

The 1-Minute Brief

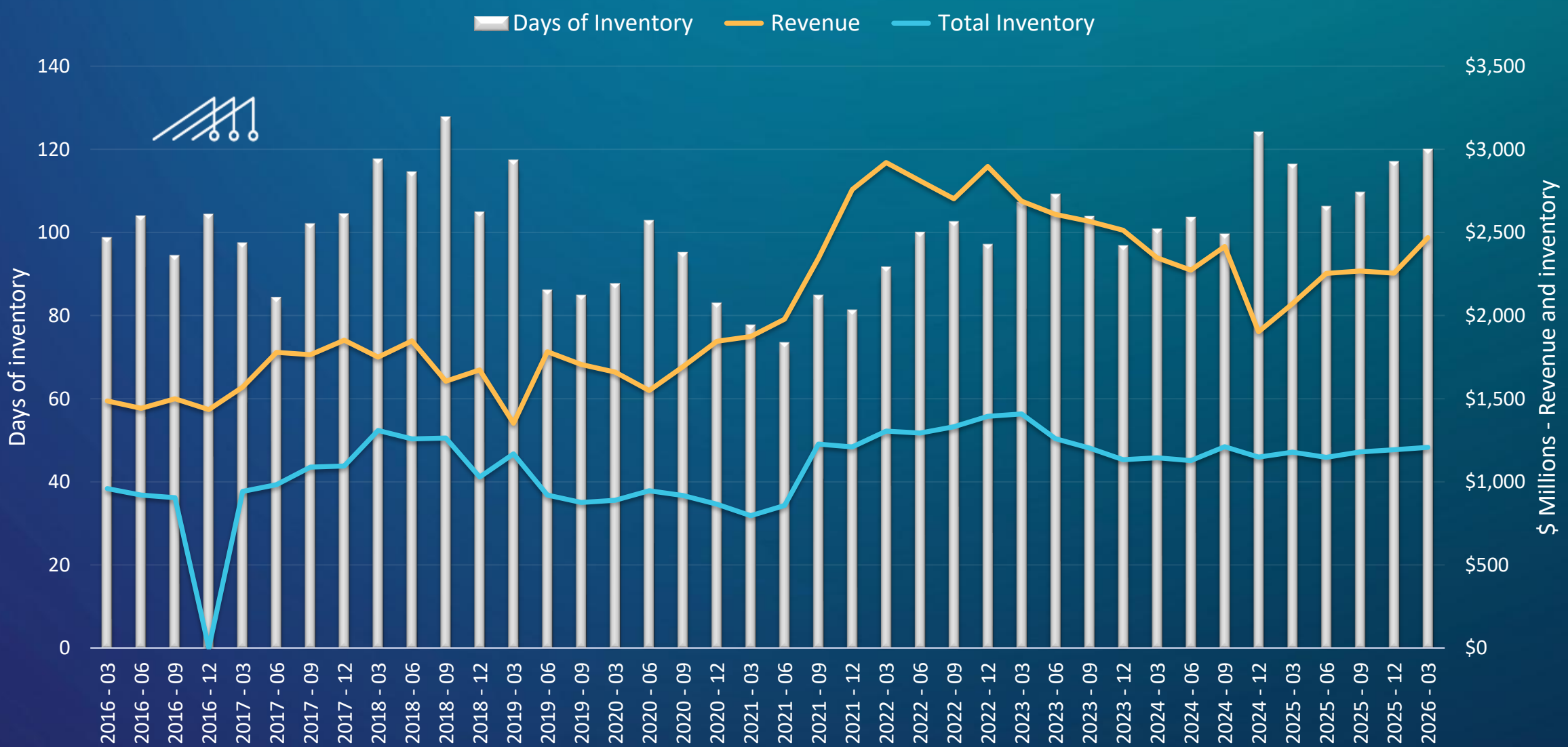
Renesas

CY Q1'26 Earnings

Announced on 24, Apr'26

Key Takeaways

- CY Q1'26 revenue was ¥372.3B, up 21% YoY and 6% QoQ, driven by automotive demand, AI/data center momentum, and favorable FX impact
- Renesas raised its internal DOI buffer from 120 to 150 days to improve lead times, but supply bottlenecks limited quarterly shipments
- Gross margin improved in Q1'26, driven by a favorable product mix and lower manufacturing expenses

