

RENESAS AND INTERSIL

CLEAR PATH TO BECOME WORLD'S LEADING
EMBEDDED SOLUTIONS PROVIDER

September 13, 2016

RENESAS intersil™

TRANSACTION SUMMARY

Per Share Consideration	▪ \$22.50 per share in cash ▪ Premium of 43.9%⁽¹⁾ to Intersil's unaffected closing share price on August 19, 2016
Transaction Value	▪ \$3.2 billion equity value ▪ \$3.0 billion enterprise value
Source of Financing	▪ 100% cash on hand
Approval Process	▪ Approval by Intersil shareholders ▪ Subject to regulatory approvals
Expected Closing Timing	▪ Expected to close by the end of first half, 2017 ▪ Subject to customary closing conditions

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		

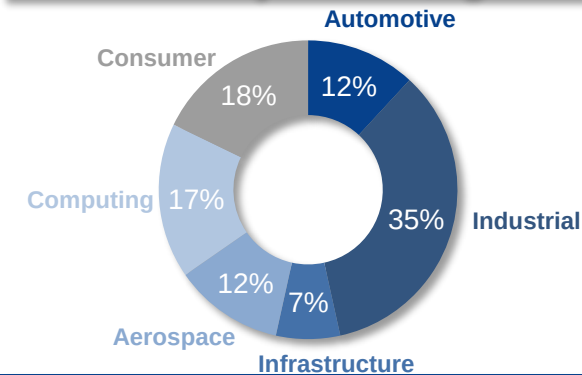
INTERSIL SNAPSHOT

ONE OF THE LARGEST ANALOG PLAYERS WITH REMARKABLY HEALTHY FINANCIAL PROFILE

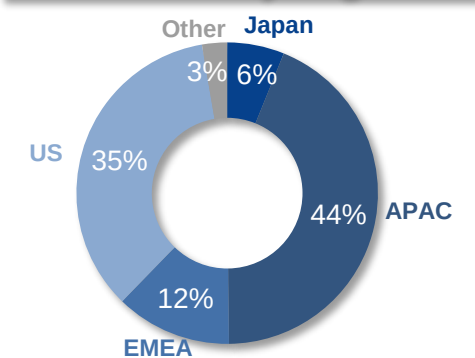
Overview

- Designs and develops power management and precision analog integrated circuits
- Founded: 1999
- IPO Date: 2000 (Nasdaq: ISIL)
- Headquarter: Milpitas, CA, USA
- Employees: ~993 (As of July 2016)
- FY15 Total Revenue: \$521.6million
 - Industrial & Infrastructure: \$341.9million⁽¹⁾
 - Computing & Consumer: \$179.7million

