

4Q/FULL-YEAR 2023 PRESENTATION

RENESAS ELECTRONICS CORPORATION
FEBRUARY 8, 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

- **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.

4Q/FULL-YEAR 2023 FINANCIAL SNAPSHOT

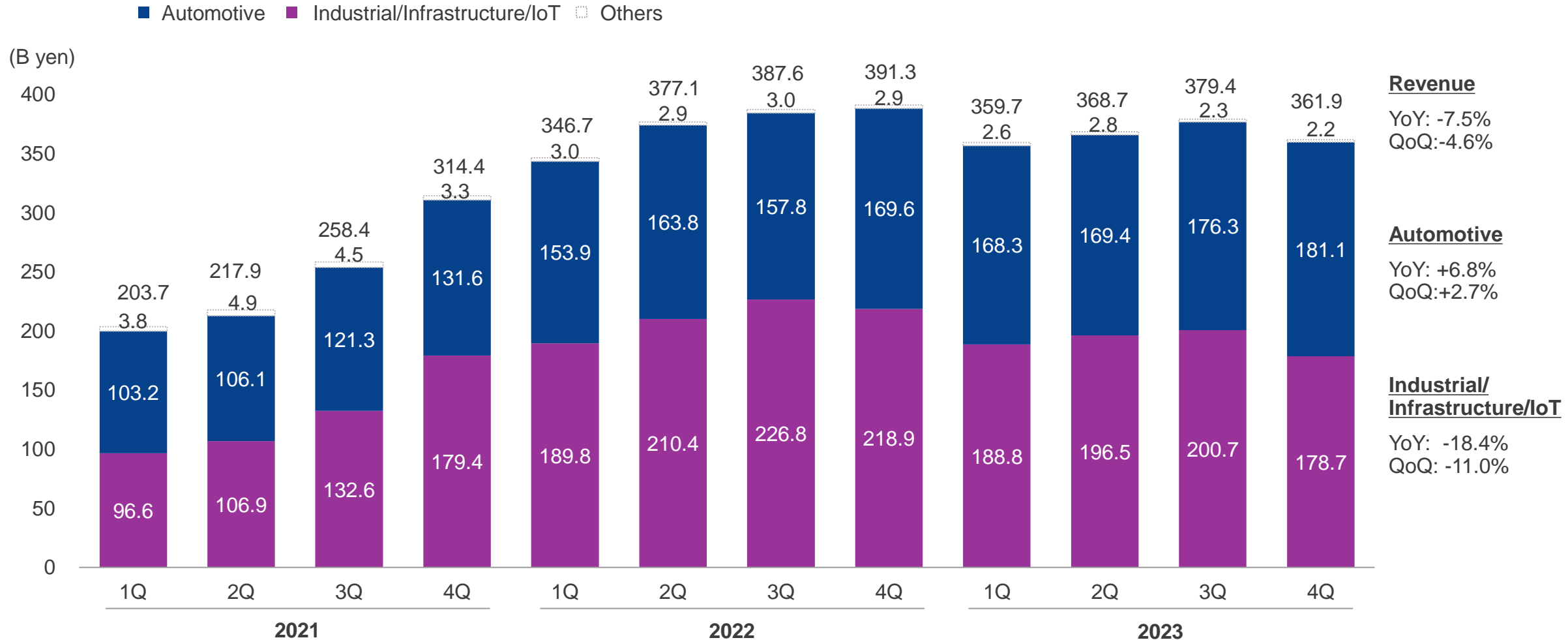
NON-GAAP

(B yen)	2022		2023								
	4Q (Oct-Dec)	Full Year (Jan-Dec)	3Q (Jul-Sep)	4Q (Oct-Dec) Forecast	4Q (Oct-Dec) Actual	YoY	QoQ	Change from Oct 26 FCT*1	Full Year (Jan-Dec) Actual	YoY	Change from Oct 26 FCT*1
Revenue	391.3	1,502.7	379.4	358.0 (±7.5)	361.9	-7.5%	-4.6%	+1.1%	1,469.7	-2.2%	+0.3%
Revenue (Excluding Foreign Exchange Impact)	-	-	-	-	-	-8.1%	-6.6%	+0.1%	-	-6.9%	+0.0%
Gross Margin	56.0%	57.4%	57.9%	56.0%	56.4%	+0.4pt	-1.5pts	+0.4pt	57.0%	-0.5pt	+0.1pt
Operating Profit (Margin)	135.7 (34.7%)	559.4 (37.2%)	132.3 (34.9%)	30.5%	115.5 (31.9%)	-20.2 (-2.8pts)	-16.8 (-3.0pts)	+6.3 (+1.4pts)	501.6 (34.1%)	-57.7 (-3.1pts)	+6.3 (+0.3pt)
Profit Attributable to Owners of Parent	109.3	377.3	108.3	-	98.2	-11.1	-10.1	-	432.9	+55.6	-
Profit Attributable to Owners of Parent (Excluding Foreign Exchange Impact)*2	85.6	429.2	104.6	-	104.9	+19.2	+0.3	-	424.4	-4.8	-
EBITDA*3	155.5	639.2	152.6	-	136.0	-19.4	-16.5	-	581.9	-57.3	-
1 US\$=	144 yen	130 yen	142 yen	147 yen	149 yen	5 yen depreciation	7 yen depreciation	2 yen depreciation	140 yen	10 yen depreciation	1 yen depreciation
1 Euro=	144 yen	137 yen	156 yen	156 yen	159 yen	15 yen depreciation	4 yen depreciation	3 yen depreciation	151 yen	14 yen depreciation	1 yen depreciation

*1: Each figure represents comparisons with the midpoint in the sales revenue forecast range *2: Profit attributable to owners of parent – foreign exchange gain/loss *3: Operating profit + Depreciation and amortization

