FINANCE

JUNE 26, 2025
SHUHEI SHINKAI
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

RENESAS

Non-GAAP

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%**
R&D[*1] (% of revenue)	≈16%	19%
SG&A[*2] (% of revenue)	≈8%	9%
Operating margin	30%	**27%**

Inventory management

Fab-lite

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

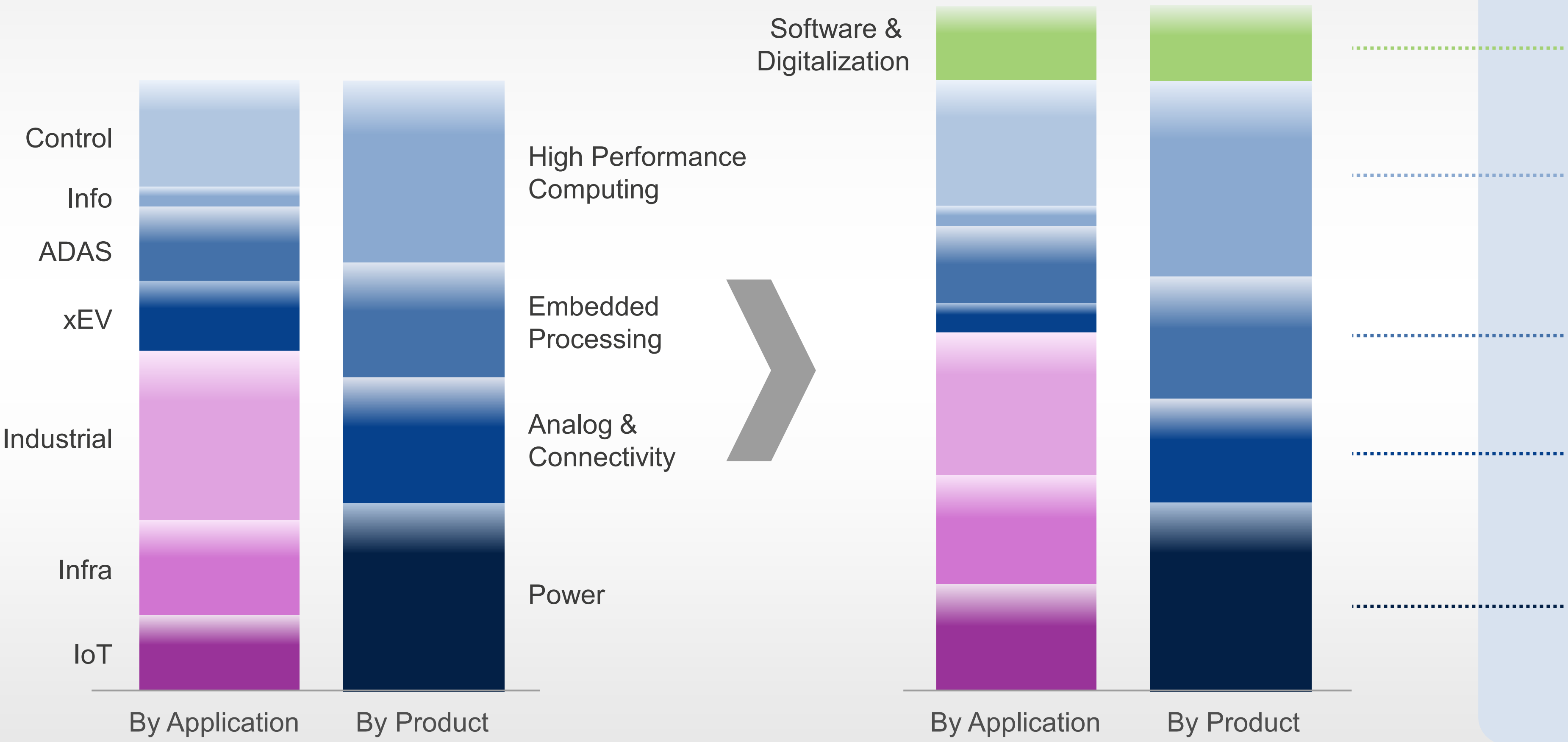
*1: FX $1 = 100yen, €1 = 120yen. Excluding 6” fab shutdown & structural reform-related EOLs. Excluding NREs. *2: including Altium

