

OVERVIEW OF RENESAS ELECTRONICS

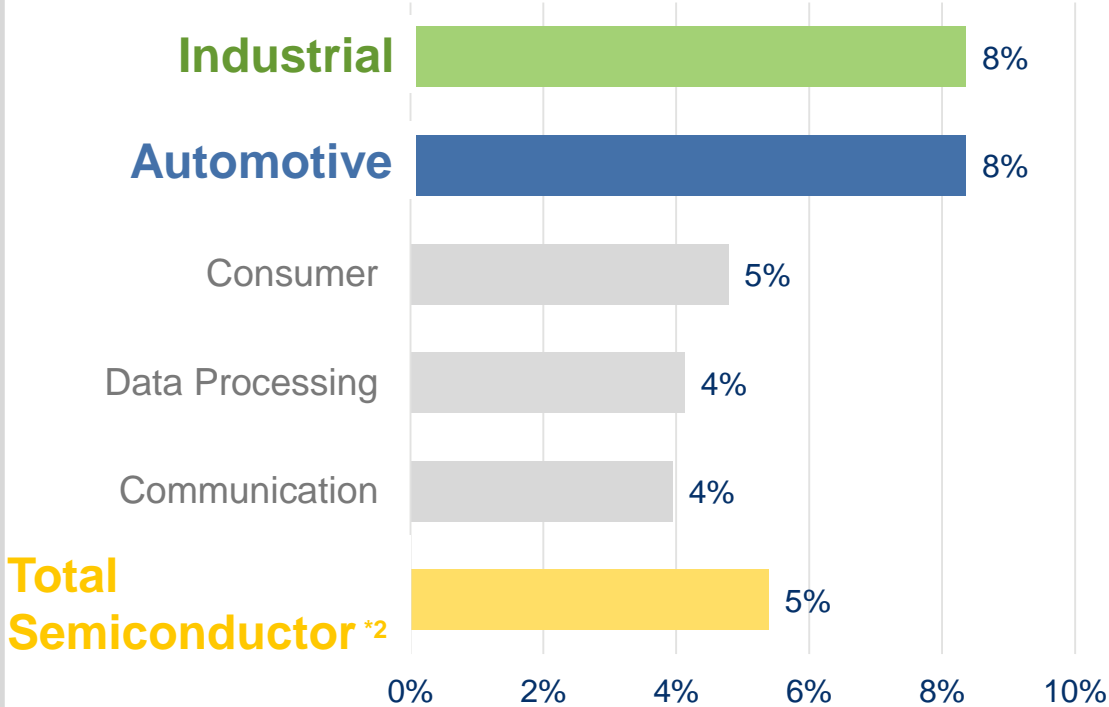
CREDIT SUISSE 21ST ANNUAL TMT CONFERENCE

HIDETOSHI SHIBATA
EXECUTIVE VICE PRESIDENT AND CFO
RENESAS ELECTRONICS CORPORATION

BIG IDEAS
FOR EVERY SPACE

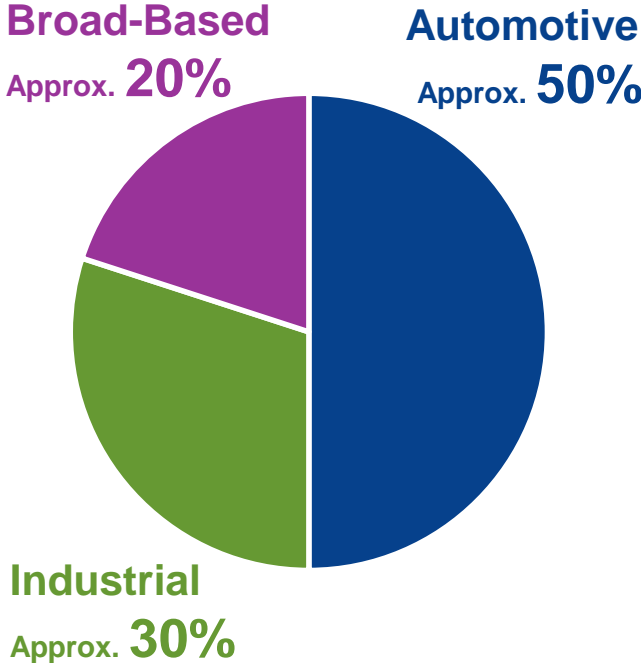
Focus on High Growth Semiconductor End Markets

