

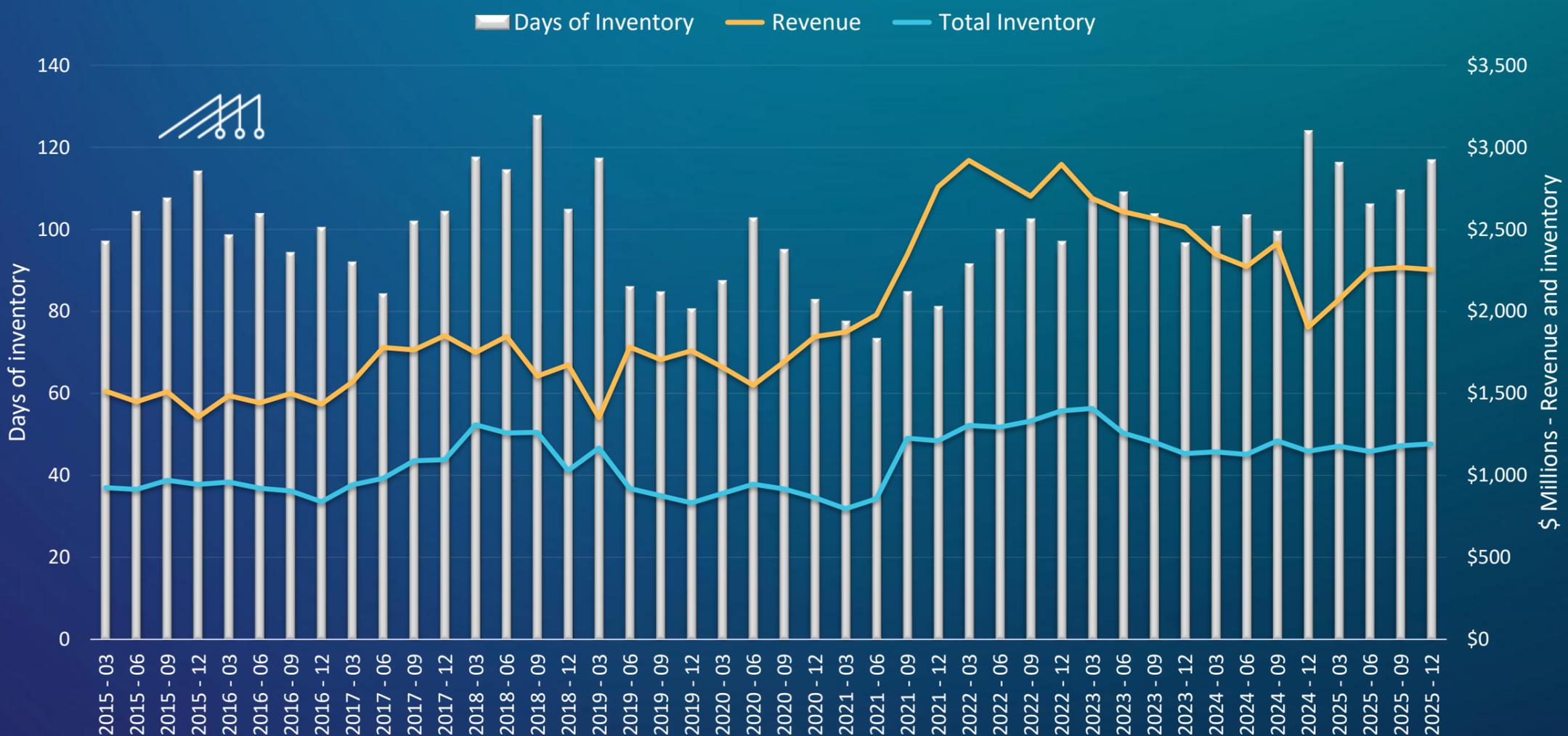
The 1-Minute Brief

Renesas Q4'25 & FY 2025 Earnings

Announced on 05, Feb'26

Key Takeaways

- FY'25 sales totaled ¥1,318.5B, down 2% YoY. Q4'25 revenue was ¥350.9B, up 20% YoY and 5% QoQ, driven by strong demand in AI and Industrial applications
- Q4'25 inventory increased internally and declined at the channel level, reflecting strong sell-through and proactive preparation for AI-driven growth
- Q4'25 gross margin improved, supported by a favorable product mix, lower manufacturing expenses, and a higher share of high-margin products