RENESAS

LONG-TERM TARGETED PORTFOLIO

Previous
(2024 Capital Market Day)

Latest
(2025 Capital Market Day)



Strategic focus

Synergistic revenue
Bolt-on

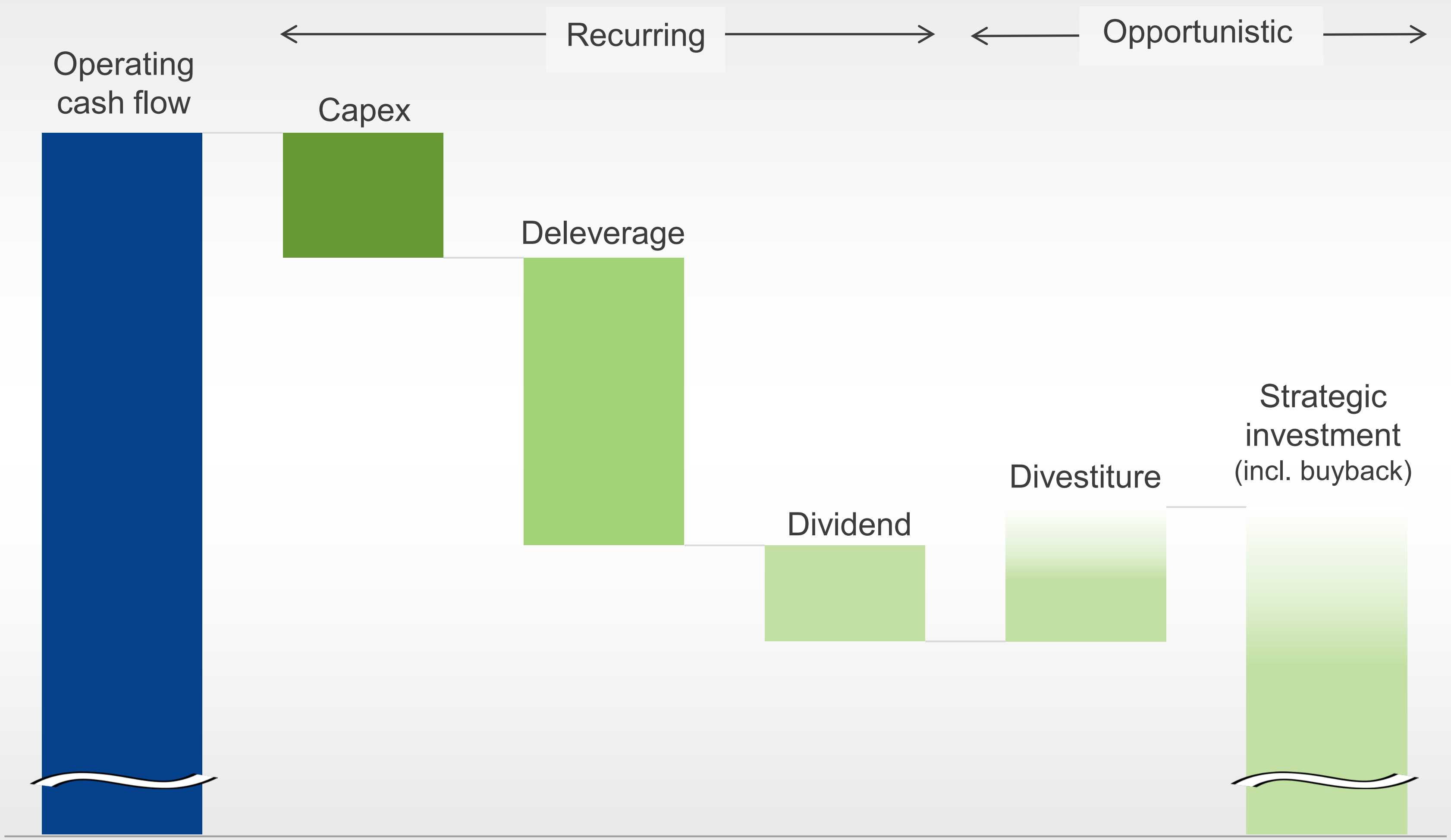
