

## Renesas Reports Financial Results for the Year Ended December 31, 2025

**TOKYO, Japan, February 5, 2025** — Renesas Electronics Corporation (TSE:6723) today announced consolidated financial results in accordance with IFRS for the year ended December 31, 2025.

### Summary of Consolidated Financial Results (Note 1)

#### Summary of Consolidated Financial Results (Non-GAAP basis) (Note 2)

|  | <b>Three months ended<br/>December 31, 2025</b> |              | <b>The year ended<br/>December 31, 2025</b> |              |
|--|---|--------------|---|--------------|
|  | Billion yen                                     | % of revenue | Billion yen                                 | % of revenue |
| Revenue                                    | 350.9   | 100.0        | 1,318.5                                     | 100.0        |
| Gross profit                               | 207.9   | 59.3         | 759.9                                       | 57.6         |
| Operating profit                           | 108.0   | 30.8         | 386.9                                       | 29.3         |
| Profit attributable to owners<br>of parent | 90.0  | 25.7         | 329.3                                       | 25.0         |
| EBITDA (Note 3)                            | 127.8   | 36.4         | 464.1                                       | 35.2         |

#### Summary of Consolidated Financial Results (IFRS basis)

|   | <b>Three months ended<br/>December 31, 2025</b> |              | <b>The year ended<br/>December 31, 2025</b> |              |
|---|---|--------------|---|--------------|
|   | Billion yen                                     | % of revenue | Billion yen                                 | % of revenue |
| Revenue   | 351.5   | 100.0        | 1,321.2                                     | 100.0        |
| Gross profit                                      | 207.3   | 59.0         | 753.8                                       | 57.1         |
| Operating profit                                  | 67.2  | 19.1         | 201.2                                       | 15.2         |
| Profit (Loss) attributable to<br>owners of parent | 17.3  | 4.9          | (51.8)                                      | (3.9)        |
| EBITDA (Note 3)                                   | 113.0   | 32.2         | 389.8                                       | 29.5         |

Reconciliation of Non-GAAP gross profit to IFRS gross profit and Non-GAAP operating profit to IFRS operating profit

(Billion yen)

|   | Three months ended<br>December 31, 2025 | The year ended<br>December 31, 2025 |
|---|---|-------------------------------------|
| Non-GAAP gross profit<br>Non-GAAP gross margin  | 207.9<br>59.3%                          | 759.9<br>57.6%                      |
| Reconciliation items in non-recurring revenue (Note 4)  | 0.7                                     | 2.7                                 |
| Amortization of purchased intangible assets and depreciation of property, plant and equipment | (0.1)                                   | (0.8)                               |
| Stock-based compensation  | (0.6)                                   | (2.7)                               |
| Other reconciliation items in non-recurring expenses and adjustments (Note 5)                 | (0.5)                                   | (5.4)                               |
| IFRS gross profit<br>IFRS gross margin  | 207.3<br>59.0%                          | 753.8<br>57.1%                      |
|   |   |                                     |
| Non-GAAP operating profit<br>Non-GAAP operating margin  | 108.0<br>30.8%                          | 386.9<br>29.3%                      |
| Reconciliation items in non-recurring revenue (Note 4)  | 0.7                                     | 2.7                                 |
| Amortization of purchased intangible assets and depreciation of property, plant and equipment | (26.0)                                  | (111.4)                             |
| Stock-based compensation  | (8.0)                                   | (37.1)                              |
| Other reconciliation items in non-recurring expenses and adjustments (Note 5)                 | (7.4)                                   | (39.9)                              |
| IFRS operating profit<br>IFRS operating margin  | 67.2<br>19.1%                           | 201.2<br>15.2%                      |

(Note) 1. All figures are rounded to the nearest 100 million yen.

2. 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. The Group believes Non-GAAP measures provide useful information in understanding and evaluating the Group's constant business results.

3. Operating profit + Depreciation and amortization.

4. Non-recurring revenue that the Group has determined should be excluded

5. "Other reconciliation items in non-recurring expenses and adjustments" includes the non-recurring items related to acquisitions and other adjustments as well as non-recurring profits or losses the Group believes to be applicable.

**RENESAS ELECTRONICS CORPORATION**  
**Consolidated Financial Results for the Year Ended December 31, 2025**  
English translation from the original Japanese-language document



February 5, 2026

Company name : **Renesas Electronics Corporation**  
Stock exchanges on which the shares are listed : Tokyo Stock Exchange, Prime Market  
Code number : 6723  
URL : <https://www.renesas.com>  
Representative : Hidetoshi Shibata, President and CEO  
Contact person : Tomohiko Sato, Vice President, Investor Relations  
Tel. +81 (0)3-6773-3002  
Filing date of Yukashoken Hokokusho (scheduled) : March 19, 2026  
Date of starting payment of dividend (scheduled) : March 31, 2026

(Amounts are rounded to the nearest million yen, unless otherwise noted)

**1. Consolidated financial results for the year ended December 31, 2025**

**1.1 Consolidated financial results**

(% of change from the previous year)

|                              | Revenue     |       | Operating profit |        | Profit before tax |        | Profit      |        | Profit attributable to owners of parent |        | Total comprehensive income |     |
|------------------------------|-------------|-------|------------------|--------|-------------------|--------|-------------|--------|---|--------|----------------------------|-----|
|                              | Million yen | %     | Million yen      | %      | Million yen       | %      | Million yen | %      | Million yen                             | %      | Million yen                | %   |
| Year ended December 31, 2025 | 1,321,212   | (2.0) | 201,166          | (9.8)  | (30,275)          | —      | (51,658)    | —      | (51,763)                                | —      | (80,598)                   | —   |
| Year ended December 31, 2024 | 1,348,479   | (8.2) | 222,977          | (42.9) | 263,833           | (37.5) | 219,422     | (34.9) | 219,084                                 | (35.0) | 529,209                    | 6.9 |

|                              | Basic earnings per share | Diluted earnings per share | Net income per equity attributable to owners | Profit before tax ratio per net assets | Operating profit ratio per revenue |
|------------------------------|--------------------------|----------------------------|--|--|------------------------------------|
|                              | Yen                      | Yen                        | %  | %                                      | %                                  |
| Year ended December 31, 2025 | (28.65)                  | (28.65)                    | (2.1)  | (0.7)                                  | 15.2                               |
| Year ended December 31, 2024 | 122.51                   | 120.85                     | 9.7  | 6.9                                    | 16.5                               |