QUARTERLY REVENUE TRENDS

NON-GAAP



4Q 2023 REVENUE AND GROSS / OPERATING MARGIN

NON-GAAP

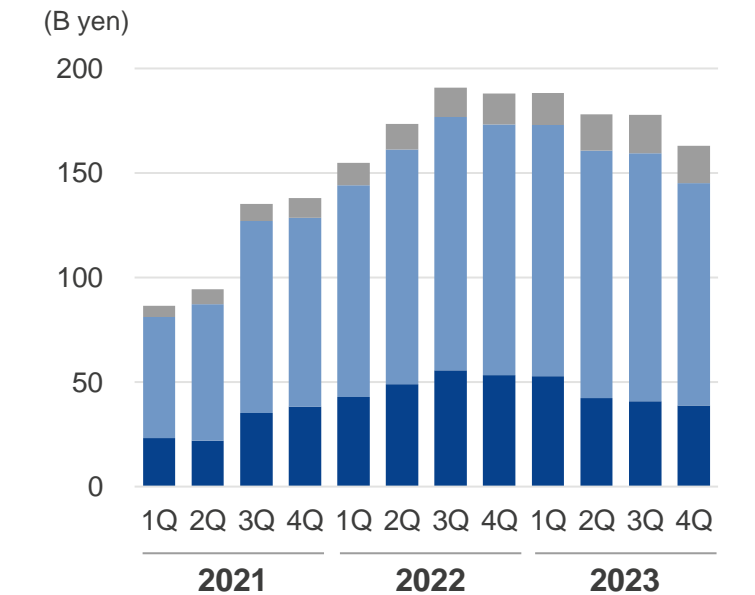
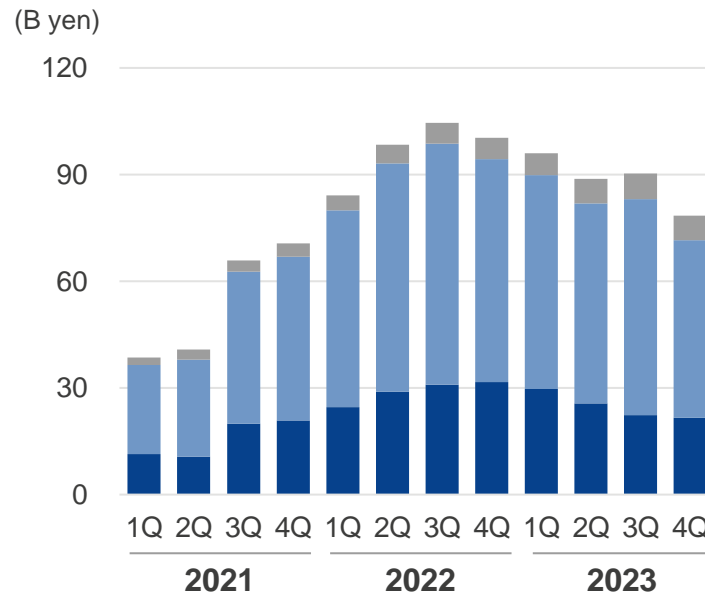
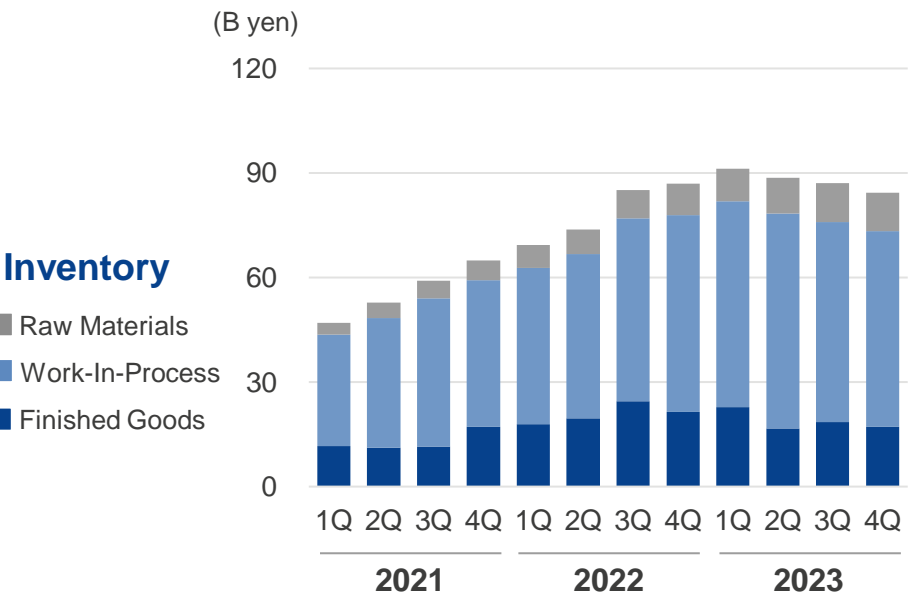
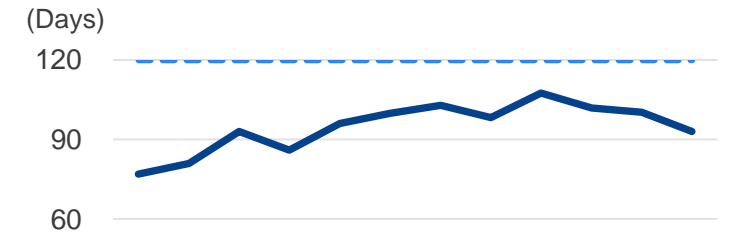
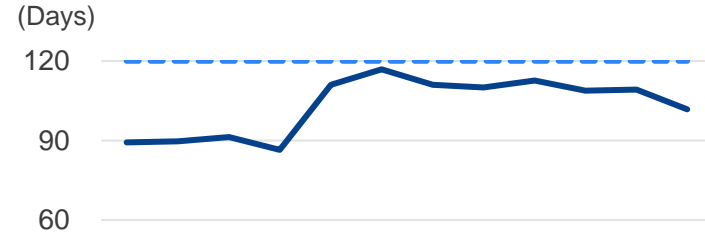
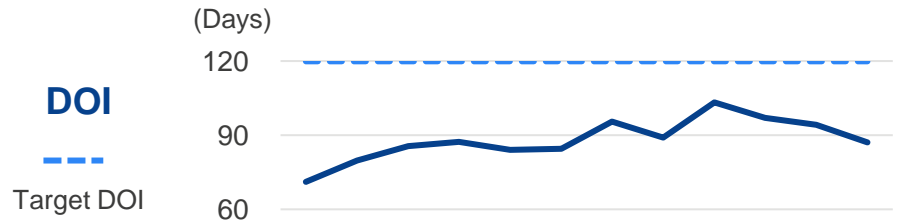
	Automotive	Industrial / Infrastructure / IoT	Company Total	
Revenue	181.1 B yen vs FCT: + QoQ: +2.7%	178.7 B yen vs FCT: - QoQ: -11.0%	361.9 B yen vs FCT: +1.1% QoQ: -4.6%	Operating Margin vs FCT +1.4pts Revenue Gross Margin vs FCT: +0.4pt Currency Impact Product Mix Production Recovery Production Costs, etc. Operating Expenses
Gross Margin	51.9% QoQ: -0.9pt	61.2% QoQ: -1.7pts	56.4% vs FCT: +0.4pt QoQ: -1.5pts	Operating Margin QoQ -3.0pts Revenue Gross Margin QoQ: -1.5pts Currency Impact Product Mix Production Recovery Production Costs, etc. Operating Expenses
Operating Margin	32.6% QoQ: -1.4pts	30.4% QoQ: -5.4pts	31.9% vs FCT: +1.4pts QoQ: -3.0pts	

IN-HOUSE INVENTORY (FINANCIAL ACCOUNTING BASIS) AND DOI*1*2

Automotive

Industrial/Infrastructure/IoT

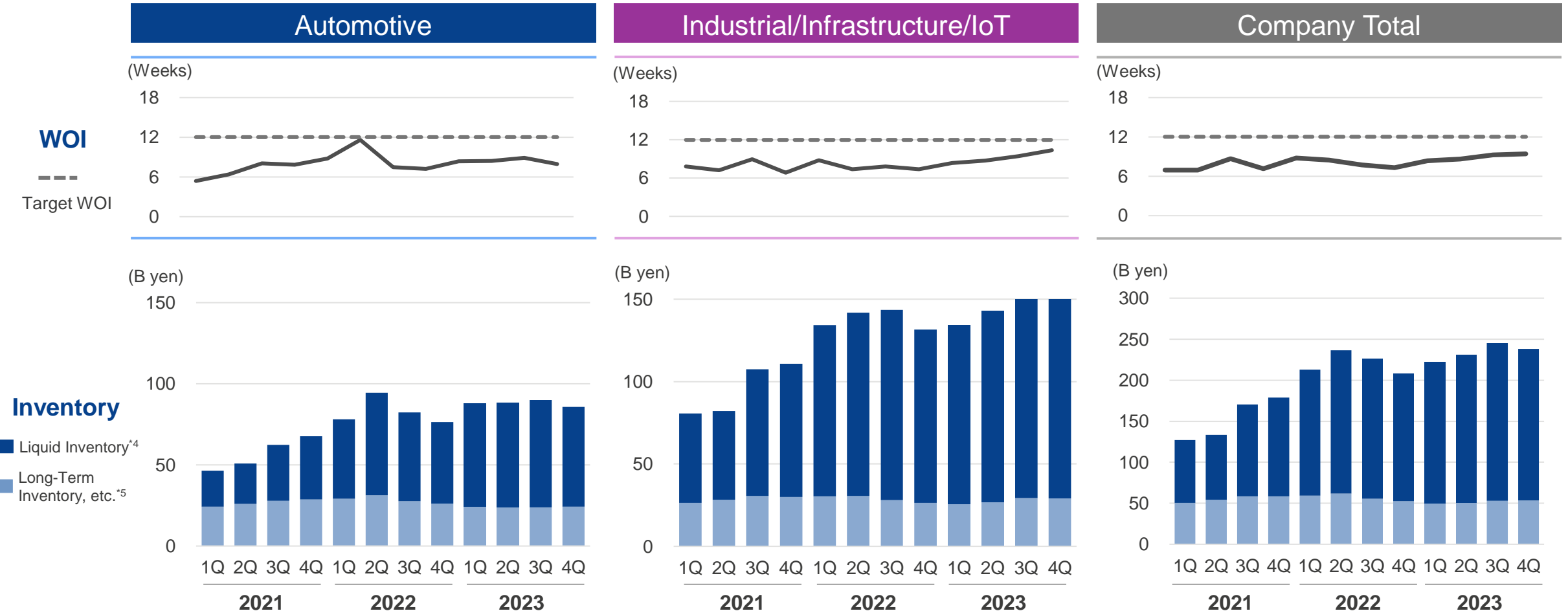
Company Total



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

*2: The figures include Dialog's inventories from 3Q21 and Celeno's inventories from 4Q21. However, note that Dialog's quarterly cost of sales for 3Q21 is calculated by multiplying Dialog's September costs by 3.

