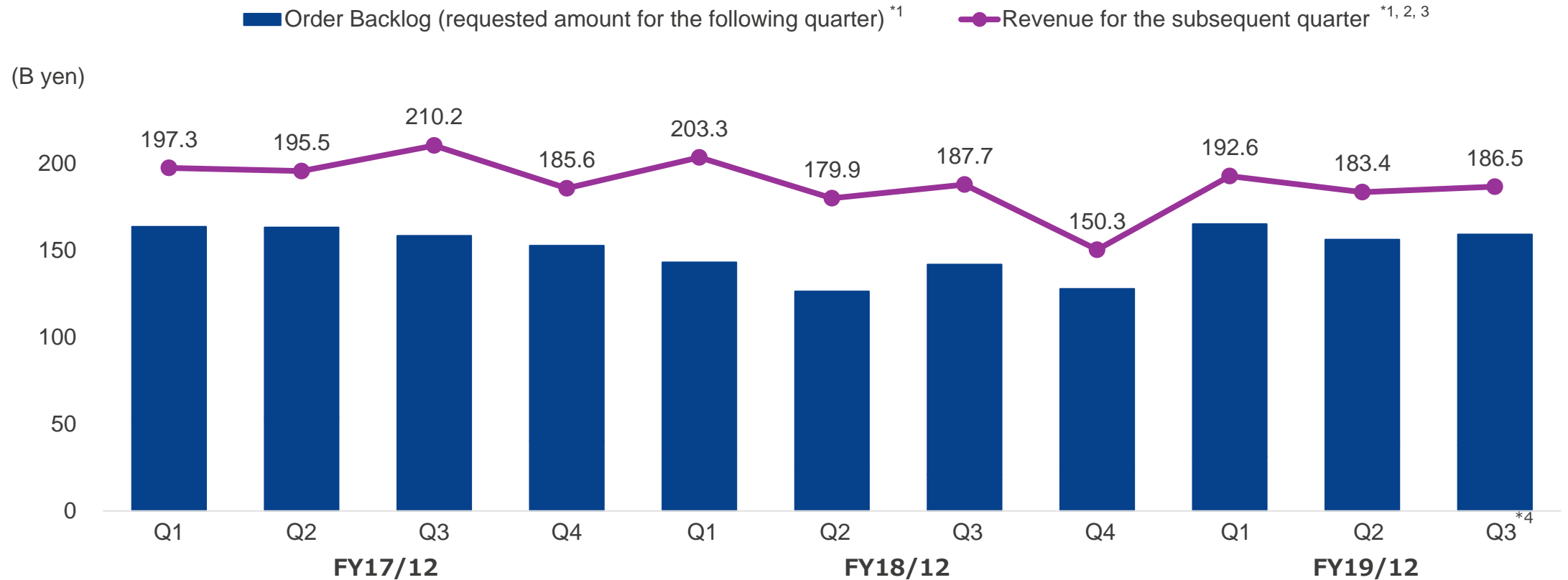
WAFER INPUT BASIS



*1: The utilization rate of the 6-inch line was revised from the FY19/12 Q1 earnings announcement (May 14, 2019).

QUARTER-END ORDER BACKLOG AND SUBSEQUENT QUARTERS' REVENUE

ORDER BACKLOG: AMOUNT OF CUSTOMER ORDERS DUE EVERY SUBSEQUENT QUARTER



^{*1} : Figures based on the actual exchange rate

^{*2} : Figures for FY17/12 are J-GAAP (Non-GAAP) sales for the following quarter.

^{*3} : The following quarters' revenue is listed above each quarters' bar as a line chart.

^{*4} : Revenue for the following quarter of FY19/12 Q3 is the midpoint based on forecasted revenue as a range.

FY19/12 Q4 AND FULL YEAR FORECAST

IFRS, NON-GAAP BASIS^{*1*2}

YoY and QoQ results of the Revenue are rounded off to one decimal place.

(B yen)	FY18/12		FY19/12					
	Q4 (Oct-Dec)	Full year (Jan-Dec)	Q3 (Jul-Sep)	Q4 (Oct-Dec) Forecast	YoY	QoQ	Full year (Jan-Dec) Forecast	YoY
Revenue	187.7	756.5	183.4	182.5 to 190.5	-2.8% to +1.5%	-0.5% to +3.9%	708.7 to 716.7	-6.3% to -5.3%
Gross Margin ^{*3}	40.5%	44.2%	45.0%	45.0%	+4.5pts	-	43.7%	-0.4pt
Operating Margin ^{*3}	10.4%	13.8%	14.7%	14.0%	+3.6pts	-0.7pt	12.3%	-1.5pts
1 US\$=	113 yen	110 yen	108 yen	107 yen	5 yen appreciation	0 yen appreciation	109 yen	1 yen appreciation
1 Euro=	130 yen	131 yen	121 yen	118 yen	12 yen appreciation	3 yen appreciation	122 yen	9 yen appreciation

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*3: Each figure represents comparisons of the midpoint in the sales revenue forecast range

APPENDIX

The figures in this section are mainly based on GAAP (IFRS) stated on a financial reporting basis and are provided as additional information.

