

# 4Q/FULL-YEAR 2020 PRESENTATION

RENESAS ELECTRONICS CORPORATION  
FEBRUARY 10, 2021

# 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 forecasts on a quarterly basis as a substitute for a yearly forecast.

# DISCLAIMER

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- **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 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 nonrecurring items related to acquisitions and other adjustments removed as non-recurring expenses or income. The revenue, 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 3Q FY2019/12 in order to more appropriately disclose financial figures.
- **Cost segment reclassification:** Following the acquisition of IDT and the absorption type merger of IDT with Renesas Electronics America Inc., since January 1, 2020, the Group has begun the integration of business processes and IT systems, etc. as part of the “One Renesas” promotion. With these processes as a momentum, expense classifications have been revised in order to appropriately display the Group’s financial status and business performance. Changes in classifications have been applied retroactively; therefore, the consolidated financial results of the year ended December 31, 2019 have been reclassified.

# 4Q/FULL-YEAR 2020 FINANCIAL SNAPSHOT

## IFRS, NON-GAAP\*1\*2

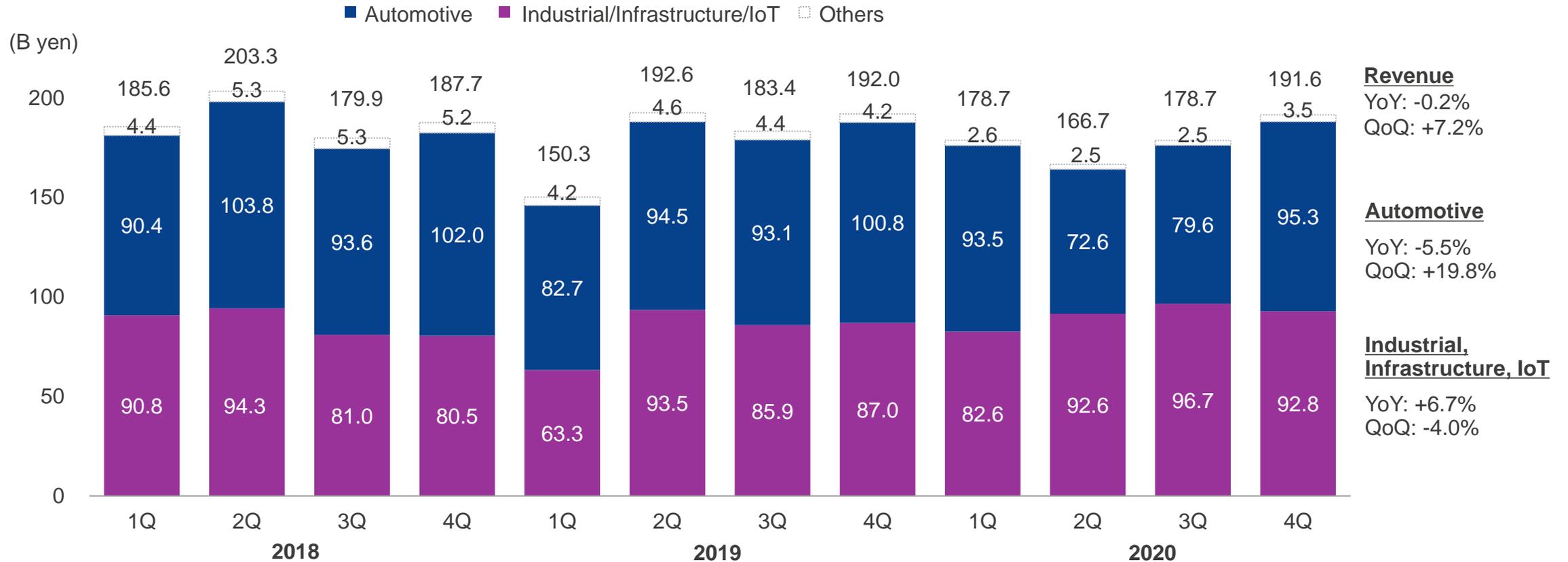
YoY and QoQ revenue as well as the changes from FCTs of the revenue are rounded off to one decimal place.

(B yen)	2019		2020								
	4Q (Oct-Dec)	Full Year (Jan-Dec)	3Q (Jul-Sep)	4Q (Oct-Dec) Forecast	4Q (Oct-Dec) Actual	YoY	QoQ	Change from Oct 29 FCT*3	Full Year (Jan-Dec) Actual	YoY	Change from Oct 29 FCT*3
Revenue	192.0	718.2	178.7	183.0 to 191.0	<b>191.6</b>	-0.2%	+7.2%	+2.4%	<b>715.7</b>	-0.4%	+0.6%
Gross Margin	45.1%	42.9%	47.5%	47.0%	<b>47.0%</b>	+2.0pts	-0.5pt	+0.0pt	<b>47.3%</b>	+4.4pts	+0.0pt
Operating Profit/loss (Margin)	31.4 (16.4%)	92.5 (12.9%)	36.5 (20.4%)	34.6 (18.5%)	<b>37.2</b> <b>(19.4%)</b>	+5.8 (+3.1pts)	+0.7 (-1.0pt)	+2.6 (+0.9pt)	<b>137.5</b> <b>(19.2%)</b>	+45.1 (+6.3pts)	+2.6 (+0.2pt)
Profit/loss Attributable to Owners of Parent	21.4	75.9	33.6	-	<b>24.2</b>	+2.8	-9.4	-	<b>111.5</b>	+35.6	-
EBITDA*4	56.0	192.9	57.3	-	<b>57.5</b>	+1.4	+0.2	-	<b>223.2</b>	+30.4	-
1 US\$=	108 yen	109 yen	107 yen	104 yen	<b>105 yen</b>	3 yen appreciation	2 yen appreciation	1 yen depreciation	<b>107 yen</b>	2 yen appreciation	0 yen depreciation
1 Euro=	119 yen	123 yen	123 yen	123 yen	<b>124 yen</b>	5 yen depreciation	1 yen depreciation	1 yen depreciation	<b>121 yen</b>	1 yen appreciation	0 yen depreciation

\*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: Following the acquisition of IDT and the absorption type merger of IDT with Renesas Electronics America Inc., since January 1, 2020, the Group has begun the integration of business processes and IT systems, etc. as part of the "One Renesas" promotion. With these processes as a momentum, expense classifications have been revised in order to appropriately display the Group's financial status and business performance. Changes in classifications have been applied retroactively; therefore, the consolidated financial results of the year ended December 31, 2019 have been reclassified. \*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\*1\*2



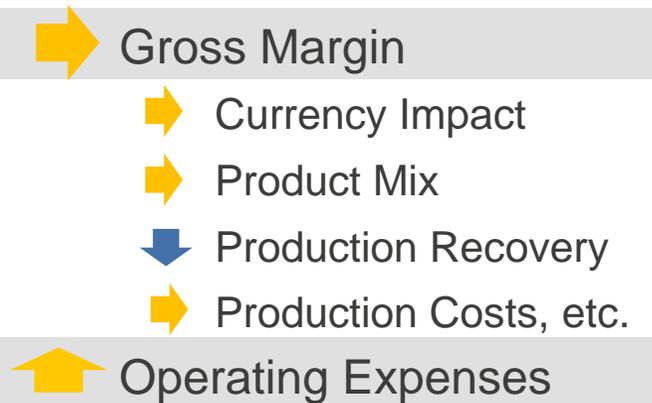
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# 4Q 2020 GROSS/OPERATING MARGIN