CAGR 21/17 Comparison by End Market *1

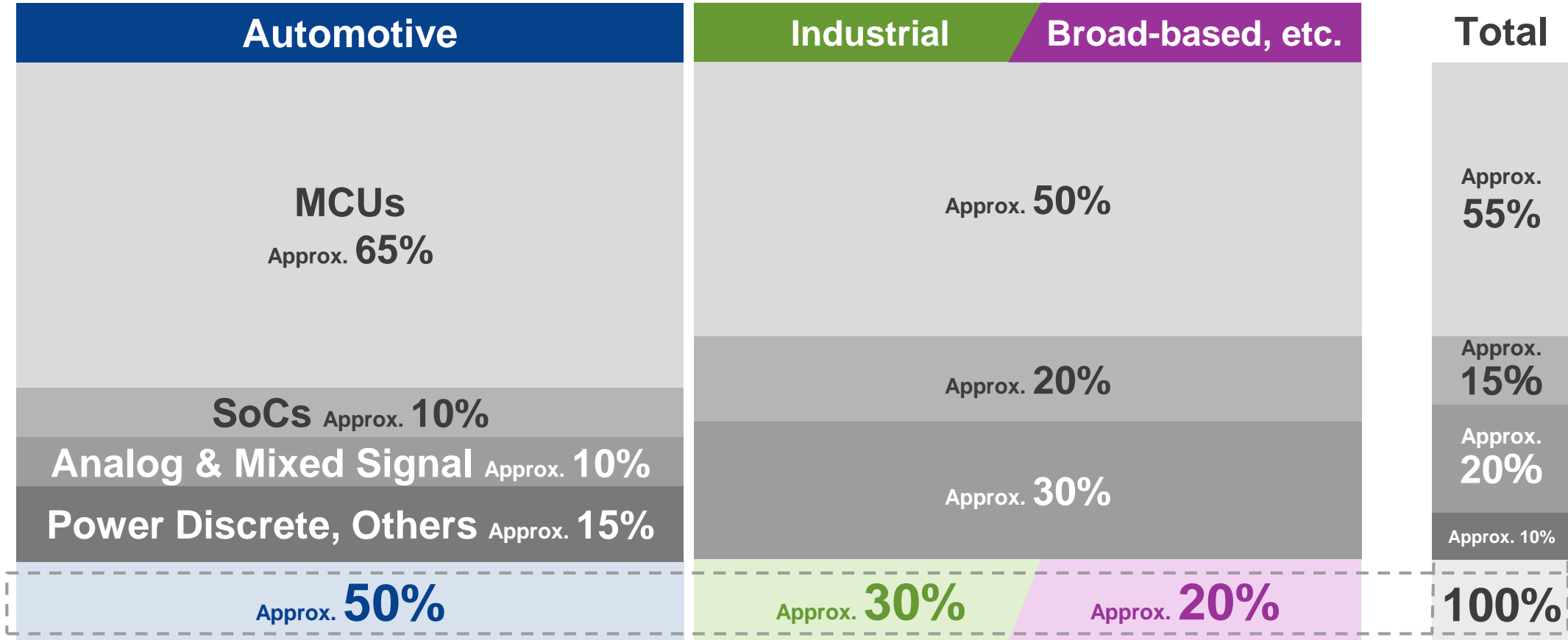


*1: Graph created by RENESAS based on Gartner Research, Source: "Semiconductor Forecast Database, Worldwide, 3Q17 Update" 28 September 2017
 *2: Total (Semiconductor) market growth including DRAM, NAND flash memory, microprocessors and non-optical sensors

Renesas Sales Breakdown by Application (FY17 1-3Q)

