

RENESAS ELECTRONICS BROAD-BASED SOLUTION BUSINESS OVERVIEW

NECIP SAYINER
EXECUTIVE VICE PRESIDENT OF RENESAS
ELECTRONICS CORPORATION,
PRESIDENT, CEO AND DIRECTOR OF INTERSIL
CORPORATION

BIG IDEAS
FOR EVERY SPACE

RENESAS INTERSIL INTEGRATION



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 (2016)	 intersil [™] (2016)	 RENESAS & intersil [™] (2016 ⁽³⁾)	 RENESAS & intersil [™] (2017 est. ⁽³⁾)	Y/Y Change
Key Innovation Platforms	MCU, SoC, (Analog)	Analog	MCU, SoC, Analog	MCU, SoC, Analog	
Revenue	\$6,390million ⁽¹⁾	\$540million	\$6,930million ⁽¹⁾	\$7,800million ⁽¹⁾	+13%
Gross Margin	43.6% ⁽²⁾	59.8% ⁽²⁾	44.9% ⁽²⁾	46.5% ⁽²⁾	+1.6pts ⁽²⁾
Operating Margin	12.2% ⁽²⁾	22.9% ⁽²⁾	13.0% ⁽²⁾	15.6% ⁽²⁾	+2.6pts ⁽²⁾
EBITDA Margin	21.7% ⁽²⁾	25.2% ⁽²⁾	22.0% ⁽²⁾	25.3% ⁽²⁾	+3.3pts ⁽²⁾

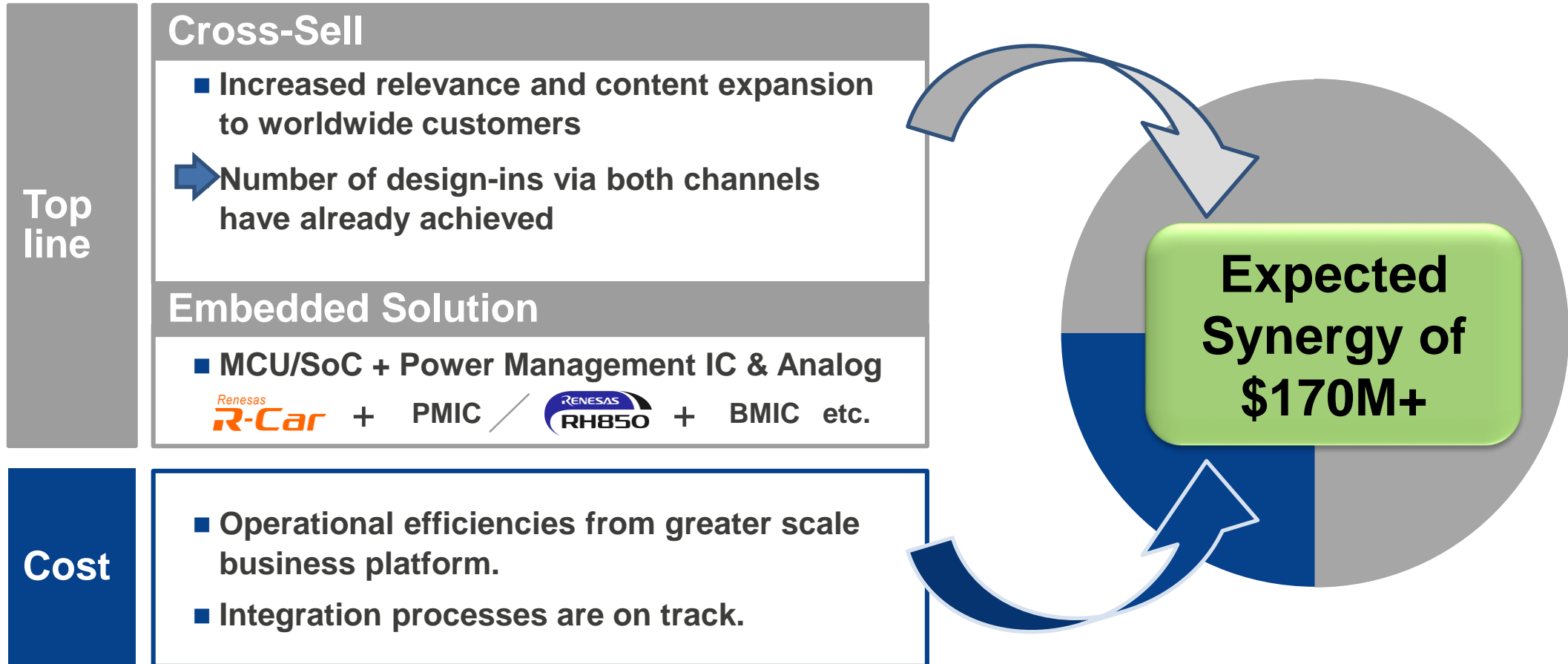
Source: Company filings, company presentation