SALES REVENUE AND OPERATING PROFIT BY SEGMENT

NON-GAAP BASIS *1

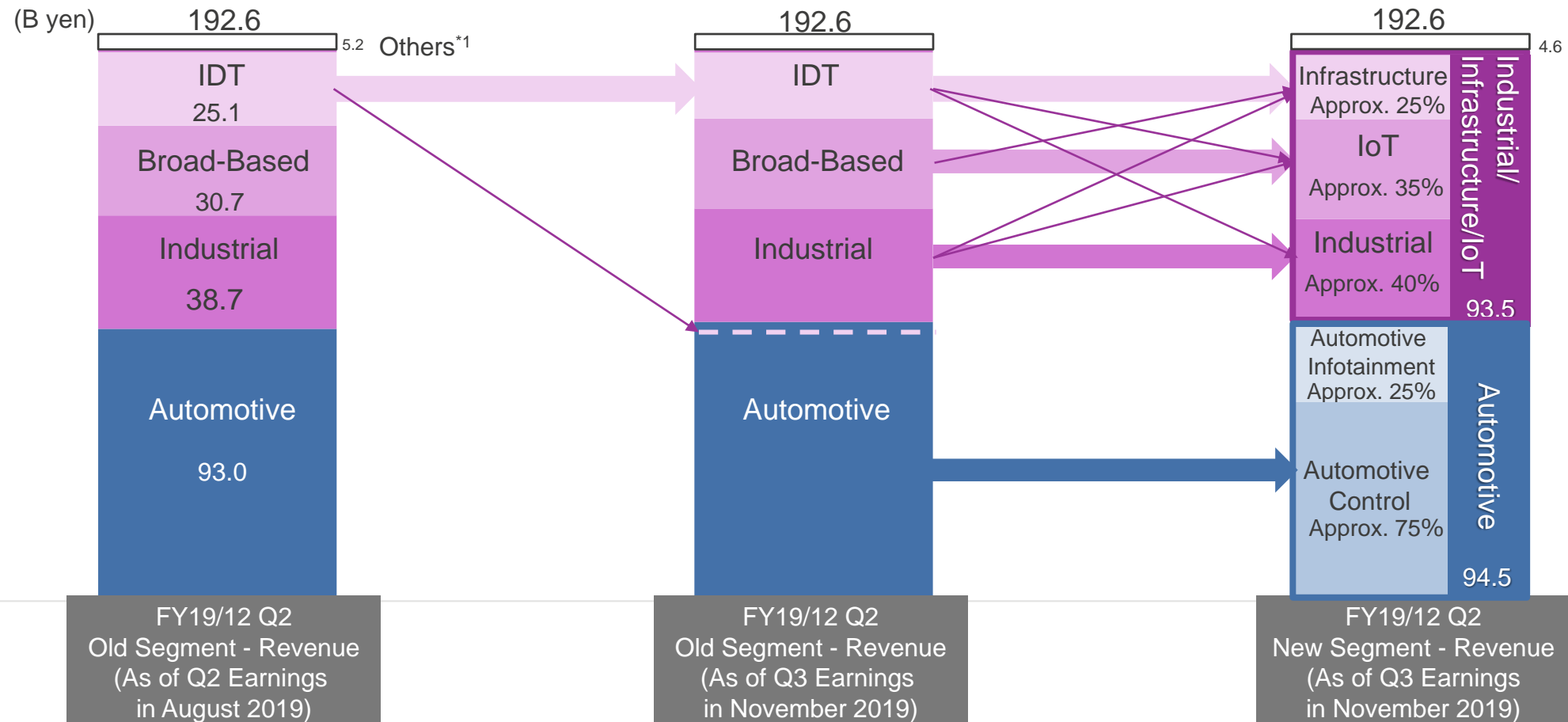
(B yen)		FY18/12					FY19/12						
		Q1 (Jan-Mar)	Q2 (Apr-Jun)	Q3 (Jul-Sep)	9 months (Jan-Sep)	Q4 (Oct-Dec)	Q1 (Jan-Mar)	Q2 (Apr-Jun)	Q3 (Jul-Sep)	YoY	QoQ	9 months (Jan-Sep)	YoY
Revenue		185.6	203.3	179.9	568.8	187.7	150.3	192.6	183.4	+1.9%	-4.8%	526.2	-7.5%
	Automotive	90.4	103.8	93.6	287.7	102.0	82.7	94.5	93.1	-0.5%	-1.5%	270.4	-6.0%
	Industrial, Infrastructure, IoT	90.8	94.3	81.0	266.1	80.5	63.3	93.5	85.9	+6.0%	-8.2%	242.7	-8.8%
	Others	4.4	5.3	5.3	15.0	5.2	4.2	4.6	4.4	-17.2%	-4.7%	13.1	-12.5%
Operating Profit (Margin)		30.1 (16.2%)	33.0 (16.3%)	21.5 (12.0%)	84.6 (14.9%)	19.4 (10.4%)	7.2 (4.8%)	27.4 (14.2%)	26.9 (14.7%)	+5.4 (+2.7pts)	-0.5 (+0.5pt)	61.5 (11.7%)	-23.1 (-3.2pts)
	Automotive	8.2 (9.1%)	11.4 (11.0%)	3.8 (4.1%)	23.4 (8.1%)	-7.3 (-7.1%)	1.0 (1.2%)	6.8 (7.2%)	10.2 (10.9%)	+6.4 (+6.8pts)	+3.4 (+3.7pts)	18.0 (6.7%)	-5.5 (-1.5pts)
	Industrial, Infrastructure, IoT	21.6 (23.8%)	26.3 (27.9%)	16.9 (20.9%)	64.8 (24.4%)	16.2 (20.2%)	5.8 (9.2%)	19.6 (20.9%)	15.9 (18.5%)	-1.1 (-2.4pts)	-3.7 (-2.4pts)	41.2 (17.0%)	-23.6 (-7.4pts)
	Others	0.2 (5.2%)	0.7 (12.3%)	0.1 (2.1%)	1 (6.7%)	0.8 (16.0%)	0.4 (9.1%)	0.5 (11.5%)	0.9 (20.6%)	+0.8 (+18.5pts)	0.4 (+9.1pts)	1.8 (13.7%)	+0.8 (+7.1pts)
	Adjustments*2	-	-5.3	0.6	-4.7	9.7	-	0.5	-	-0.6	-0.5	0.5	+5.2

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*2: Adjustments include deductions or adjustments of non-recurring items or other specified adjustments, allocated in the reportable segments.

RENESAS BREAKDOWN OF REVENUE (1)

BREAKDOWN ADJUSTED FOLLOWING THE START OF SEGMENT DISCLOSURE

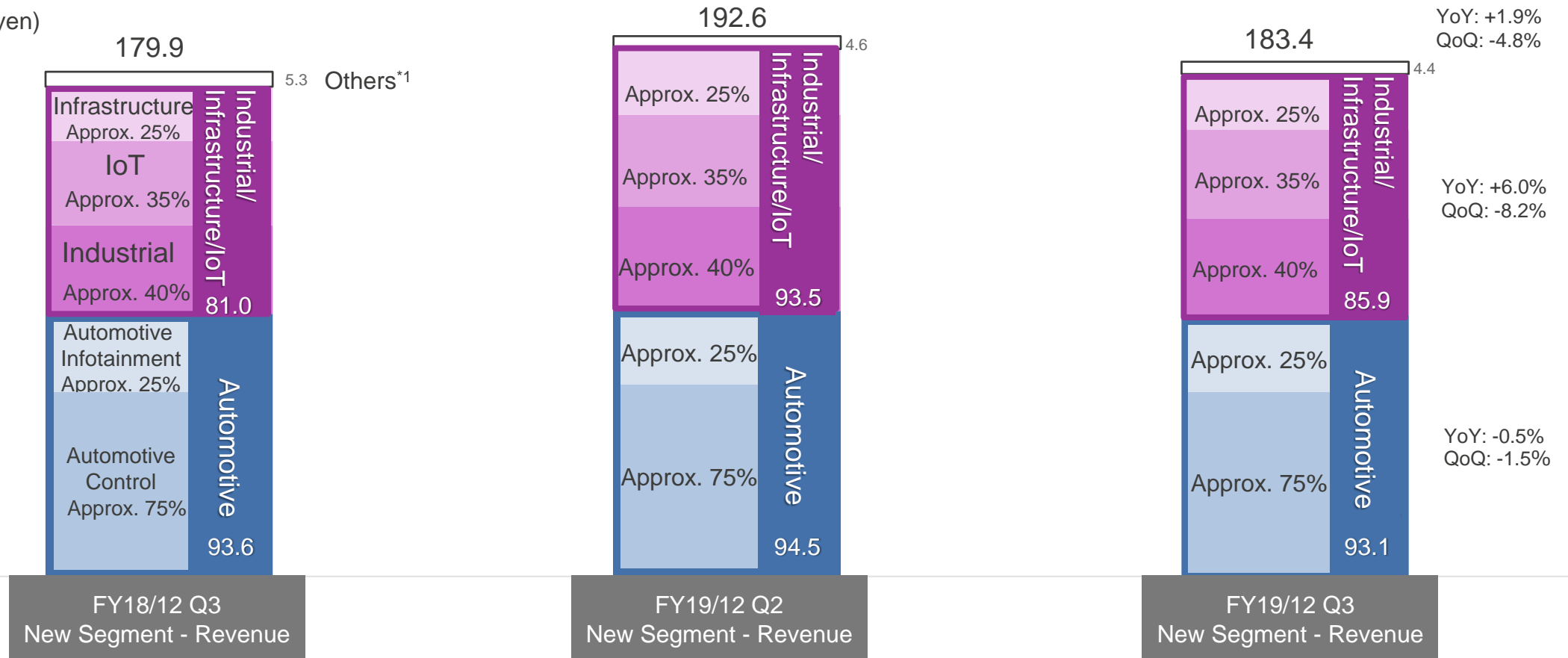


*1: The old segment included "Other Revenue" and "Other Revenue from Semiconductors". 189.0 billion yen was disclosed as "Revenue from Semiconductors", a total sum of "Automotive Revenue", "Industrial Revenue" and "Broad-based Revenue". However, in the new segment, following the organizational restructuring, the segments have been revisited. The "Revenue from Semiconductors" segment was discontinued, and financial figures are disclosed under the new segments of "Automotive Revenue", "Industrial/Infrastructure/IoT Revenue" and "Other Revenue".