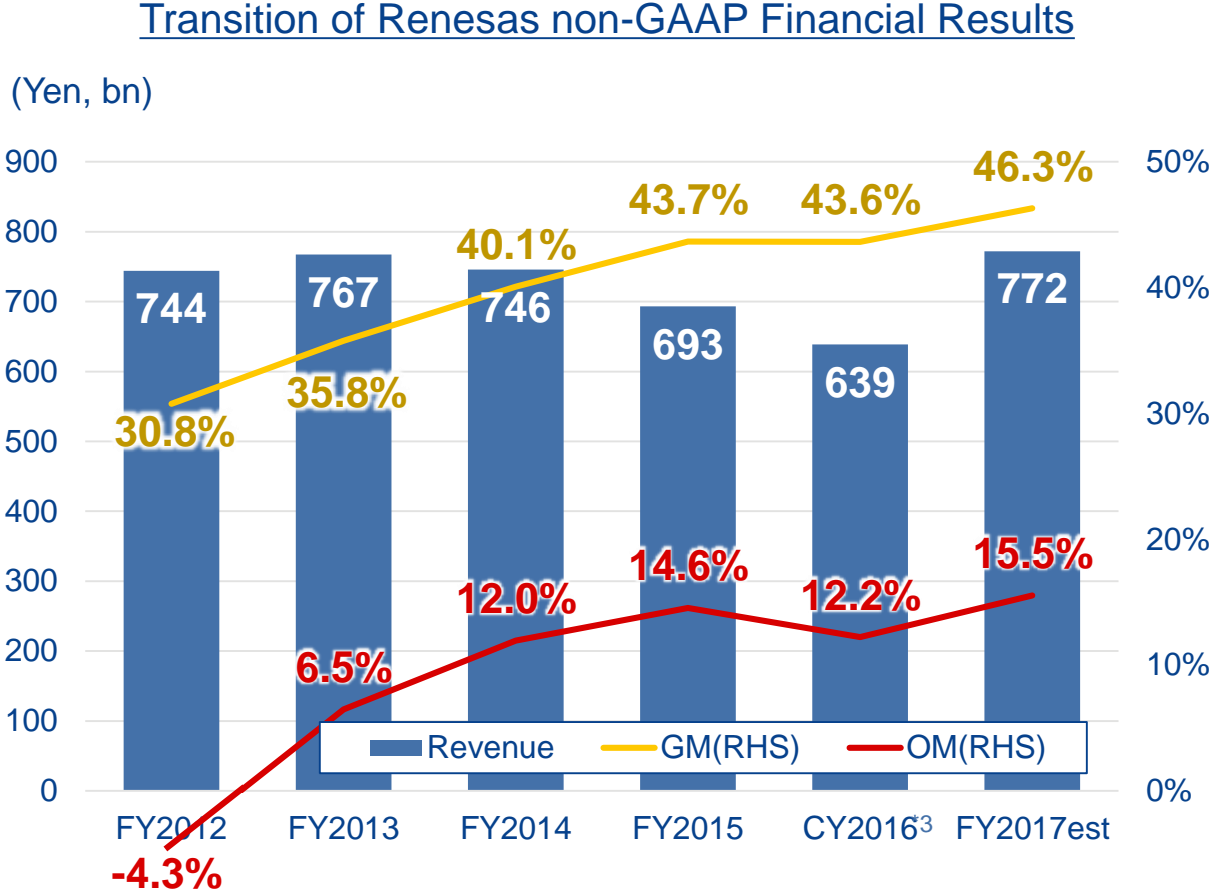
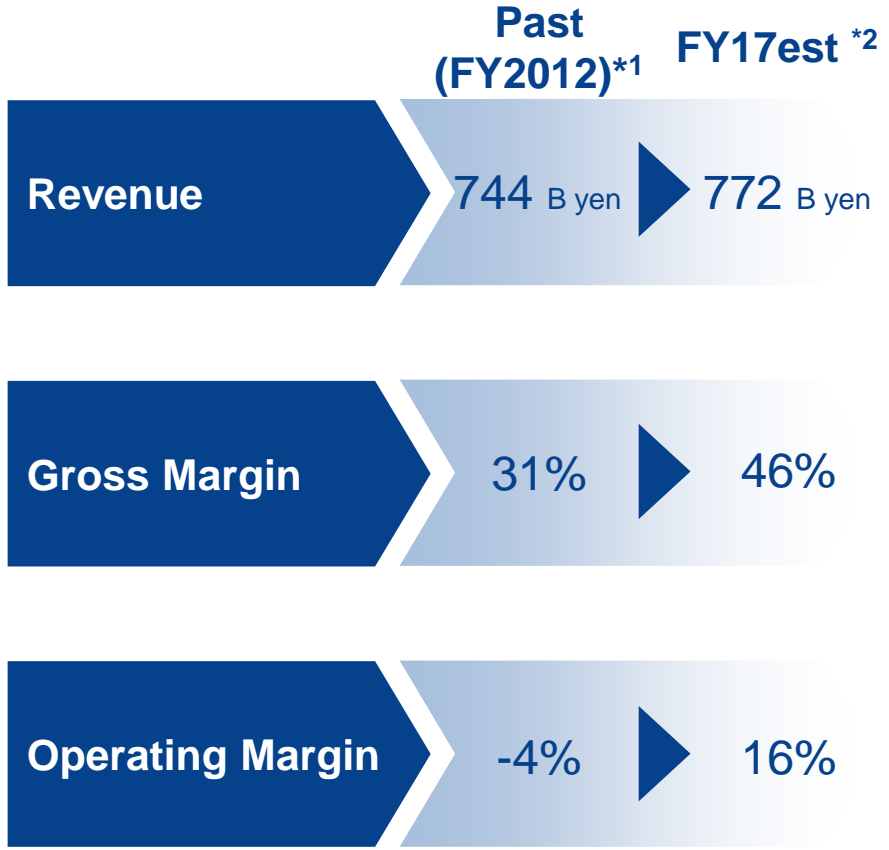