(1) Based on USD/JPY=100

(2) Non-GAAP basis

(3) Pro-forma basis

EXPECTED FINANCIAL SYNERGY OPPORTUNITIES



EXPERIENCED MANAGEMENT TEAM



Members hired from outside
Renesas

Corporate
Team

Tetsuya Tsurumaru
(Chairman)



**Product
Management**

Bunsei Kure ★
(CEO)



**Global
Management**

Hidetoshi Shibata ★
(CFO)



**Finance and
Investment**

Business
Team

Ryuji Omura
(Executive Vice President)



Automotive

Yoshikazu Yokota
(Executive Vice President)



Industrial

Necip Sayiner ★
(Executive Vice President)



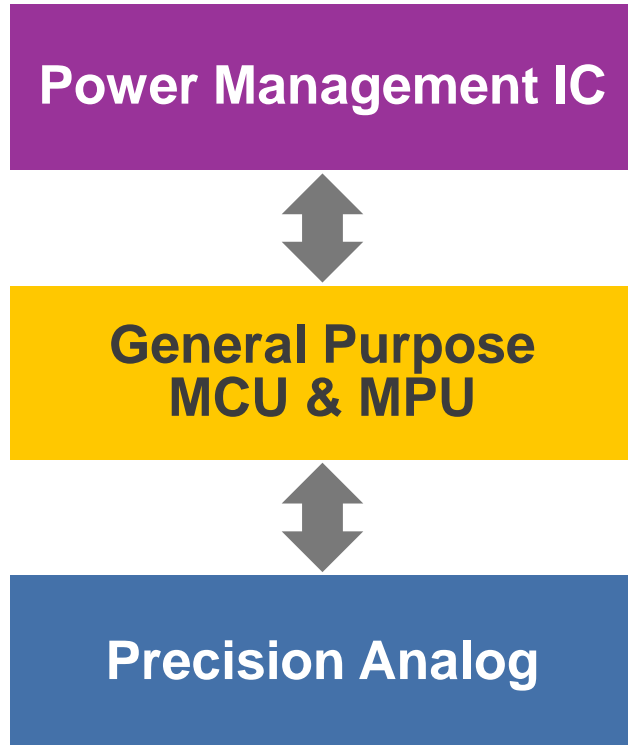
Broad-Based

BROAD-BASED SOLUTION BUSINESS

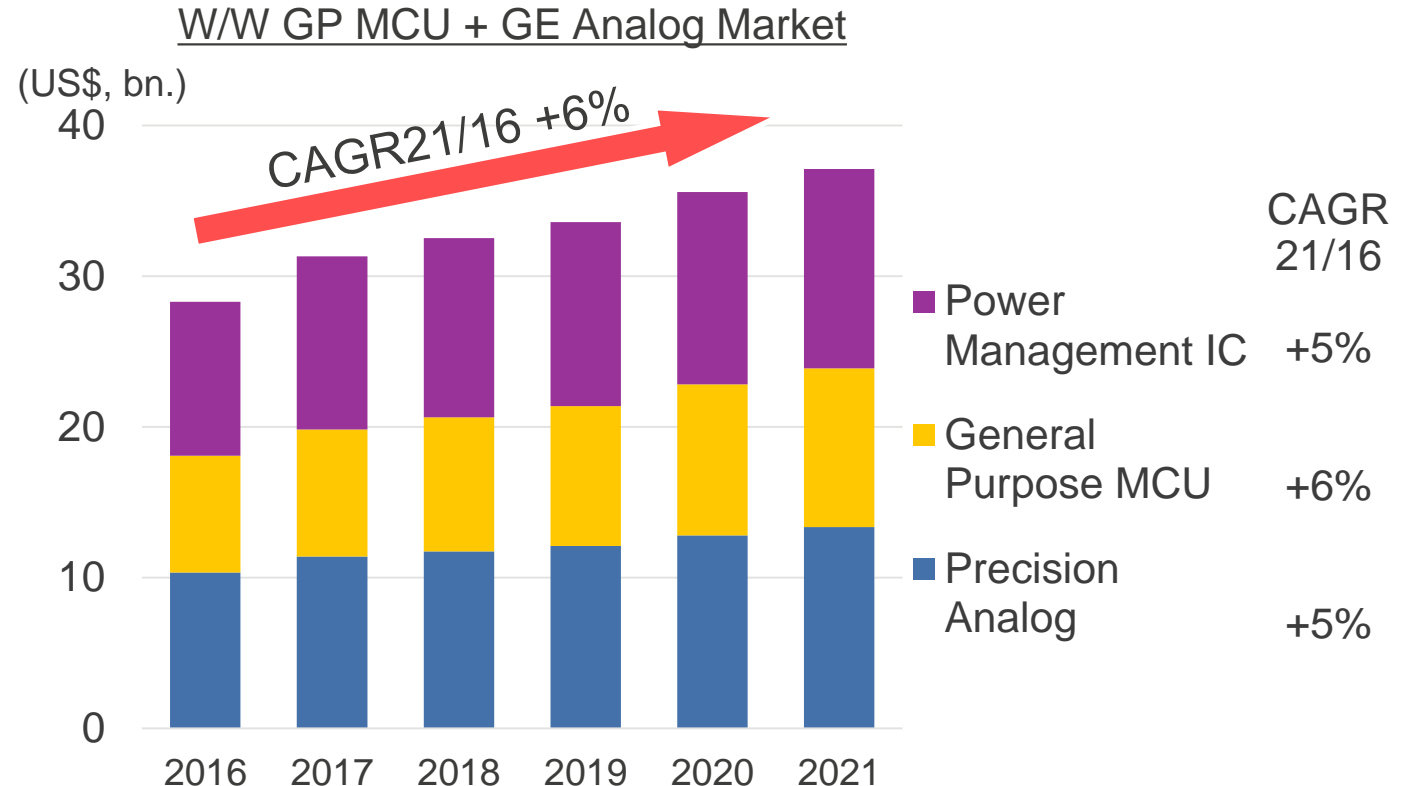


TARGET MARKETS

STRENGTHEN VALUE PROPOSITION FOR BROAD-BASED APPLICATIONS,
COMBINING 3 PRODUCT SOLUTIONS TO GROW SAM/SOM WITH SYNERGIZED ROADMAP



All statements in this report attributable to Gartner represent RENESAS interpretation of data, research opinion or viewpoints published as part of a syndicated subscription service by Gartner, Inc., and have not been