RENESAS BREAKDOWN OF REVENUE (2)

YOY AND QOQ COMPARISON UNDER THE NEW SEGMENTS

(B yen)



GAAP (IFRS) / NON-GAAP RECONCILIATION

FY18/12- *1

- Non-GAAP Basis: Non-GAAP figures are calculated by adjusting or removing non-recurring items and other adjustments from GAAP figures following a certain set of rules. The Group believe non-GAAP measures provide useful information in understanding and evaluating the Group's constant business results, and therefore results are provided in non-GAAP base. This adjustment and exclusion include the amortization of intangible assets recognized from acquisitions, other PPA (purchase price allocation) adjustments and costs relating to acquisitions, stock-based compensation, as well as other non-recurring expenses and income the Group believes to be applicable.
- PPA effects include market valuations of inventories and fixed assets, etc. The PPA for the business combinations with IDT, which Renesas acquired on March 30, 2019, has been revised at the end of the third quarter ended September 2019. The revised PPA are reflected in the figures of FY2019/12.

(B yen)	FY18/12				FY19/12		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Revenue (After PPA)	185.6	203.3	179.9	187.7	150.3	192.6	183.4
PPA Effects (Net Sales)	-	-	-	-	-	-	-
Revenue (Non-GAAP)	185.6	203.3	179.9	187.7	150.3	192.6	183.4
Gross Profit (GAAP/After PPA)	86.7	90.8	78.9	75.9	57.2	75.4	81.4
PPA Effects (Depreciation of Fixed Assets: COGS*2)	+0.3	+0.3	+0.3	+0.3	+0.3	+0.6	+0.5
PPA Effects (Amortization of Intangible Assets: COGS)	-	-	-	-	-	-	-
PPA Effects (Market Valuation of Inventories: COGS)	-	-	-	-	-	+11.3	-
PPA Effects (Others: COGS)	-	-	-	-	-	+0.3	-
Stock-Based Compensation (COGS)	+0.1	+0.1	+0.2	+0.2	+0.2	+0.1	+0.2
Other Adjustments*3 (COGS)	+0.9	+0.0	-0.5	-0.5	+1.3	-0.5	-0.4
Other Non-recurring Adjustments*4 (COGS)	-	-	-	-	-	-0.8	+0.6
Gross Profit (Non-GAAP)	88.1	91.3	78.9	76.0	59.0	86.4	82.5
Gross Margin (Non-GAAP) (%)	47.5%	44.9%	43.9%	40.5%	39.3%	44.8%	45.0%

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*2: Cost of goods sold *3: Adjustments to equalize period expenses such as taxes *4: Include non-recurring profit or losses above a certain amount

GAAP (IFRS) / NON-GAAP^{*1} RECONCILIATION

FY18/12- ^{*2}

(B yen)	FY18/12				FY19/12		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Operating Profit (GAAP/After PPA)	23.4	32.8	13.1	-1.1	-1.3	-10.9	7.9
Reconciliations in Gross Profit Level	+1.4	+0.5	-0.0	+0.0	+1.9	+11.0	+1.0
PPA Effects ^{*3} (Amortization of Intangible Assets: SG&A ^{*4})	+4.1	+3.7	+3.8	+3.9	+3.8	+14.2	+13.8
PPA Effects (Depreciation of Fixed Assets: R&D ^{*5})	+0.1	+0.1	+0.1	+0.1	+0.1	+0.1	+0.1
PPA Effects (Depreciation of Fixed Assets: SG&A)	+0.0	+0.0	+0.0	+0.0	+0.0	+0.0	+0.0
PPA Effects (Others: SG&A, Others)	-	-	-	-	-	+0.1	-
Stock-Based Compensation (R&D)	+0.3	+0.5	+0.5	+0.5	+0.4	+1.2	+1.7
Stock-Based Compensation (SG&A)	+0.8	+0.8	+0.7	+0.7	+1.0	+1.5	+1.7
Other Adjustments ^{*6} (R&D)	+0.1	-0.0	-0.0	-0.0	+0.1	-0.0	-0.0
Other Adjustments (SG&A)	-0.7	-1.0	-0.9	+2.6	-0.7	-0.9	-0.2
Other Non-Recurring Adjustments ^{*7} (R&D)	-	-	-	-	-	-0.8	+0.0
Other Non-Recurring Adjustments (SG&A, Others)	+0.7	-4.4	+4.3	+12.7	+2.0	+11.9	+0.9
Operating Profit (Non-GAAP)	30.1	33.0	21.5	19.4	7.2	27.4	26.9
Operating Margin (Non-GAAP) (%)	16.2%	16.3%	12.0%	10.4%	4.8%	14.2%	14.7%

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*3: PPA effects include market valuations of inventories and fixed assets. The PPA for the business combinations with IDT, which Renesas acquired on March 30, 2019, has been revised at the end of the third quarter ended September 2019. The revised PPA are reflected in the figures of FY2019/12.

*4: Selling, general and administrative expenses *5: Research & development expenses *6: Include adjustments to equalize period expenses such as taxes

*7: Include non-recurring profit or losses above a certain amount such as acquisition related costs and costs related to offering

GAAP (IFRS) / NON-GAAP^{*1} RECONCILIATION

FY18/12- ^{*2}

(B yen)	FY18/12				FY19/12		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Net Profit (GAAP/After PPA)	18.6	31.6	11.8	-10.9	-1.8	-9.3	3.8
Reconciliations in Operating Profit Level	+6.7	+0.3	+8.4	+20.5	+8.5	+38.3	+19.0
PPA Effects ^{*3} (Tax Impacts from PPA Effects)	-	-	-	-	-	-0.9	-0.3
Reconciliations in Net Profit (Tax Impacts from Non-GAAP Adjustments)	-0.1	-0.6	-0.4	-2.4	-	-2.3	-
Net Profit (Non-GAAP)	25.2	31.2	19.8	7.2	6.6	25.8	22.5
Non-GAAP EPS^{*4}	15.1	18.7	11.9	4.3	4.0	15.2	13.2