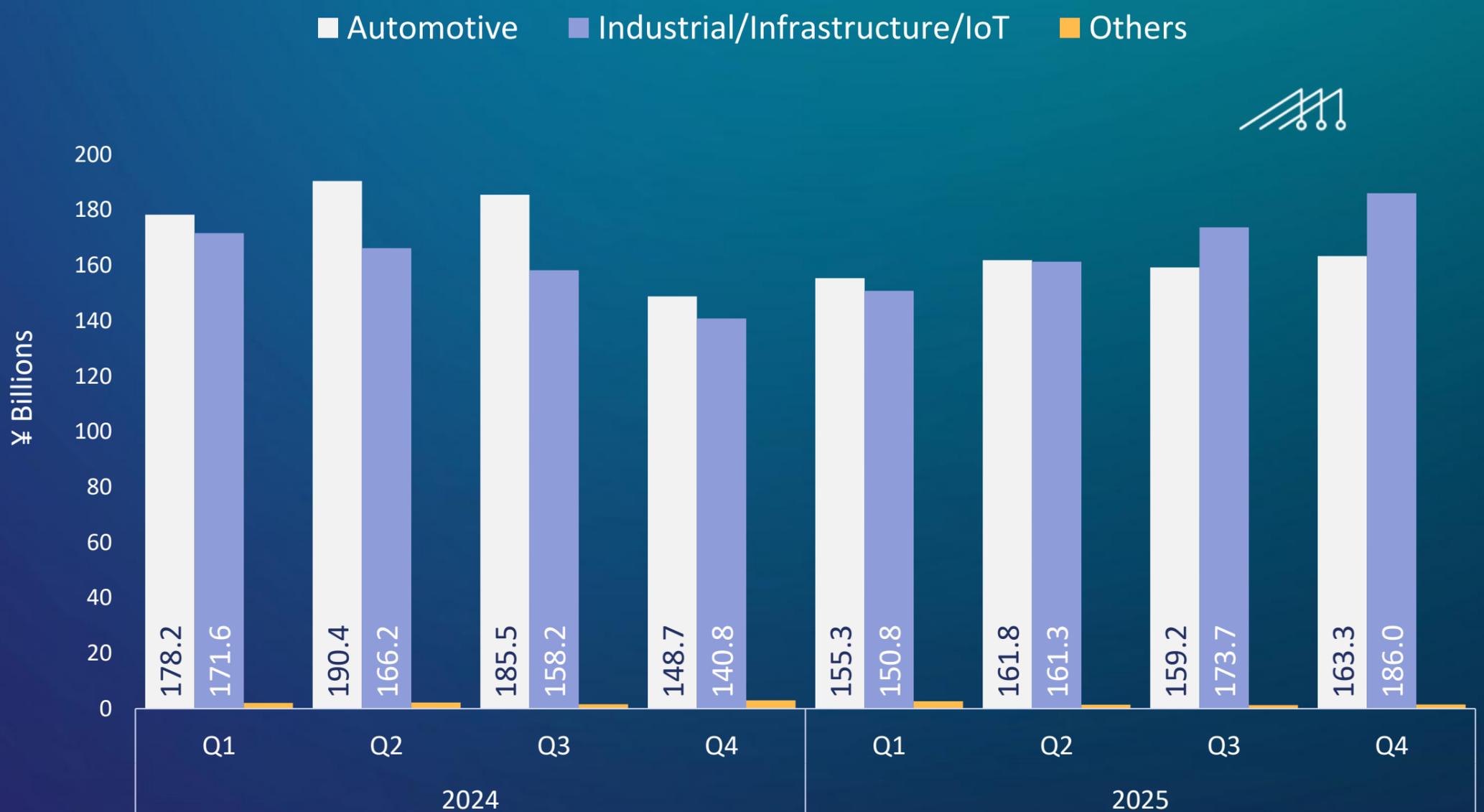


Gross Margin Trend



Q4'25 Performance Breakdown

- Automotive: (+10% YoY, +3% QoQ). Growth was driven by real end-demand recovery as well as favorable FX. China demand is soft, Japan stable, Europe showed slight improvement
- IIoT: (+32% YoY, +7% QoQ). Strong momentum in AI data center, industrial AI, aerospace/defense, and high-end IoT



Outlook

- Q1'26 quarter midpoint guidance:
+21.4% YoY (vs. Q1'25) and +6.9% QoQ (vs. Q4'25)
- Gross margin is expected to decline QoQ due to mix and pricing effects

Segment		Q1'26 Outlook Details
Automotive		Moderate growth
Industrial / Infrastructure / IoT		Moderate to solid growth
Consumer, Mobile, and IoT		Seasonally down
AI infrastructure		Very strong growth

Long-Term outlook:

- Renesas will focus on data centers and AI applications going forward, expecting AI businesses to potentially double growth
- DRAM shortages may affect IoT business operations and product availability in the coming H2'26
- Renesas is selling its \$3B precision timing chip business to SiTime to sharpen strategic focus, while exploring deeper technical collaboration



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