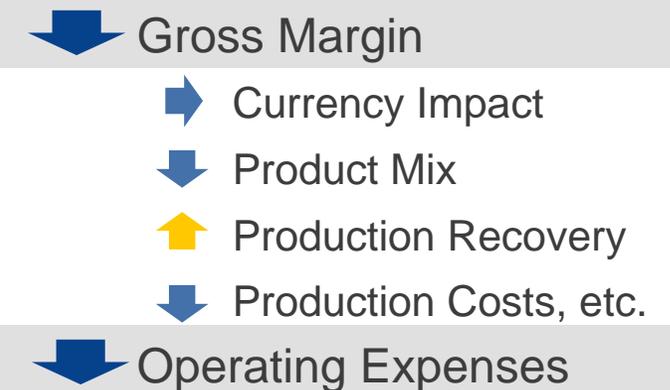
## IFRS, NON-GAAP\*1

	3Q 2020 Actual (Jul-Sep 2020)	4Q 2020 Forecast (Oct-Dec 2020)	4Q 2020 Actual (Oct-Dec 2020)
Gross Margin vs FCST: +0.0pt QoQ: -0.5pt	47.5%	47.0%	47.0%
Operating Margin vs FCST : +0.9pt QoQ: -1.0pt	20.4%	18.5%	19.4%

### Operating Margin vs FCTS +0.9pt



### Operating Margin QoQ -1.0pt



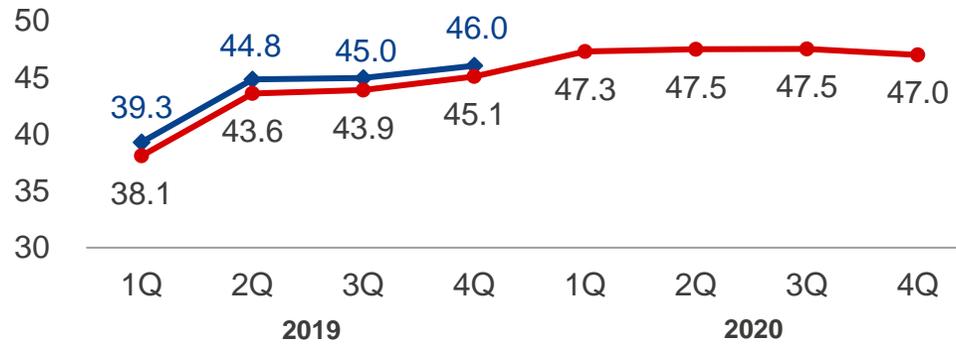
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# GROSS/OPERATING MARGIN AND OPEX TRAJECTORY

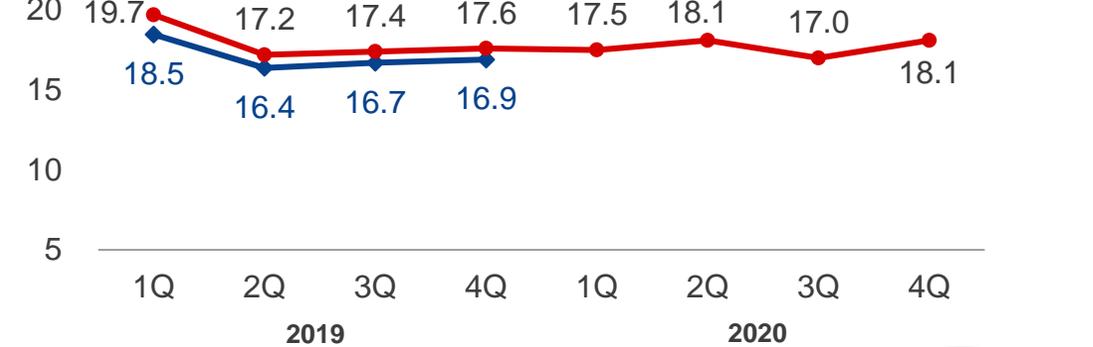
IFRS, NON-GAAP\*1\*2

—◆— Before reclassification of expenses  
—●— After reclassification of expenses

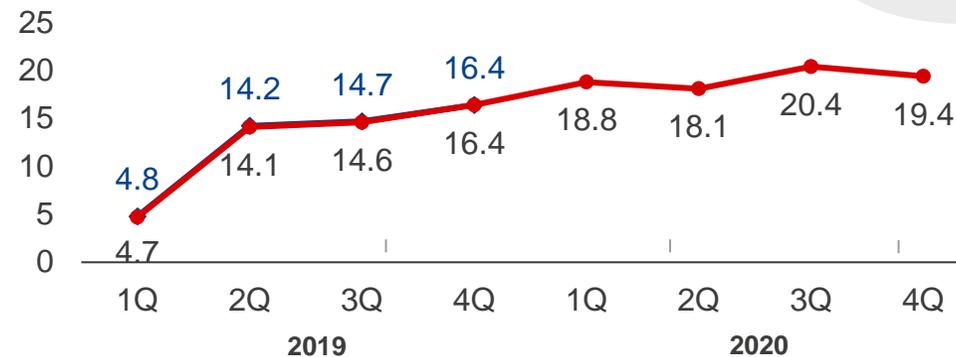
## Gross Margin (%)



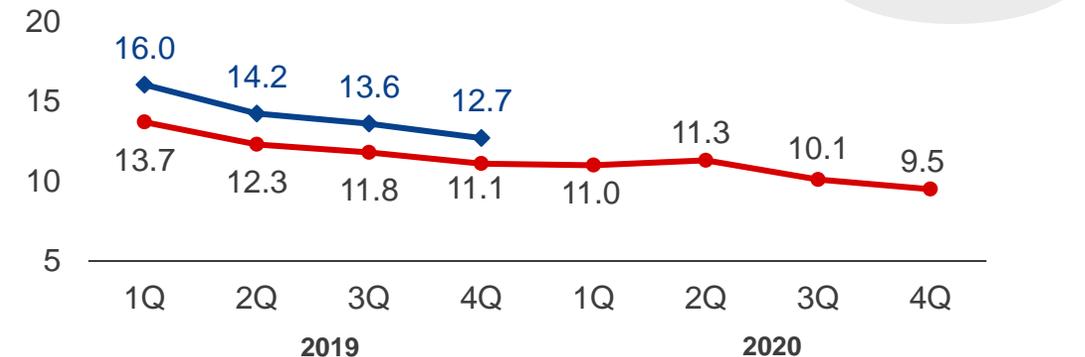
## R&D Ratio (%)