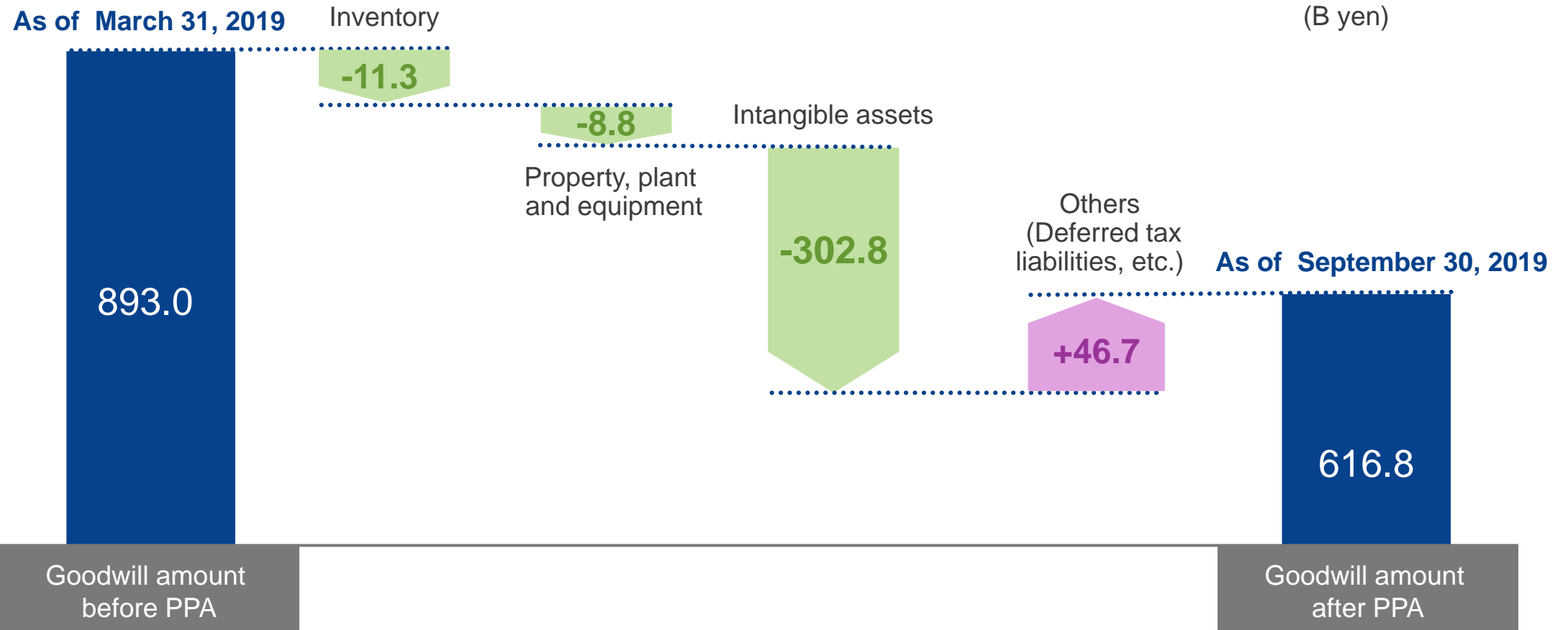
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*2: As of the first quarter ended March 31, 2019, there has been a change in the Group's auditor, and therefore quarterly figures of the year ended December 31, 2018, provided under IFRS are not reviewed by the previous auditor. However, for each of the quarterly figures of the year ended December 31, 2018 provided under the generally accepted accounting principal in Japan (J-GAAP) have been reviewed by the Group's previous auditor.

*3: PPA effects include market valuations of inventories and fixed assets. The PPA for the business combinations with IDT, which Renesas acquired on March 30, 2019, has been revised at the end of the third quarter ended September 2019. The revised PPA are reflected in the figures of FY2019/12.

*4: Earnings per share

PPA (PURCHASE PRICE ALLOCATION) EFFECTS*1 *2 ON THE BALANCE SHEET FROM THE ACQUISITION OF IDT



*1: PPA effects include market valuations of inventories and fixed assets. The PPA for the business combinations with IDT, which Renesas acquired on March 30, 2019, has been revised at the end of the third quarter ended September 2019. The revised PPA are reflected in the figures of FY2019/12.

*2: Above figures are currently under evaluation and are subject to change.

PPA (PURCHASE PRICE ALLOCATION) EFFECTS*1 ON THE PROFIT/LOSS STATEMENT FROM THE ACQUISITION OF IDT GAAP (IFRS)

(B yen)	FY19/12			
	Q1	Q2	Q3	Q3 Cumulative
Revenue (Before PPA)	150.3	192.6	183.4	526.2
PPA Effects (Sales Revenue)	-	-	-	-
Revenue (After PPA)	150.3	192.6	183.4	526.2
Gross Profit (GAAP/Before PPA)	57.2	87.3	81.6	226.1
PPA Effects (Sales Revenue + COGS*2)	-	-11.9	-0.2	-12.1
Gross Profit (GAAP/After PPA)	57.2	75.4	81.4	214.0
Gross Margin (GAAP/ After PPA) (%)	38.1%	39.1%	44.4%	40.7%
Operating Profit (GAAP/Before PPA)	-1.3	11.6	18.3	28.7
PPA Effects (Sales Revenue + COGS)	-	-11.9	-0.2	-12.1
PPA Effects (SG & A*2)	-	-10.4	-10.1	-20.5
Increase in amortization of intangible assets	-	-10.4	-10.1	-20.5
PPA Effects (R&D)	-	-0	-0	-0.1
Increase in depreciation of fixed assets, etc.	-	-0	-0	-0.1
PPA Effects (SG & A, Others)	-	-0.1	-0	-0.2
Increase in depreciation of fixed assets, etc.	-	-0.1	-0	-0.2
Operating Profit (GAAP/After PPA)	-1.3	-10.9	7.9	-4.2
Operating Margin (GAAP/After PPA) (%)	-0.8%	-5.7%	4.3%	-0.8%

*1: PPA effects include market valuations of inventories and fixed assets. The PPA for the business combinations with IDT, which Renesas acquired on March 30, 2019, has been revised at the end of the third quarter ended September 2019. The revised PPA are reflected in the figures of FY2019/12.

*2: Cost of goods sold *3: Selling, general and administrative expenses

FY19/12 Q3 FINANCIAL SNAPSHOT

GAAP (IFRS) ^{*1*2}

YoY and QoQ results of the Revenue are rounded off to one decimal place.

(B yen)	FY18/12		FY19/12					
	Q3 (Jul-Sep)	9 months (Jan-Sep)	Q2 (Apr-Jun)	Q3 (Jul-Sep) Actual	YoY	QoQ	9 months (Jan-Sep) Actual	YoY
Revenue	179.9	568.8	192.6	183.4	+1.9%	-4.8%	526.2	-7.5%
Gross Margin	43.9%	45.1%	39.1%	44.4%	+0.5pt	+5.3pts	40.7%	-4.4pts
Operating Profit/Loss (Margin)	13.1 (7.3%)	69.3 (12.2%)	-10.9 (-5.7%)	7.9 (4.3%)	-5.2 (-3.0pts)	+18.8 (+10.0pts)	-4.2 (-0.8%)	-73.5 (-13.0pts)
Net Profit/Loss	11.8	62.0	-9.3	3.8	-8.0	+13.1	-7.4	-69.4
EBITDA ^{*3}	41.3	153.8	29.8	47.2	+5.9	+17.4	105.1	-48.8
1 US\$=	111 yen	110 yen	111 yen	108 yen	3 yen appreciation	3 yen appreciation	110 yen	-
1 Euro=	129 yen	131 yen	125 yen	121 yen	8 yen appreciation	4yen appreciation	124 yen	8 yen appreciation

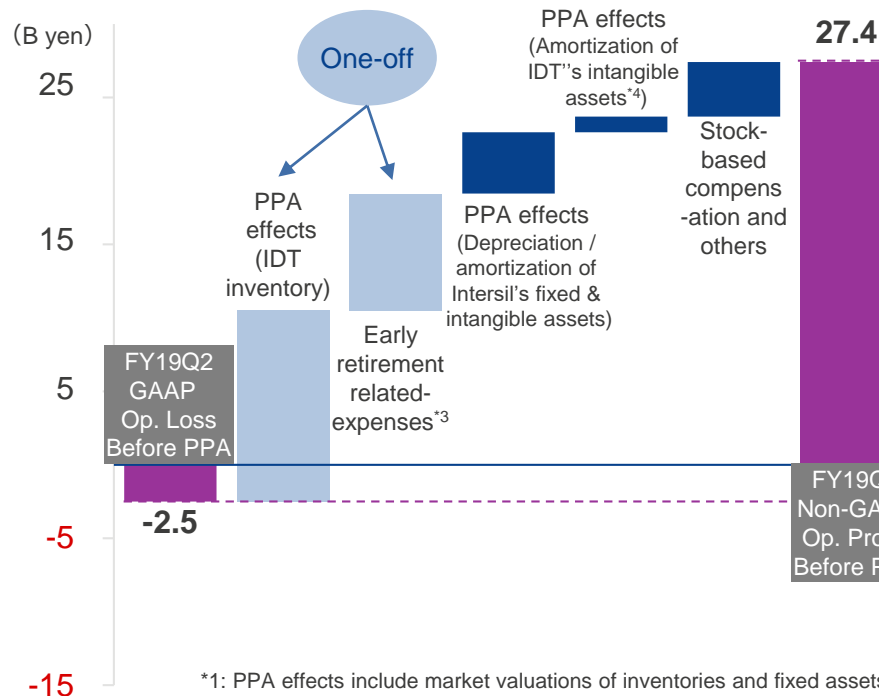
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*2: The allocation of the acquisition costs (PPA) for the business combinations with IDT, which Renesas acquired on March 30, 2019, has been revised at the end of the third quarter ended September 2019. The revised PPA are reflected in the figures of FY2019/12.