SALES CHANNEL INVENTORY*1 (MANAGEMENT ACCOUNTING BASIS*2) AND WOI*3



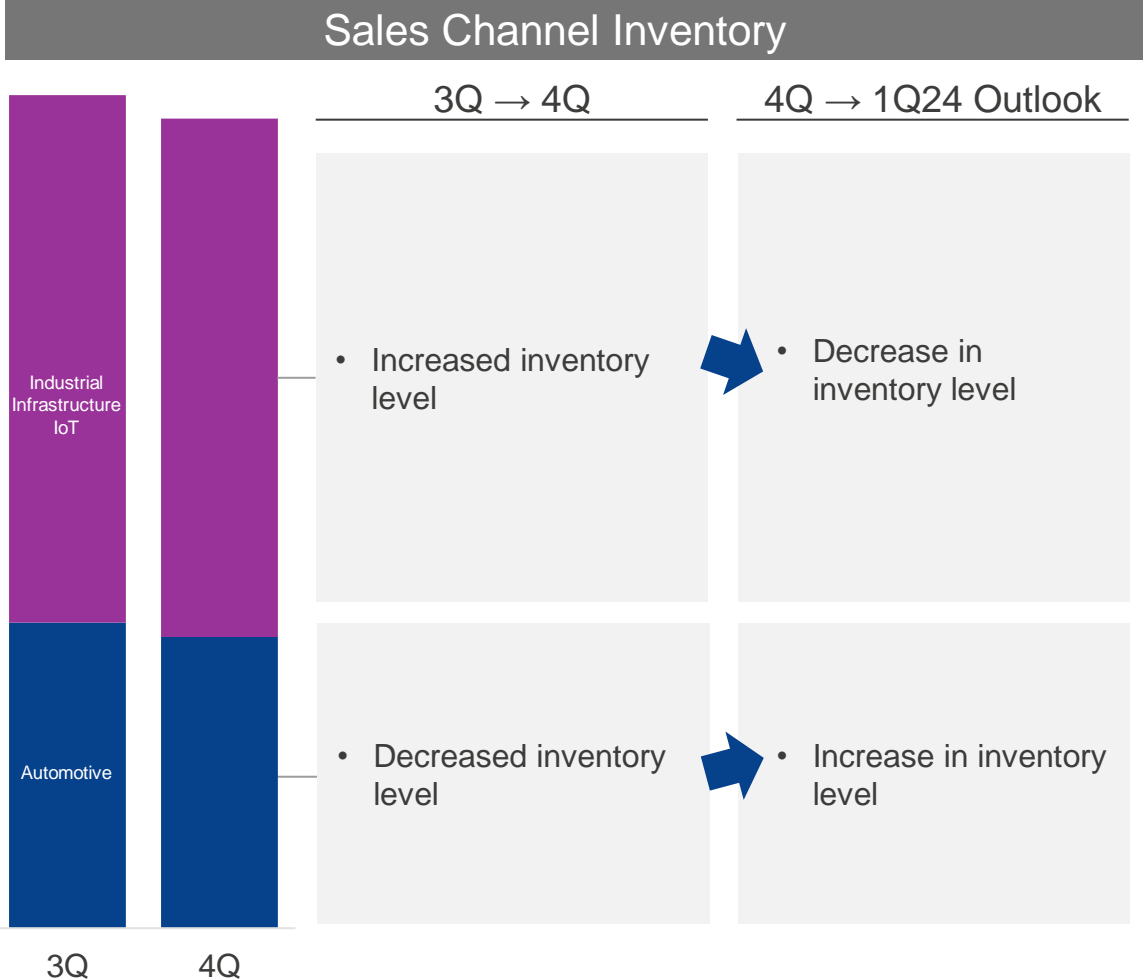
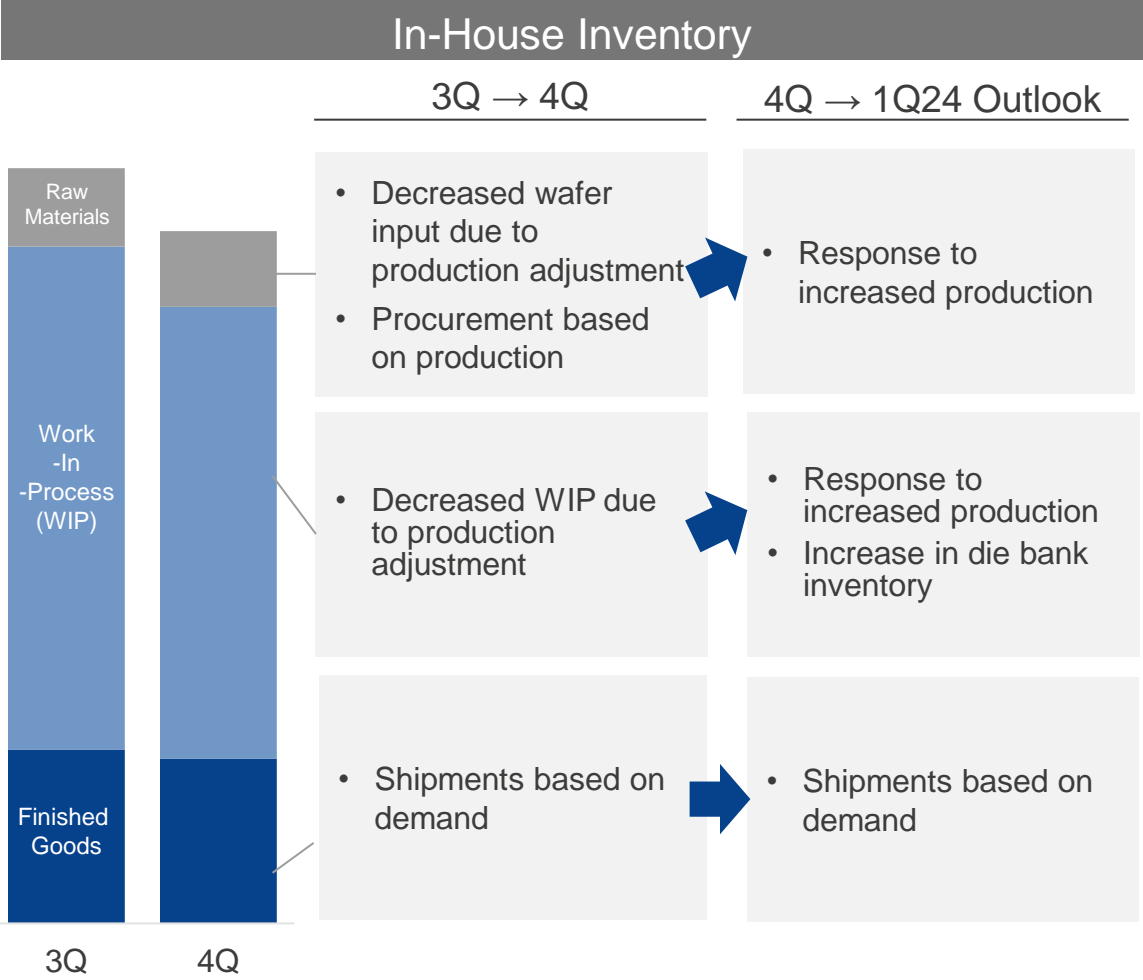
*1: Channel Inventory: Total inventory amount for Tokuyakutens for Japanese customers and overseas distributors (including channel inventories of Dialog from September 2021 and those of Celeno from March 2022)

*2: Management accounting Basis: Exchange rates for the FY2021 and FY2022 have been adjusted (and are calculated based on the FY2023 exchange rate) in accordance with the change in exchange rate for the FY2023 budget.