reviewed by Gartner. Each Gartner publication speaks as of its original publication date (and not as of the date of this [presentation/report]). The opinions expressed in Gartner publications are not representations of fact, and are subject to change without notice.



Graph/Chart created by RENESAS based on Gartner Research.
 "Semiconductor Forecast Database, Worldwide, 3Q17 Update", 28 September 2017
 *Power Management IC : Voltage Regulator/Reference
 General Purpose MCU : Microcontroller except those used in automotive and smart card.
 Precision Analog : Data Converter/Switch/Multiplexer and Other Analog

MISSION OF BROAD-BASED SOLUTION BUSINESS UNIT

Define, develop and sell differentiated solutions for the broad-based market. Gain market share and grow a highly profitable business

Brings Together Best of Renesas and Intersil Portfolios

General Purpose MCU:
ARM-based and
Proprietary Solutions

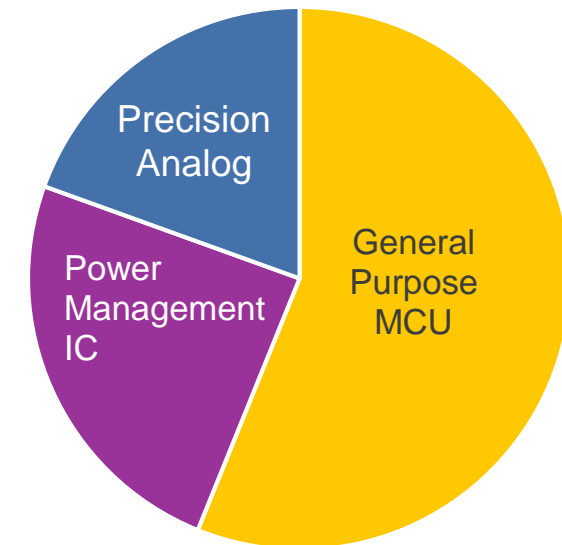
Power Management IC:
Battery Management
Multi-phase Modulation