## Operating Margin (%)



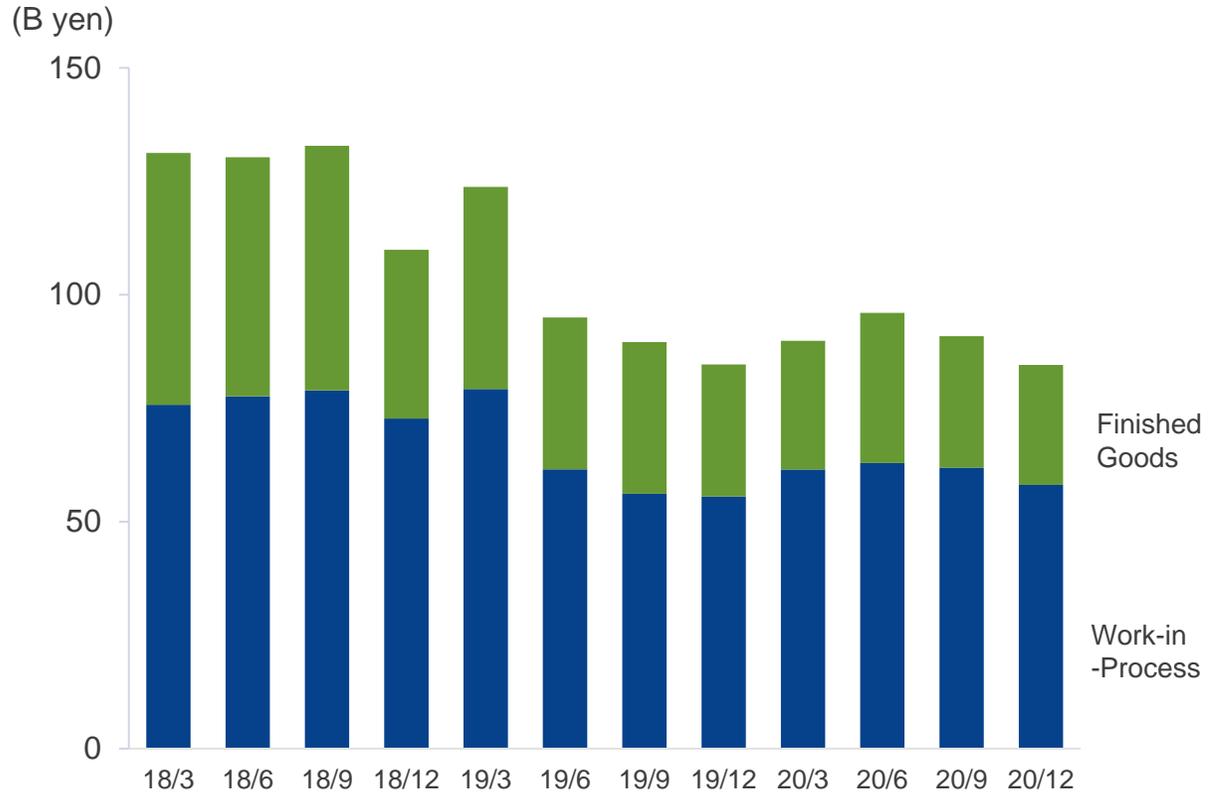
## SG&A/Other Ratio (%)



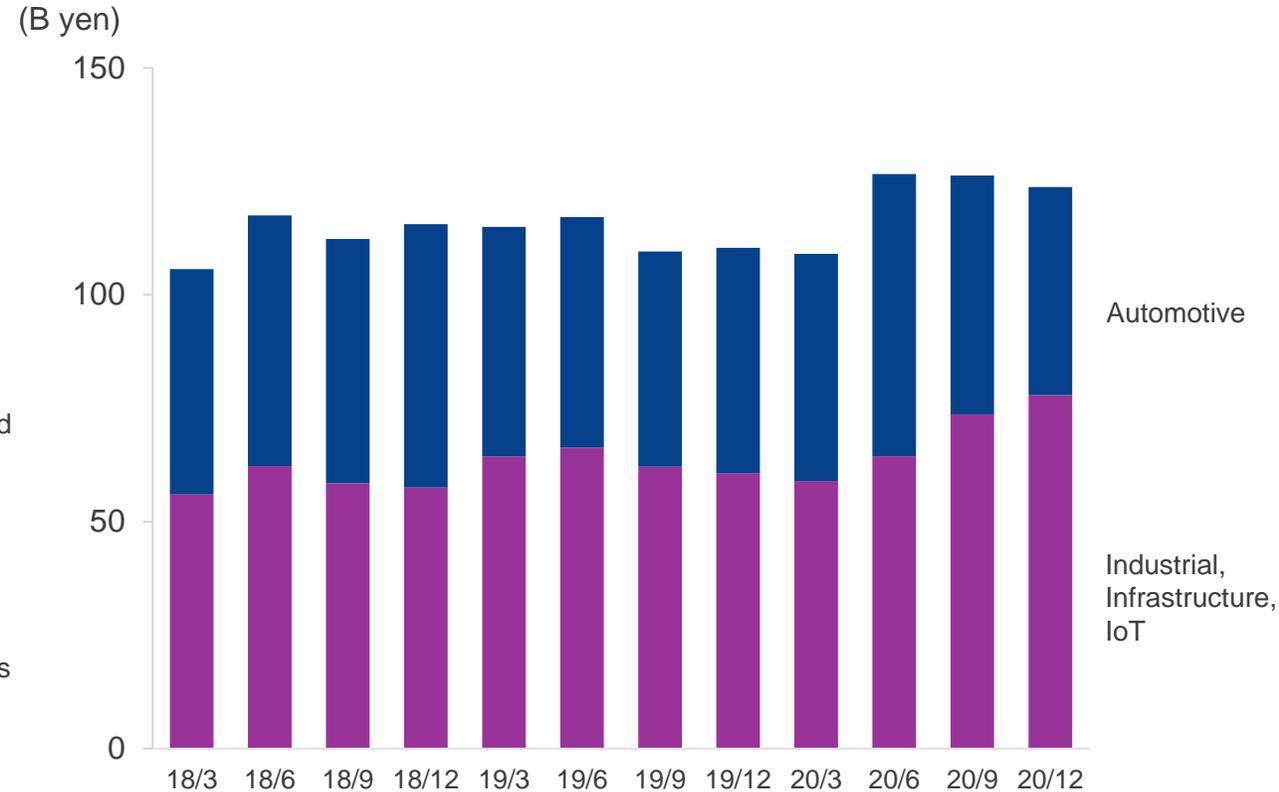
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# INVENTORY \*1