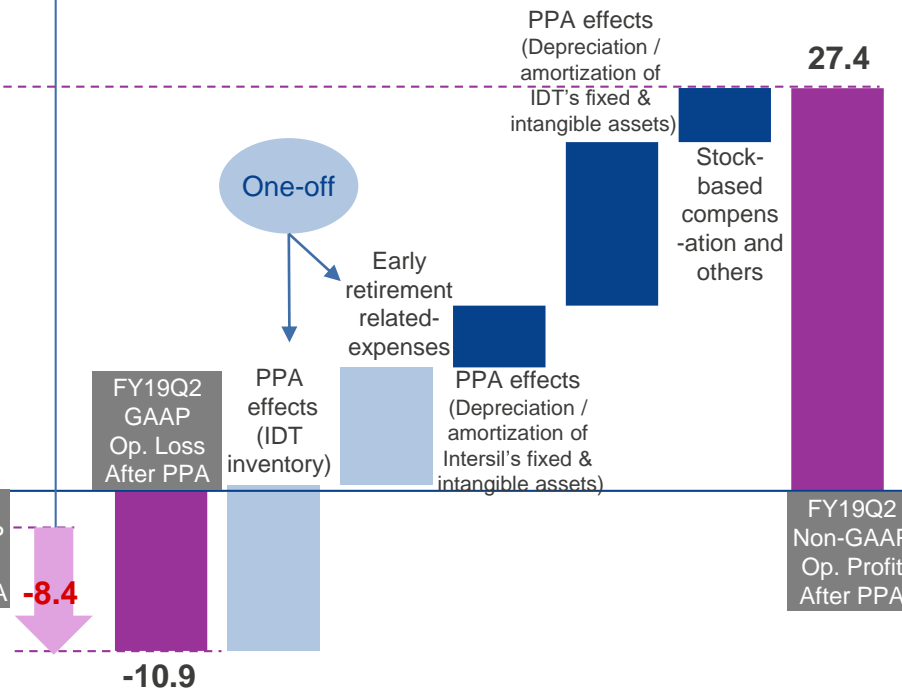
*3: Operating profit + Depreciation and amortization

FY2019/12 Q2 AND Q3 OPERATING PROFIT/LOSS

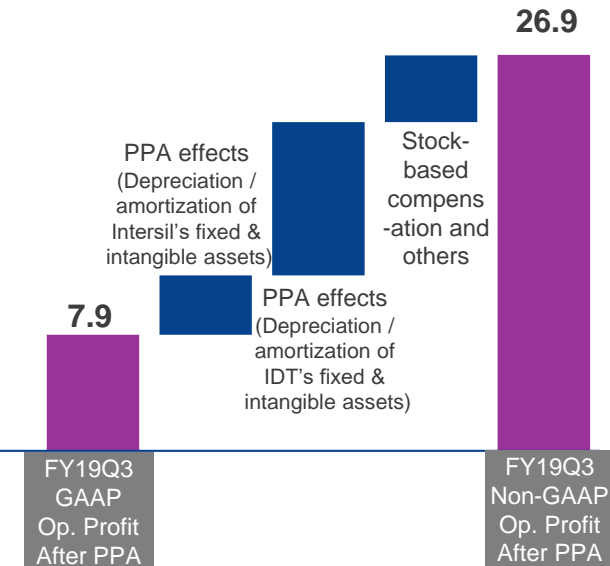
Q2 Operating Profit/Loss Before PPA*1 (GAAP → Non-GAAP*2)



Q2 Operating Profit/Loss After PPA (GAAP → Non-GAAP)



Q3 Operating Profit/Loss After PPA (GAAP → Non-GAAP)



*1: PPA effects include market valuations of inventories and fixed assets. The PPA for the business combinations with IDT, which Renesas acquired on March 30, 2019, has been revised at the end of the third quarter ended September 2019. The revised PPA are reflected in the figures of FY2019/12.

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*3: Early retirement related expenses refers to the net sum of early retirement and reversal of bonus provision and paid leave provision related to early retirement.

*4: The figure shows amortization of intangible assets acquired by IDT before Renesas completed the acquisition of IDT.

BALANCE SHEETS

IFRS^{*1*2}

(B yen)	As of Mar 31, 2018	As of Jun 30, 2018	As of Sep 30, 2018	As of Dec 31, 2018	As of Mar 31, 2019 ^{*8}	As of Jun 30, 2019 ^{*8}	As of Sep 30, 2019 ^{*8}
Total Assets	1,085.7	1,119.7	1,125.3	1,055.2	1,876.7	1,697.7	1,666.0
Cash and Cash Equivalents ^{*3}	124.3	160.3	184.5	188.8	196.7	116.5	124.3
Inventories	136.7	135.5	138.6	115.4	128.1 ^{*9} (Prior to consolidation of IDT: 109.3)	99.4	94.2
Goodwill	179.2	186.5	191.6	187.2	634.3	616.1	616.8
Intangible Assets	185.9	183.4	178.0	166.5	478.0	445.8	427.7
Total Liabilities	515.7	504.0	488.5	454.3	1238.7	1106.7	1,069.4
Interest-Bearing Debt ^{*4}	229.5	233.9	231.2	195.0	965.3	852.7	828.8
Total Equity	570.0	615.7	636.8	601.0	638.0	591.1	596.6
D/E Ratio (Gross)^{*5}	0.40	0.38	0.36	0.33	1.52	1.45	1.40
D/E Ratio (Net)^{*6}	0.18	0.11	0.07	0.01	1.21	1.25	1.19
Equity Ratio^{*7}	52.2%	54.7%	56.3%	56.7%	33.8%	34.7%	35.6%

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*3: Sum of Cash and deposits and Short-term investment securities minus Time deposits with maturities of more than three months and securities with maturities of more than three months