Precision Analog:
Precision signal chain and
sensing devices

Increase Content Per Design

Diversify Business Model

BBU Revenue Composition



INCREASE CONTENT PER DESIGN

Renesas MCU/MPU Portfolio

Significant MCU footprint and new wins for innovative Synergy MCU platform driving growth

Automotive



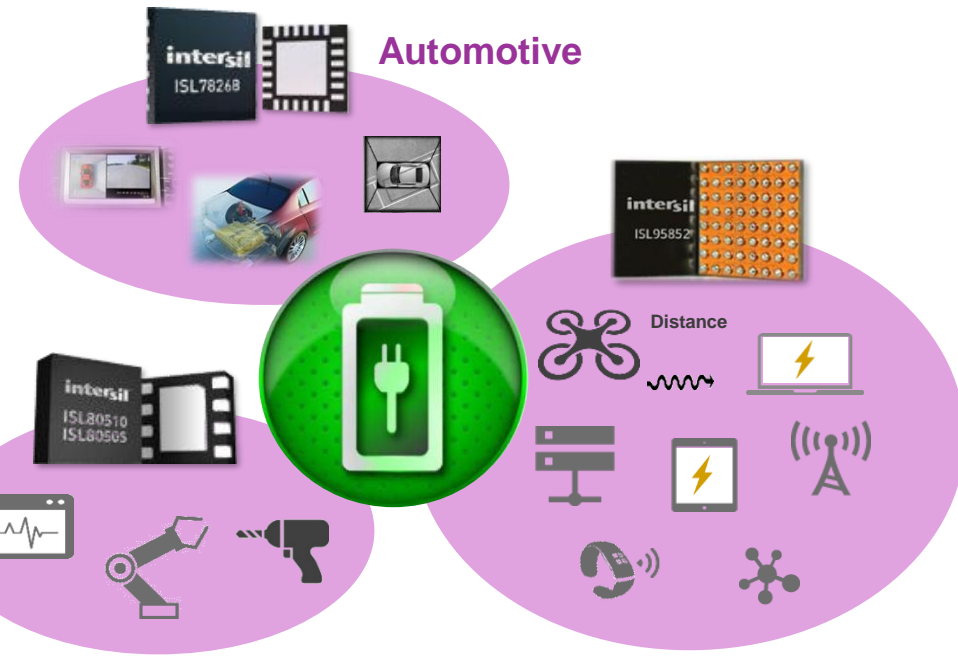
Industrial



Broad-based, etc.

Precision Analog and Power Management IC

Intersil's broad analog portfolio and power expertise enables complete system solution



