

PROGRESS UPDATE

MARCH 3, 2022
HIDETOSHI SHIBATA
PRESIDENT AND CEO
RENESAS ELECTRONICS CORPORATION

FX assumption through this presentation: 1USD=100yen, 1EUR=120yen

REFLECTION ON 2021



**COVID-19
continued**



**Supply chain
challenges**

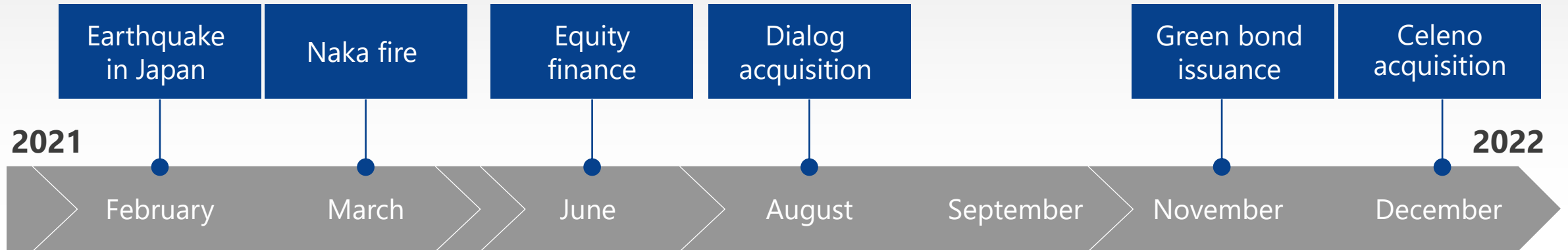


**Abundant
liquidity**



**Drive for
sustainability**

HERE AT RENESAS



39% (27%)
Sales growth

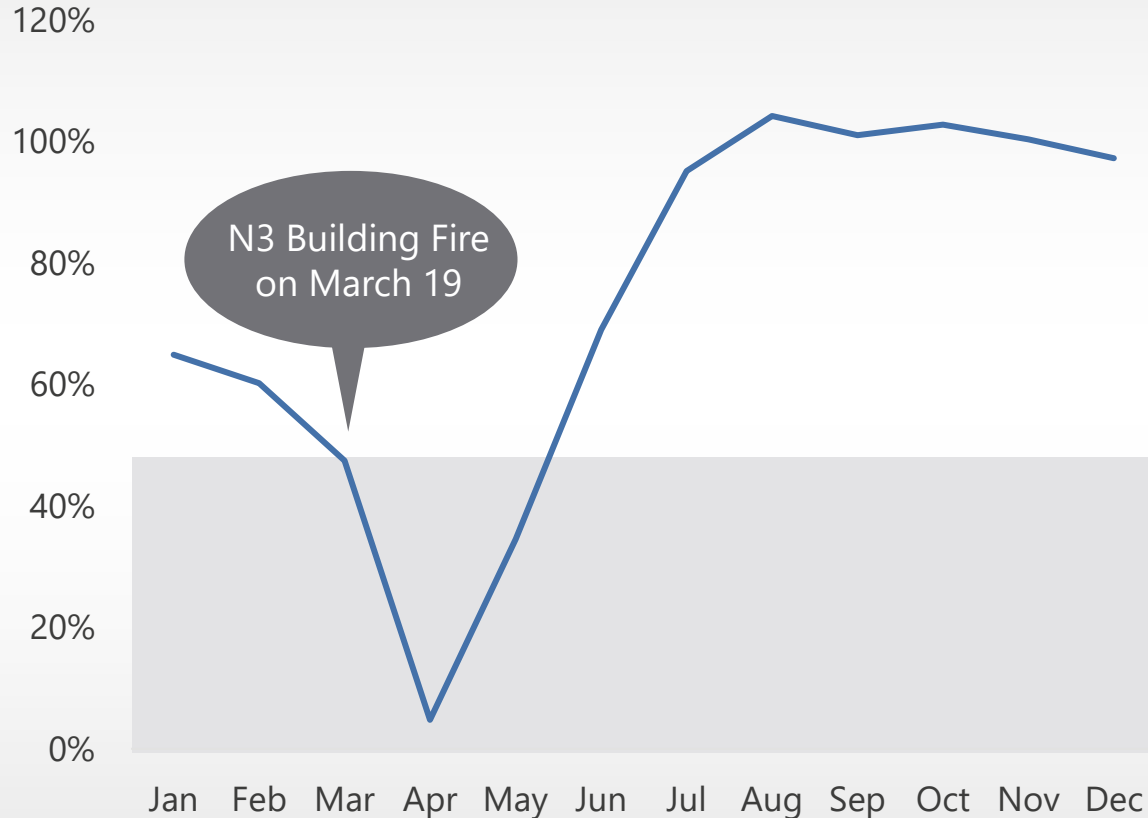
3,754
oku-yen
Record high
EBITDA

15,025
oku-yen
Design-ins

333
Winning
Combos

RECOVERY FROM NAKA FACTORY FIRE

Monthly utilization of N3 300mm line in 2021*1



*1: Wafer-out basis

Replacement of damaged tools

No	Purpose	Unit Procured / Unit Before the Fire	Restart of Production
1	Film thickness measuring	2 / 5	2Q 2021
2			3Q 2021
3	Spattering	1 / 2	2Q 2021
4	Wet metal etch	1 / 2	
5		1 / 1	
6	Barrier metal film formation	1 / 2	
7	Cu plating	Refurbish existing equipment	2Q 2021
8			
9			
10		2 / 2	3Q 2021
11	Au plating + Cu/Ni plating	2 / 3	2Q 2021
12			
13	Cu anneal	2 / 6	
14			
15	Al anneal	2 / 3	
16			
17	Spattering	3 / 3	
18			
19			
20	CMP	1 / 2	
21		2 / 3	
22			
23		1 / 4	

