

# 1Q 2024 PRESENTATION

RENESAS ELECTRONICS CORPORATION  
APRIL 25, 2024

# 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. Non-GAAP figures are calculated by removing or adjusting non-recurring items and other adjustments from GAAP (IFRS: International Financial Reporting Standards) figures following a certain set of rules. The Group believes providing non-GAAP figures will help to better understand the Group’s constant business results.

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 IFRS starting from the annual securities report for FY2018/12.
- **Non-GAAP figures:** Non-GAAP figures are calculated by removing or adjusting non-recurring items and other adjustments from GAAP (IFRS) figures following a certain set of rules. This adjustment and exclusion include the amortization of intangible assets recognized from acquisitions, other PPA (purchase price allocation) adjustments relating to acquisitions, stock-based compensation, as well as other non-recurring expenses and income the Group believes to be applicable.
- **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, and gross margin and operating margin figures in the non-GAAP format. The gross margin and operating margin forecasts are given assuming the midpoint in the sales revenue forecast.
- **Purchase Price Allocation (PPA):** The allocation of the acquisition costs for the business combinations with Steradian Semiconductors Private Limited (“Steradian”), and Panthronics AG (“Panthronics”) has been revised: at the end of the three months ended March 31, 2023 and at the end of three months ended December 31, 2023, respectively. These revisions to the allocation of the acquisition costs have been reflected in the consolidated financial results for the year ended December 31, 2022, for the three months ended June 30, 2023 and for the three months ended September 30, 2023.
- **Change of the method for aggregating Reportable Segment:** Due to the Group’s organizational changes in the three months ended March 31, 2024, the methodology for aggregating revenue for reportable segments changed from the use of product axis to the use of customer axis. Accordingly, previously reported segment information for the year ended December 31, 2023, has been revised using the new methodology in order to be comparable with the segment information for the year ending December 31, 2024.

# 1Q 2024 FINANCIAL SNAPSHOT

## NON-GAAP

(B yen)	2023		2024				
	1Q (Jan-Mar)	4Q (Oct-Dec)	1Q (Jan-Mar) Forecast	1Q (Jan-Mar) Actual	YoY	QoQ	Change from Feb 8 FCT*1
Revenue	359.7	361.9	345.0 (±7.5)	<b>351.8</b>	-2.2%	-2.8%	+2.0%
Revenue (Excluding Foreign Exchange Impact)	-	-	-	-	-8.2%	-2.7%	+0.2%
Gross Margin	56.2%	56.4%	55.0%	<b>56.7%</b>	+0.5pt	+0.3pt	+1.7pts
Operating Profit (Margin)	124.8 (34.7%)	115.5 (31.9%)	30.0%	<b>113.5 (32.3%)</b>	-11.3 (-2.4pts)	-2.0 (+0.4pt)	(+2.3pts)
Profit Attributable to Owners of Parent	107.5	98.2	-	<b>105.9</b>	-1.6	+7.7	-
EBITDA*2	144.3	136.0	-	<b>133.8</b>	-10.5	-2.3	-
1 US\$=	133 yen	149 yen	142 yen	<b>147 yen</b>	14 yen depreciation	2 yen appreciation	5 yen depreciation
1 Euro=	142 yen	159 yen	155 yen	<b>159 yen</b>	18 yen depreciation	0 yen depreciation	4 yen depreciation

\*1: Each figure represents comparisons with the midpoint in the sales revenue forecast range \*2: Operating profit + Depreciation and amortization