Industrial

Broad-based, etc

STRENGTHEN BROAD-BASED SOLUTION BUSINESS TO CAPTURE HIGH GROSS MARGIN MARKET

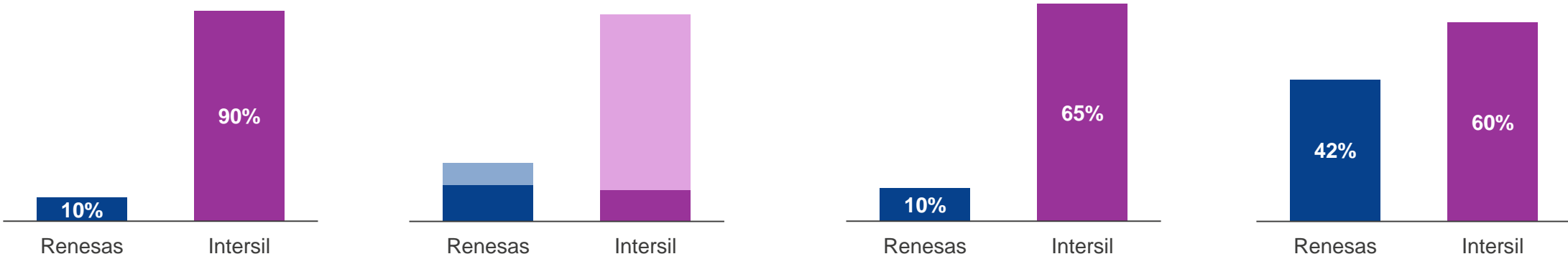
Revenue % from Analog (CY16)*1

of Customers (CY16)*1

Revenue % from Distributors (CY16)*2

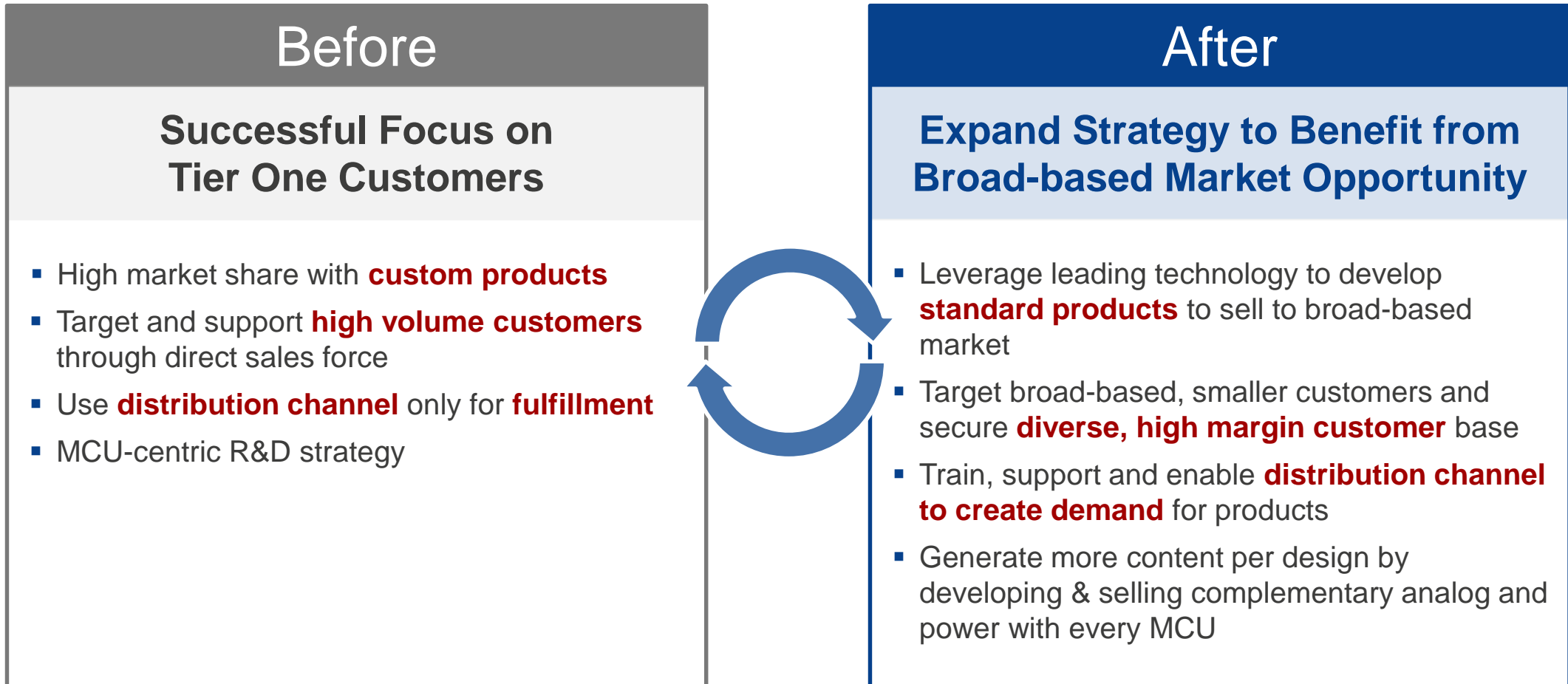
Gross Profit Margin (CY16, GAAP Items*3)

■ ■ : # of customers with revenue over 10,000 US\$
 ■ ■ : # of customers with revenue less 10,000 US\$