RESILIENCE AT OUR PRODUCTION SITES



Upgrade equipment for early containment



Automatic fire extinguishers



Sensitive smoke detectors

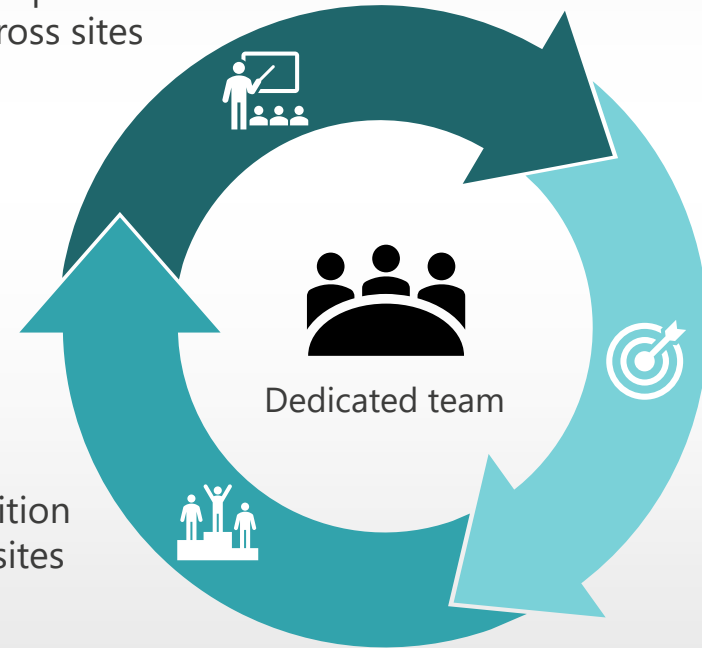


Sprinklers



Institute mechanism for thorough execution

Sharing good practices & learnings across sites



Target settings and individual trainings

Competition among sites

RESILIENCE AT OUR PRODUCTION SITES



Upgrade equipment for early containment



Automatic
fire extinguishers



Sensitive
smoke detectors



Sprinklers

To be completed by e/o 2022



Institute mechanism for thorough execution

- ✓ Establishment of a dedicated team
- ✓ Factory evaluation and ranking
- ✓ 5S quiz
- ✓ Case studies

OUR PURPOSE

To Make Our Lives Easier

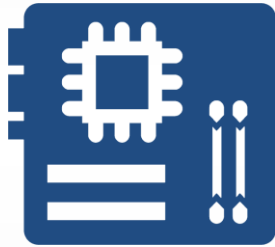
by complementing human capabilities



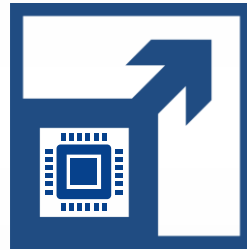
OUR PURPOSE

To Make Our Lives Easier

by complementing human capabilities



Winning Combo



Scalability



UX



Tool set

RENESAS CULTURE – INITIATIVES

TRANSPARENT

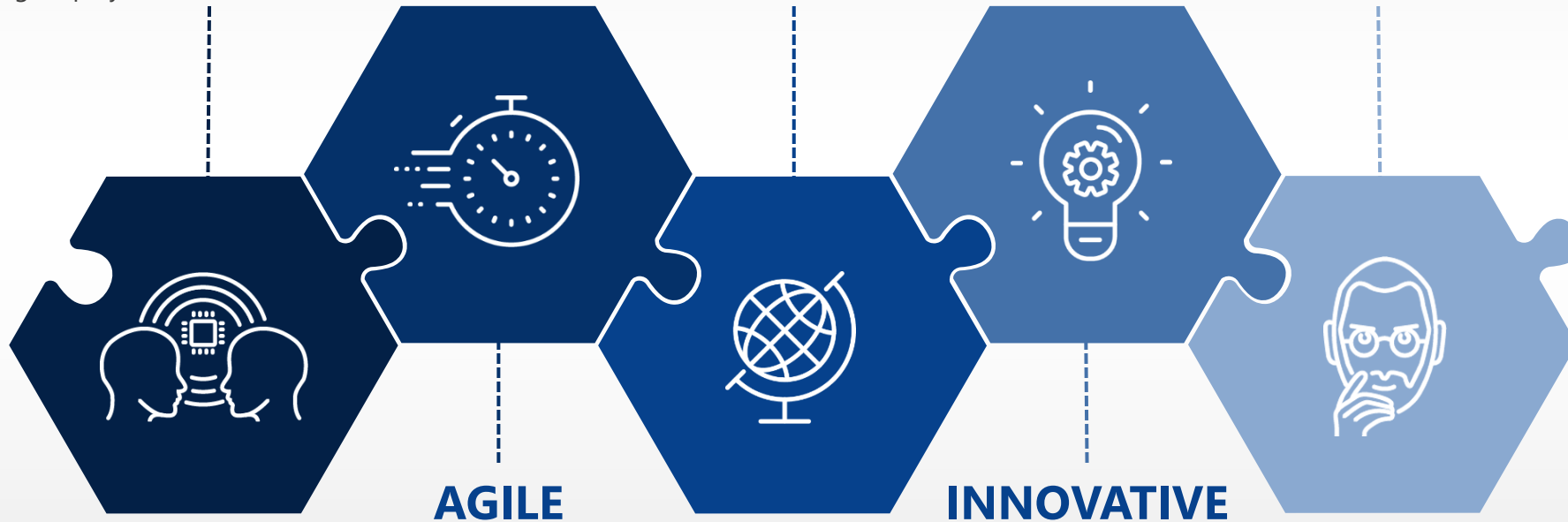
The leadership team's strategy and policy, the company's current situation, as well as the issues and thoughts of each business organization should be well understood among employees.