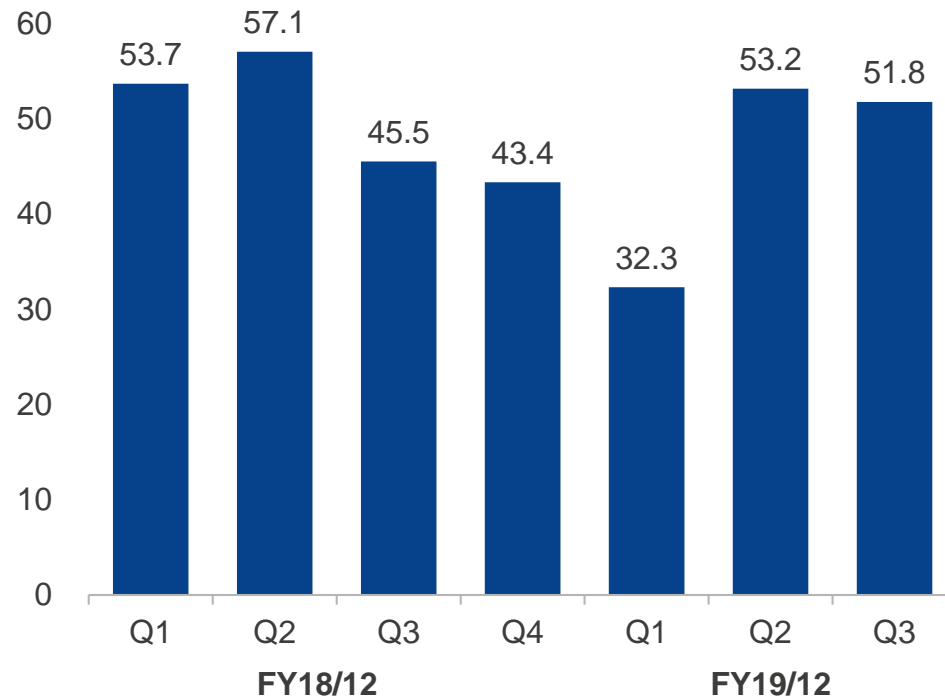
*4: Borrowings (current and non-current liabilities) + Lease Obligations (current and non-current liabilities) + Corporate bonds *5: Interest-Bearing Debt / Equity *6: (Interest-Bearing Debt - Cash and Cash Equivalents) / Equity

*7: Total equity attributable to the parent / Total liabilities and equity *8: Figures after consolidation of IDT

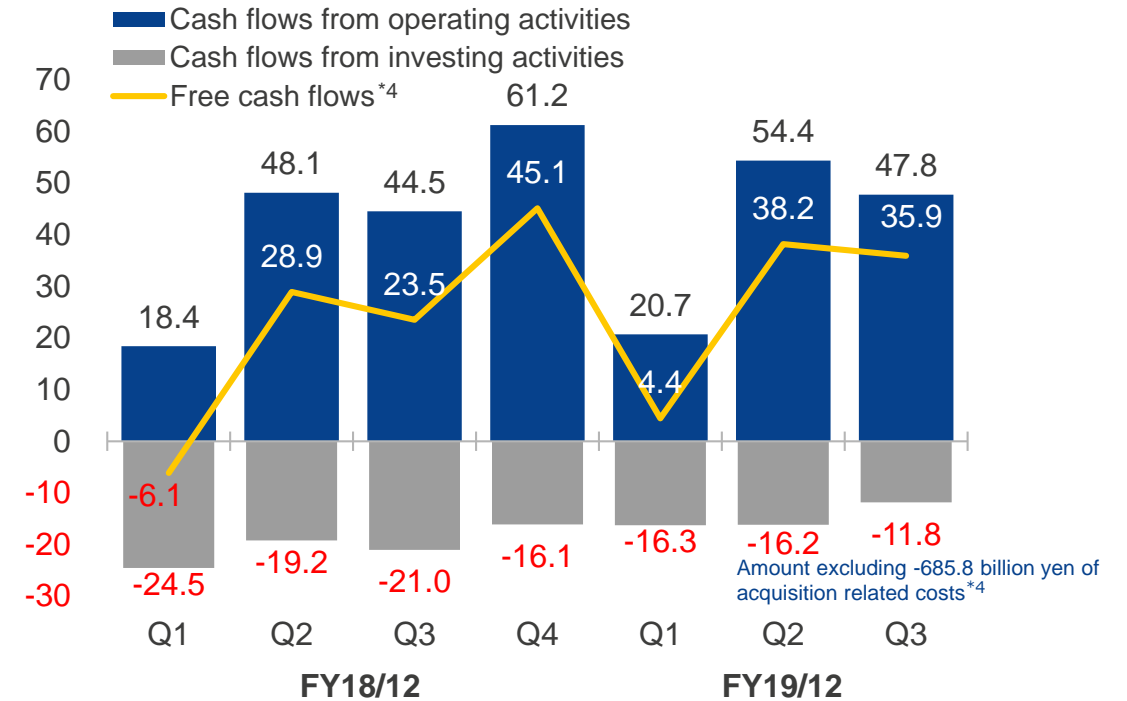
*9: The Group's inventories prior to the consolidation of IDT of 109.3 billion yen+ IDT's inventory of 7.5 billion yen + PPA effects (fair price evaluation of IDT inventory) of 11.3 billion yen

NON-GAAP*¹ EBITDA*² AND IFRS*³ CASH FLOWS

Non-GAAP EBITDA (B yen)



IFRS Cash Flows (B yen)



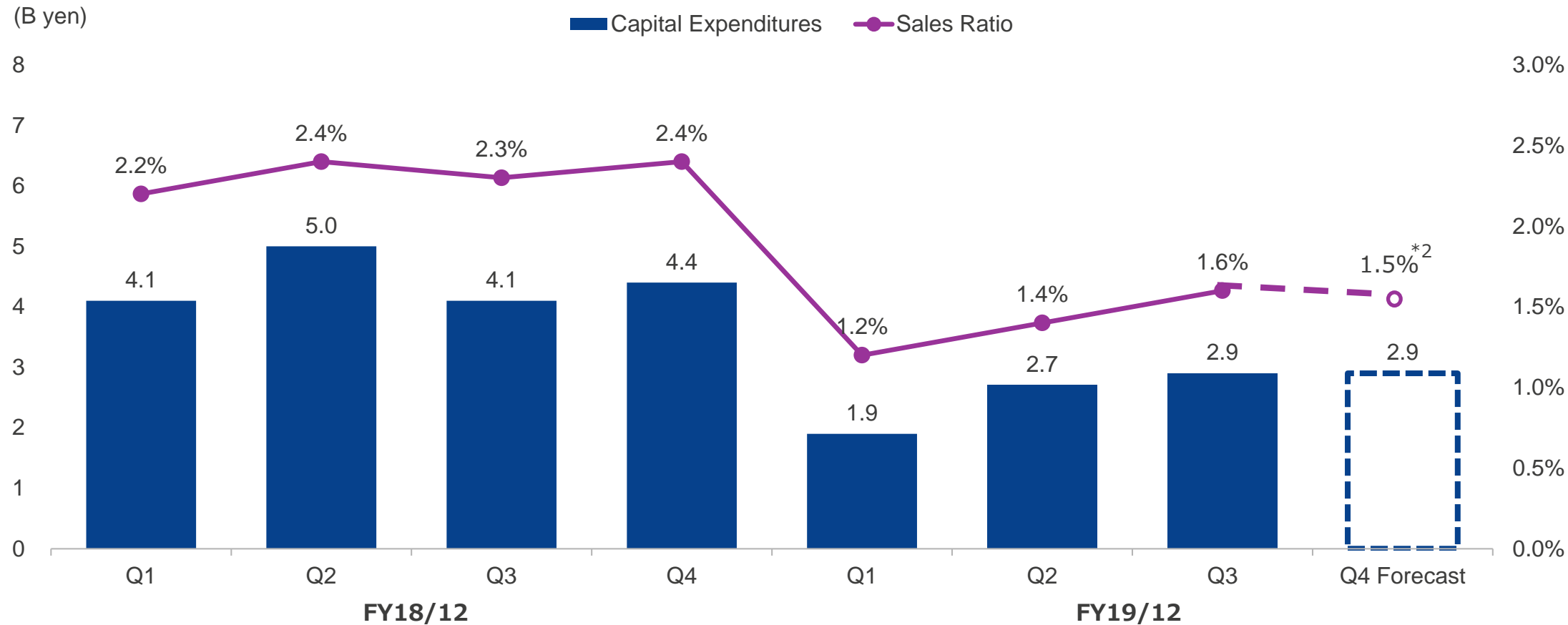
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*4: Cash flows from operating activities + Cash flows from investing activities *5 Acquisition-related payments of IDT

CAPITAL EXPENDITURES ^{*1}



*1: The figures are investment decision basis of tangible and intangible fixed assets and does not match the sum listed in the cash flow statement.