*3: 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

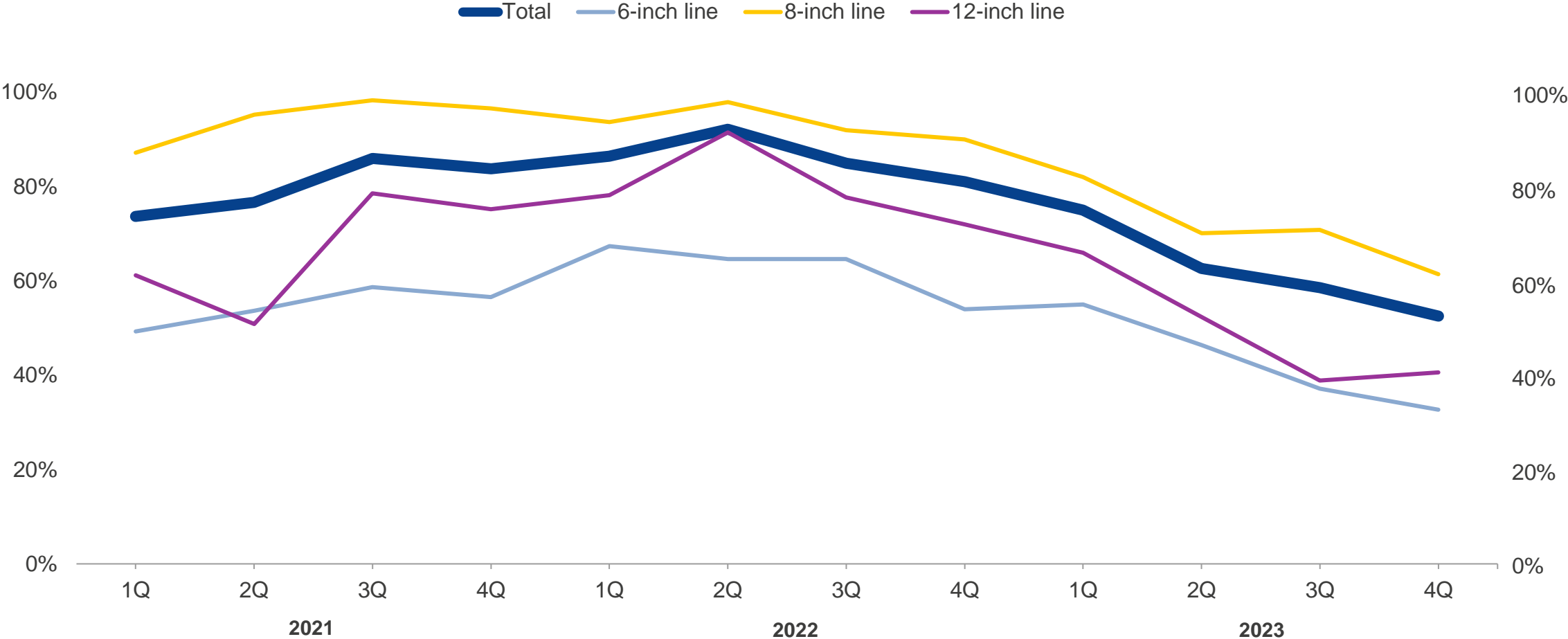
*4: Liquid Inventory: Channel Inventory – Long-Term Inventory, etc. *5: Long-Term Inventory: Inventory with unique holding periods (End of Life or "EOL" products, e-commerce inventory etc.)

INVENTORY ANALYSIS



QUARTERLY TRENDS IN FRONT-END UTILIZATION RATE*1

WAFER INPUT BASIS

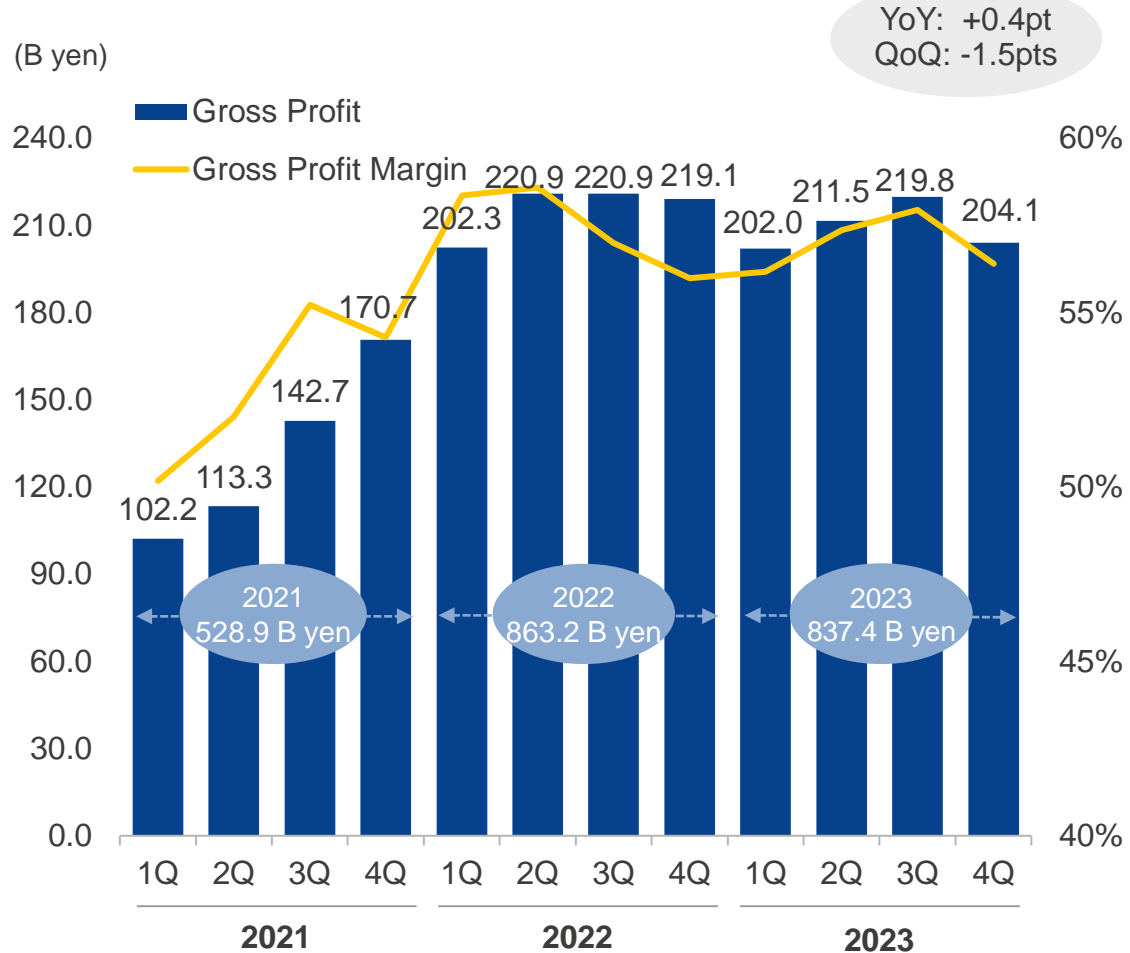


*1: Utilization rates are calculated by excluding the 6-inch line capacity of the Shiga Factory (closed in August 2021) and the Yamaguchi Factory (closed in June 2022) from 1Q21 and 1Q22 onwards, respectively.