## In-house Inventory\*2 (Settlement basis)



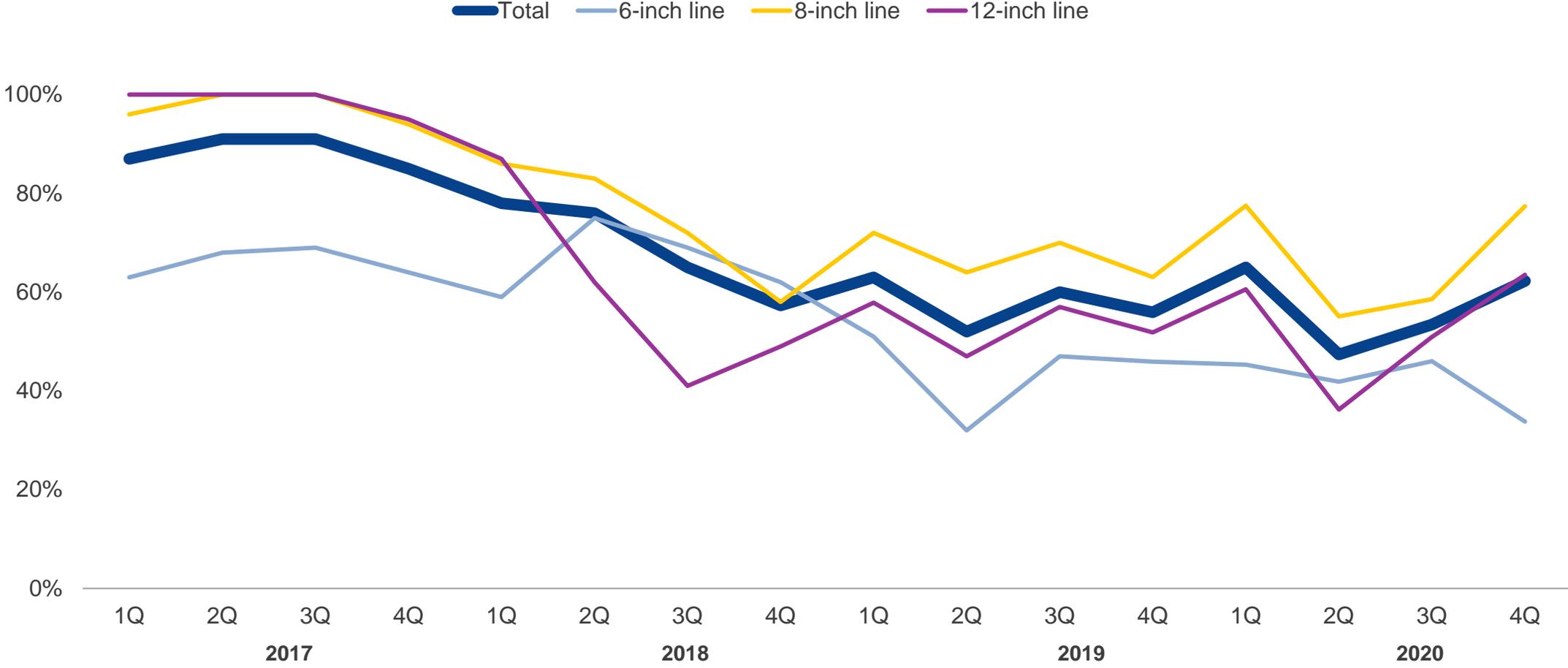
## Sales Channel Inventory\*3 (Managerial basis)



\*1: Figures after consolidation of IDT, as of the three months ended March 31, 2019. \*2: Following the acquisition of IDT and the absorption type merger of IDT with Renesas Electronics America Inc., since January 1, 2020, the Group has begun the integration of business processes and IT systems, etc. as part of the "One Renesas" promotion. With these processes as a momentum, expense classifications have been revised in order to appropriately display the Group's financial status and business performance. Changes in classifications have been applied retroactively; therefore, the consolidated financial results of the year ended December 31, 2019 have been reclassified. \*3: Total inventory of the 16 exclusive sales distributors for Japanese customers and overseas distributors (including distributors for former Intersil and IDT)

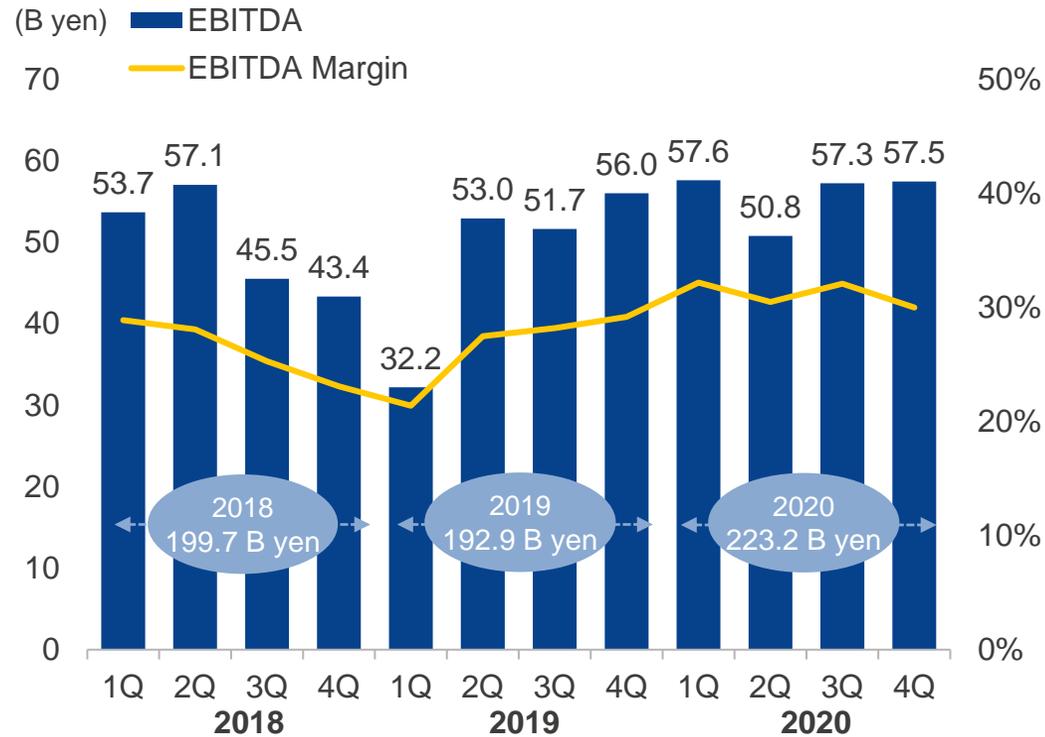
# QUARTERLY TRENDS IN FRONT-END UTILIZATION RATE