# 1Q 2024 REVENUE AND GROSS / OPERATING MARGIN

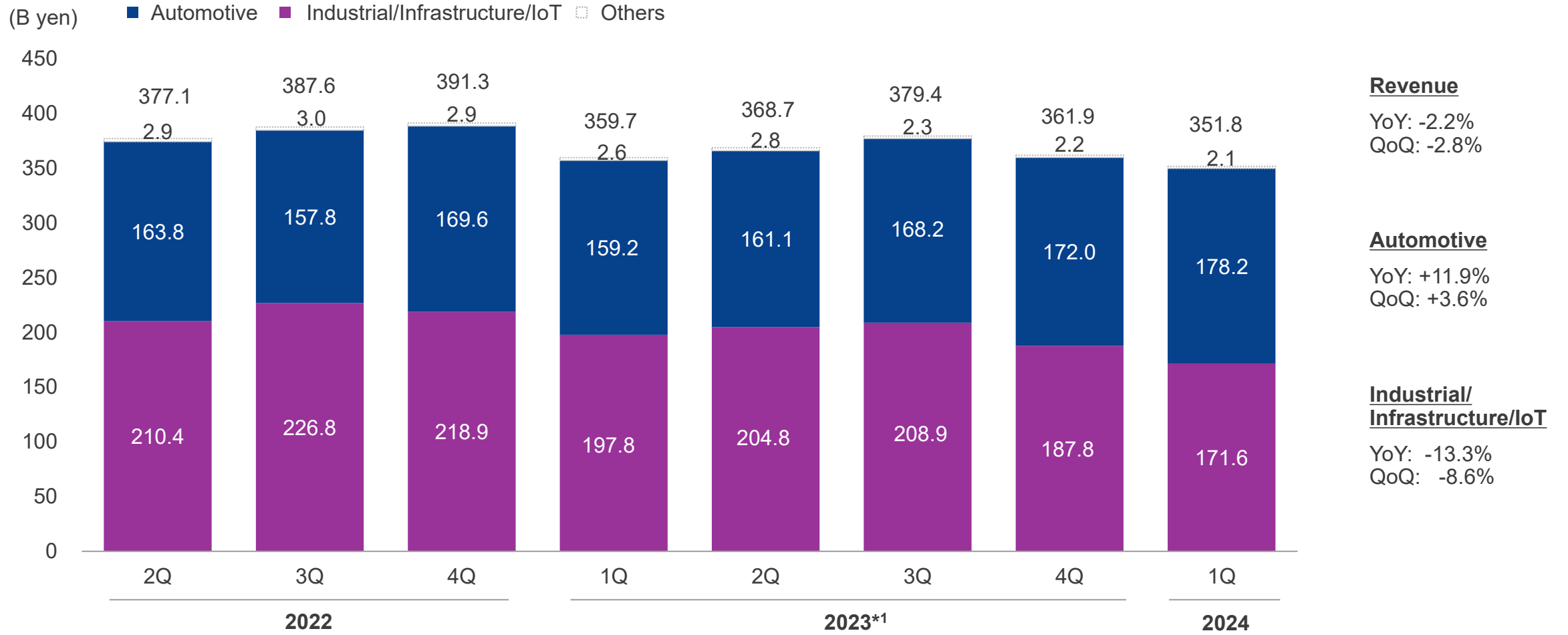
NON-GAAP

	Company Total	Automotive	Industrial / Infrastructure / IoT	vs FCT
Revenue	<p><b>351.8 B yen</b></p> <p>vs FCT: +2.0% QoQ: -2.8%</p>	<p><b>178.2 B yen</b></p> <p>vs FCT: + QoQ: +3.6%*1</p>	<p><b>171.6 B yen</b></p> <p>vs FCT: + QoQ: -8.6%*1</p>	<p>✓ <b>Revenue : +</b></p> <p>✓ <b>Gross Margin : +</b> (+) Increased utilization, Decreased production cost (-) Worsen product mix</p> <p>✓ <b>Operating Margin : +</b> (+) Decreased sales operating cost</p>
Gross Margin	<p><b>56.7%</b></p> <p>vs FCT: +1.7pts QoQ: +0.3pt</p>	<p><b>52.4%</b></p> <p>QoQ: +0.1pt*1</p>	<p><b>61.6%</b></p> <p>QoQ: +1.2pts*1</p>	<p>QoQ</p> <p>✓ <b>Revenue : -</b></p> <p>✓ <b>Gross Margin : +</b> (+) Currency Impact, Increased utilization, Decreased production cost (-) Worsen product mix</p> <p>✓ <b>Operating Margin : +</b> (+) Decreased sales operating cost</p>
Operating Margin	<p><b>32.3%</b></p> <p>vs FCT: +2.3pts QoQ: +0.4pt</p>	<p><b>32.2%</b></p> <p>QoQ: -0.9pt*1</p>	<p><b>32.5%</b></p> <p>QoQ: +2.4pts*1</p>	

\*1: Compared with the revised segment information based on the new aggregation method

# QUARTERLY REVENUE TRENDS

## NON-GAAP



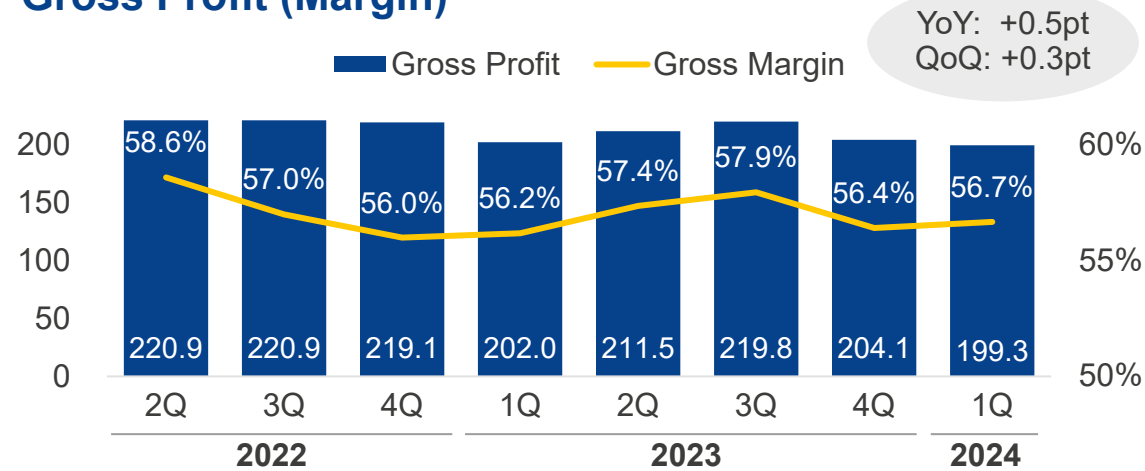
\*1: 2023 segment revenue: revised based on the new aggregation method



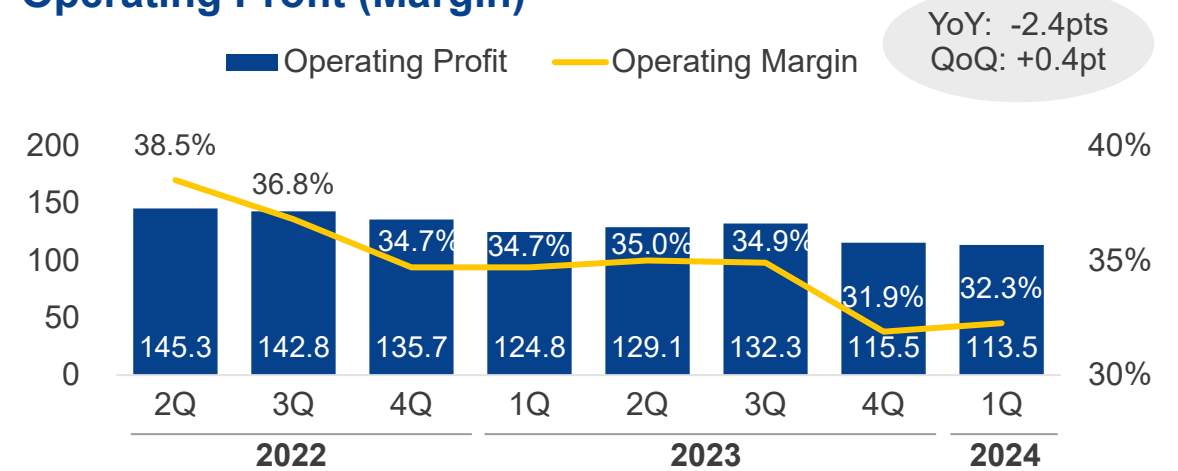
# QUARTERLY BUSINESS TRENDS

## NON-GAAP

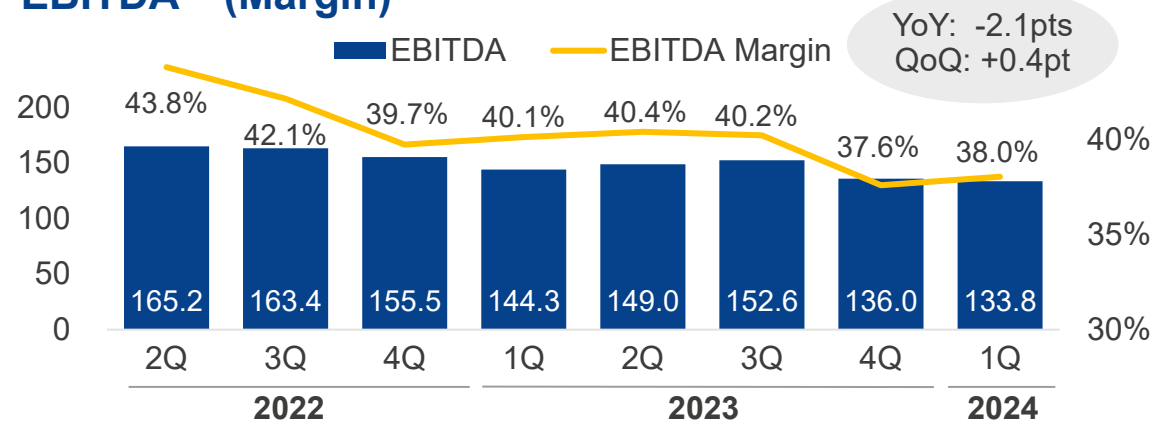
### Gross Profit (Margin)