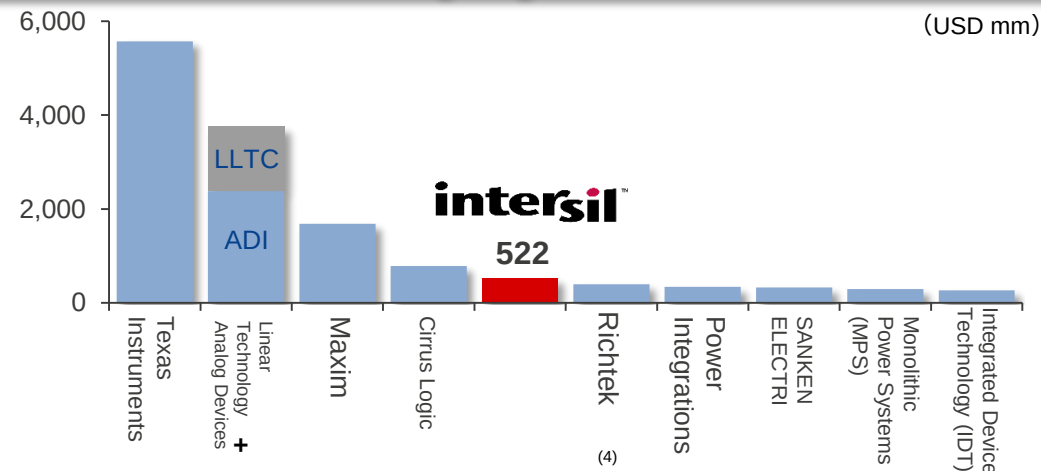
Revenue by Market Segment



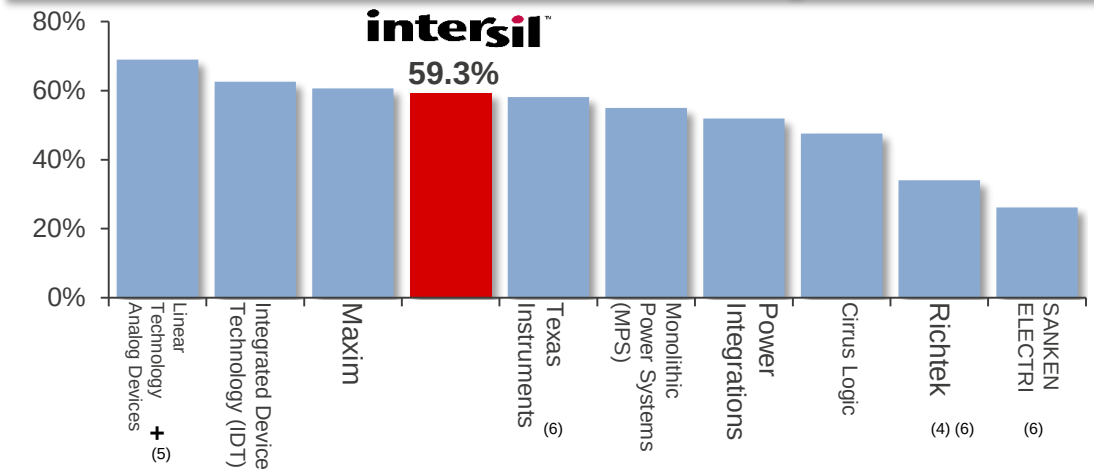
Revenue by Region⁽²⁾



CY15 Analog Segment Revenue⁽³⁾



FY15 Non-GAAP Gross Margin



INTERSIL SNAPSHOT (CONT'D)

SUCCESSFUL IMPROVEMENT IN THE QUALITY OF THE BUSINESS THROUGH ITS BUSINESS TRANSFORMATION INITIATIVES UNDER THE CURRENT SOUND LEADERSHIP

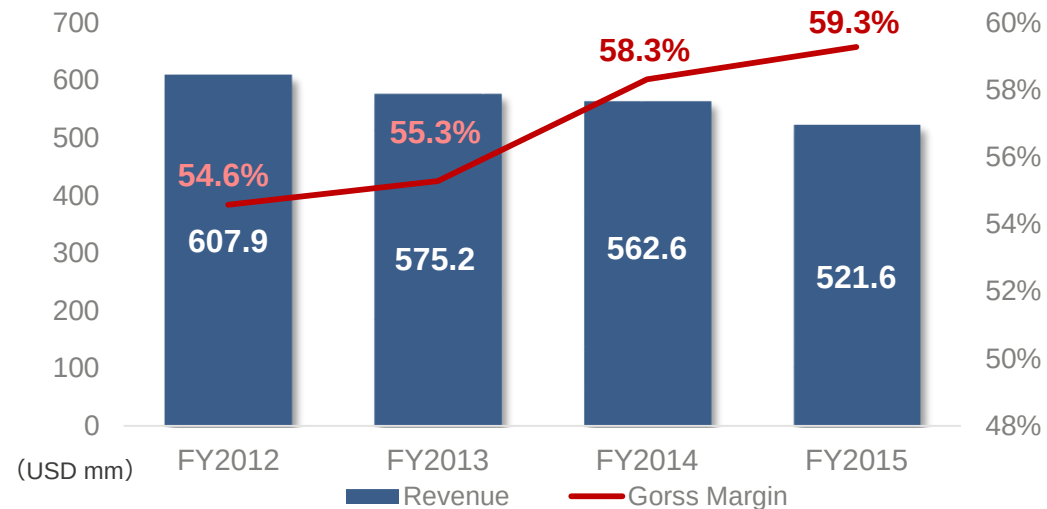
Historical Revenue and Gross Profit Margin