## WAFER INPUT BASIS

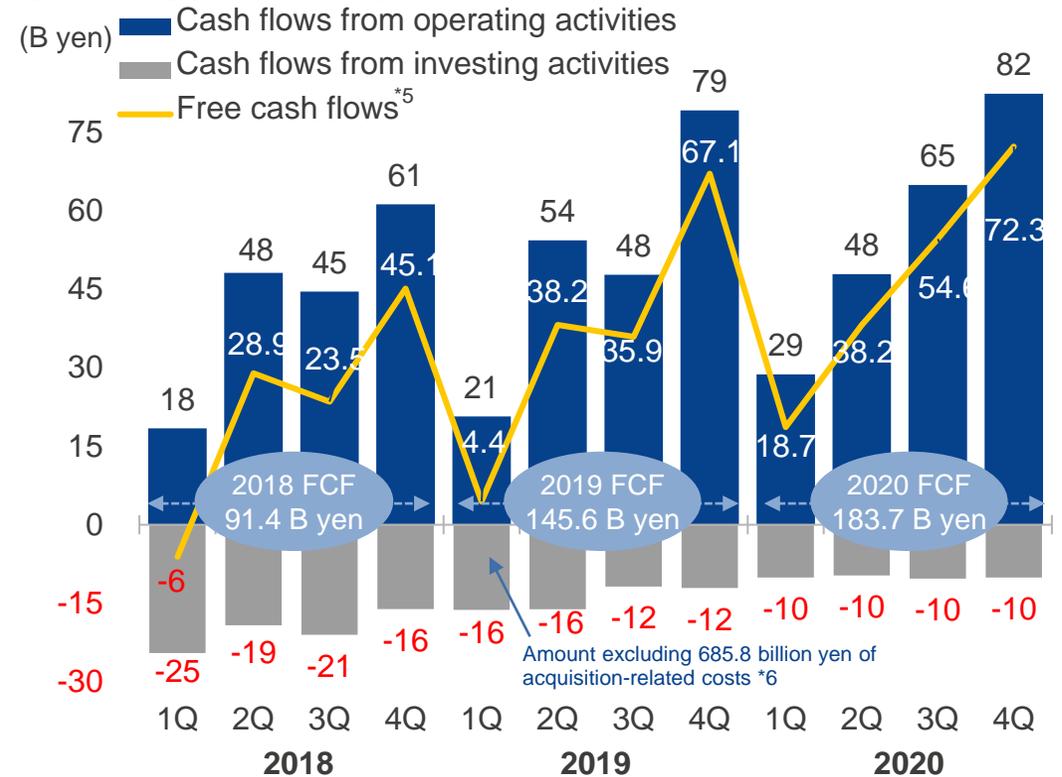


# NON-GAAP\*<sup>1</sup> EBITDA \*<sup>2\*3</sup> AND GAAP\*<sup>4</sup> CASH FLOWS

## Non-GAAP EBITDA



## GAAP Cash Flows



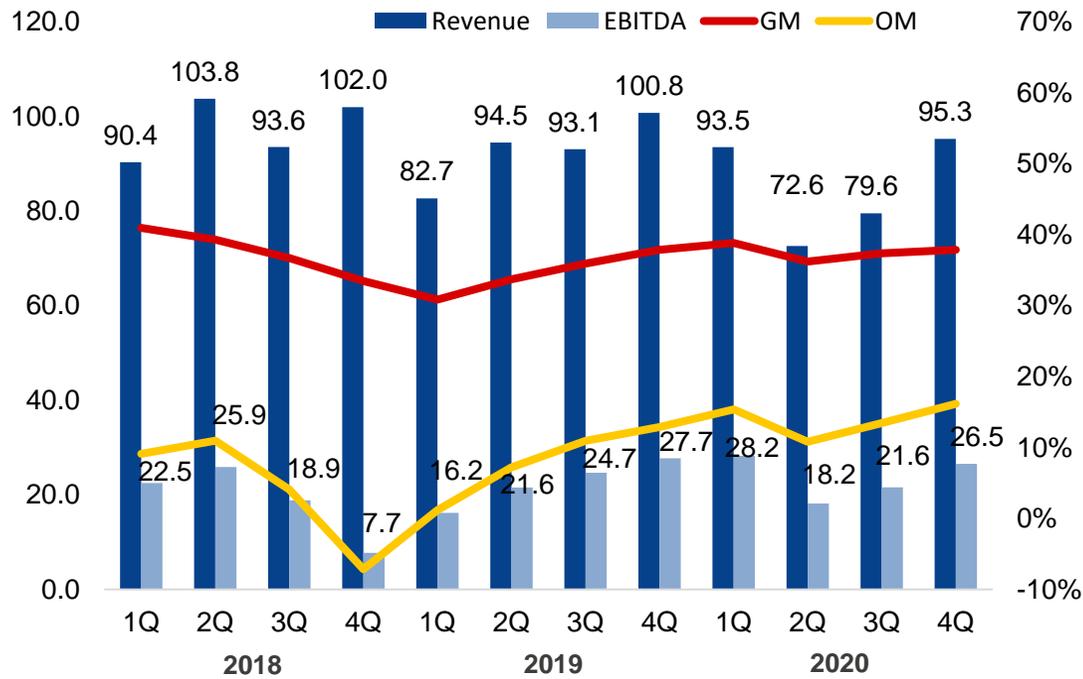
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# QUARTERLY REVENUE, PROFIT, AND EBITDA\*1 TRENDS BY SEGMENT

## IFRS, NON-GAAP\*2\*3\*4

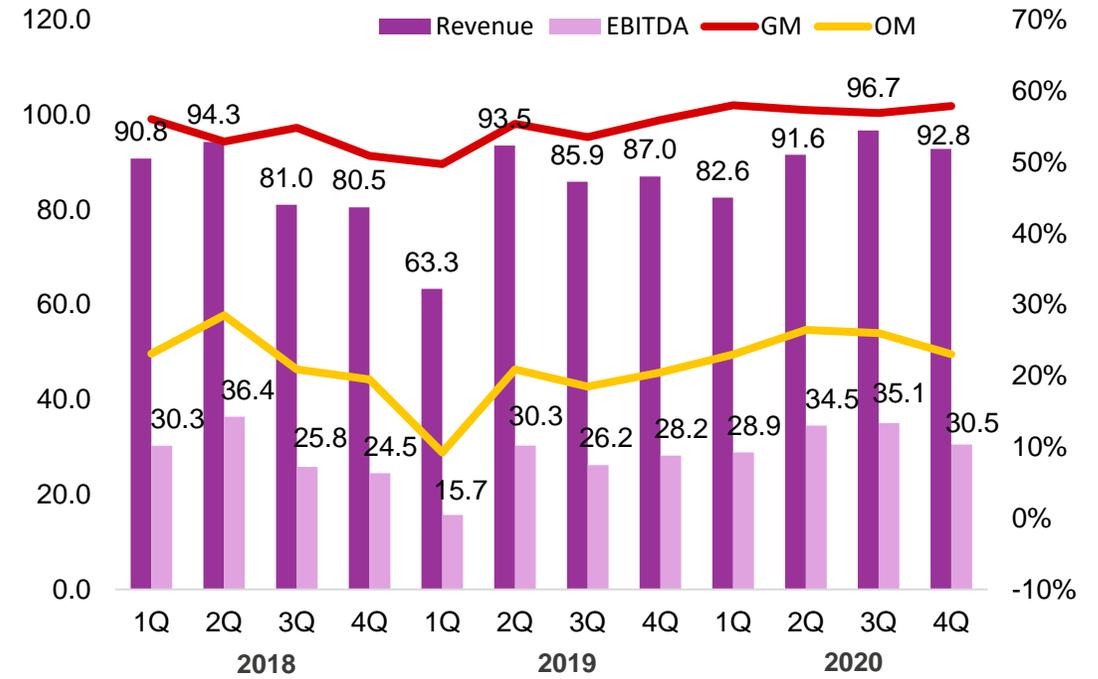
### Automotive

(B yen)



### Industrial, Infrastructure, IoT

(B yen)



\*1: Operating profit + Depreciation and amortization \*2: 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. \*3: 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, 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. \*4: Following the acquisition of IDT and the absorption type merger of IDT with Renesas Electronics America Inc., since January 1, 2020, the Group has begun the integration of business processes and IT systems, etc. as part of the "One Renesas" promotion. With these processes as a momentum, expense classifications have been revised in order to appropriately display the Group's financial status and business performance. Changes in classifications have been applied retroactively; therefore, the consolidated financial results of the year ended December 31, 2019 have been reclassified.