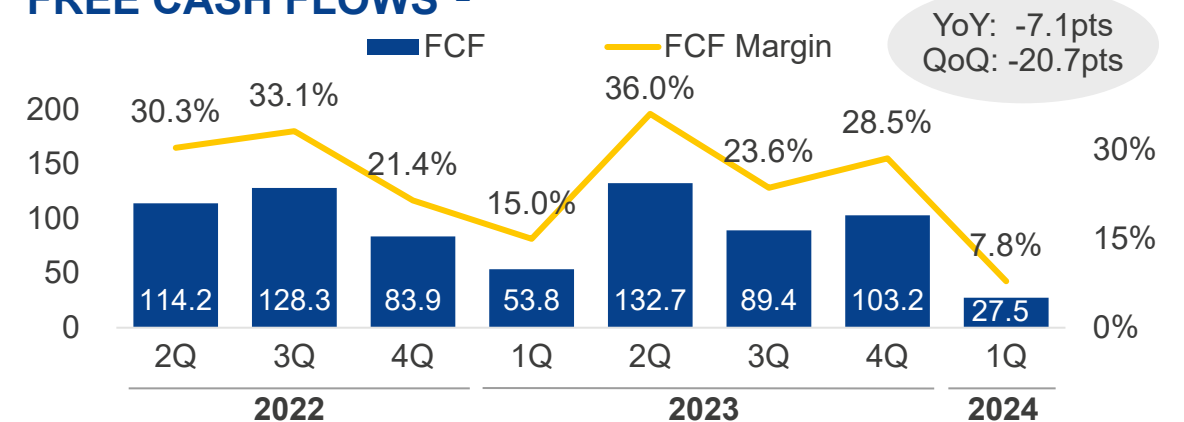
### Operating Profit (Margin)



### EBITDA\*1 (Margin)



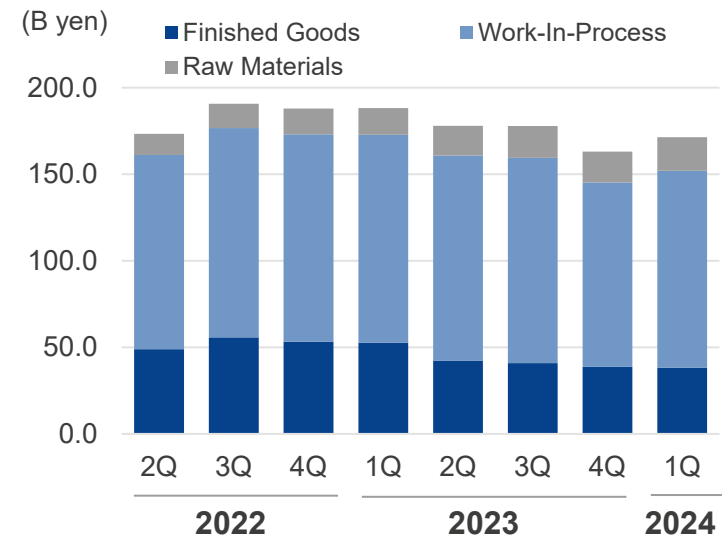
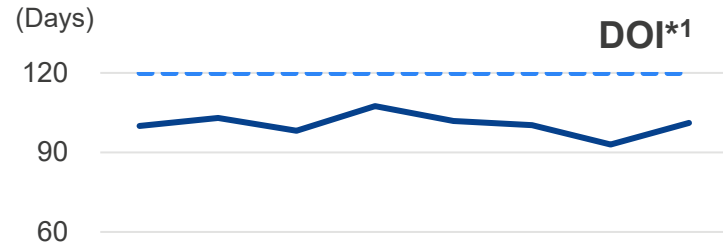
### FREE CASH FLOWS\*2



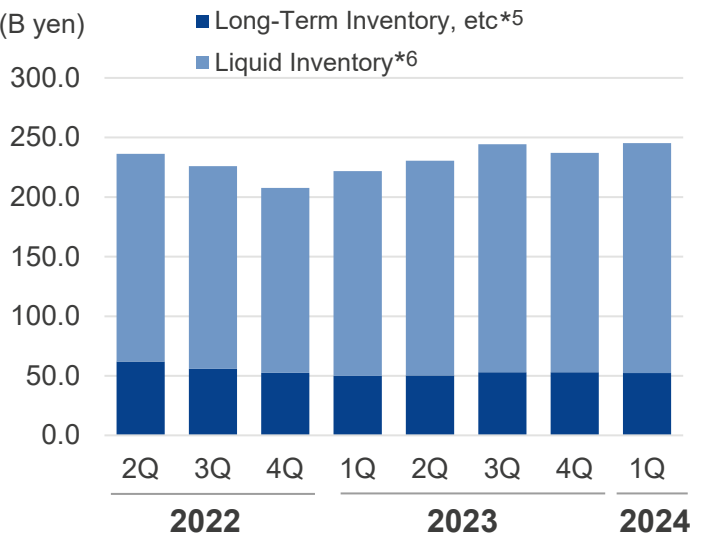
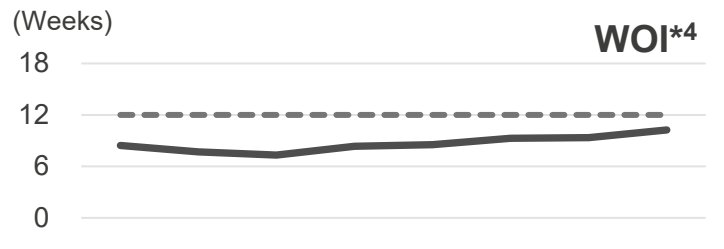
\*1: Operating profit + Depreciation and amortization \*2: Cash flows from operating activities + Cash flows from investing activities; The cash flows from investing activities do not include: (1) acquisition-related payments; (2) payment of contingent consideration for acquisition of subsidiaries; and (3) deposits provided to Wolfspeed

# INVENTORY

## In-House Inventory (Financial Accounting Basis)



## Sales Channel Inventory\*2 (Management Accounting Basis\*3)



## In-House Inventory/DOI

✓ **1Q Results: Increased**  
 WIP: Die bank expansion,  
 Advance purchase from OS  
 FG/RM: Shipments based on demand  
 ✓ **2Q Forecast: Increase**  
 WIP: Increase in die bank inventory,  
 Advance production  
 FG/RM: Shipments based on demand

## Sales Channel Inventory/WOI

✓ **1Q Results: Increased**  
 Automotive: Increased  
 Industrial/ Infrastructure/IoT: Increased slightly  
 ✓ **2Q Forecast: Increase**  
 Automotive: Increase  
 Industrial/ Infrastructure/IoT: Decrease

\*1: DOI: Days of Inventory = Inventory valuation balance at the end of the quarter / cost of sales of the quarter (Non-GAAP) × 90

\*2: Channel Inventory: Total inventory amount for Tokuyakutens for Japanese customers and overseas distributors