REVIEW & REBALANCE

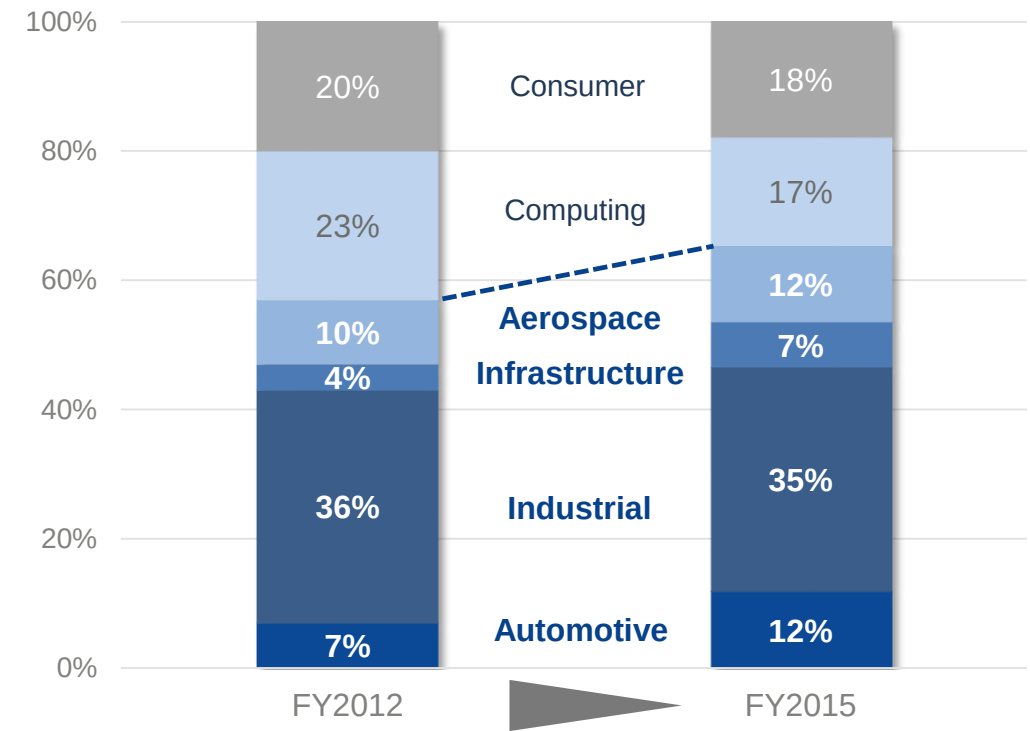
- Add horsepower to strategic areas to improve execution
- Eliminate unwieldy overhead and inefficiencies

IMPROVE & STABILIZE

- Reduce opex to reflect revenue level, take action to improve gross margins
- Begin to generate revenues from new products



Revenue by Market



COMPELLING STRATEGIC AND FINANCIAL BENEFITS

Combination increases its addressable market with more comprehensive product offering

Innovative embedded solution provider across strategically focused spaces with synergistic product portfolio

Complementary product portfolio and larger global footprint generate immediate top line synergy

Optimization of sales & marketing, production and procurement structures leveraging respective strengths

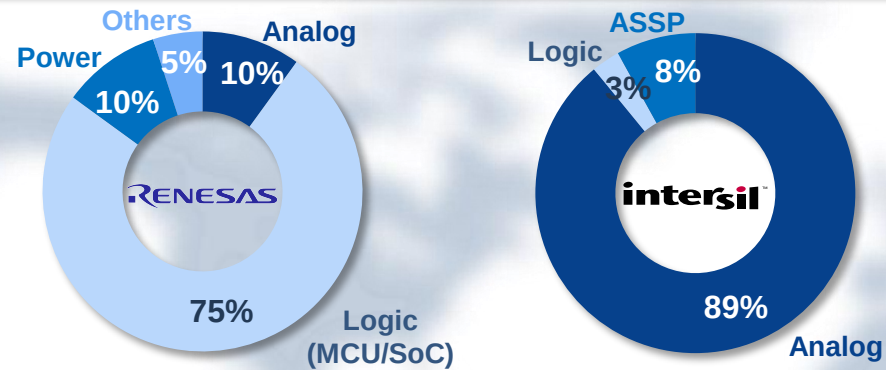
Immediate improvement in GM and OPM, and accretive to non-GAAP EPS and free cash flow