# 1Q 2021 FORECAST

## IFRS, NON-GAAP\*1

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

(B yen)	2020		2021		
	1Q (Jan-Mar)	4Q (Oct-Dec)	1Q (Jan-Mar) Forecast	YoY	QoQ
Revenue	178.7	191.6	<b>197.0 to 205.0</b>	<b>+10.2% to +14.7%</b>	<b>+2.8% to +7.0%</b>
Gross Margin*2	47.3%	47.0%	<b>48.5%</b>	<b>+1.2pts</b>	<b>+1.5pts</b>
Operating Margin*2	18.8%	19.4%	<b>22.0%</b>	<b>+3.2pts</b>	<b>+2.6pts</b>
1 US\$ =	110 yen	105 yen	<b>103 yen</b>	7 yen appreciation	2 yen appreciation
1 Euro=	121 yen	124 yen	<b>125 yen</b>	4 yen depreciation	1 yen depreciation

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

# APPENDIX

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

# REVENUE AND OPERATING PROFIT BY SEGMENT

## NON-GAAP BASIS \*1\*2

(B yen)	2019				2020							
	1Q (Jan-Mar)	2Q (Apr-Jun)	3Q (Jul-Sep)	4Q (Oct-Dec)	1Q (Jan-Mar)	2Q (Apr-Jun)	3Q (Jul-Sep)	4Q (Oct-Dec)	YoY	QoQ	Full Year (Jan-Dec)	YoY
<b>Revenue</b>	150.3	192.6	183.4	192.0	178.7	166.7	178.7	<b>191.6</b>	-0.2%	+7.2%	<b>715.7</b>	-0.4%
Automotive	82.7	94.5	93.1	100.8	93.5	72.6	79.6	<b>95.3</b>	-5.5%	+19.8%	<b>341.0</b>	-8.1%
Industrial, Infra, IoT	63.3	93.5	85.9	87.0	82.6	91.6	96.7	<b>92.8</b>	+6.7%	-4.0%	<b>363.6</b>	+10.3%
Others	4.2	4.6	4.4	4.2	2.6	2.5	2.5	<b>3.5</b>	-17.8%	+42.0%	<b>11.1</b>	-36.4%
<b>Operating Profit/loss (margin)</b>	7.1 (4.7%)	27.2 (14.1%)	26.8 (14.6%)	31.4 (16.4%)	33.7 (18.8%)	30.2 (18.1%)	36.5 (20.4%)	<b>37.2 (19.4%)</b>	+5.8 (+3.1pts)	+0.7 (-1.0pt)	<b>137.5 (19.2%)</b>	+45.1 (+6.3pts)
Automotive	1.0 (1.2%)	6.8 (7.2%)	10.2 (10.9%)	13.0 (12.9%)	14.4 (15.4%)	7.9 (10.8%)	10.7 (13.5%)	<b>15.4 (16.2%)</b>	+2.4 (+3.3pts)	+4.7 (+2.7pts)	<b>48.4 (14.2%)</b>	+17.4 (+5.8pts)
Industrial, Infra, IoT	5.8 (9.2%)	19.6 (20.9%)	15.9 (18.5%)	17.8 (20.5%)	19.0 (23.0%)	24.2 (26.5%)	25.1 (26.0%)	<b>21.4 (23.0%)</b>	+3.6 (+2.5pts)	-3.8 (-3.0pts)	<b>89.7 (24.7%)</b>	+30.6 (+6.8pts)
Others	0.3 (6.5%)	0.3 (6.4%)	0.8 (18.3%)	-0.3 (-7.6%)	0.3 (11.4%)	0.4 (17.7%)	0.1 (5.6%)	<b>0.3 (8.5%)</b>	+0.6 (+16.1pts)	+0.2 (+2.9pts)	<b>1.2 (10.6%)</b>	+0.1 (+4.7pts)
Adjustments*3	-	0.5	-	0.9	-	-2.3	0.5	<b>0.1</b>	-0.8	-0.4	<b>-1.7</b>	-3.1

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# GAAP (IFRS) / NON-GAAP RECONCILIATION

- 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 (purchase price allocation) effects include market valuations of inventories and property, plant and equipment, etc.
- Following the acquisition of IDT and the absorption type merger of IDT with Renesas Electronics America Inc., since January 1, 2020, the Group has begun the integration of business processes and IT systems, etc. as part of the "One Renesas" promotion. With these processes as a momentum, expense classifications have been revised in order to appropriately display the Group's financial status and business performance. Changes in classifications have been applied retroactively; therefore, the consolidated financial results of the year ended December 31, 2019 have been reclassified.

(B yen)	2019				2020			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
<b>Revenue (After PPA)</b>	150.3	192.6	183.4	192.0	178.7	166.7	178.7	191.6
PPA Effects (Revenue)	-	-	-	-	-	-	-	-
<b>Revenue (Non-GAAP)</b>	150.3	192.6	183.4	192.0	178.7	166.7	178.7	191.6
<b>Gross Profit (GAAP/ After PPA)</b>	55.4	73.1	79.5	86.7	82.3	79.1	84.4	89.9
PPA Effects (Depreciation of Property, Plant and Equipment: COGS <sup>*1</sup> )	+0.3	+0.4	+0.4	+0.5	+0.6	+0.3	+0.3	+0.3
PPA Effects (Amortization of Intangible Assets: COGS)	-	-	-	-	-	-	-	-
PPA Effects (Market Valuation of Inventories: COGS)	-	+11.3	-	-	-	-	-	-
PPA Effects (Others: COGS)	-	+0.2	-	-	-	-	-	-
Stock-Based Compensation (COGS)	+0.2	+0.1	+0.2	+0.3	+0.3	+0.1	+0.5	+0.3
Other Adjustments <sup>*2</sup> (COGS)	+1.3	-0.5	+0.2	-1.1	+1.3	-0.4	-0.4	-0.4
Other Non-recurring Adjustments <sup>*3</sup> (COGS)	-	-0.8	+0.0	-	-	+0.1	+0.1	+0.1
<b>Gross Profit (Non-GAAP)</b>	57.2	83.9	80.4	86.5	84.5	79.2	84.9	90.1
<b>Gross Margin (Non-GAAP) (%)</b>	38.1%	43.6%	43.9%	45.1%	47.3%	47.5%	47.5%	47.0%

\*1: Cost of goods sold. \*2: Adjustments to equalize period expenses such as taxes. \*3: Include non-recurring profit or loss above a certain amount such as acquisition related costs and costs related to offering.