GLOBAL

It is essential for us to have a global perspective. We should facilitate communication not only through improved language skills, but also through the use of other methods such as the use of numbers and data.

ENTREPRENEURIAL

Individual employees should act professionally, voluntarily, and independently as if they are "running their own business" and are responsible for the results they deliver.



AGILE

In order to respond to changes in a timely manner, we should identify the likely outcomes and implications as quickly as possible, make decisions quickly, and rapidly take or correct actions, and act at a high velocity.

INNOVATIVE

Each and every one of our employees should embody "Innovation" using their imagination and creativity to improve their work and contribute to the realization of a better society.

RENESAS CULTURE – INITIATIVES

- 2021

2021-

Phase 1

Phase 2



Introduced

- TAGIE launch
- Posters, desktop & virtual backgrounds, videos
- Intranet
- Activity sharing



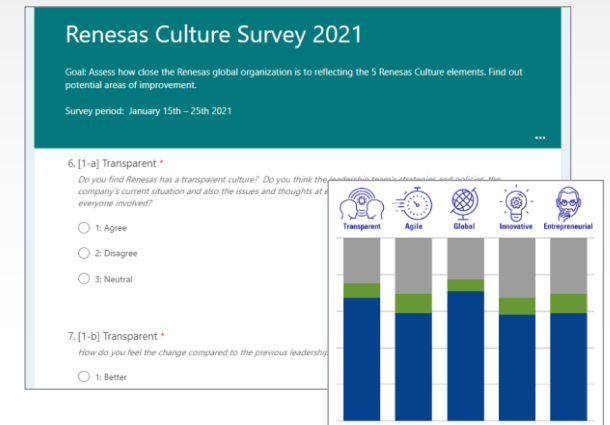
Taking root

- Surveys
- Competencies
- HR performance review
- Roundtables
- Recruiting
- Training

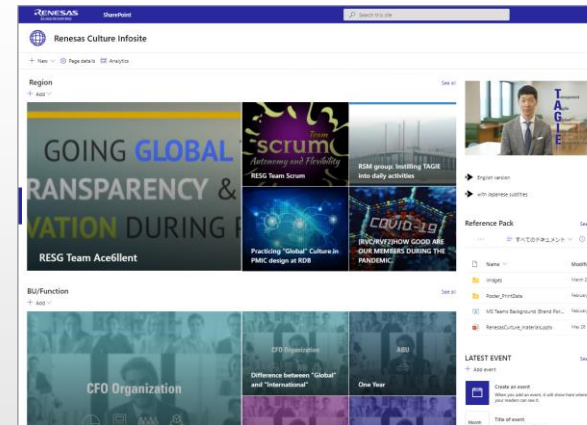
Posters



Surveys



Intranet

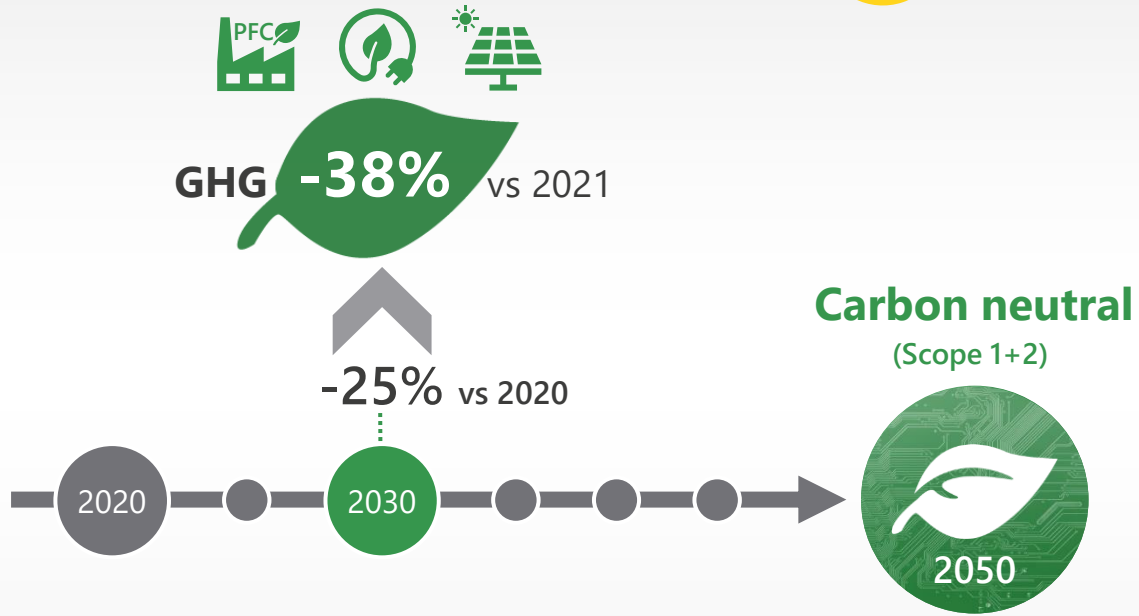


Roundtables



ESG PROGRESS – ENVIRONMENT

Green house gas target Update



Water target New

Water intensity
(consumption / revenue)