28nm MCU and R-Car

Regain market share
by Renesas 365

Vertical and attach

Digital power and
MOSFET / GaN

MID-TERM CAPITAL ALLOCATION POLICY

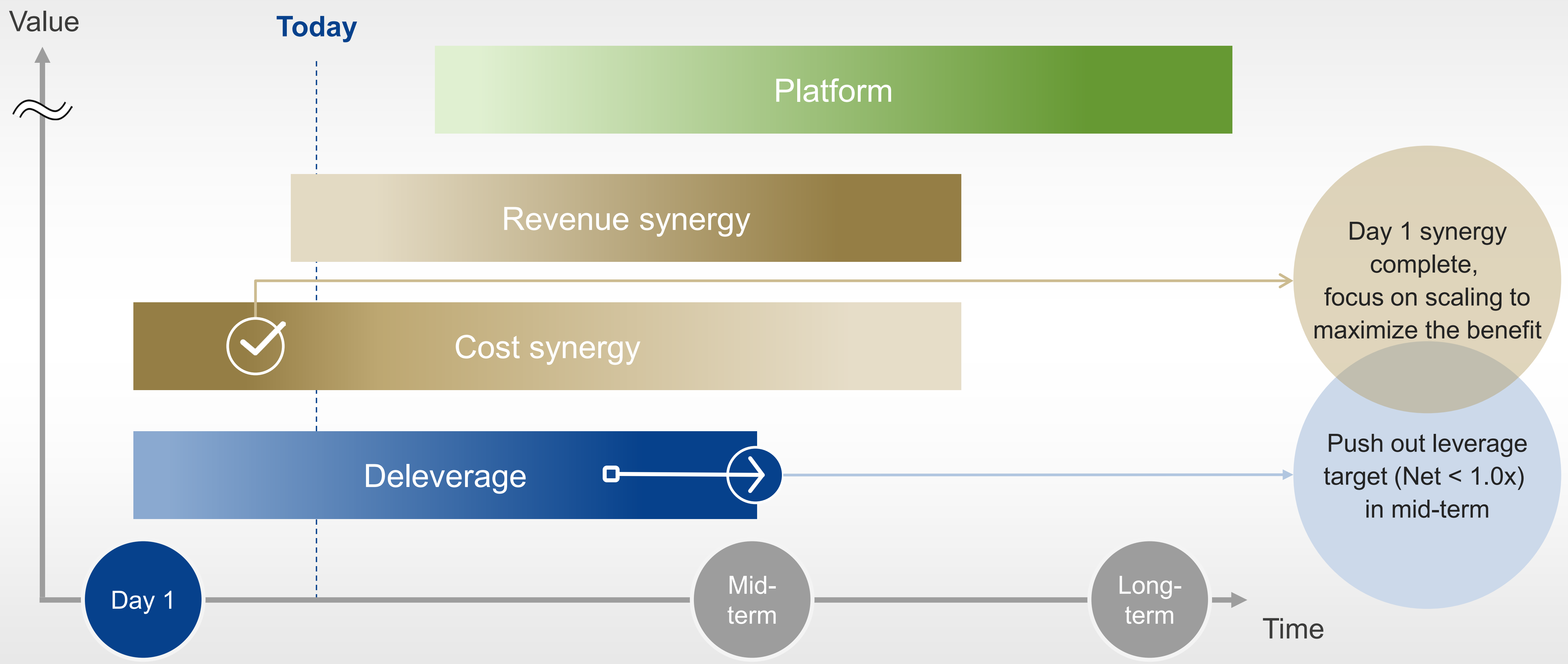