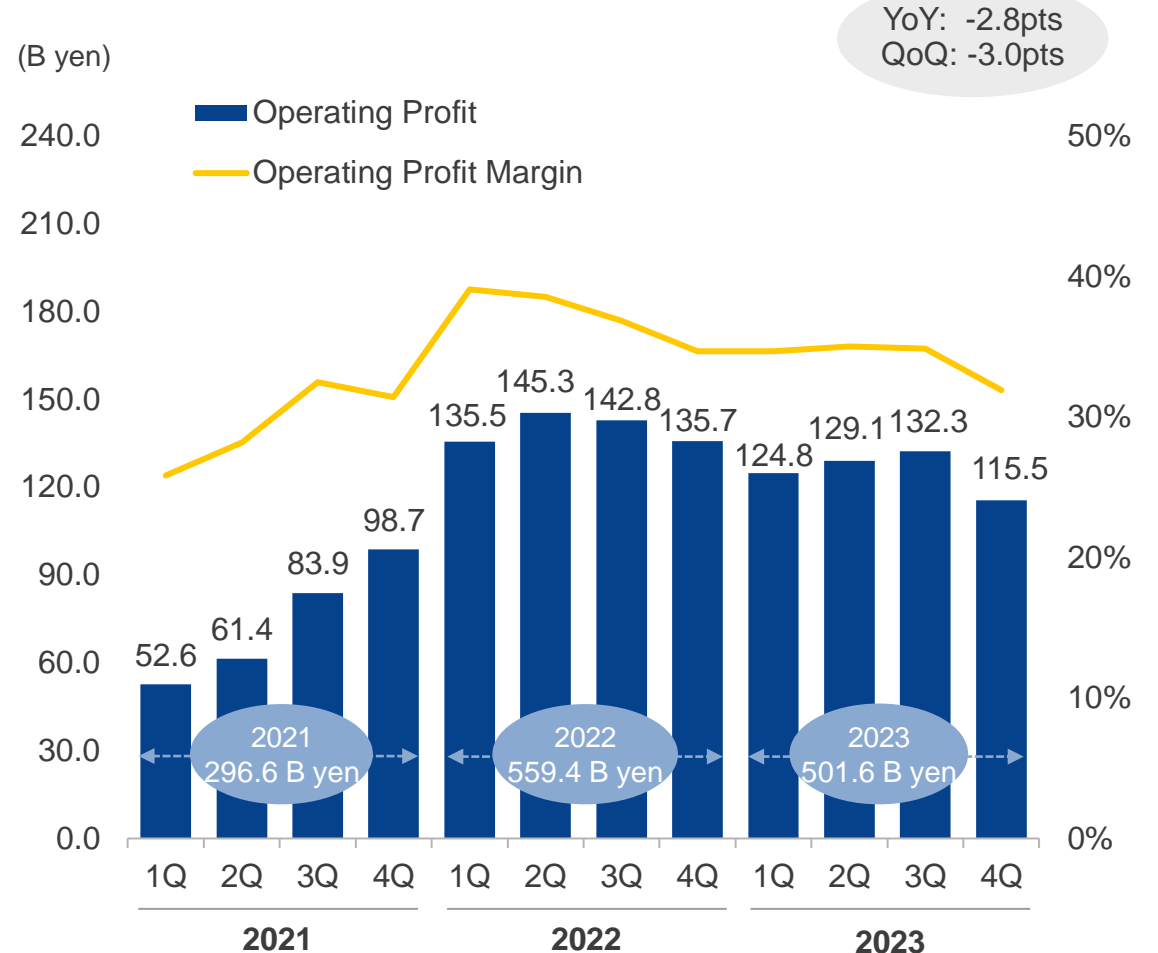
GROSS PROFIT AND OPERATING PROFIT QUARTERLY TRENDS

NON-GAAP

Gross Profit (Margin)

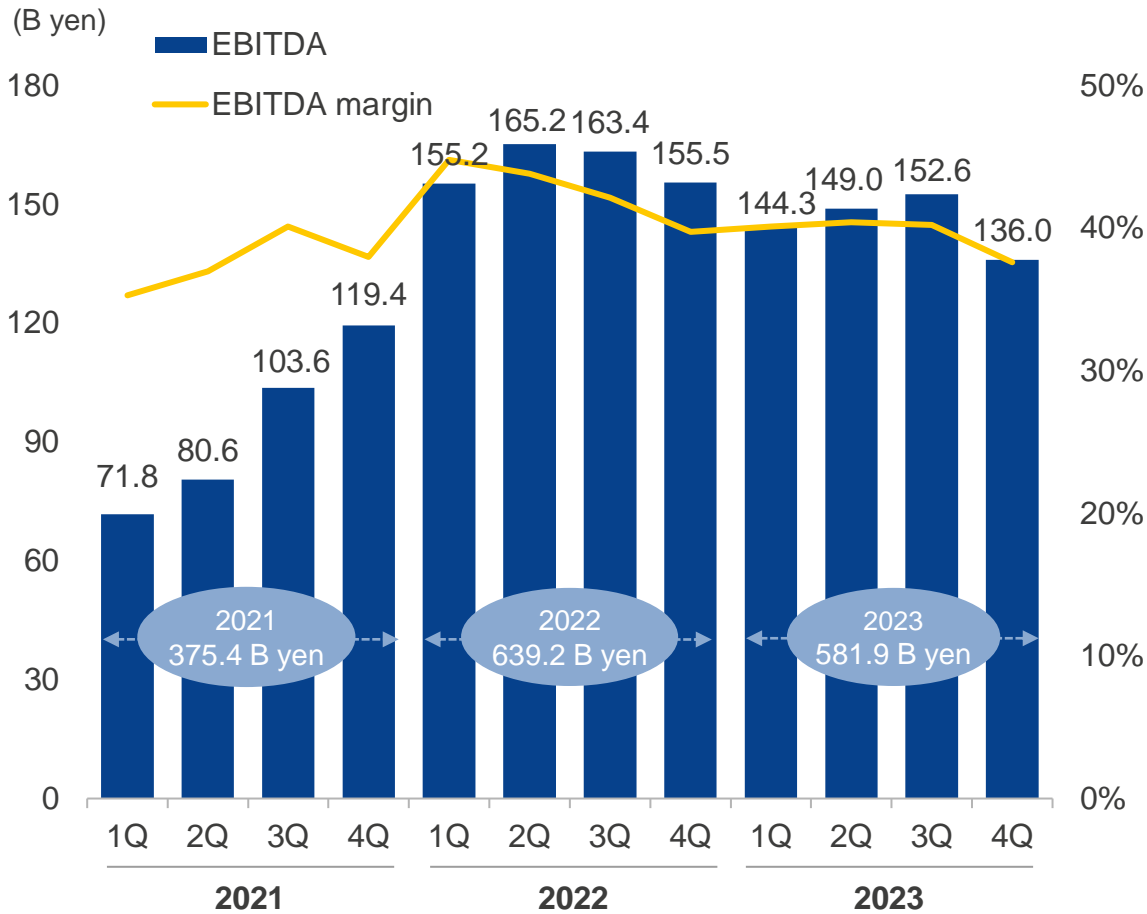


Operating Profit (Margin)

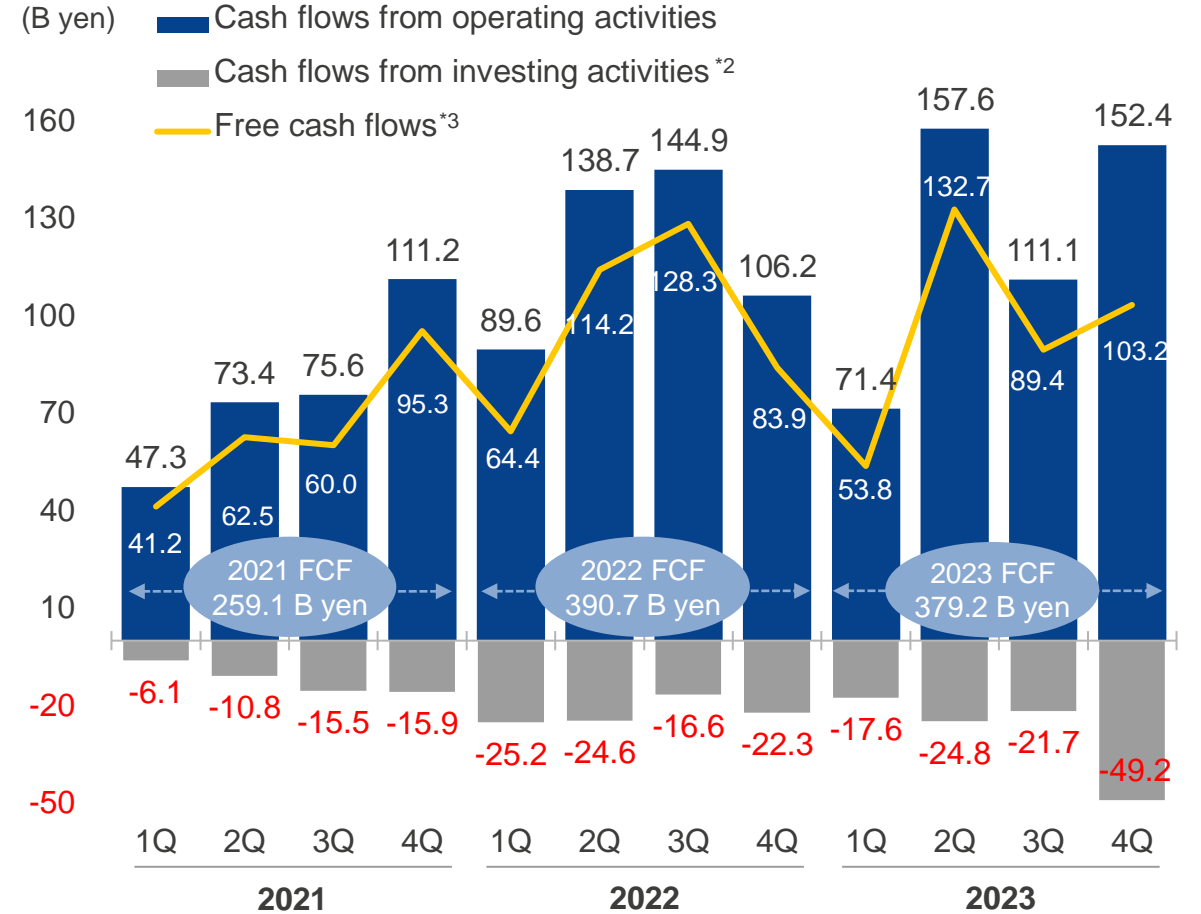


NON-GAAP EBITDA*1 AND GAAP CASH FLOWS

Non-GAAP EBITDA



GAAP Cash Flows



*1: Operating profit + Depreciation and amortization *2: The GAAP 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. *3: Cash flows from operating activities + Cash flows from investing activities