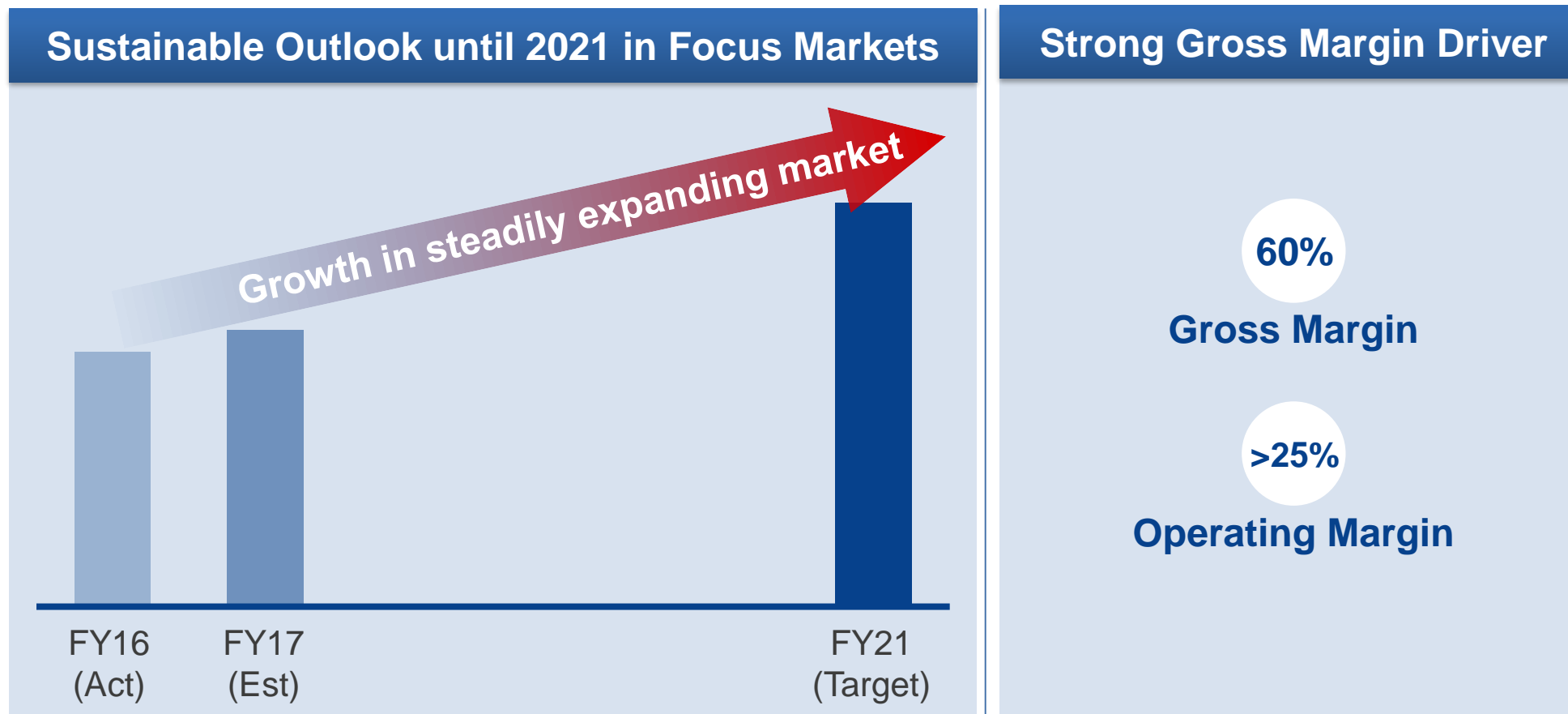


*1: Based on Renesas managerial accounting
 *2: Including VMI (Vendor Managed Inventory) and excluding Japanese sole distributors
 *3: Renesas: J-GAAP basis. Intersil: U.S. GAAP basis

DIVERSIFY BUSINESS MODEL



BROAD-BASED TARGET BUSINESS MODEL



KEY TAKEAWAYS

**Leverage MCU
Leadership and
Innovate in ARM-
based Market**

**Increase Content
Per Design with
Differentiated
Analog and Power**

**Build a Highly
Profitable and
Sustainable Growth
Business**

BIG IDEAS FOR EVERY SPACE