-33% vs 2021

25.0
m³/M yen
(2021) → 16.8
m³/M yen
(2030)

Water recycling rate

+2pts vs 2021

33%^{*1} → 35%
(2021) (2030)

Participation in **Water Project**^{*2}

Green Bond / global offering
\$ 500M

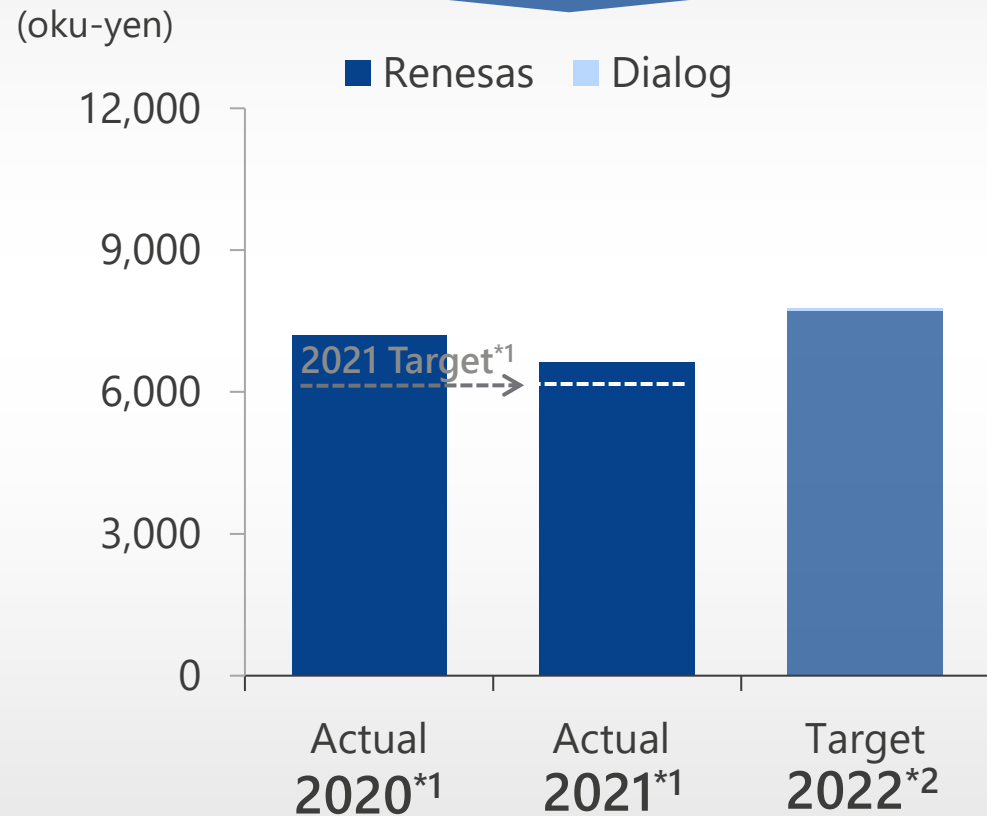
*1: Not including reduction through fab closures *2: Launched by Japan's Ministry of the Environment

ESG PROGRESS – SOCIAL & GOVERNANCE

<p>Diversity, equity & inclusion</p>	 <p>Diversity awareness month</p>	 <p>CEO message & newsletter</p>	 <p>Silver in PRIDE Index 2021</p>	 <p>Female director ratio target</p>
<p>Supplier management</p>	 <p>Consent on Supplier CoC</p>	 <p>Supplier audit</p>	 <p>Participation in the supplier program</p>	
<p>Shareholder engagement</p>	 <p>Full online AGM</p>	 <p>Discussion with shareholders</p>	 <p>Follow-up after AGM</p>	
<p>ESG rating & index</p>	 <p>B → BBB</p>  <p>2.3 → 3.0</p>		 <p>C → B-</p>  <p>D → B</p>  	