1Q 2024 FORECAST

NON-GAAP

(B yen)	2023		2024		
	1Q (Jan-Mar)	4Q (Oct-Dec)	1Q (Jan-Mar) Midpoint Forecast (Range)* ¹	YoY	QoQ
Revenue	359.7	361.9	345.0 (±7.5)	-4.1% (±2.1pts)	-4.7% (±2.1pts)
(Excluding Foreign Exchange Impact)	-	-	-	-8.4%	-2.9%
Gross Margin	56.2%	56.4%	55.0%	-1.2pts	-1.4pts
Operating Margin	34.7%	31.9%	30.0%	-4.7pts	-1.9pts
1 US\$ =	133 yen	149 yen	142 yen	9 yen depreciation	7 yen appreciation
1 Euro=	142 yen	159 yen	155 yen	13 yen depreciation	4 yen appreciation

*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

NON-GAAP

(B yen)	2022					2023							
	1Q (Jan-Mar)	2Q (Apr-Jun)	3Q (Jul-Sep)	4Q (Oct-Dec)	Full Year (Jan-Dec)	1Q (Jan-Mar)	2Q (Apr-Jun)	3Q (Jul-Sep)	4Q (Oct-Dec)	YoY	QoQ	Full Year (Jan-Dec)	YoY
Revenue	346.7	377.1	387.6	391.3	1,502.7	359.7	368.7	379.4	361.9	-7.5%	-4.6%	1,469.7	-2.2%
Automotive	153.9	163.8	157.8	169.6	645.0	168.3	169.4	176.3	181.1	+6.8%	+2.7%	695.0	+7.8%
Industrial, Infrastructure, IoT	189.8	210.4	226.8	218.9	845.9	188.8	196.5	200.7	178.7	-18.4%	-11.0%	764.7	-9.6%
Others	3.0	2.9	3.0	2.9	11.8	2.6	2.8	2.3	2.2	-23.9%	-7.2%	10.0	-15.4%
Gross Profit (Margin)	202.3 (58.4%)	220.9 (58.6%)	220.9 (57.0%)	219.1 (56.0%)	863.2 (57.4%)	202.0 (56.2%)	211.5 (57.4%)	219.8 (57.9%)	204.1 (56.4%)	-15.0 (+0.4pt)	-15.7 (-1.5pts)	837.4 (57.0%)	-25.7 (-0.5pt)
Automotive	79.7 (51.8%)	85.2 (52.0%)	77.7 (49.3%)	81.8 (48.2%)	324.4 (50.3%)	88.9 (52.8%)	87.2 (51.5%)	93.1 (52.8%)	94.0 (51.9%)	+12.2 (+3.7pts)	+0.9 (-0.9pt)	363.2 (52.3%)	+38.8 (+2.0pts)
Industrial, Infrastructure, IoT	121.6 (64.1%)	134.7 (64.0%)	142.1 (62.7%)	136.8 (62.5%)	535.3 (63.3%)	112.1 (59.4%)	123.0 (62.6%)	126.3 (62.9%)	109.3 (61.2%)	-27.5 (-1.3pts)	-17.0 (-1.7pts)	470.8 (61.6%)	-64.6 (-1.7pts)
Others	0.8 (27.2%)	0.8 (28.3%)	0.8 (27.8%)	0.9 (32.1%)	3.4 (28.8%)	1.0 (39.5%)	1.3 (44.6%)	0.5 (23.4%)	0.6 (29.4%)	-0.3 (-2.6pts)	+0.1 (+6.0pts)	3.5 (35.0%)	+0.1 (+6.1pts)
Adjustments*1	0.2	0.1	0.2	-0.5	0.0	-0.0	-0.0	-0.2	0.2	+0.7	+0.3	0	0

*1: 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

NON-GAAP

(B yen)	2022					2023							
	1Q (Jan-Mar)	2Q (Apr-Jun)	3Q (Jul-Sep)	4Q (Oct-Dec)	Full Year (Jan-Dec)	1Q (Jan-Mar)	2Q (Apr-Jun)	3Q (Jul-Sep)	4Q (Oct-Dec)	YoY	QoQ	Full Year (Jan-Dec)	YoY
Operating Profit (Margin)	135.5 (39.1%)	145.3 (38.5%)	142.8 (36.8%)	135.7 (34.7%)	559.4 (37.2%)	124.8 (34.7%)	129.1 (35.0%)	132.3 (34.9%)	115.5 (31.9%)	-20.2 (-2.8pts)	-16.8 (-3.0pts)	501.6 (34.1%)	-57.7 (-3.1pts)
Automotive	57.5 (37.4%)	59.4 (36.3%)	49.7 (31.5%)	52.6 (31.0%)	219.2 (34.0%)	60.7 (36.1%)	59.1 (34.9%)	59.9 (34.0%)	59.1 (32.6%)	+6.4 (+1.6pts)	-0.8 (-1.4pts)	238.7 (34.3%)	+19.5 (+0.4pt)
Industrial, Infrastructure, IoT	75.7 (39.9%)	84.3 (40.1%)	91.4 (40.3%)	80.3 (36.7%)	331.8 (39.2%)	63.2 (33.5%)	69.5 (35.4%)	71.9 (35.8%)	54.4 (30.4%)	-25.9 (-6.2pts)	-17.5 (-5.4pts)	259.0 (33.9%)	-72.7 (-5.3pts)
Others	0.8 (27.2%)	0.8 (28.3%)	0.8 (27.9%)	0.9 (32.1%)	3.4 (28.8%)	1.0 (39.5%)	1.3 (44.6%)	0.5 (23.4%)	0.6 (29.4%)	-0.3 (-2.6pts)	+0.1 (+6.0pts)	3.5 (35.0%)	+0.1 (+6.1pts)
Adjustments* ²	1.5	0.8	0.9	1.9	5.0	-0.2	-0.8	-0.0	1.4	-0.4	+1.5	0.4	-4.6
EBITDA	155.2	165.2	163.4	155.5	639.2	144.3	149.0	152.6	136.0	-19.4	-16.5	581.9	-57.3
Automotive	68.3	70.0	60.2	62.7	261.3	70.4	68.8	70.1	69.9	+7.2	-0.2	279.2	+17.9
Industrial, Infrastructure, IoT	84.7	93.5	101.4	90.0	369.6	73.1	79.7	81.9	64.1	-25.9	-17.9	298.8	-70.8
Others	0.8	0.8	0.8	0.9	3.4	1.0	1.3	0.5	0.6	-0.3	+0.1	3.5	+0.1
Adjustments* ²	1.5	0.8	0.9	1.9	5.0	-0.2	-0.8	-0.0	1.4	-0.4	+1.5	0.4	-4.6

*1: Operating profit + Depreciation and amortization

*2: 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)	22/3	22/6	22/9	22/12	23/3	23/6	23/9	23/12
Total Assets	2,598.7	2,840.3	3,013.3	2,812.5	2,840.8	3,123.5	3,292.2	3,167.0
Cash and Cash Equivalents* ¹	267.2	247.9	310.1	336.1	361.4	458.1	392.5	434.7
Inventories	155.5	173.3	190.7	188.0	188.2	177.9	177.8	163.1
Goodwill	1,159.3	1,294.6	1,373.6	1,264.3	1,272.3	1,392.4	1,436.0	1,362.1
Intangible Assets	532.0	559.7	557.4	488.8	466.9	483.0	467.6	421.8
Total Liabilities	1,252.6	1,391.1	1,359.1	1,275.0	1,179.7	1,228.0	1,235.9	1,161.4
Interest-Bearing Liabilities* ²	810.5	886.0	820.4	770.0	741.4	733.7	710.3	667.7
Total Equity	1,346.1	1,449.2	1,654.2	1,537.5	1,661.1	1,895.5	2,056.3	2,005.6
D/E Ratio (Gross)*³	0.60	0.61	0.50	0.50	0.45	0.39	0.35	0.33
D/E Ratio (Net)*⁴	0.40	0.44	0.31	0.28	0.23	0.15	0.15	0.12
Equity Ratio Attributable to Owners of Parent*⁵	51.7%	50.9%	54.8%	54.5%	58.3%	60.6%	62.3%	63.2%
Leverage Ratio (Gross)*⁶	1.8	1.6	1.4	1.2	1.2	1.2	1.2	1.1
Leverage Ratio (Net)*⁷	1.2	1.2	0.8	0.7	0.6	0.5	0.5	0.4
Average number of shares during the period (excluding treasury stock) (in million shares)	1,945	1,933	1,788	1,793	1,799	1,763	1,769	1,775