	RENESAS	intersil™	RENESAS & intersil™
Key Innovation Platforms	MCU, SoC, (Analog)	Analog	MCU, SoC, Analog
LTM ⁽¹⁾ Revenue	\$6,660million ⁽²⁾	\$518million	\$7,178million
Gross Margin	43.7% ⁽³⁾	59.0% ⁽³⁾	44.8% ⁽³⁾
LTM ⁽¹⁾ Operating Income	\$898million ^{(2) (3)}	\$106million ⁽³⁾	\$1,004million ⁽³⁾
Operating Margin	13.5% ⁽³⁾	20.5% ⁽³⁾	14.0% ⁽³⁾
LTM ⁽¹⁾ EBITDA	\$1,513million ^{(2) (3)}	\$120million ⁽³⁾	\$1,634million ⁽³⁾
EBITDA Margin	22.7% ⁽³⁾	23.2% ⁽²⁾	22.8% ⁽³⁾
LTM ⁽¹⁾ FCF	\$854million ⁽²⁾	\$88million	\$942million

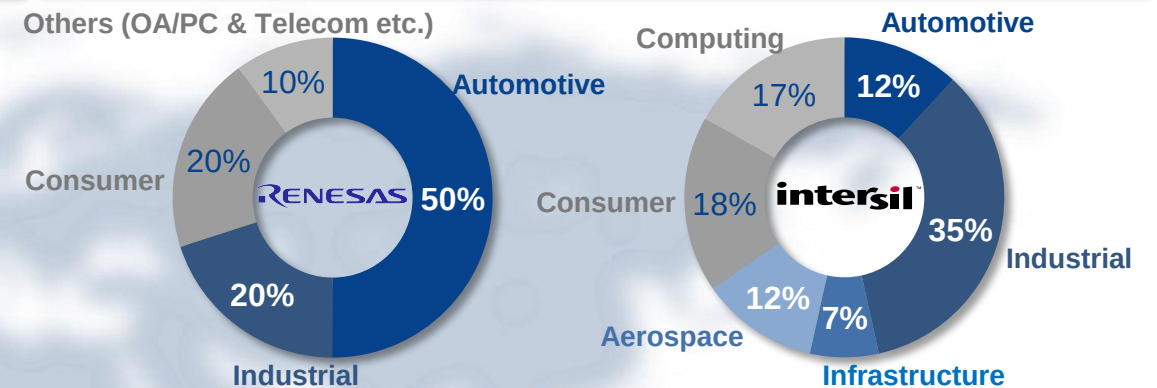
COMPLEMENTARY REVENUE PROFILE

STRENGTHEN INDUSTRY COMPETITIVENESS WORLDWIDE

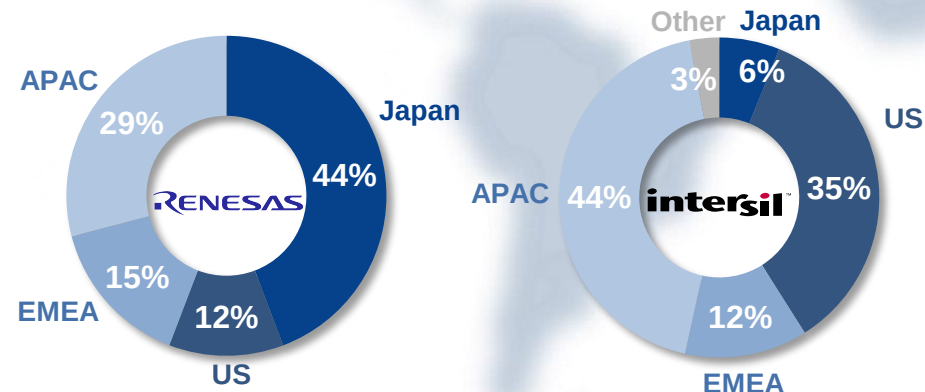
By Product ⁽¹⁾⁽²⁾



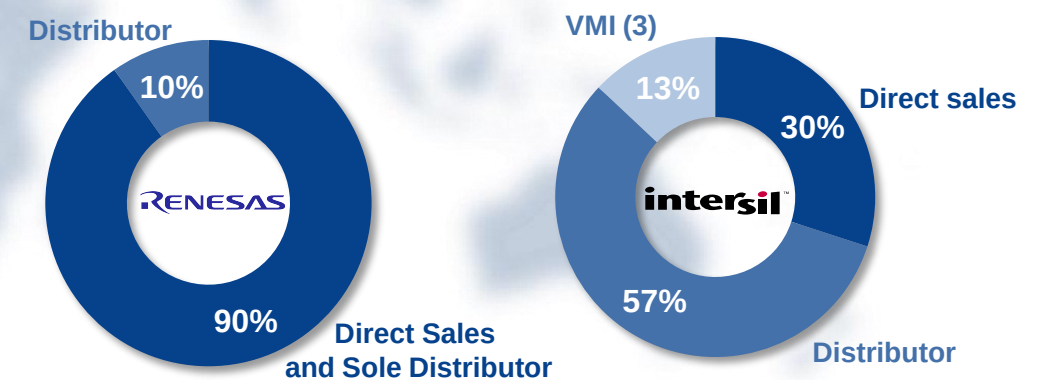
By Market Segment ⁽¹⁾



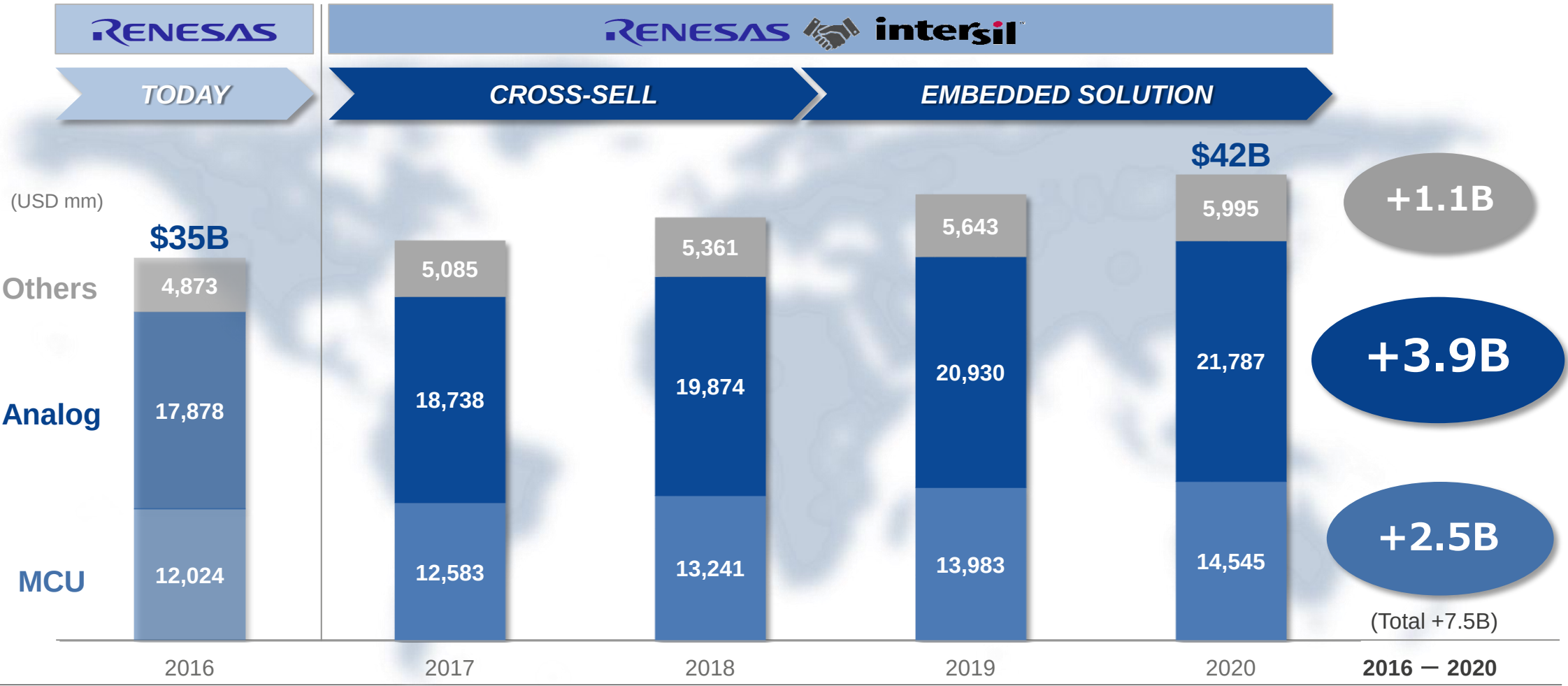