5% of revenue

Net <1x in mid-term

Phased increase to 30+% of FCF

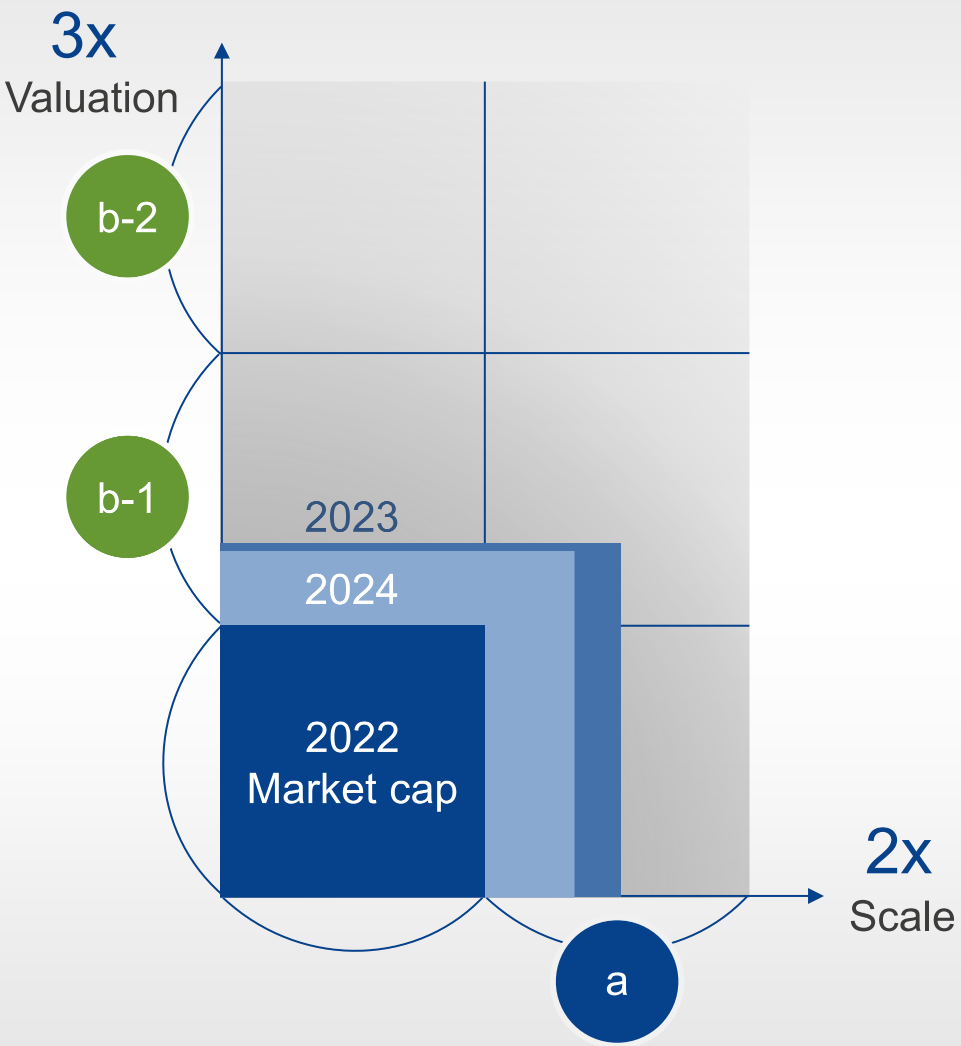
ALTIUM SYNERGIES



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

RENESAS

THANK YOU