FY17 Revenue*1 Breakdown (Including Intersil consolidation)



*1: Results for the calendar year (Jan- Dec 2017 *Oct-Dec 2017(forecast))

Steep Topline Recovery from Restructuring Phase Along with Improving Margin



*1: Fiscal year through 2015 is Apr. to Mar. *2: Fiscal year from 2017 is Jan. to Dec. *3: Calculated on a calendar-year basis (Jan.-Dec. 2016) by adding FY15/4Q (Jan-Mar 2016) to FY16 (Apr - Dec 2016)

Significant Margin Expansion Resulting from Our Successful Restructuring

FY 13/3 ▶ CY 16*3

Business Rationalization		Growth Initiatives	
<p>-30% pts Non-core Business Exposure*1*2</p> <p>34% ▶ 5%</p>		<p>Strategic M&A to strengthen financial structure</p>	<p>Intersil Acquisition</p>
<p>-50% the # of Factories</p> <p>Front-End: 14 Back-End: 8</p> <p>8 3</p>		<p>Maintained R&D to enforce core competence</p>	<p>17%*4 ▶ 16%*4</p>
<p>-40% the # of Employees</p> <p>33,840 ▶ 18,884</p>		<p>Introduction of Meritocracy to promote high-performance culture</p>	<p>Bonus payment (% of base salary): High performer*5 = Approx. 2x Ave. performer*5 Bonus Portion*6: 16%→35%</p>
Operational Excellence			
<p>Business Process Overhaul</p>	<p>HR/Compensation Scheme Overhaul</p>	<p>Global Operation Optimization</p>	

*1: Breakdown based on Renesas managerial accounting *2: Non-core business defined as either: 1) Non-core business divisions or subsidiaries that have been divested, or have been slated for divestiture (LTE Modem Business, Renesas SP Driver, etc.), or 2) Individual EOL (end of life) products, which, following a predetermined period of production, are slated to be discontinued *3: Calculated on a calendar-year basis (Jan-Dec 2016) by adding FY2016/3 4Q (3 months) to FY2016/12 (9 months) *4: As a percentage of net sales *5: "High performer" and "Average Class" represents "Grade 5" and "Grade 3" respectively under Renesas compensation system (Grade exist from 1-5) *6: Represents change of bonus portion for non-managerial employee categorized at Grade 3 from 2012 under prior system to 2016 under current system. # of employees categorized at Grade 3 represents approximately 90% and 50% of our total employee under our prior and current systems, respectively *7: Non-GAAP items

Clear Path to Long-Term Financial Targets



Visible Path for Profitable Business Base






Execution	Challenge
Topline Growth (Operating Leverage through Increased Scale)	Acceleration of R&D Investment
Cost Reduction	Near-term Increase of D&A
Better Product Mix	Industry Consolidation
Intersil Consolidation	

*1: Calculated on a calendar-year basis (Jan.-Dec. 2016) by adding FY15/4Q (Jan-Mar 2016) to FY16 (Apr – Dec 2016) *2: Long-term target reflects non-GAAP adjustments to exclude amortization of goodwill and intangible assets, noncash expenses such as stock-based compensation expenses and one-time expenses *3: Served Available Market

Organic

Inorganic

Combination of Organic and Inorganic Growth

	Automotive	Industrial	Broad-Based
MCUs	Intensive R&D 		Inorganic + Organic Approaches 
SoCs	Strategic Partnerships and Alliances  		
Analog & Mixed Signal	Strategic Investment including Further Acquisitions		 (Acquired for \$ 3.2B in Feb 2017)
Power Discrete	Selective Investment		

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