*2: Sales ratio represents a comparison of the midpoint in the sales revenue forecast range

MAJOR ANNOUNCEMENTS SINCE JULY 2019

Corporate

- Administrative units were dissolved and returned to their individual division-level structures and operations as of August 1, 2019. In addition, Shuhei Shinkai was appointed CFO, with Jason Hall as CLO, and Shinichi Yoshioka as CTO.
- Expanded access to Renesas IP licenses of leading-edge processes and standards such as 7nm TCAM, Ethernet TSN in addition to CPU core

Automotive

- Nissan Motor Co., Ltd. announced the adoption of Renesas' R-Car and RH850 automotive control MCU for the ProPILOT 2.0 system featured in the new Nissan Skyline
- Renesas and StradVision announced a collaboration on smart camera development for next-generation ADAS
- Introduced the Proactive Partner Program as a new program for Renesas' R-Car Consortium that holds 250+ member companies, to facilitate development of mobility systems with strategic partners
- Joined the Autonomous Vehicle Computing Consortium for deploying autonomous driving at scale

Industrial, Infrastructure, IoT

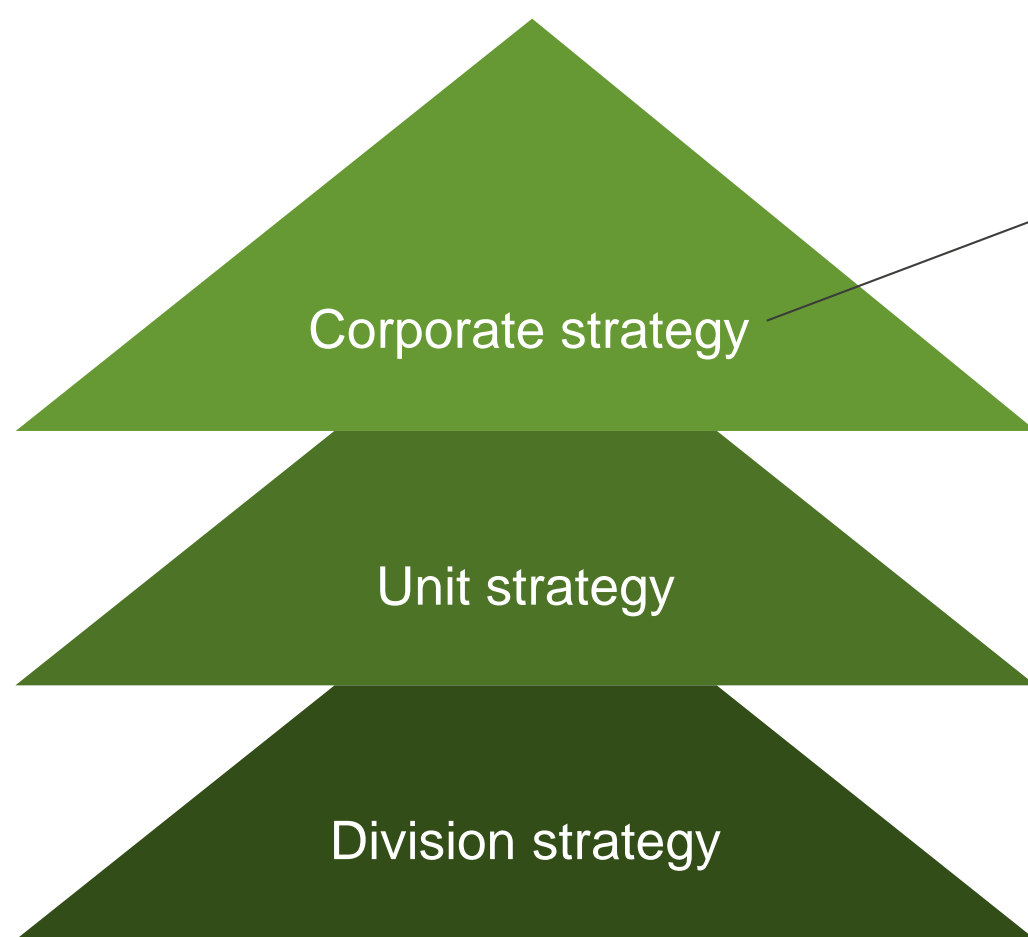
- Launched the RX72M solution, supporting major protocols that significantly reduces development time for slave equipment in industrial network
- Unveiled the new 32-bit Arm Cortex-M MCU RA Family for next generation IoT applications
- RX and RA MCUs to support Microsoft Azure RTOS to simplify device-to-cloud experience
- Premiered RE Family for extreme low-power SOTB process-based energy harvesting embedded controller portfolio and released its evaluation kit
- Renesas and Altair, a leading provider of cellular IoT chipsets, to collaborate on cellular IoT solution development



STRATEGY UPDATE PROGRESS

RENESAS ELECTRONICS CORPORATION
NOVEMBER 7, 2019

STRATEGY TREE



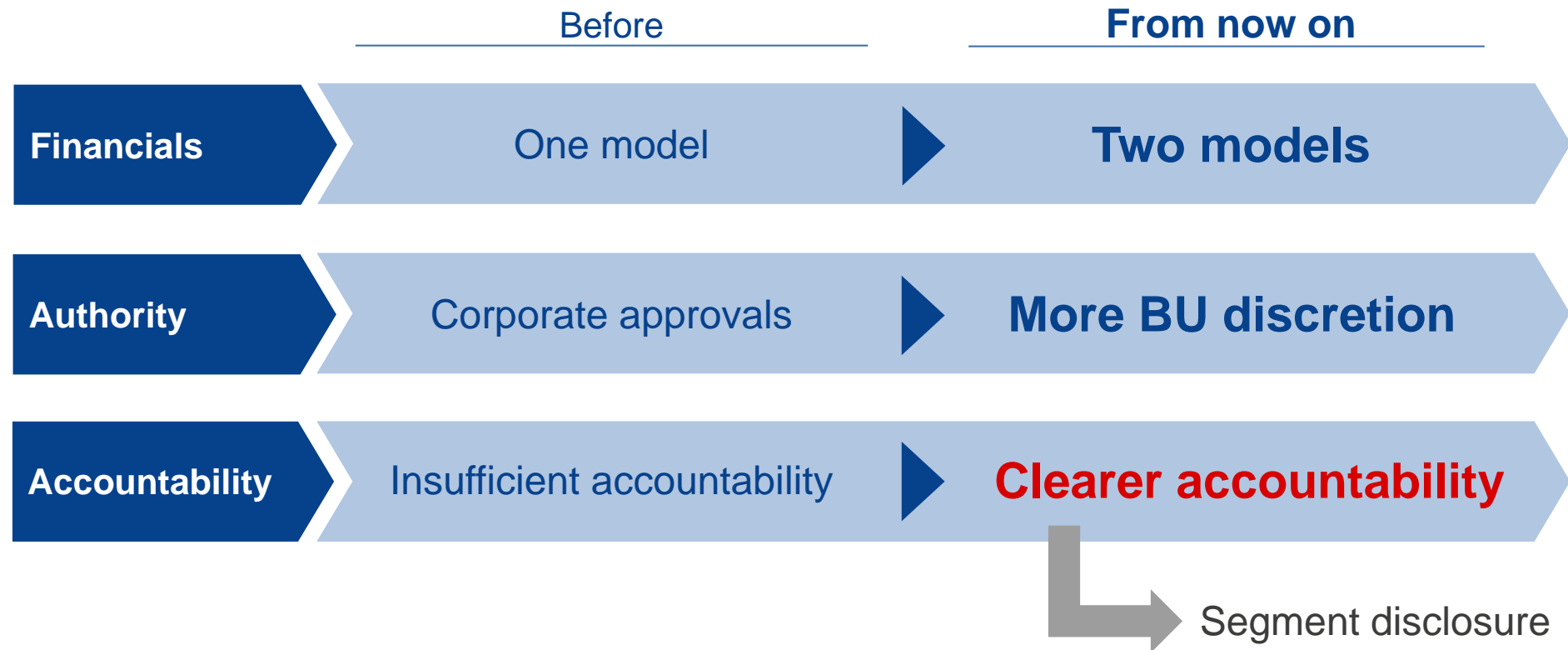
- **Balanced growth through diversification**
- **Diversification:**
 - Product
 - Market
 - People
- **Common thread:**
 - Reliability
 - Stickiness
 - Constant innovation

