

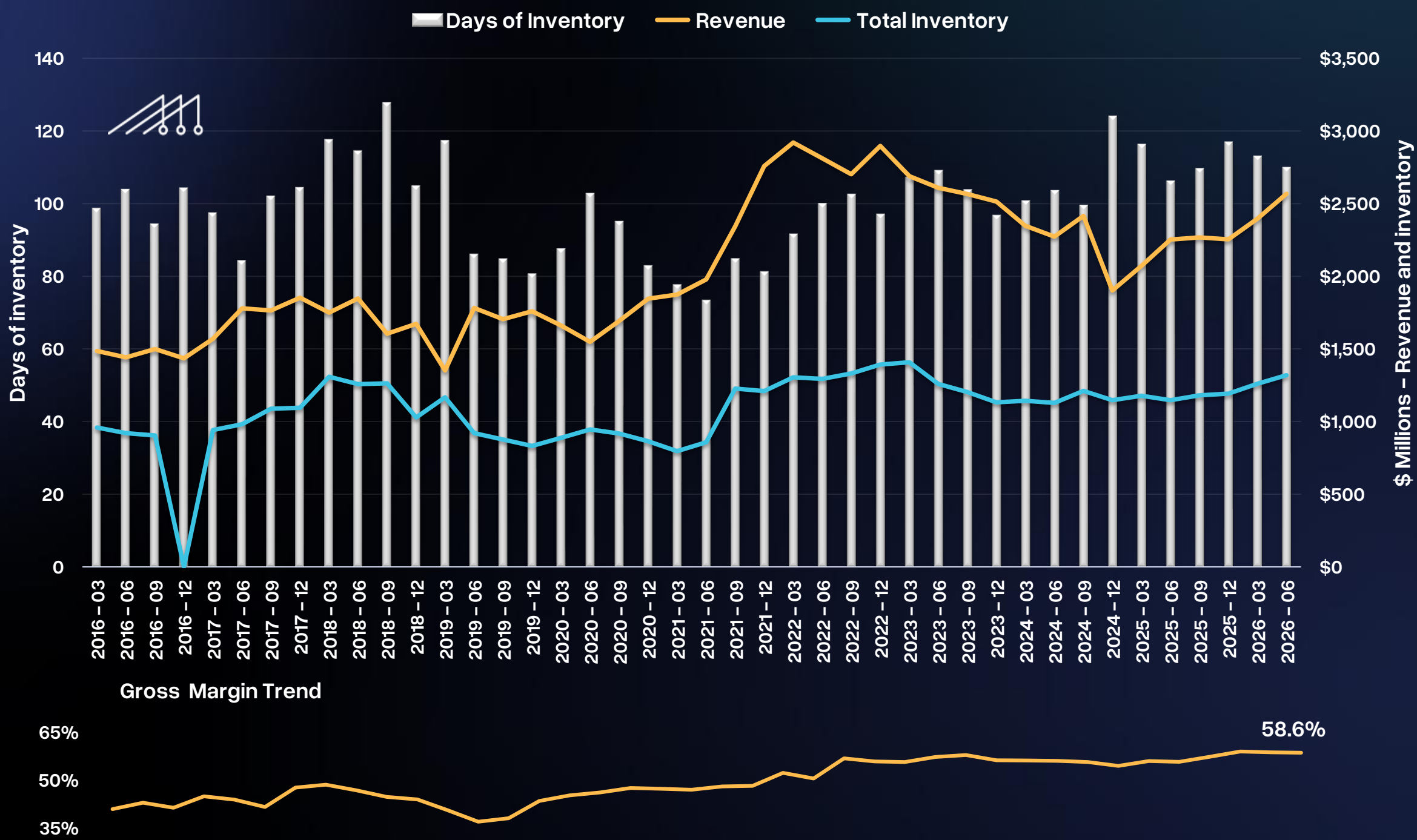
The 1–Minute Brief

Renesas Electronics Q2'26 Earnings

Announced on 31, Jul'26

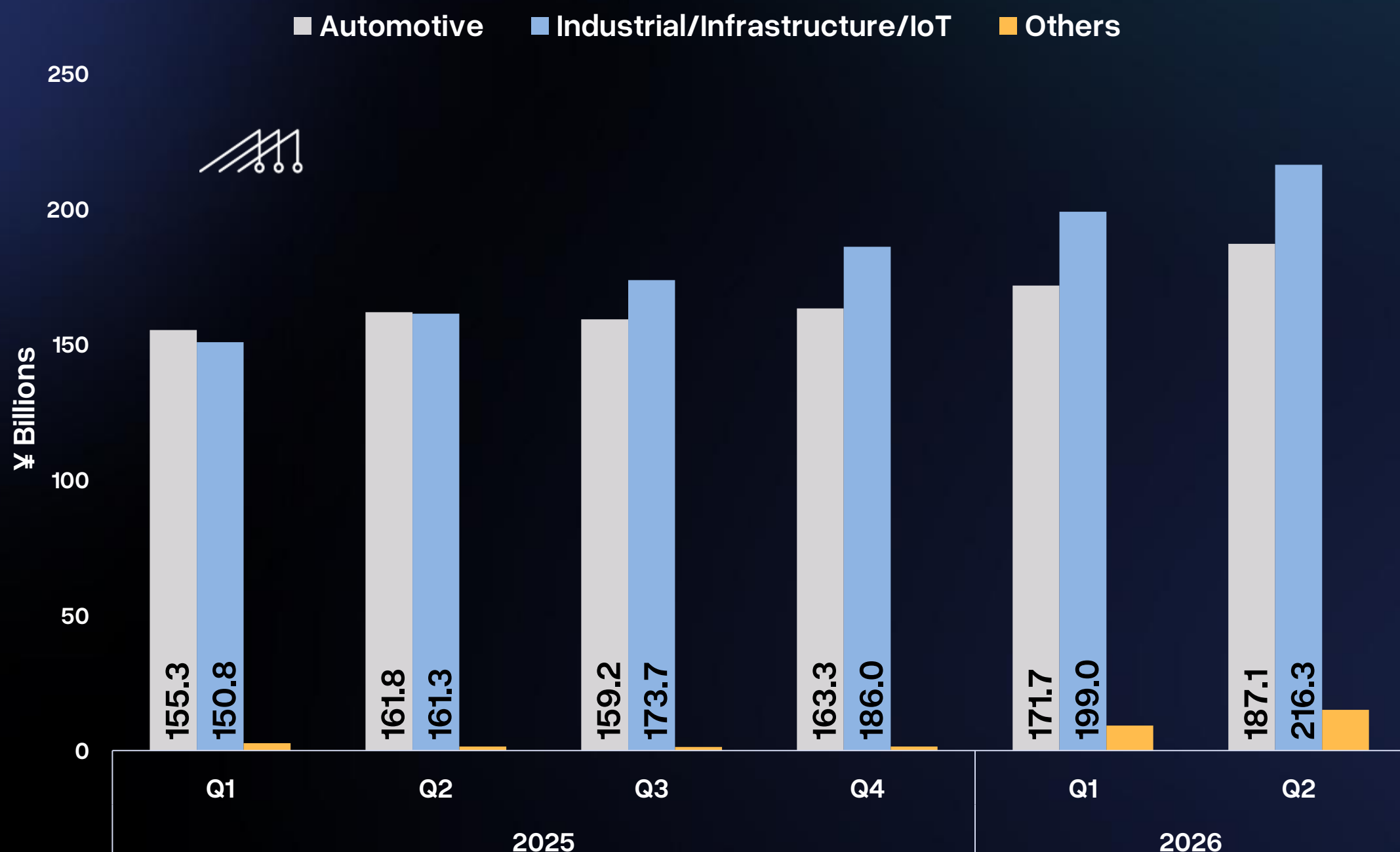
Key Takeaways

- CY Q2'26 revenue was ¥405B, up +25% YoY growth and +9% QoQ, driven by automotive, industrial IoT, infrastructure, and AI data center applications
- Inventory rose due to expanded capacity, higher work-in-process, seasonal mobile demand, while stronger sales reduced DOI
- Gross margin improved YoY, driven by favorable exchange rates, better product mix and conservative inventory valuation
- AI data center momentum broadened, with ASIC demand emerging alongside continued GPU strength



Performance by Segment

- **Automotive:** (+16% YoY, +9% QoQ); Demand improved YoY, driven by Japan and China, the Gen4 platform ramp, and customer inventory replenishment
- **Industrial/Infrastructure/IoT:** (+40% YoY, +10% QoQ), Growth was driven by factory automation, industrial equipment, smart manufacturing, infrastructure projects
- **AI Data Center:** One of Renesas' fastest-growing businesses driven by accelerating GPU and ASIC deployments and continued supply constraints



Outlook

- **Q3'26 quarter midpoint guidance:**
+29% YoY (vs. Q3'25) and +6% QoQ (vs. Q2'26)
- Sequential growth led by automotive, industrial, and AI infrastructure, while consumer IoT improves gradually as memory supply constraints ease
- Margins are expected to soften slightly due to higher manufacturing, energy, maintenance, and operating costs

Segments	Outlook	
Automotive	Moderate growth expected, supported by Japan and China demand, inventory replenishment, and continued ramp of Gen4 and 28nm MCUs	
Industrial / IoT	Continued strength expected, driven by industrial automation, infrastructure, and AI-related demand	
AI Data Center / Infrastructure	Strong momentum to continue, led by GPU and accelerating ASIC demand, with supply remaining tight	
Consumer / Mass Market IoT	Slight sequential growth expected, as memory shortages ease for key customers	



Follow us on LinkedIn & X for
semiconductor and technology industry updates