# GAAP (IFRS) / NON-GAAP\*1 RECONCILIATION\*2

(B yen)	2019				2020			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
<b>Operating Profit/Loss (GAAP/After PPA)</b>	-1.4	-10.9	8.1	10.4	13.3	17.3	17.2	17.3
Reconciliation in Gross Profit Level	+1.9	+10.8	+0.9	-0.2	+2.2	+0.1	+0.5	+0.2
PPA Effects*3 (Amortization of Intangible Assets: SG & A*4)	+3.8	+14.2	+13.8	+13.9	+14.2	+13.2	+13.2	+13.0
PPA Effects (Depreciation of Property, Plant and Equipment: R&D*5)	+0.1	+0.0	+0.0	+0.1	+0.1	+0.1	+0.1	+0.1
PPA Effects (Depreciation of Property, Plant and Equipment: SG & A)	+0.0	+0.0	+0.0	+0.0	+0.0	+0.0	+0.0	+0.0
PPA Effects (Others: R&D)	-	+0.1	-	-	-	-	-	-
PPA Effects (Others: SG & A, Others)	-	+0.1	-	-	-	-	-	-
Stock-Based Compensation (R&D)	+0.4	+1.2	+1.7	+2.0	+1.9	+0.9	+2.4	+1.2
Stock-Based Compensation (SG&A)	+1.0	+1.5	+1.7	+1.6	+1.7	+0.7	+3.0	+1.4
Other Adjustments *6 (R&D)	+0.1	-0.0	-0.0	-0.0	+0.1	-0.0	-0.0	-0.0
Other Adjustments (SG&A)	-0.7	-0.9	-0.2	+1.8	-0.4	-0.6	-0.6	+1.5
Other Non-Recurring Adjustments *7 (R&D)	-	-0.8	+0.0	-	-	+0.0	+0.0	+0.0
Other Non-Recurring Adjustments (SG&A, Others)	+2.0	+11.9	+0.9	+1.8	+0.6	-1.5	+0.5	+2.4
<b>Operating Profit/Loss (Non-GAAP)</b>	7.1	27.2	26.8	31.4	33.7	30.2	36.5	37.2
<b>Operating Margin (Non-GAAP) (%)</b>	4.7%	14.1%	14.6%	16.4%	18.8%	18.1%	20.4%	19.4%

\*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: Following the acquisition of IDT and the absorption type merger of IDT with Renesas Electronics America Inc., since January 1, 2020, the Group has begun the integration of business processes and IT systems, etc. as part of the "One Renesas" promotion. With these processes as a momentum, expense classifications have been revised in order to appropriately display the Group's financial status and business performance. Changes in classifications have been applied retroactively; therefore, the consolidated financial results of the year ended December 31, 2019 have been reclassified. \*3: PPA (purchase price allocation) effects include market valuations of inventories and property, plant and equipment. \*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 loss above a certain amount such as acquisition related costs and costs related to offering

# GAAP (IFRS) / NON-GAAP\*1 RECONCILIATION\*2

(B yen)	2019				2020			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
<b>Profit/Loss Attributable to Owners of Parent (GAAP/After PPA*3)</b>	-1.9	-9.1	4.0	0.7	11.3	11.9	15.3	7.2
Reconciliations in Operating Profit/Loss Level	+8.5	+38.0	+18.8	+21.0	+20.4	+13.0	+19.2	+19.8
Reconciliations in Net Profit/Loss (Tax Impacts from Non-GAAP Adjustments)	-	-3.3	-0.5	-0.2	-1.7	-1.2	-0.9	-2.8
<b>Profit/loss Attributable to Owners of Parent (Non-GAAP)</b>	6.5	25.6	22.4	21.4	29.9	23.7	33.6	24.2
<b>Non-GAAP EPS*4 (yen)</b>	3.9	15.1	13.1	12.5	17.5	13.8	19.5	14.0

\*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: Following the acquisition of IDT and the absorption type merger of IDT with Renesas Electronics America Inc., since January 1, 2020, the Group has begun the integration of business processes and IT systems, etc. as part of the "One Renesas" promotion. With these processes as a momentum, expense classifications have been revised in order to appropriately display the Group's financial status and business performance. Changes in classifications have been applied retroactively; therefore, the consolidated financial results of the year ended December 31, 2019 have been reclassified. \*3: PPA (purchase price allocation) effects include market valuations of inventories and property, plant and equipment. \*4: Earnings per share.

# 4Q 2020 FINANCIAL SNAPSHOT

## GAAP (IFRS)\*1

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

(B yen)	2019		2020					
	4Q (Oct-Dec)	Full Year (Jan-Dec)	3Q (Jul-Sep)	4Q (Oct-Dec)	YoY	QoQ	Full Year (Jan-Dec)	YoY
Revenue	192.0	718.2	178.7	<b>191.6</b>	-0.2%	+7.2%	<b>715.7</b>	-0.4%
Gross Margin	45.2%	41.0%	47.2%	<b>46.9%</b>	+1.8pts	-0.3pt	<b>46.9%</b>	+5.9pts
Operating Profit/loss (Margin)	10.4 (5.4%)	6.3 (0.9%)	17.2 (9.7%)	<b>17.3 (9.0%)</b>	+6.9 (+3.6pts)	+0.1 (-0.6pt)	<b>65.1 (9.1%)</b>	+58.9 (+8.2pts)
Profit/loss Attributable to Owners of Parent	0.7	-6.3	15.3	<b>7.2</b>	+6.5	-8.1	<b>45.6</b>	+51.9
EBITDA*2	49.6	154.3	51.8	<b>51.1</b>	+1.5	-0.6	<b>206.7</b>	+52.4
1 US\$=	108 yen	109 yen	107 yen	<b>105 yen</b>	3 yen appreciation	2 yen appreciation	<b>107 yen</b>	2 yen appreciation
1 Euro=	119 yen	123 yen	123 yen	<b>124 yen</b>	5 yen depreciation	5 yen depreciation	<b>121 yen</b>	1 yen appreciation

\*1: Following the acquisition of IDT and the absorption type merger of IDT with Renesas Electronics America Inc., since January 1, 2020, the Group has begun the integration of business processes and IT systems, etc. as part of the "One Renesas" promotion. With these processes as a momentum, expense classifications have been revised in order to appropriately display the Group's financial status and business performance. Changes in classifications have been applied retroactively; therefore, the consolidated financial results of the year ended December 31, 2019 have been reclassified.

\*2: Operating profit + Depreciation and amortization.