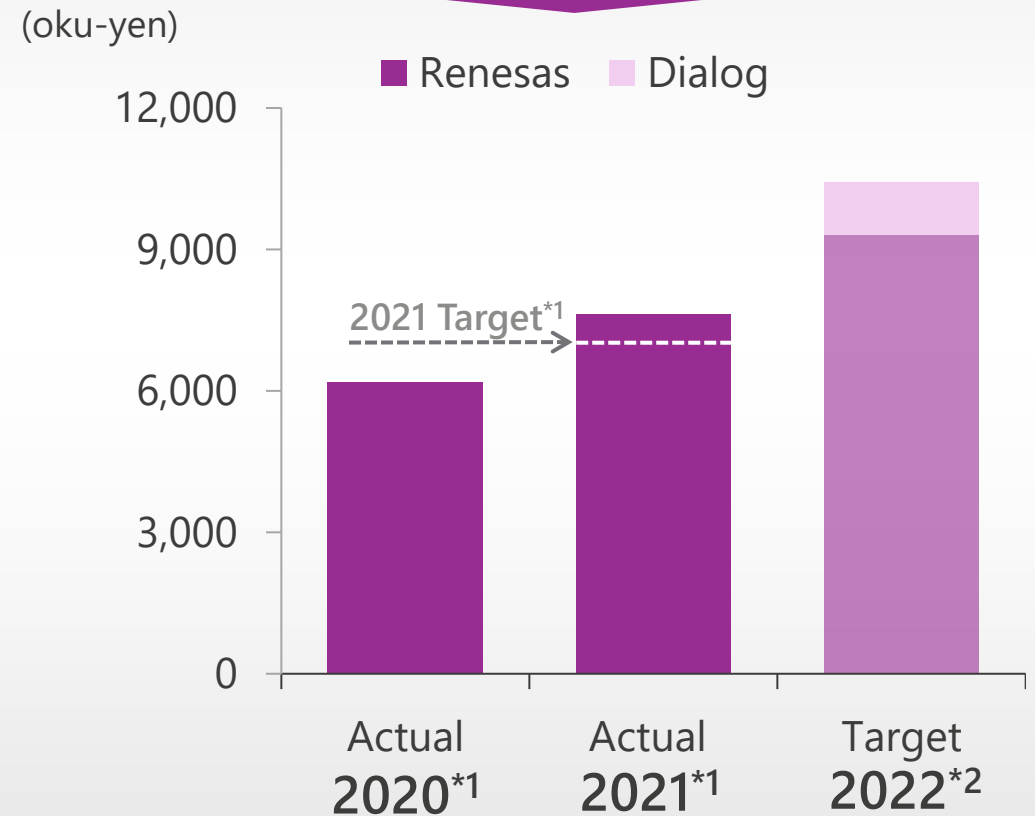
DESIGN-IN PROGRESS

Automotive



*1: Not including Dialog *2: Including Dialog

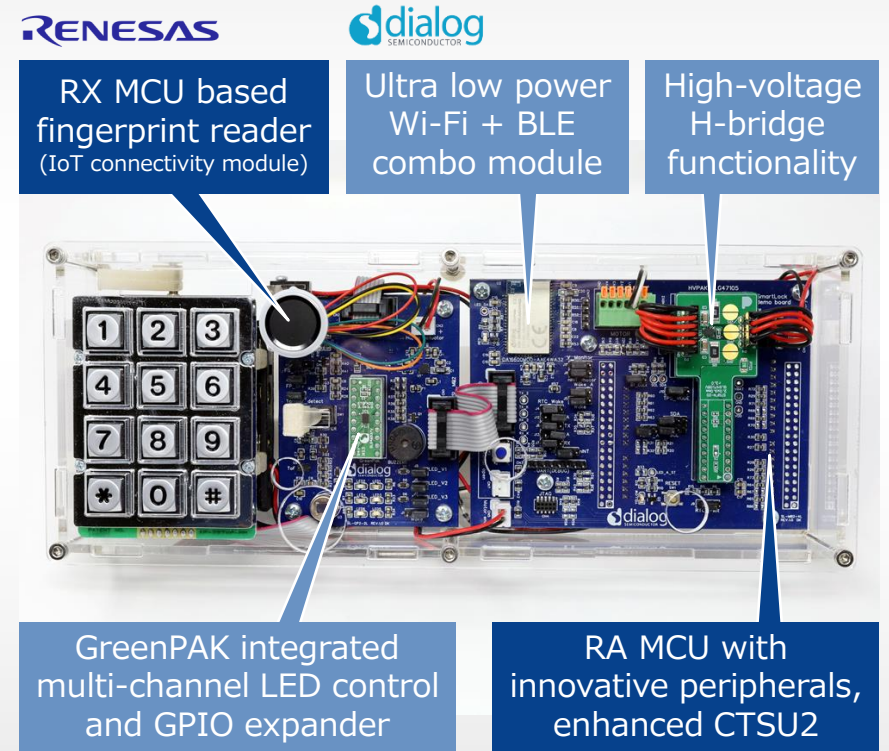
Industrial, Infra and IoT



TO MAKE OUR LIVES EASIER – IIOT WINNING COMBO



Smart lock with ultra-low power Wi-Fi and BLE



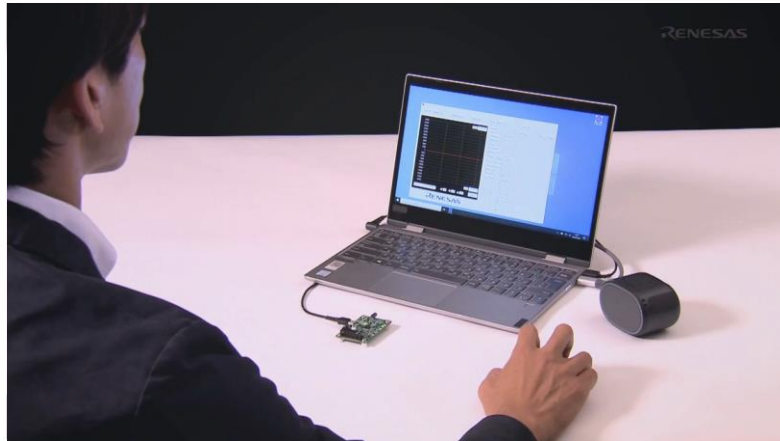
TO MAKE OUR LIVES EASIER – IIOT UX



HOW-TO training videos for engineers

“Train yourself, anytime, anywhere”

Voice Recognition Solution – Evaluation Tool



Over 110 videos available to date!