*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*1 (FY2022)

(B yen)	Full-Year 2022 (Jan-Dec)											
	9 months (Jan-Sep)				4Q (Oct-Dec)				Full-Year 2022 (Jan-Dec)			
	Gross Profit	Operating Profit	Net Profit	EBITDA	Gross Profit	Operating Profit	Net Profit	EBITDA	Gross Profit	Operating Profit	Net Profit	EBITDA
Non-GAAP (vs Revenue)	644.1 (58.0%)	423.7 (38.1%)	268.0 (24.1%)	483.8 (43.5%)	219.1 (56.0%)	135.7 (34.7%)	109.3 (27.9%)	155.5 (39.7%)	863.2 (57.4%)	559.4 (37.2%)	377.3 (25.1%)	639.2 (42.5%)
Recurring Items	-4.8	-93.8	-81.2	-16.5	-1.2	-33.4	-26.4	-5.1	-6.0	-127.2	-107.5	-21.5
Former-Intersil PPA Effects	-0.2	-10.7	-8.1	-	-0.1	-3.9	-0.5	-	-0.3	-14.6	-8.7	-
Former-IDT PPA Effects	-0.3	-35.0	-30.8	-	-0.1	-13.5	-11.9	-	-0.5	-48.4	-42.7	-
Former-Dialog PPA Effects	-1.6	-30.5	-24.6	-1.3	-0.6	-10.5	-8.4	-0.5	-2.2	-41.0	-33.0	-1.8
Former-Celero PPA Effects	-1.5	-4.0	-4.0	-1.5	-	-1.0	-1.0	-	-1.5	-5.0	-5.0	-1.5
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	-	-	-0.0	-0.0	-
Stock-Based Compensation	-1.2	-13.6	-13.6	-13.6	-0.4	-4.5	-4.5	-4.5	-1.5	-18.1	-18.1	-18.1
Non-Recurring Items	-3.5	-1.9	-1.7	-1.4	0.3	-6.1	-11.5	-6.0	-3.2	-8.0	-13.2	-7.5
Naka Factory Fire Impact	-0.9	0.0	0.0	0.0	-	-0.0	-0.0	-0.0	-0.9	-0.0	-0.0	-0.0
Others	-2.6	-1.9	-1.7	-1.4	0.3	-6.1	-11.5	-6.0	-2.3	-8.0	-13.2	-7.5
Non-GAAP Adjustments Total	-8.3	-95.8	-82.9	-17.9	-0.9	-39.5	-37.8	-11.1	-9.2	-135.2	-120.7	-29.0
GAAP (vs Revenue)	635.7 (57.3%)	327.9 (29.5%)	185.1 (16.7%)	465.8 (42.0%)	218.2 (55.8%)	96.2 (24.6%)	71.5 (18.3%)	144.4 (36.9%)	854.0 (56.9%)	424.2 (28.3%)	256.6 (17.1%)	610.2 (40.7%)

*1: From 3Q 2021 onwards, Non-GAAP adjustments have been also applied to the revenue following the implementation of PPA

GAAP / NON-GAAP RECONCILIATION*1 (FY2023)

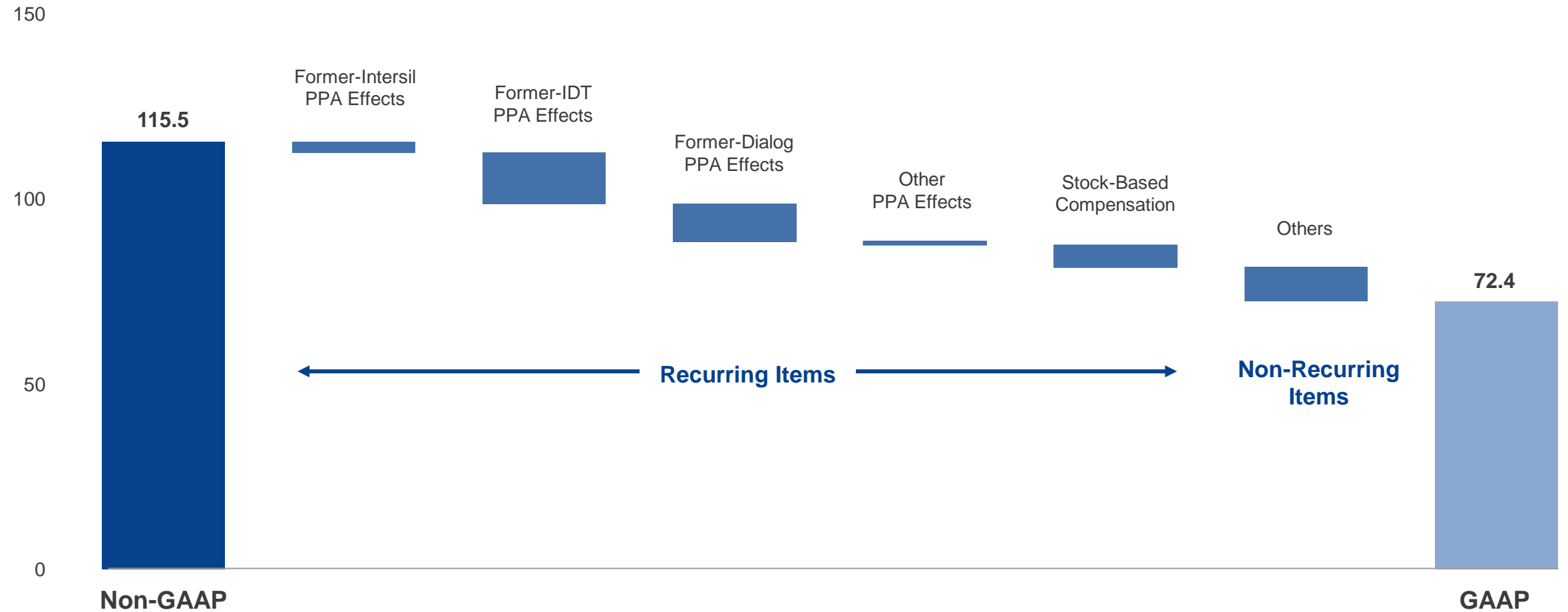
(B yen)	Full-Year 2023 (Jan-Dec)											
	9 months (Jan-Sep)				4Q (Oct-Dec)							
	Gross Profit	Operating Profit	Net Profit	EBITDA	Gross Profit	Operating Profit	Net Profit	EBITDA	Gross Profit	Operating Profit	Net Profit	EBITDA
Non-GAAP (vs Revenue)	633.3 (57.2%)	386.1 (34.9%)	334.8 (30.2%)	445.8 (40.2%)	204.1 (56.4%)	115.5 (31.9%)	98.2 (27.1%)	136.0 (37.6%)	837.4 (57.0%)	501.6 (34.1%)	432.9 (29.5%)	581.9 (39.6%)
Recurring Items	-2.1	-95.0	-83.1	-17.6	-0.7	-33.9	-29.2	-5.9	-2.8	-128.9	-112.2	-23.6
Former-Intersil PPA Effects	-0.2	-8.8	-6.7	-	-0.1	-3.0	-2.3	-	-0.3	-11.7	-9.0	-
Former-IDT PPA Effects	-0.3	-38.2	-33.7	-	-0.1	-13.9	-12.2	-	-0.4	-52.1	-45.9	-
Former-Dialog PPA Effects	-0.5	-28.3	-22.9	-0.3	-0.1	-10.2	-7.8	-	-0.6	-38.4	-30.6	-0.3
Former-Celero PPA Effects	-	-2.2	-2.2	-	-	-0.8	-0.8	-	-	-3.0	-3.0	-
Former-Reality AI PPA Effects	-	-0.0	-0.0	-	-	-0.0	-0.0	-	-	-0.0	-0.0	-
Former-Steradian PPA Effects	-	-0.1	-0.1	-	-	-0.0	-0.0	-	-	-0.1	-0.1	-
Former-Pantronics PPA Effects	-	-0.1	-0.1	-	-	-0.1	-0.1	-	-	-0.2	-0.2	-
Stock-Based Compensation	-1.1	-17.3	-17.3	-17.3	-0.5	-5.9	-5.9	-5.9	-1.5	-23.3	-23.3	-23.3
Non-Recurring Items	-0.4	27.3	19.3	27.7	0.1	-9.2	-2.9	-9.2	-0.3	18.0	16.4	18.5
Naka Factory Fire Impact	-	29.7	29.7	29.7	-	-	-	-	-	29.7	29.7	29.7
Others	-0.4	-2.4	-10.4	-2.0	0.1	-9.2	-2.9	-9.2	-0.3	-11.6	-13.3	-11.2
Non-GAAP Adjustments Total	-2.5	-67.7	-63.8	10.0	-0.6	-43.2	-32.1	-15.2	-3.1	-110.9	-95.8	-5.1
GAAP (vs Revenue)	630.8 (57.0%)	318.4 (28.8%)	271.0 (24.5%)	455.9 (41.2%)	203.5 (56.2%)	72.4 (20.0%)	66.1 (18.3%)	120.9 (33.4%)	834.3 (56.8%)	390.8 (26.6%)	337.1 (22.9%)	576.8 (39.3%)