CORPORATE STRATEGY MATRIX

				Organic	Inorganic
	Automotive	Industrial	Infrastructure	IoT	
MCUs		Intensive R&D		Inorganic + Organic Approaches	
SoCs		Intensive R&D			
Analog & Mixed Signal	Strategic Investments including Further Acquisitions				
				Intersil: Acquired for \$ 3.2B in Feb 2017 IDT: Acquired for \$ 6.3B in March 2019	
Power Discretes	Selective Investments				

Intersil: Acquired for \$ 3.2B in Feb 2017
 IDT: Acquired for \$ 6.3B in March 2019

BUSINESS UNIT AS PROFIT CENTER



BUSINESS UNIT STRATEGY

Automotive Solution Business Unit

Enabling advancement / innovation of mobility

Examples of deep-dive explorations include:

- Radar
- Lidar
- V2X
- Power discrete
- BMS

And more...

IoT and Infrastructure Business Unit

Enabling data-centric economy

Examples of deep-dive explorations include:

- NB-IoT
- RA MCU Family
- Microsoft Azure – IoT partnership
- MRAM
- Industrial automation, SOTB and DRP

And more...

DEEPER

- Sell more technologies to existing customers (solutions and cross selling)

&

BROADER

- Sell to new customers
- Seed new technology to leading and influential customers

V2X: Vehicle-to-Everything, BMS: Battery Management System, NB-IoT: Narrow Band IoT, SOTB: Silicon on Thin Buried Oxide, DRP: Dynamically Reconfigurable Processor

IDT INTEGRATION SYNERGY UPDATE

- ✓ **Integration initiatives progressing on track**

Combined business operations started July 2019, followed by fully consolidated organization to be effective January 2020 (IDT Inc. merges with Renesas America)

- ✓ **Cost savings reaching above target**

Q3 FY19 resulted in +3.6%, Q4 FY19 expected to reach +10.6% above the announced target (e.g. streamlined org, opex reductions, license consolidation, etc.)

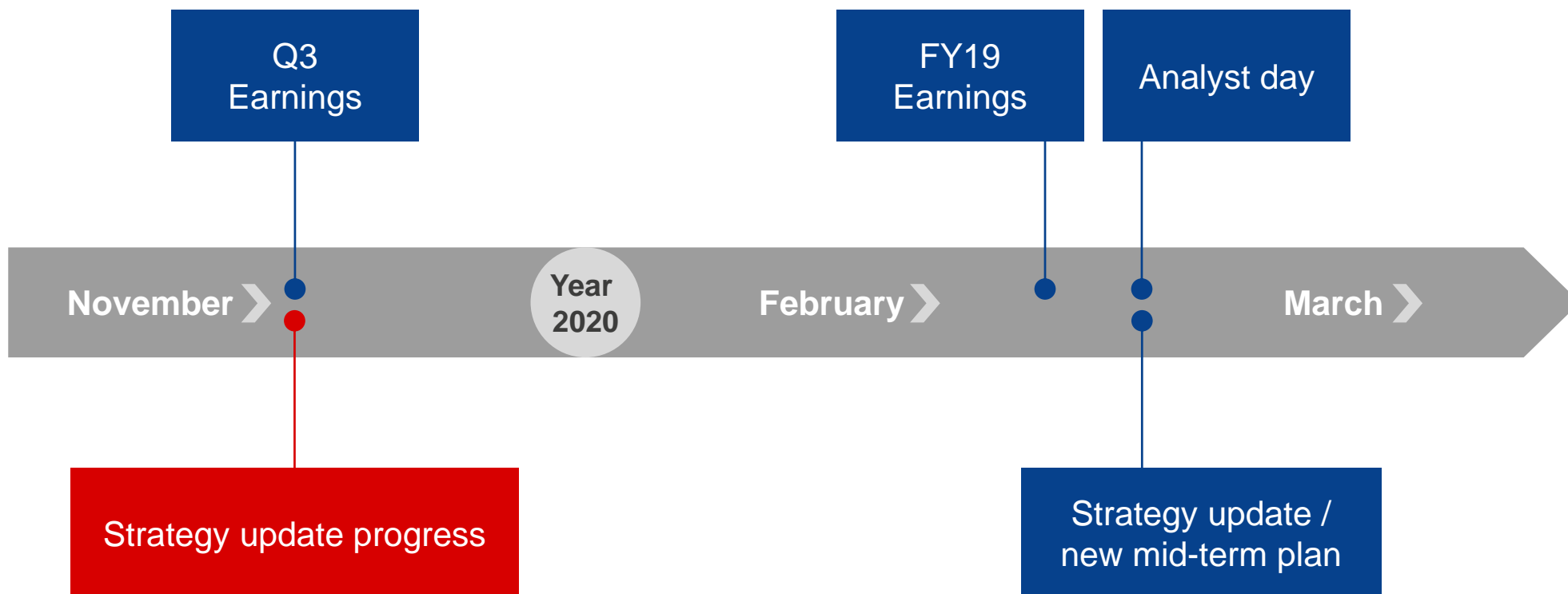
- ✓ **Released 77 Winning Combinations (system solutions) to date**

\$25m designed-in, \$240m 5-year LTV, and 410+ opportunities identified worldwide.
Total of 100 Winning Combinations to be market available by year-end

- ✓ **Other synergy activities including cross sell, new customer acquisition and joint development also on track**



TIMELINE



Renesas.com

(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. Such forward-looking statements do not represent any guarantee by management of future performance. In many cases, but not all, we use such words as “aim,” “anticipate,” “believe,” “continue,” “endeavor,” “estimate,” “expect,” “initiative,” “intend,” “may,” “plan,” “potential,” “probability,” “project,” “risk,” “seek,” “should,” “strive,” “target,” “will” and similar expressions to identify forward-looking statements. You can also identify forward-looking statements by discussions of strategy, plans or intentions. These statements discuss future expectations, identify strategies, contain projections of our results of operations or financial condition, or state other forward-looking information based on our current expectations, assumptions, estimates and projections about our business and industry, our future business strategies and the environment in which we will operate in the future. Known and unknown risks, uncertainties and other factors could cause our actual results, performance or achievements to differ materially from those contained or implied in any forward-looking statement, including, but 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.

This presentation is based on the economic, regulatory, market and other conditions as in effect on the date hereof. It should be understood that subsequent developments may affect the information contained in this presentation, which neither we nor our advisors or representatives are under an obligation to update, revise or affirm.