W/W sample program

One-stop

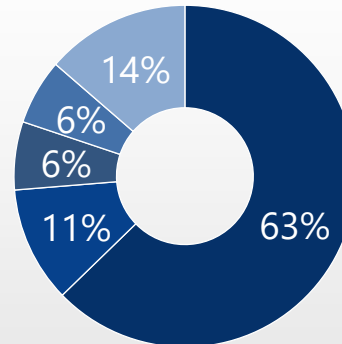
Sample stocks available at catalog distributors

Easy access

Simple web-based free-samples and evaluation kits request

MCU sample stock

In total: 646k+ pcs available right away



- RL78
- RX
- Renesas Synergy
- RA
- Others



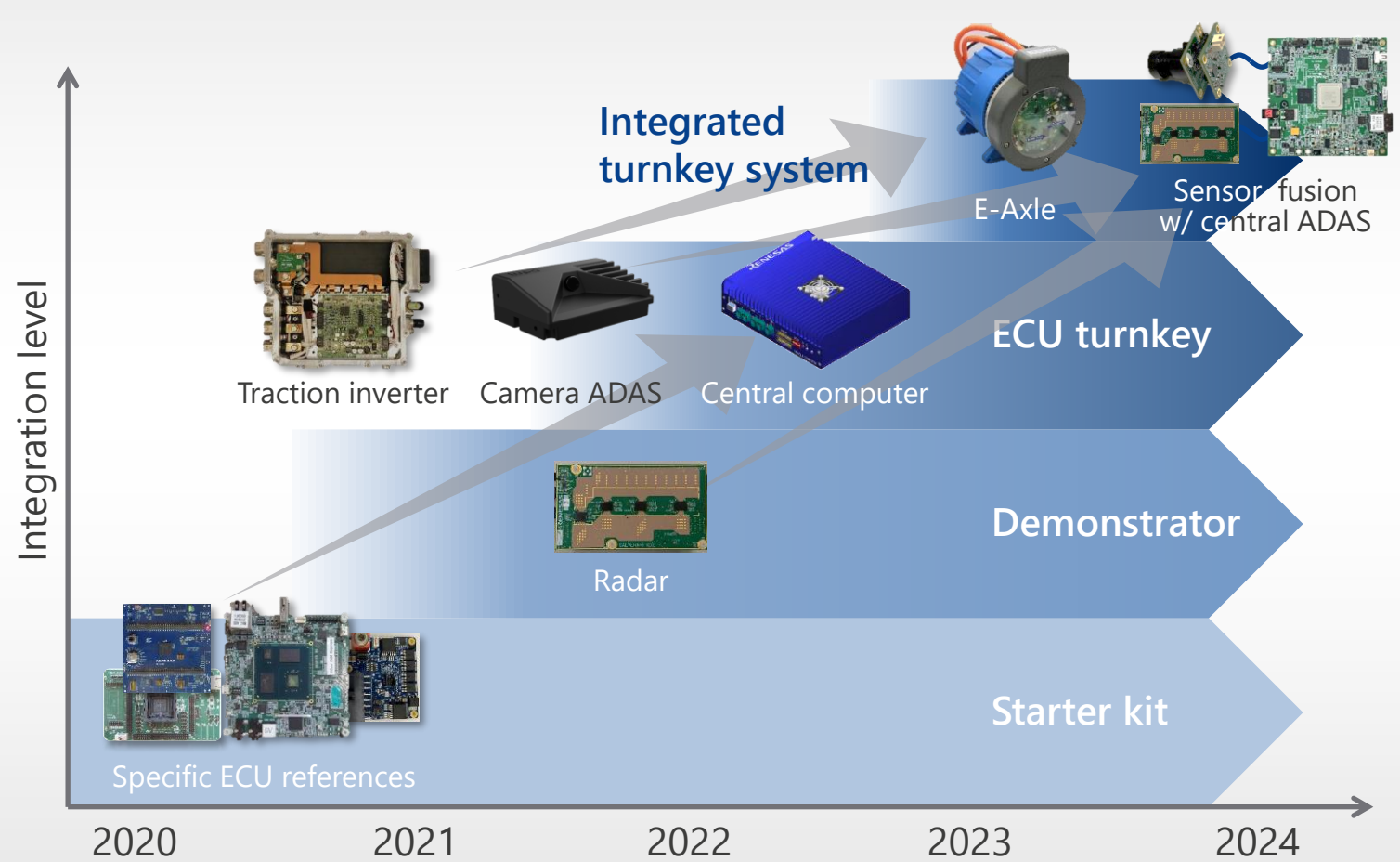
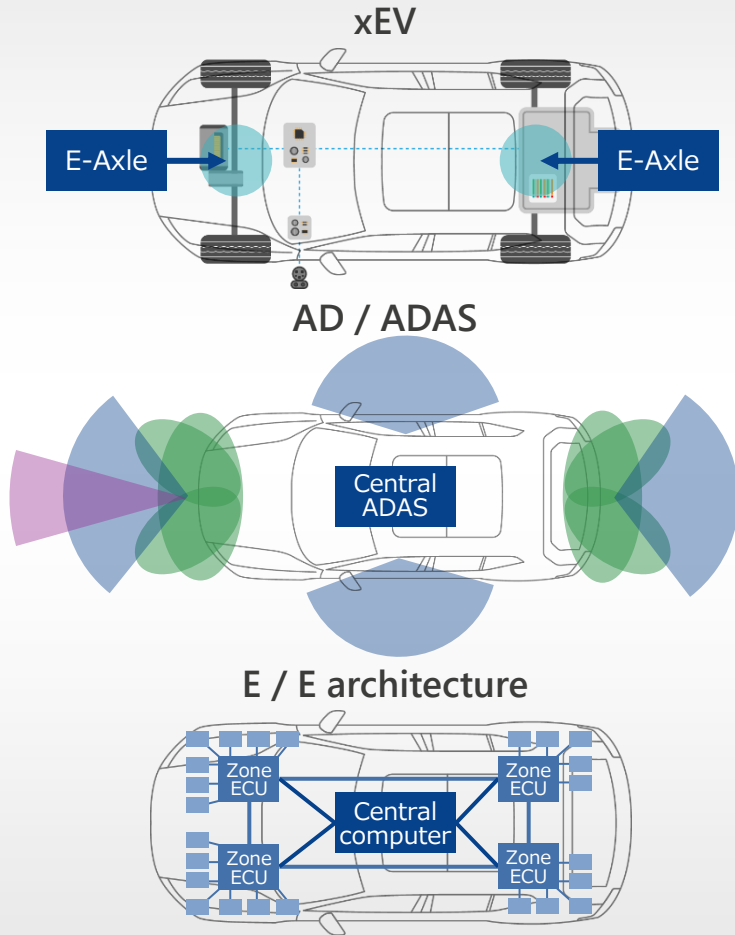
MCU Guide App