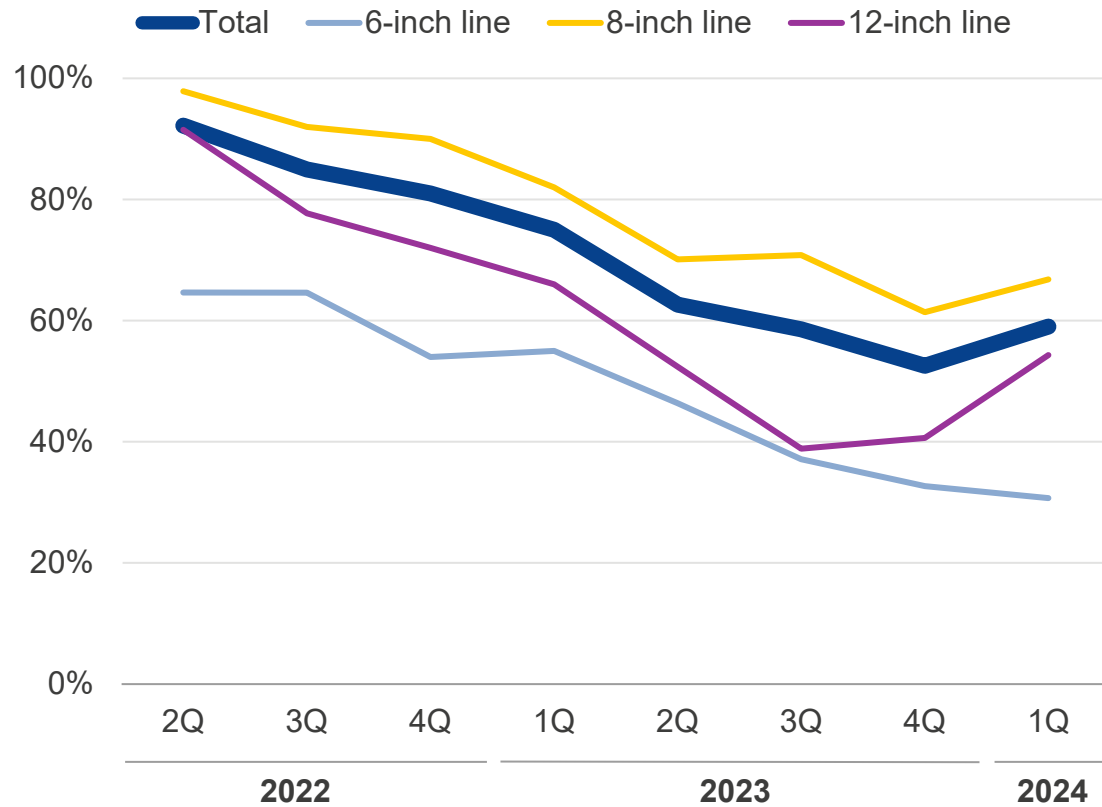
\*3: Management accounting Basis: Exchange rates for the FY2022 and FY2023 have been adjusted (and are calculated based on the FY2024 exchange rate) in accordance with the change in exchange rate for the FY2024 budget

\*4: WOI: Weeks of Inventory = Channel inventory at the end of the quarter / (cost of channel sales in the quarter / 13 weeks). It should be noted that from the inventory management perspective, to calculate appropriate WOI, certain Long-Term Inventory is excluded from Channel Inventory \*5: Long-Term Inventory: Inventory with unique holding periods (End of Life or "EOL" products, e-commerce inventory etc.) \*6: Liquid Inventory: Channel Inventory – Long-Term Inventory, etc.