By Region ⁽¹⁾



By Channel ⁽¹⁾

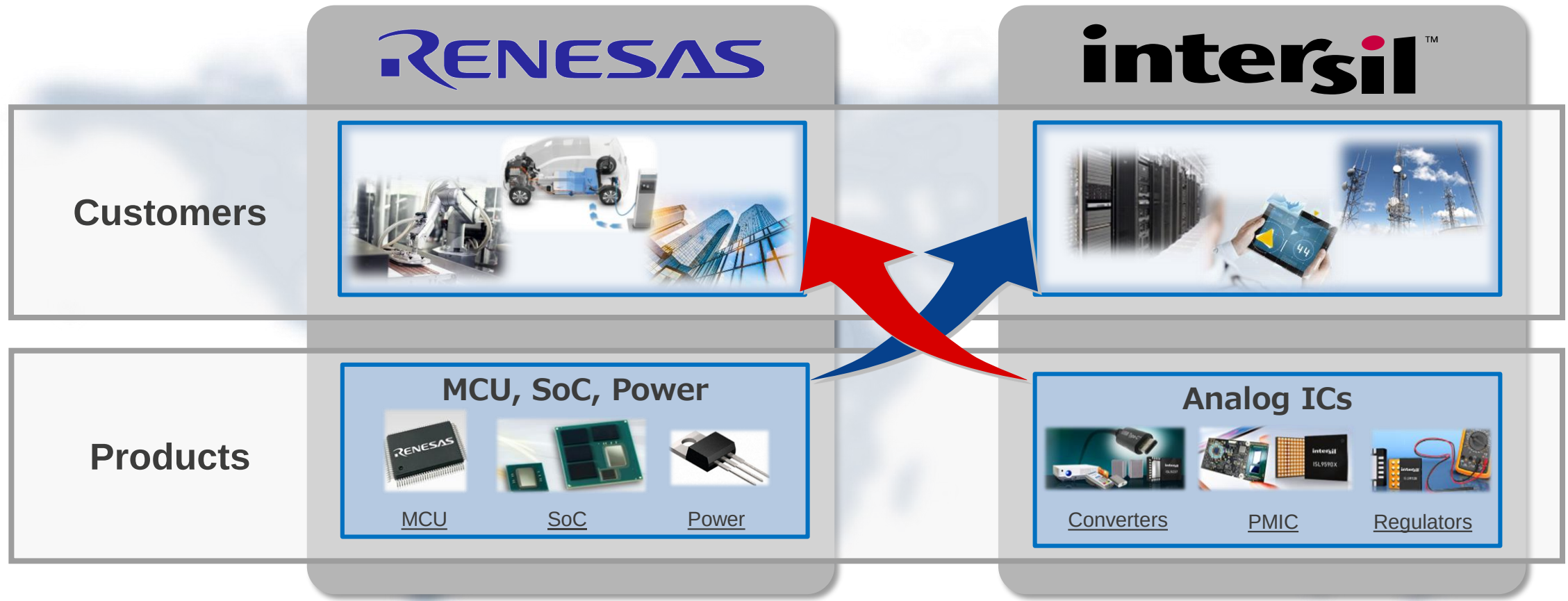


EXPANSION OF SERVED AVAILABLE MARKET

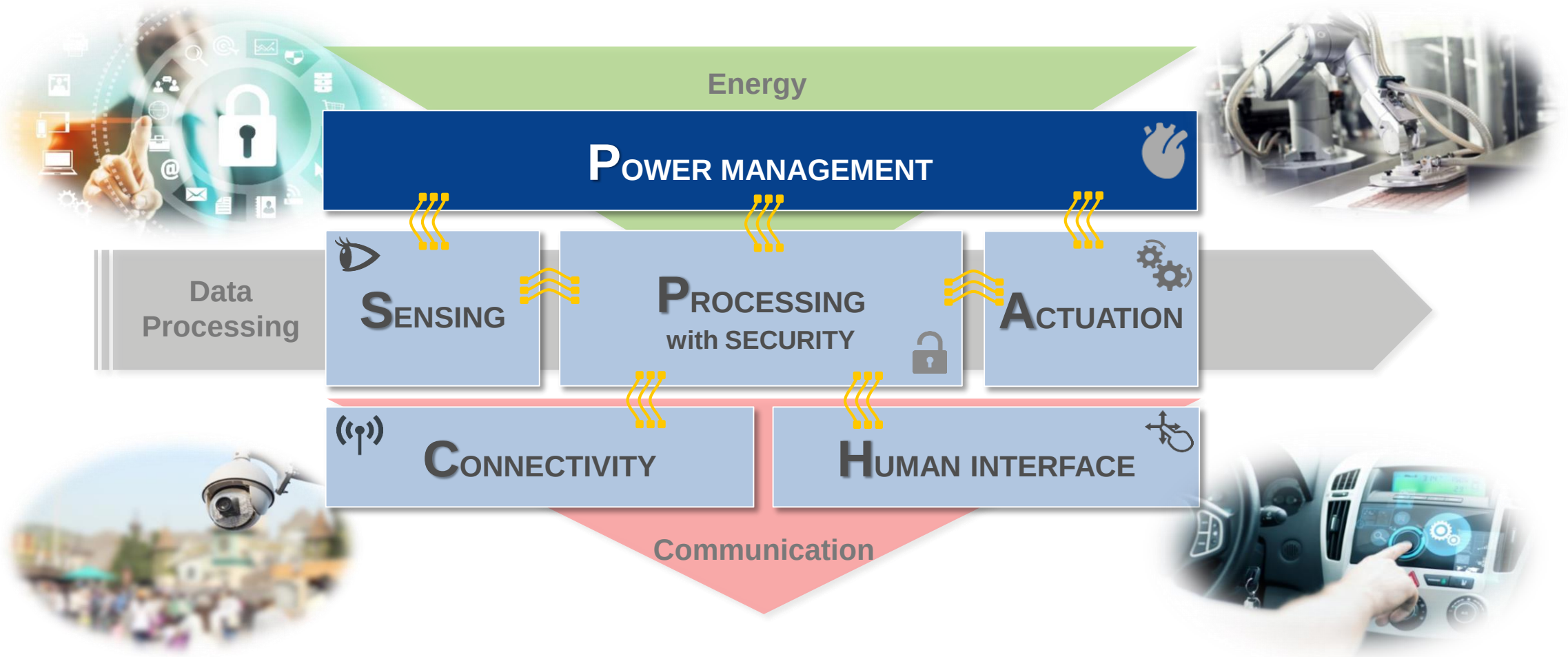


CROSS-SELL SYNERGY

COMPLEMENTARY PRODUCT PORTFOLIO AND REGIONAL COVERAGE GENERATE
ENHANCED CROSS SELLING OPPORTUNITIES WORLDWIDE



EMBEDDED SOLUTION FOR MULTIPLE MARKET SEGMENTS



FINANCIAL SYNERGY OPPORTUNITIES

Cross-Sell

- Minimal customer, product and regional overlap
- Increased relevance and content expansion to existing customers and channel partners worldwide
- Global footprint expansion and enhanced customer reach

Embedded Solution

- Integration opportunities with MCU/SoC + Analog
 - Renesas' R-Car + Intersil's PMIC
 - Renesas' RH850 + Intersil's BMIC, etc.
- Combined competent R&D teams to bring innovative system solutions to focused markets