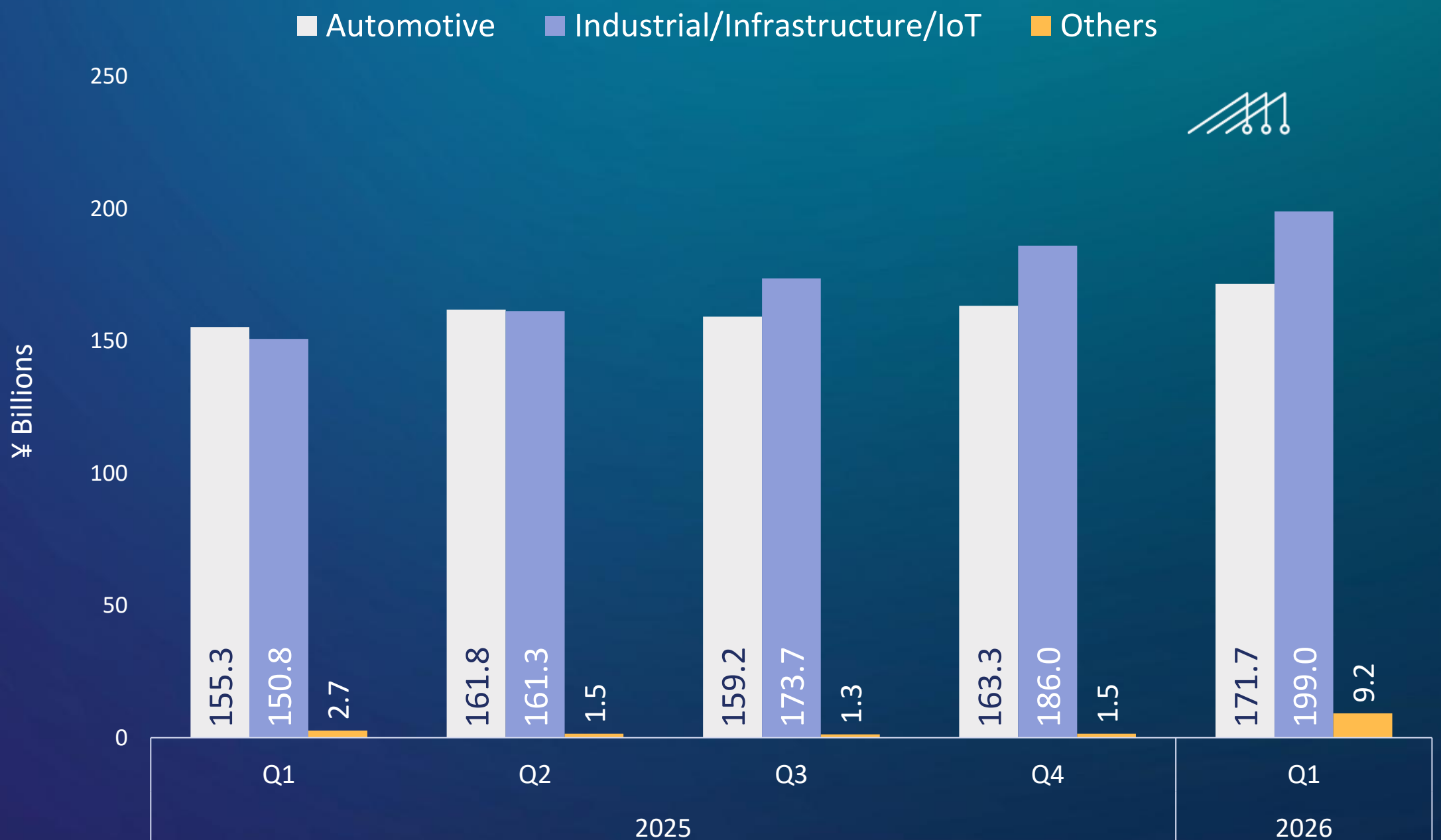


Gross Margin Trend



Performance Breakdown

- Automotive: (+11% YoY, +5% QoQ). Growth was driven by stronger-than-expected demand for both next-generation R-Car Gen 4 SoCs and legacy MCUs
- IIoT: (+32% YoY, +7% QoQ). Benefited from a massive lift in AI/data center and infrastructure related requirements
- AI infrastructure demand continues to expand rapidly, especially in digital power, memory interface, and data center applications



Outlook

- Q2'26 quarter midpoint guidance:
+19.5% YoY (vs. Q2'25) and +4.2% QoQ (vs. Q1'26)
- Sequential growth expected across both in Automotive and IIoT segments
- Gross margin expected to decline QoQ due to product mix, pricing effects, labor expenses and high manufacturing costs
- Strong momentum expected to continue in AI infrastructure, Digital power, Memory interface, Client-side AI
- Renesas is building channel inventory ahead of demand while ramping AI-focused capacity at Kofu, Naka, and Saijo fabs



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