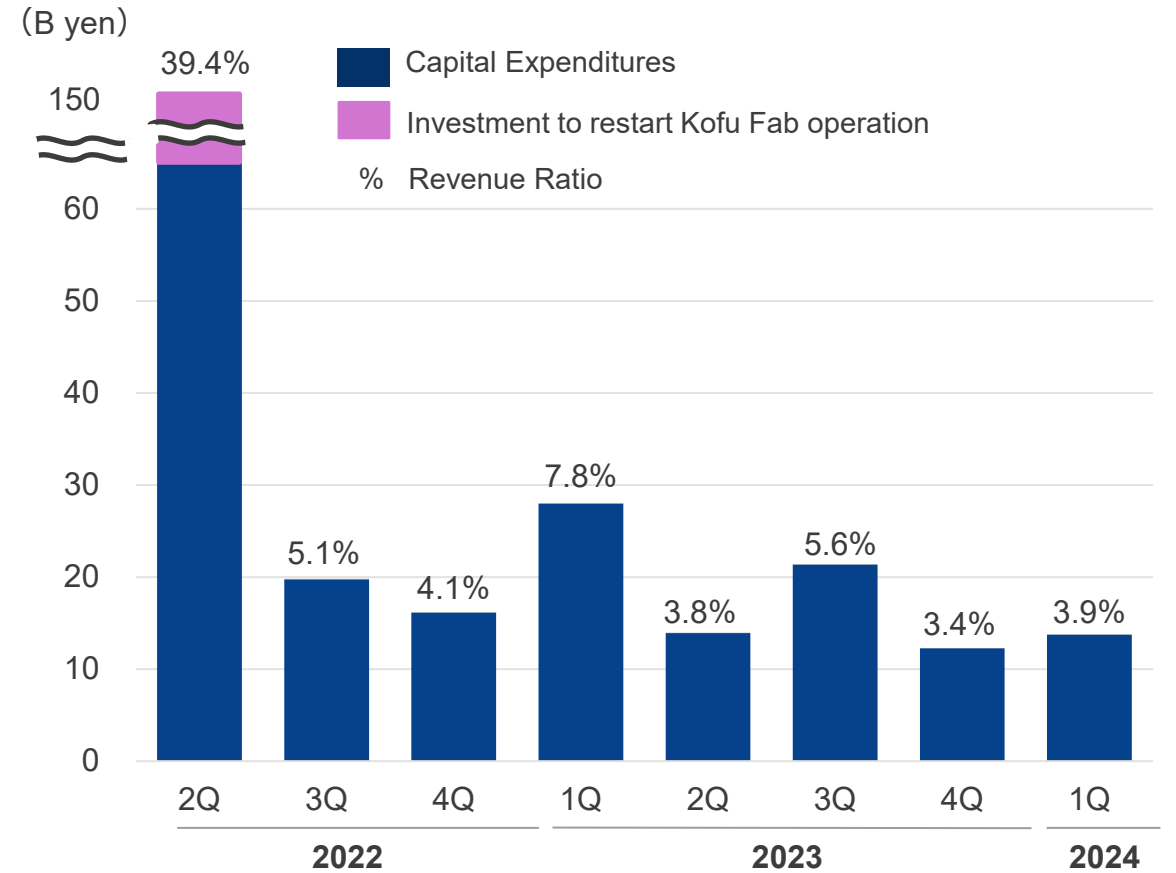


# FRONT-END UTILIZATION RATE AND CAPITAL EXPENDITURES\*1

## FRONT-END UTILIZATION RATE (WAFER INPUT BASIS)



## CAPITAL EXPENDITURES



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

# 2Q 2024 FORECAST

## NON-GAAP

(B yen)	2023		2024					
	2Q (Apr-Jun)	1H (Jan-Jun)	1Q (Jan-Mar)	2Q (Apr-Jun) Midpoint Forecast (Range)*1	YoY	QoQ	1H (Jan-Jun) Forecast	YoY
Revenue	368.7	728.4	351.8	<b>355.0 (±7.5)</b>	-3.7% (±2.0pts)	+0.9% (±2.1pts)	706.8 (±7.5)	-3.0% (±1.0pt)
Revenue (Excluding Foreign Exchange Impact)	-	-	-	-	-8.6%	+0.4%	-	-
Gross Margin	57.4%	56.8%	56.7%	<b>55.5%</b>	-1.9pts	-1.2pts	56.1%	-0.7pt
Operating Margin	35.0%	34.8%	32.3%	<b>30.5%</b>	-4.5pts	-1.8pts	31.4%	-3.5pts
1 US\$ =	135 yen	134yen	147 yen	<b>150 yen</b>	15 yen depreciation	3 yen depreciation	148 yen	15 yen depreciation
1 Euro=	146 yen	144yen	159 yen	<b>161 yen</b>	15 yen depreciation	2 yen depreciation	160 yen	16 yen depreciation

\*1: Each figure represents comparisons with 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 GROSS PROFIT BY SEGMENT\*1

## NON-GAAP

(B yen)	2023					2024		
	1Q (Jan-Mar)	2Q (Apr-Jun)	3Q (Jul-Sep)	4Q (Oct-Dec)	Full-Year (Jan-Dec)	1Q (Jan-Mar)	YoY	QoQ
<b>Revenue</b>	359.7	368.7	379.4	361.9	1,469.7	<b>351.8</b>	-2.2%	-2.8%
Automotive	159.2	161.1	168.2	172.0	660.4	<b>178.2</b>	+11.9%	+3.6%
Industrial, Infrastructure, IoT	197.8	204.8	208.9	187.8	799.3	<b>171.6</b>	-13.3%	-8.6%
Others	2.6	2.8	2.3	2.2	10.0	<b>2.1</b>	-21.5%	-5.2%
<b>Gross Profit (Margin)</b>	202.0 (56.2%)	211.5 (57.4%)	219.8 (57.9%)	204.1 (56.4%)	837.4 (57.0%)	<b>199.3 (56.7%)</b>	-2.7 (+0.5pt)	-4.8 (+0.3pt)
Automotive	84.7 (53.2%)	83.9 (52.1%)	89.8 (53.4%)	90.0 (52.3%)	348.5 (52.8%)	<b>93.4 (52.4%)</b>	+8.6 (-0.8pt)	+3.4 (+0.1pt)
Industrial, Infrastructure, IoT	116.3 (58.8%)	126.3 (61.7%)	129.6 (62.0%)	113.3 (60.3%)	485.5 (60.7%)	<b>105.6 (61.6%)</b>	-10.7 (+2.8pts)	-7.7 (+1.2pts)
Others	1.0 (39.5%)	1.3 (44.6%)	0.5 (23.4%)	0.6 (29.4%)	3.5 (35.0%)	<b>0.4 (17.5%)</b>	-0.7 (-22.0pts)	-0.3 (-11.9pts)
Adjustments*2	-0.0	-0.0	-0.2	0.2	0.0	<b>0.0</b>	0.0	-0.2

\*1: 2023 segment financial statements: revised based on the new aggregation method

\*2: Adjustments include deductions or adjustments of non-recurring items or other specified adjustments, allocated in the reportable segments

# OPERATING PROFIT AND EBITDA\*1 BY SEGMENT\*2

## NON-GAAP

(B yen)	2023					2024		
	1Q (Jan-Mar)	2Q (Apr-Jun)	3Q (Jul-Sep)	4Q (Oct-Dec)	Full Year (Jan-Dec)	1Q (Jan-Mar)	YoY	QoQ
<b>Operating Profit (Margin)</b>	124.8 (34.7%)	129.1 (35.0%)	132.3 (34.9%)	115.5 (31.9%)	501.6 (34.1%)	<b>113.5 (32.3%)</b>	<b>-11.3 (-2.4pts)</b>	<b>-2.0 (+0.4pt)</b>
Automotive	57.7 (36.2%)	56.7 (35.2%)	58.1 (34.6%)	56.9 (33.1%)	229.4 (34.7%)	<b>57.4 (32.2%)</b>	<b>-0.3 (-4.0pts)</b>	<b>+0.5 (-0.9pt)</b>
Industrial, Infrastructure, IoT	66.2 (33.5%)	71.9 (35.1%)	73.7 (35.3%)	56.5 (30.1%)	268.4 (33.6%)	<b>55.8 (32.5%)</b>	<b>-10.4 (-1.0pt)</b>	<b>-0.7 (+2.4pts)</b>
Others	1.0 (39.5%)	1.3 (44.6%)	0.5 (23.4%)	0.6 (29.4%)	3.5 (35.0%)	<b>0.4 (17.5%)</b>	<b>-0.7 (-22.0pts)</b>	<b>-0.3 (-11.9pts)</b>
Adjustments*2	-0.2	-0.8	-0.0	1.4	0.4	<b>0.0</b>	<b>+0.2</b>	<b>-1.4</b>
<b>EBITDA</b>	144.3	149.0	152.6	136.0	581.9	<b>133.8</b>	<b>-10.5</b>	<b>-2.3</b>
Automotive	66.9	65.9	67.8	67.1	267.7	<b>68.6</b>	<b>+1.7</b>	<b>+1.5</b>
Industrial, Infrastructure, IoT	76.6	82.6	84.2	66.8	310.3	<b>64.9</b>	<b>-11.7</b>	<b>-2.0</b>
Others	1.0	1.3	0.5	0.6	3.5	<b>0.4</b>	<b>-0.7</b>	<b>-0.3</b>
Adjustments*3	-0.2	-0.8	-0.0	1.4	0.4	<b>0.0</b>	<b>+0.2</b>	<b>-1.4</b>

\*1: Operating profit + Depreciation and amortization

\*2: 2023 segment financial statements: revised based on the new aggregation method

\*3: Adjustments include deductions or adjustments of non-recurring items or other specified adjustments, allocated in the reportable segments