# STATEMENT OF FINANCIAL POSITION

GAAP (IFRS)\*1

(B yen)	19/3	19/6	19/9	19/12	20/3	20/6	20/9	20/12
<b>Total Assets</b>	1,876.7	1,697.9	1,666.3	1,668.1	1,657.8	1,634.5	1,620.4	<b>1,609.0</b>
Cash and Cash Equivalents*2	196.7	116.5	124.3	146.5	136.9	148.5	175.9	<b>219.8</b>
Inventories	129.7	100.8	95.5	90.8	95.7	101.8	96.9	<b>89.8</b>
Goodwill	633.2	614.9	615.7	625.0	620.9	614.6	603.6	<b>590.5</b>
Intangible Assets	478.0	445.8	427.7	414.6	430.3	409.8	386.7	<b>364.8</b>
<b>Total Liabilities</b>	1,237.5	1,105.4	1,068.1	1,043.7	1,030.5	1,005.1	988.3	<b>989.3</b>
Interest-Bearing Liabilities*3	965.3	852.7	828.8	785.9	764.2	740.2	717.1	<b>693.7</b>
<b>Total Equity</b>	639.1	592.4	598.2	624.4	627.3	629.4	632.2	<b>619.7</b>
<b>D/E Ratio (Gross) *4</b>	1.52	1.45	1.39	1.26	1.22	1.18	1.14	<b>1.12</b>
<b>D/E Ratio (Net) *5</b>	1.21	1.25	1.18	1.03	1.00	0.94	0.86	<b>0.77</b>
<b>Equity Ratio Attributable to Owners of Parent *6</b>	33.9%	34.7%	35.7%	37.3%	37.7%	38.3%	38.8%	<b>38.3%</b>

\*1: Following the acquisition of IDT and the absorption type merger of IDT with Renesas Electronics America Inc., since January 1, 2020, the Group has begun the integration of business processes and IT systems, etc. as part of the "One Renesas" promotion. With these processes as a momentum, expense classifications have been revised in order to appropriately display the Group's financial status and business performance. Changes in classifications have been applied retroactively; therefore, the consolidated financial results of the year ended December 31, 2019 have been reclassified.

\*2: 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.

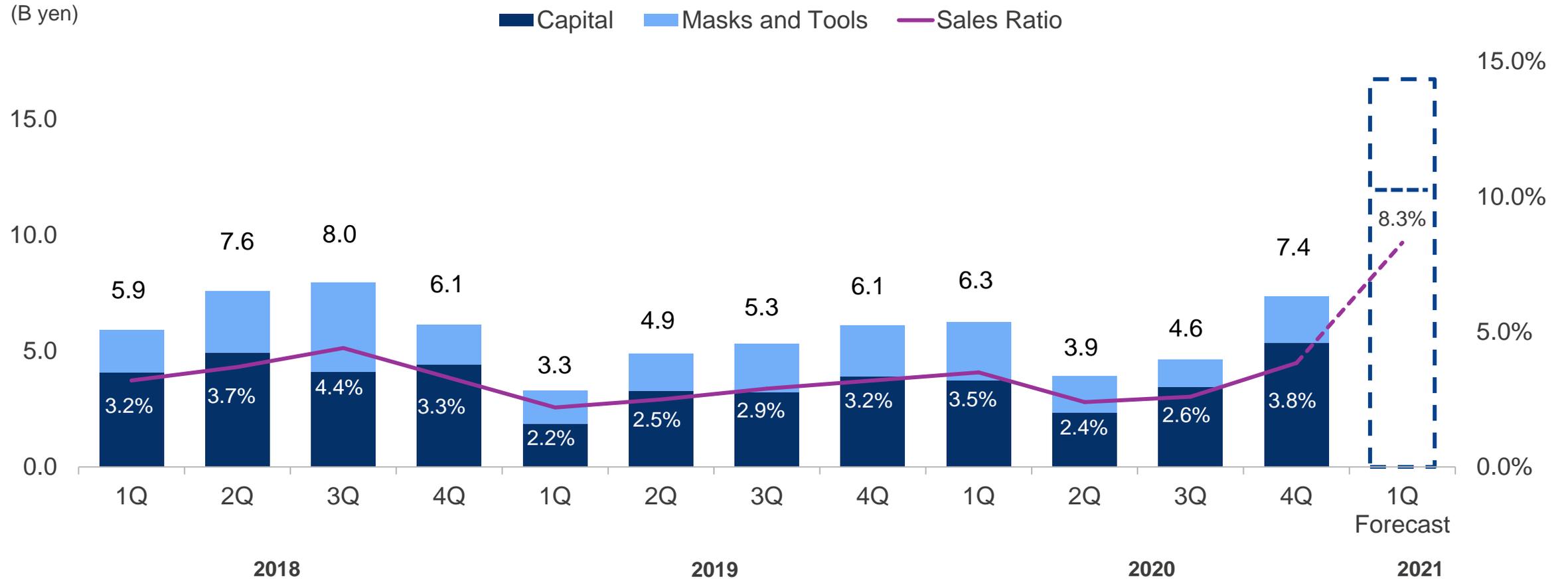
\*3: Borrowings (current and non-current liabilities) + Lease Liabilities (current liabilities) + Lease Liabilities (non-current liabilities) + Bonds.

\*4: Interest-Bearing Liabilities / Equity attributable to owners of parent.

\*5: (Interest-Bearing Liabilities - Cash and Cash Equivalents) / Equity attributable to owners of parent.

\*6: Equity attributable to owners of parent / Total liabilities and equity.

# CAPITAL EXPENDITURES\*1\*2



\*1: The figures are investment decision basis of tangible and intangible assets and do not match the sum listed in the cash flow statement. However, IDT investment amount is based on equipment delivery.

\*2: From 3Q 2020, we no longer separately classify IDT investments and only show the capital investments of the Group as a whole. We have also applied this classification to previous years' figures.

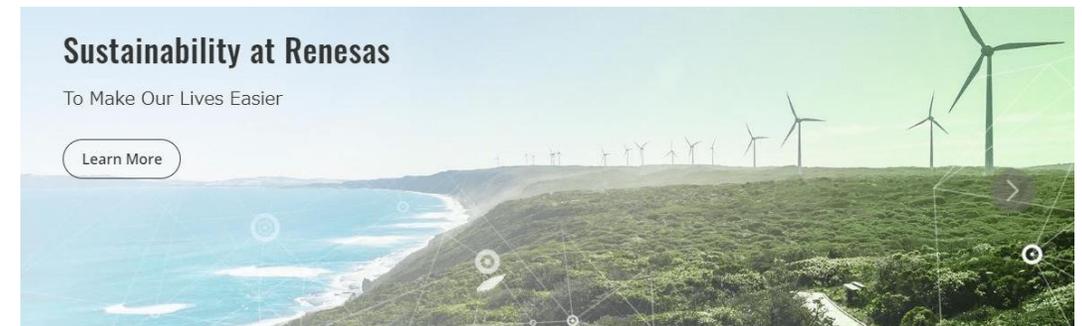
# MAJOR ANNOUNCEMENTS FROM 4Q AND LATER 2020

## New Products and Solutions

- Expanded RF portfolio to cover complete signal chain for 5G macro base stations
- Launched a new general-purpose 64-bit RZ/G2L, RZ/G2LC and RZ/G2UL MPUs with latest Arm Cortex-A55 for improved AI processing
- Unveiled P9418, industry's first 60W wireless power receiver IC enabling fast battery charging for smartphones and mobile devices
- Released best-in-class R-Car V3U ASIL D SoCs to accelerate ADAS and automated driving development
- Adopted Andes RISC-V 32-bit CPU cores for Renesas' first RISC-V implementation of ASSPs

## Adoptions and Collaborations, etc.

- Collaboration with Microsoft to accelerate connected vehicle development
- Launched of the new "Sustainability at Renesas" website
- Establishment of a joint laboratory between Renesas and FAW to accelerate development of next-generation smart vehicles for China's automotive market



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### (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.