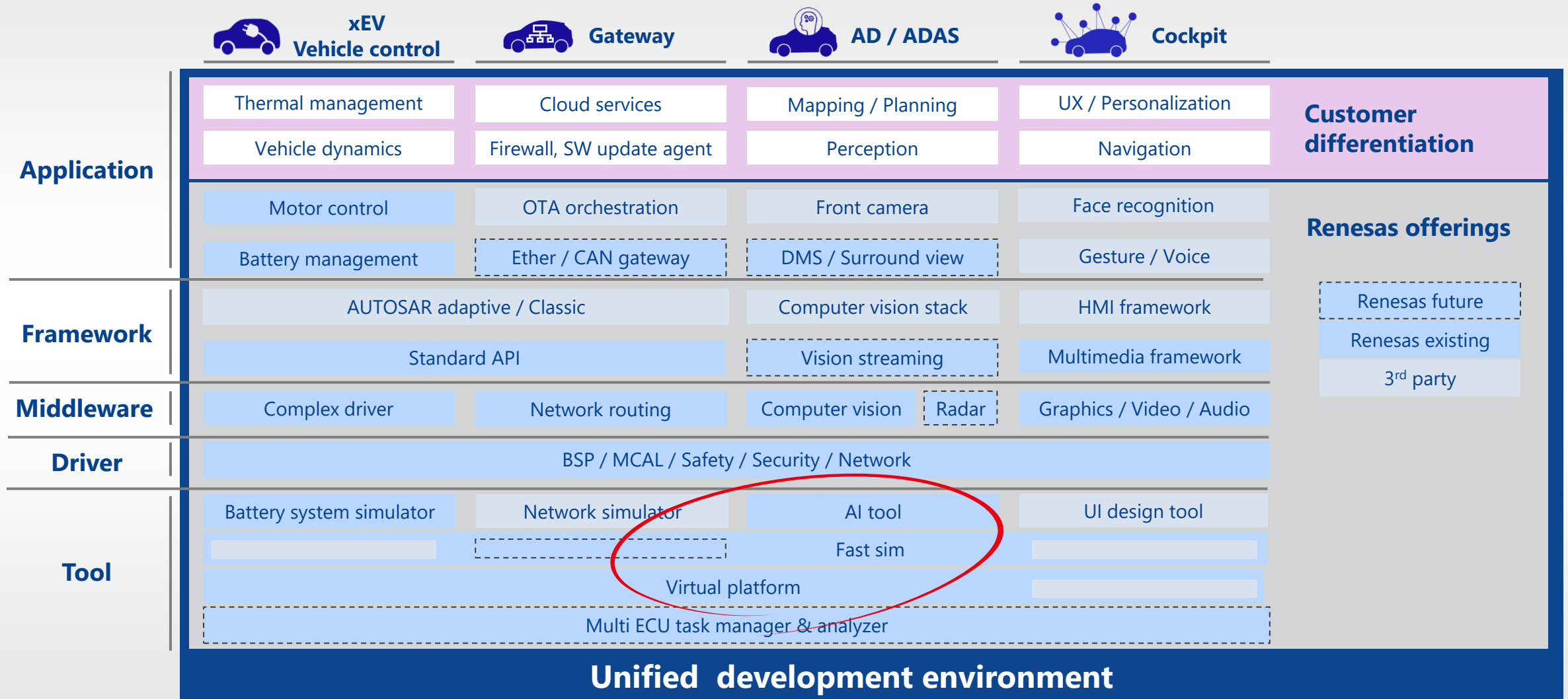
Board selection guide feature on the way