# STATEMENT OF FINANCIAL POSITION

## GAAP

(B yen)	23/3	23/6	23/9	23/12	24/3
<b>Total Assets</b>	2,840.8	3,123.5	3,292.2	3,167.0	<b>3,233.7</b>
Cash and Cash Equivalents* <sup>1</sup>	361.4	458.1	392.5	434.7	<b>231.8</b>
Inventories	188.2	177.9	177.8	163.1	<b>171.4</b>
Goodwill	1,272.3	1,392.4	1,436.0	1,362.1	<b>1,453.8</b>
Intangible Assets	466.9	483.0	467.6	421.8	<b>417.9</b>
<b>Total Liabilities</b>	1,179.7	1,228.0	1,235.9	1,161.4	<b>1,031.4</b>
Interest-Bearing Liabilities* <sup>2</sup>	741.4	733.7	710.3	667.7	<b>532.9</b>
<b>Total Equity</b>	1,661.1	1,895.5	2,056.3	2,005.6	<b>2,202.3</b>
<b>D/E Ratio (Gross)*<sup>3</sup></b>	0.45	0.39	0.35	0.33	<b>0.24</b>
<b>D/E Ratio (Net)*<sup>4</sup></b>	0.23	0.15	0.15	0.12	<b>0.14</b>
<b>Equity Ratio Attributable to Owners of Parent*<sup>5</sup></b>	58.3%	60.6%	62.3%	63.2%	<b>68.0%</b>
<b>Leverage Ratio (Gross)*<sup>6</sup></b>	1.2	1.2	1.2	1.1	<b>0.9</b>
<b>Leverage Ratio (Net)*<sup>7</sup></b>	0.6	0.5	0.5	0.4	<b>0.5</b>
<b>Average number of shares during the period (excluding treasury stock) (in million shares)</b>	1,799	1,763	1,769	1,775	<b>1,779</b>

\*1: This is comprised of cash on hand, demand deposit, and short-term investments that are readily convertible into cash, bearing low risk of changes in value and are redeemable in three months or less from each acquisition date

\*2: Borrowings (current and non-current liabilities) + Lease Liabilities (current liabilities) + Lease Liabilities (non-current liabilities) + Bonds

\*3: Interest-Bearing Liabilities / Equity attributable to owners of parent \*4: (Interest-Bearing Liabilities - Cash and Cash Equivalents) / Equity attributable to owners of parent

\*5: Equity attributable to owners of parent / Total liabilities and equity \*6: Interest-Bearing Liabilities / EBITDA (Non-GAAP) \*7: (Interest-Bearing Liabilities-Cash and Cash Equivalents) / EBITDA (Non-GAAP)



# GAAP / NON-GAAP RECONCILIATION

(B yen)	2023								2024			
	1Q (Jan-Mar)				Full Year (Jan-Dec)				1Q (Jan-Mar)			
	Gross Profit	Operating Profit	Net Profit*1	EBITDA	Gross Profit	Operating Profit	Net Profit*1	EBITDA	Gross Profit	Operating Profit	Net Profit*1	EBITDA
<b>Non-GAAP (vs Revenue)</b>	202.0 (56.2%)	124.8 (34.7%)	107.5 (29.9%)	144.3 (40.1%)	837.4 (57.0%)	501.6 (34.1%)	432.9 (29.5%)	581.9 (39.6%)	199.3 (56.7%)	113.5 (32.3%)	105.9 (30.1%)	133.8 (38.0%)
Recurring Items	-0.8	-29.9	-25.8	-4.5	-2.8	-128.9	-112.2	-23.6	-0.7	-33.2	-29.0	-5.6
Former-Intersil PPA Effects	-0.1	-3.2	-2.4	-	-0.3	-11.7	-9.0	-	-0.1	-2.9	-2.2	-
Former-IDT PPA Effects	-0.1	-12.4	-10.9	-	-0.4	-52.1	-45.9	-	-0.1	-13.7	-12.0	-
Former-Dialog PPA Effects	-0.4	-9.3	-7.6	-0.3	-0.6	-38.4	-30.6	-0.3	-0.1	-10.0	-8.1	-
Former-Celeno PPA Effects	-	-0.7	-0.7	-	-	-3.0	-3.0	-	-	-0.8	-0.8	-
Former-Reality AI PPA Effects	-	-0.0	-0.0	-	-	-0.0	-0.0	-	-	-0.0	-0.0	-
Former-Steradian PPA Effects	-	-0.0	-0.0	-	-	-0.1	-0.1	-	-	-0.0	-0.0	-
Former-Pantronics PPA Effects	-	-	-	-	-	-0.2	-0.2	-	-	-0.1	-0.1	-
Stock-Based Compensation	-0.3	-4.2	-4.2	-4.2	-1.5	-23.3	-23.3	-23.3	-0.5	-5.6	-5.6	-5.6
Non-Recurring Items	-1.1	28.4	23.5	28.4	-0.3	18.0	16.4	18.5	-1.1	-2.5	3.0	-2.5
Naka Factory Fire Impact	-	29.6	29.6	29.6	-	29.7	29.7	29.7	-	-0.1	-0.1	-0.1
Others	-1.1	-1.3	-6.1	-1.2	-0.3	-11.6	-13.3	-11.2	-1.1	-2.4	3.1	-2.4
<b>Non-GAAP Adjustments Total</b>	-1.9	-1.5	-2.3	24.0	-3.1	-110.9	-95.8	-5.1	-1.9	-35.7	-26.0	-8.1
<b>GAAP (vs Revenue)</b>	200.1 (55.7%)	123.3 (34.3%)	105.2 (29.3%)	168.3 (46.8%)	834.3 (56.8%)	390.8 (26.6%)	337.1 (22.9%)	576.8 (39.3%)	197.5 (56.1%)	77.8 (22.1%)	79.9 (22.7%)	125.7 (35.7%)

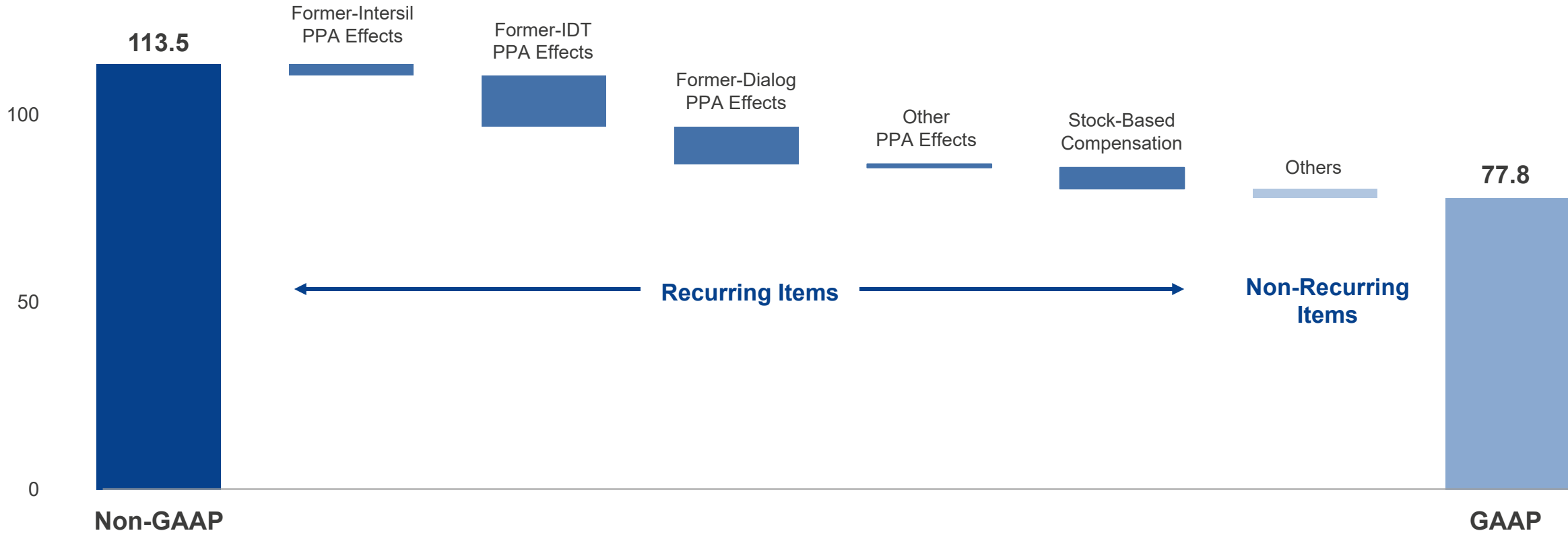
\*1: Profit Attributable to Owners of Parent