Expected Synergy of \$170M+

COGS

- Complementary manufacturing model enables optimized operations worldwide
- Optimization of procurement costs leveraging best practices
- Economies of scale brings better ability to invest in advanced technology and equipment

SG&A

- Modest operational efficiencies resulting from greater scale business platform
- Leverage Intersil's improved lean and efficient business processes
- Reduction in administrative costs including logistics cost, licensing fee and public company expenses

VALUES TO OUR STAKEHOLDERS

Customers

- Highly complementary businesses accelerate product/technology development to address customers' system requirements
- Synergistic and broader range of product offerings enable “one-stop” system solution proposition

Strategic Business Partners

- Accessibility to extensive offering of quality products;
 - Enables joint development partners to provide higher level of solution, service and support
 - Brings new value-add business opportunities to strategic partners including R-IN / R-Car consortium partners

Employees

- Consistent R&D investment focused on strategic areas to further drive market-leading innovations
- Expanded global business platforms and cross-cultural work environment provide greater opportunities for business and professional growth

Shareholders

- Expected to be immediately accretive to key financial statistics such as Non-GAAP gross profit margin and free cash flow
- Excellent business combination will drive significant topline and cost synergies in both short and mid-to-long term

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RENESAS intersil™

FORWARD-LOOKING STATEMENTS

This presentation contains certain statements that are “forward-looking statements” within the meaning of the securities laws. Renesas Electronics Group (hereinafter “Renesas”) and Intersil Corporation (hereinafter “Intersil”) have identified some of these forward-looking statements with words like “believe,” “may,” “could,” “would,” “might,” “possible,” “will,” “should,” “expect,” “intend,” “plan,” “anticipate,” or “continue,” the negative of these words, other terms of similar meaning or the use of future dates. Forward-looking statements in this presentation include statements regarding the anticipated benefits of the transaction; statements regarding the expected timing of the completion of the transaction; and any statements of assumptions underlying any of the foregoing. We caution you in advance that actual results, earnings or performance 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: the occurrence of any event, change or other circumstance that could give rise to the termination of the merger agreement; Intersil’s shareholders failing to approve the merger; a competing proposal being made; and the possibility that various closing conditions for the transaction may not be satisfied or waived, including that required governmental approvals of the merger may not be obtained or may not be obtained on the terms expected or on the anticipated schedule, and adverse regulatory conditions may be imposed in connection with any such governmental approvals. Among other factors, 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; movements in currency exchange rates, particularly the rate between the yen and the U.S. dollar; 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, could cause actual results to differ from the projected results forecast. These forward-looking statements are made only as of the date of this communication and Renesas undertakes no obligation to update or revise these forward-looking statements. Renesas does not adopt and is not responsible for any forward-looking statements and projections made by others in this presentation.

Additional Information and Where to Find It

This communication may be deemed to be solicitation material in respect of the proposed acquisition of Intersil by Renesas. In connection with the acquisition, Intersil intends to file relevant materials with the SEC, including a proxy statement on Schedule 14A. SECURITY HOLDERS OF INTERSIL ARE URGED TO READ ALL RELEVANT DOCUMENTS FILED WITH THE SEC, INCLUDING INTERSIL’S PROXY STATEMENT, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION. Investors and security holders will be able to obtain the documents free of charge at the SEC’s web site, www.sec.gov, and may obtain documents filed by Intersil free of charge from Intersil’s website at <http://www.intersil.com>. In addition, the proxy statement and other documents filed by Intersil with the SEC (when available) may be obtained from Intersil free of charge by directing a request to Intersil Corporation, investor@intersil.com.

Participants in the Solicitation

Intersil and its directors and executive officers may be deemed to be participants in the solicitation of proxies from Intersil investors and security holders in connection with the contemplated transactions. Information about Intersil’s directors and executive officers is set forth in its proxy statement for its 2016 Annual Meeting of Stockholders. The document may be obtained for free at the SEC’s website at www.sec.gov. Additional information regarding the interests of participants in the solicitation of proxies in connection with the contemplated transactions will be included in the proxy statement that Intersil intends to file with the SEC.