In total
>10M pcs in stock

TO MAKE OUR LIVES EASIER – AUTO WINNING COMBO



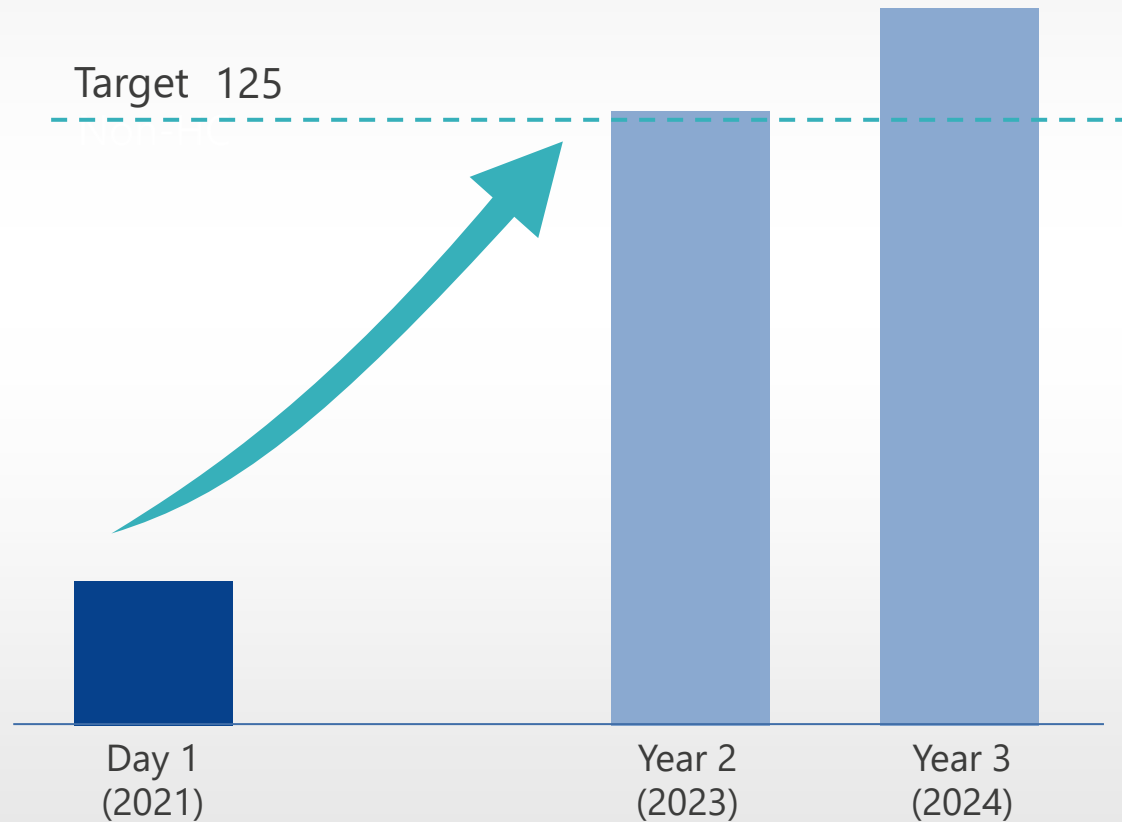
TO MAKE OUR LIVES EASIER – AUTO SOFTWARE / TOOL



INTEGRATION & SYNERGY

Cost synergy with Dialog*1

(oku-yen)



*1: Run rate basis

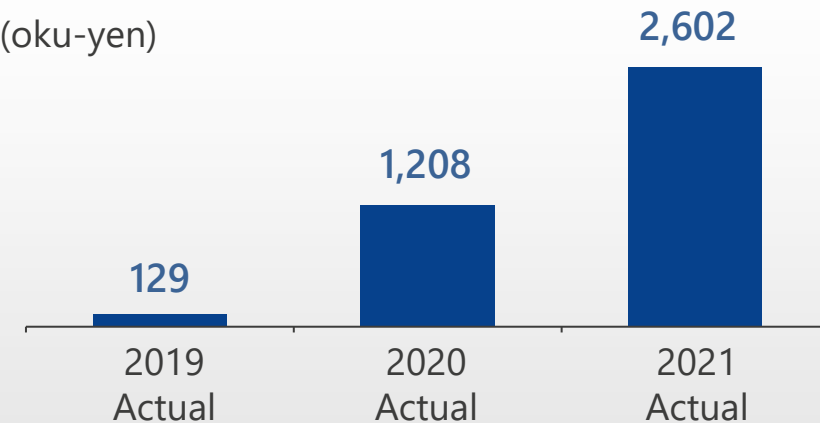
Top-line synergy

Winning Combo



LTV of new Design-ins

(oku-yen)



MAXIMIZING SHAREHOLDER VALUE



Growth

Organic + tuck-ins



Deleverage

Quick deleverage by solid cash flow



Shareholder return

To begin returns as soon as ready



CAPEX

Investment for longer-term sustained growth



- Net debt / EBITDA < 1.0x on horizon 1 year ahead of plan
- Buyback under consideration

SUMMARY

Well positioned portfolio

To address high growth market

With emphasis on delivering results

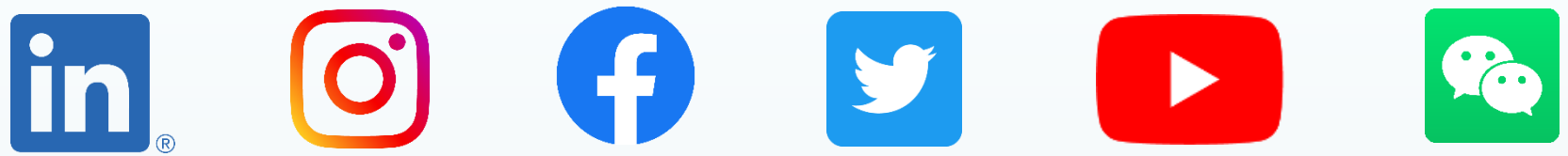
- ✓ Further enhanced by Celeno
- ✓ More emphasis on faster-growing customer segments
- ✓ To keep making progress good times and bad

... to make our lives easier





Follow Renesas on Social Media



[Renesas.com](https://www.renesas.com)