# 1Q 2024 CONSOLIDATED OPERATING PROFIT

## BRIDGE FROM NON-GAAP TO GAAP

(B yen)

150



# 1Q 2024 FINANCIAL SNAPSHOT

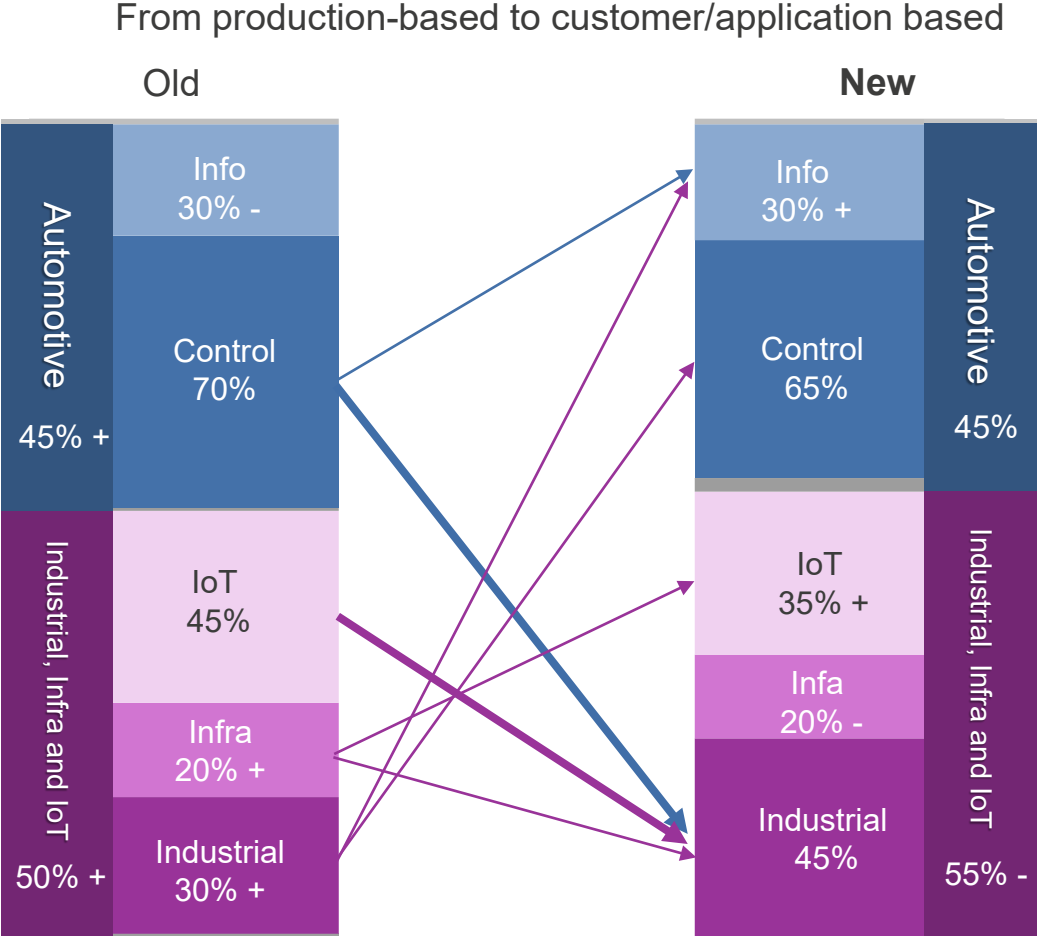
## GAAP

(B yen)	2023		2024		
	1Q (Jan-Mar)	4Q (Oct-Dec)	1Q (Jan-Mar)	YoY	QoQ
<b>Revenue</b>	359.4	361.9	<b>351.8</b>	-2.1%	-2.8%
<b>Gross Margin</b>	55.7%	56.2%	<b>56.1%</b>	+0.4pt	-0.1pt
<b>Operating Profit (Margin)</b>	123.3 (34.3%)	72.4 (20.0%)	<b>77.8 (22.1%)</b>	-45.4 (-12.2pts)	+5.5 (+2.1pts)
<b>Profit Attributable to Owners of Parent</b>	105.2	66.1	<b>79.9</b>	-25.3	+13.8
<b>EBITDA*1</b>	168.3	120.9	<b>125.7</b>	-42.6	+4.8
<b>1 US\$=</b>	133 yen	149 yen	<b>147 yen</b>	14 yen depreciation	2 yen appreciation
<b>1 Euro=</b>	142 yen	159 yen	<b>159 yen</b>	18 yen depreciation	0 yen depreciation