*1: From 3Q 2021 onwards, Non-GAAP adjustments have been also applied to the revenue following the implementation of PPA

4Q 2023 CONSOLIDATED OPERATING PROFIT

BRIDGE FROM NON-GAAP TO GAAP

(B yen)



4Q/FULL-YEAR 2023 FINANCIAL SNAPSHOT

GAAP

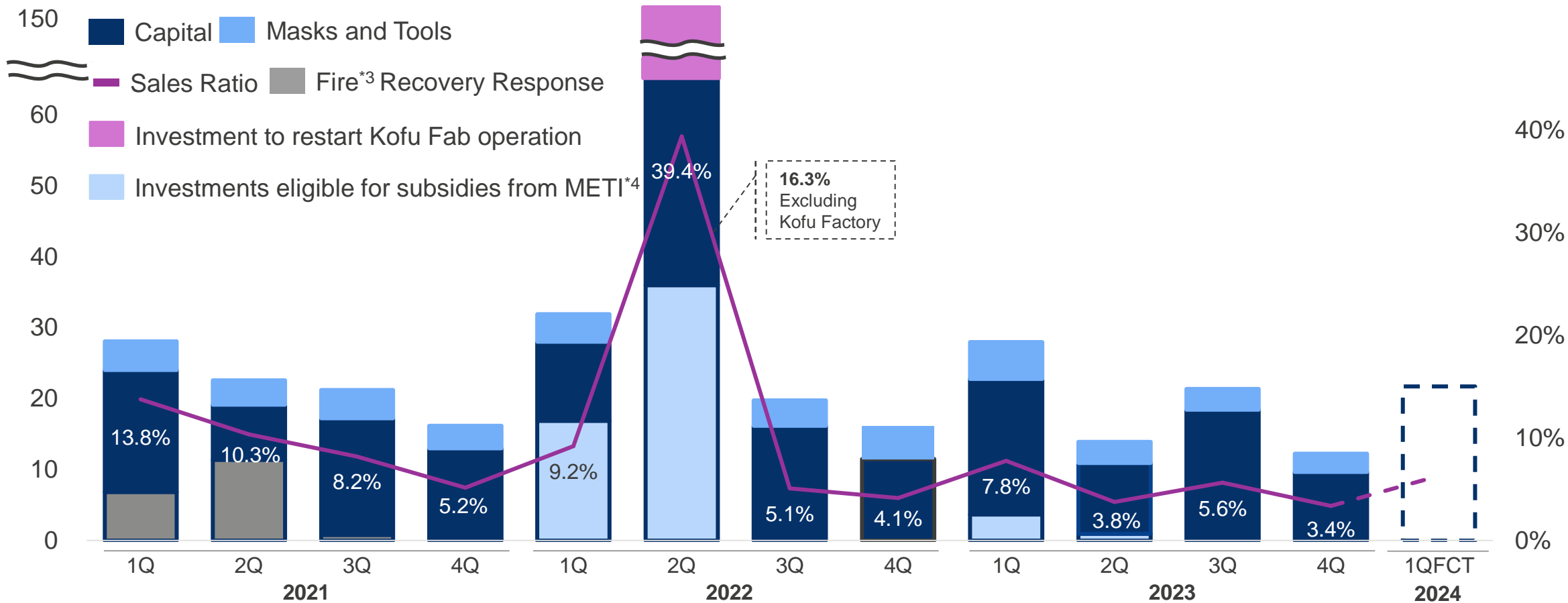
(B yen)	2022		2023					
	4Q (Oct-Dec)	Full Year (Jan-Dec)	3Q (Jul-Sep)	4Q (Oct-Dec)	YoY	QoQ	Full Year (Jan-Dec)	YoY
Revenue*1	390.8	1,500.9	379.4	361.9	-7.4%	-4.6%	1,469.4	-2.1%
Gross Margin	55.8%	56.9%	57.9%	56.2%	+0.4pt	-1.6pts	56.8%	-0.1pt
Operating Profit (Margin)	96.2 (24.6%)	424.2 (28.3%)	97.9 (25.8%)	72.4 (20.0%)	-23.9 (-4.6pts)	-25.5 (-5.8pts)	390.8 (26.6%)	-33.4 (-1.7pts)
Profit Attributable to Owners of Parent	71.5	256.6	75.2	66.1	-5.4	-9.2	337.1	+80.5
EBITDA*2	144.4	610.2	144.9	120.9	-23.5	-24.0	576.8	-33.4
1 US\$=	144 yen	130 yen	142 yen	149 yen	5 yen depreciation	7 yen depreciation	140 yen	10 yen depreciation
1 Euro=	144 yen	137 yen	156 yen	159 yen	15 yen depreciation	4 yen depreciation	151 yen	14 yen depreciation

*1: Non-GAAP adjustments have been also applied to the revenue following the implementation of PPA. The revenue figures in this page are based on IFRS.

*2: Operating profit + Depreciation and amortization

CAPITAL EXPENDITURES*1*2

(B yen)



*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 and Celeno is based on equipment delivery

*2: Total amount of the Group's capital investment, including investments made by former Dialog from 3Q 2021 and by former Celeno from 1Q 2022

*3: The fire which occurred at a Renesas consolidated subsidiary on March 19, 2021

*4: Up to one-third (partially three-quarter) of the investments that are eligible for subsidies from METI will be subsidized. METI: Ministry of Economy, Trade and Industry

ACQUISITION OF TRANSPHORM



Overview of Transphorm

Company Name

Transphorm, Inc.

Headquarters

U.S. (Goleta, CA)

Business

Design and manufacture of high performance and high reliability GaN semiconductors for high voltage power conversion applications

Transaction Summary

Source of Financing

Cash-on-hand

Closing

Expected in the 2H of 2024

Rationale



Expand Wide Bandgap Portfolio

- Expand and strengthen power portfolio with GaN technology to offer customers the full ability to choose optimal power solutions



Provide Power Solutions for Growing Markets

- Expand reach into fast-growing markets such as EVs, computing (data centers, AI, infrastructure), renewable energy, industrial power conversion and fast chargers/adapters



Acquire GaN Technology and R&D Talent

DIVIDENDS AND CANCELLATION OF TREASURY SHARES

2023 Year-End Dividend

Dividends

28 yen per share, Total 49.8 billion yen

Dividend payout ratio

14.8% (vs. GAAP net profit)

Dividend Yield

1.1% (vs. stock price at the end of December)

Cancellation of Treasury Shares

Number of Retired Shares

87,839,138 shares, Approx. 4.5% (vs. Number of shares issued and outstanding)

Equity stock holding ration after cancellation

5.0% (vs. Number of shares issued and outstanding)

- ✓ Resumption of dividends after approx. 20 years
- ✓ Established durable financial structure through measures such as structural reforms and growth investments
- ✓ Aim to work towards continuous and stable dividends
- ✓ Continue to consider share buybacks

- ✓ Plan to retain a maximum of approx. 5% of the total shares issued and outstanding
- ✓ In principle, treasury shares exceeding 5% will be subject to cancellation
- ✓ Treasury shares to be used as a mid- to long-term incentives for employees

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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.