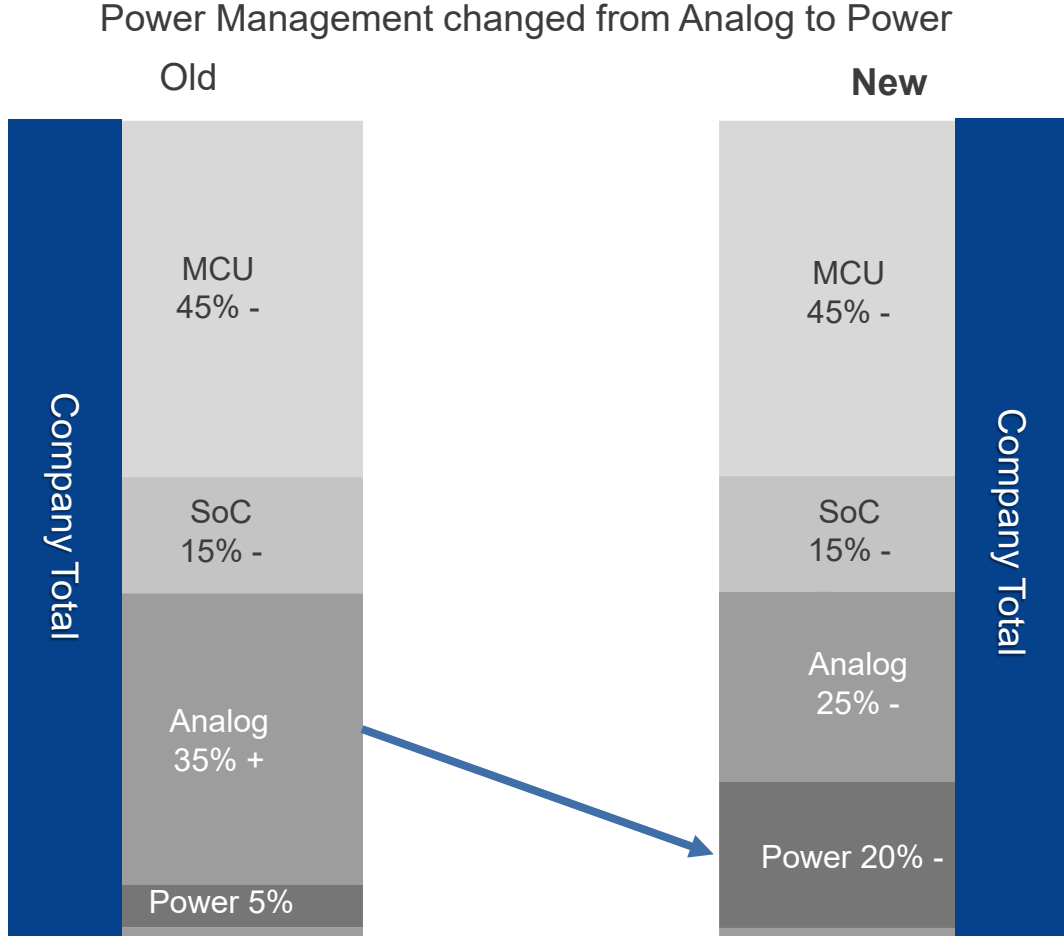
\*1: Operating profit + Depreciation and amortization

# RENESAS BREAKDOWN OF REVENUE

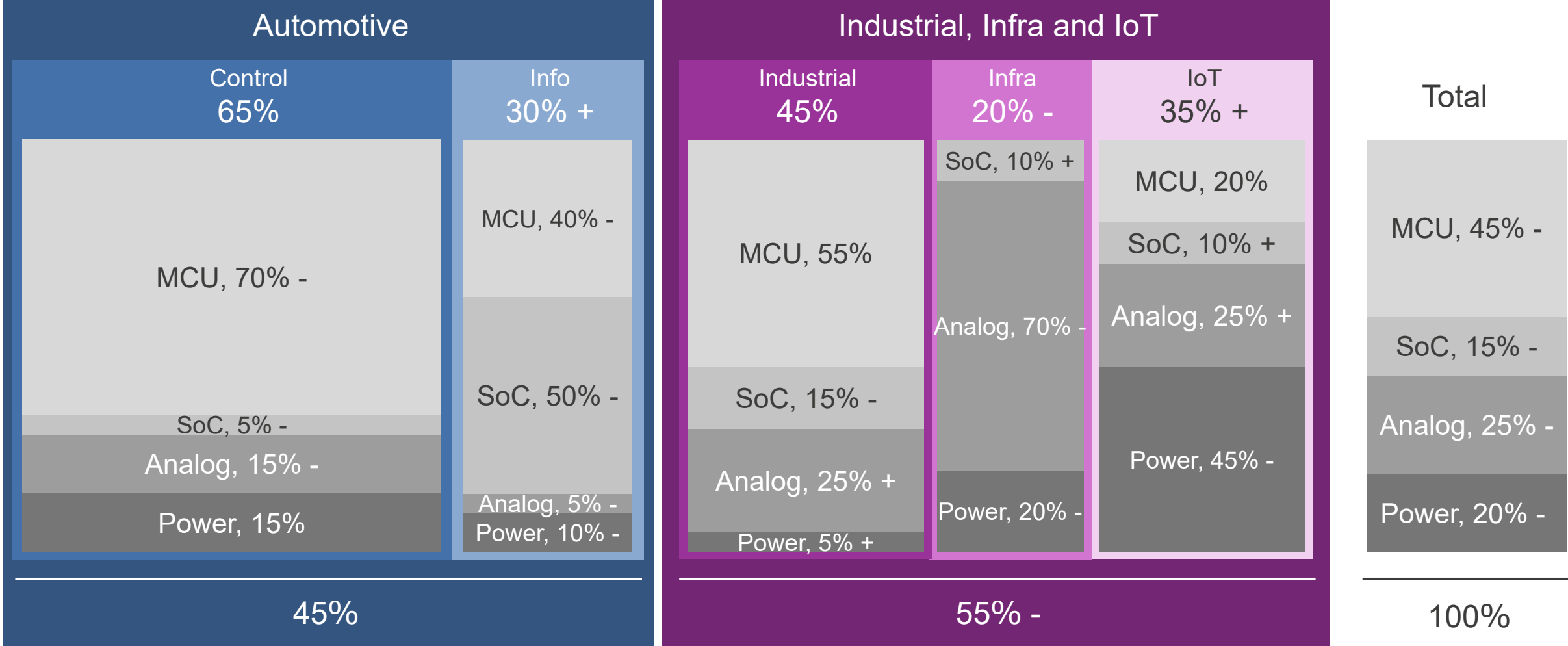
2023 Revenue by segment



2023 Revenue by product



# 2023 REVENUE COMPOSITION



# HIGHLIGHTS

## Altium\*1 Acquisition

- ✓ **Transaction Value:** Approx. A\$9.1b
- ✓ **Closing:** 2H of 2024
- ✓ **Business:** Development and sales of software tools for PCB design, etc.
- ✓ **Rationale:** Accelerate digitalization strategies and improve user experience to create shareholder value

## Build OSAT in India

- ✓ **Overview:** CG\*2(India), Renesas and Stars Microelectronics\*3 (Thailand) to establish a Joint Venture to build and operate an OSAT facility in India
- ✓ **Equity capital ratio:** 6.8%
- ✓ **Rationale:** Accelerate investment in India and bolster India's semiconductor ecosystem to address the growing semiconductor demand

## Kofu Factory Reopening

- ✓ **Overview:** Renesas reopened the Kofu Factory in April 2024 as a 300-mm wafer fab
- ✓ **Opening ceremony:** April 11, 2024
- ✓ **Rationale:** Boost power semiconductor production capacity in response to growing demand for EVs
- ✓ **Future schedule:** Mass production to begin in 2025

\*1: Altium Limited

\*2: CG Power and Industrial Solutions Limited

\*3: Stars Microelectronics (Thailand) Public Co. Ltd



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### (FORWARD-LOOKING STATEMENTS)

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