(Note) Diluted losses per share are the same as basic losses per share as there were no dilutive potential common shares outstanding for the year ended December 31, 2025.

## 1.2 Consolidated financial position

|                   | Total assets | Total equity | Equity attributable to owners | Ratio of equity attributable to owners | Equity attributable to owners per share |
|-------------------|--------------|--------------|-------------------------------|--|---|
|                   | Million yen  | Million yen  | Million yen                   | %                                      | Yen                                     |
| December 31, 2025 | 4,177,163    | 2,448,451    | 2,443,034                     | 58.5                                   | 1,347.26                                |
| December 31, 2024 | 4,490,436    | 2,542,298    | 2,537,382                     | 56.5                                   | 1,413.77                                |

## 1.3 Consolidated cash flows

|                              | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at the end of the year |
|------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
|                              | Million yen                          | Million yen                          | Million yen                          | Million yen                                      |
| Year ended December 31, 2025 | 452,857                              | (124,686)                            | (269,673)                            | 295,897  |
| Year ended December 31, 2024 | 340,484                              | (1,284,105)                          | 677,345                              | 229,249  |

## 2. Cash dividends

|  | Cash dividends per share    |                              |                             |                    |       | Total dividend during the year | Dividends payout ratio (consolidated) | Dividends ratio per assets (consolidated) |
|--|-----------------------------|------------------------------|-----------------------------|--------------------|-------|--------------------------------|---------------------------------------|---|
|  | At the end of first quarter | At the end of second quarter | At the end of third quarter | At the end of year | Total |                                |                                       |   |
|  | Yen                         | Yen                          | Yen                         | Yen                | Yen   | Million yen                    | %                                     | %   |
| Year ended December 31, 2024             | 0.00                        | 0.00                         | 0.00                        | 28.00              | 28.00 | 50,320                         | 22.9                                  | 2.2                                       |
| Year ended December 31, 2025             | 0.00                        | 0.00                         | 0.00                        | 28.00              | 28.00 | 50,814                         | ---                                   | 2.0                                       |
| Year ending December 31, 2026 (forecast) | ---                         | ---                          | ---                         | ---                | ---   |                                | ---                                   |   |

(Note) 1. The amount of the dividend for the year ended December 31, 2025, will be approved by the Group's Annual General Meeting of Shareholders scheduled for March 2026.

2. For the year ending December 31, 2026, whether the Group provides dividend payments remains undecided.

## 3. Forecast of consolidated results for the three months ending March 31, 2026

(% of change from corresponding period of the previous year)

|                                    | Non-GAAP revenue   |              | Non-GAAP gross margin |      | Non-GAAP operating margin |      |
|------------------------------------|--------------------|--------------|-----------------------|------|---------------------------|------|
|                                    | Million yen        | %            | %                     | %pts | %                         | %pts |
| Three months ending March 31, 2026 | 367,500 to 382,500 | 19.0 to 23.9 | 58.5                  | 1.8  | 32.0                      | 4.9  |

(Note) 1. The Group reports its consolidated forecast on a quarterly basis as substitute for a yearly forecast in a range format. The Non-GAAP gross margin and the Non-GAAP operating margin forecasts are provided assuming the midpoint in the Non-GAAP revenue forecast.

2. 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. The Group believes Non-GAAP measures provide useful information in understanding and evaluating the Group's constant business results, and therefore forecasts are provided on a Non-GAAP basis.

#### 4. Others

4.1 Changes in significant subsidiaries for the full year ended December 31, 2025: No

4.2 Changes in Accounting Policies, Changes in Accounting Estimates and Corrections of Prior Period Errors

1. Changes in accounting policies with revision of accounting standard: No

2. Changes in accounting policies except for 4.2.1: No

3. Changes in accounting estimates: Yes

(Note) For details, please refer to P.15 "(Changes in Accounting Estimates)" in the "3. Consolidated Financial Statements, 3.5 Notes to Consolidated Financial Statements."

4.3 Number of shares issued and outstanding (common stock)

1. Number of shares issued and outstanding (including treasury stock)

As of December 31, 2025: 1,870,614,885 shares

As of December 31, 2024: 1,870,614,885 shares

2. Number of treasury stock

As of December 31, 2025: 57,280,173 shares

As of December 31, 2024: 75,848,895 shares

3. Average number of shares issued and outstanding

Year ended December 31, 2025: 1,806,796,150 shares

Year ended December 31, 2024: 1,788,230,332 shares

#### (Reference) Non-consolidated results for the year ended December 31, 2025

##### Non-consolidated financial results

|                              | Net sales   |       | Operating income |        | Ordinary income |        | Net income  |        |
|------------------------------|-------------|-------|------------------|--------|-----------------|--------|-------------|--------|
|                              | Million yen | %     | Million yen      | %      | Million yen     | %      | Million yen | %      |
| Year ended December 31, 2025 | 926,986     | (4.8) | 224,642          | (7.2)  | 209,492         | (1.6)  | 158,654     | (16.5) |
| Year ended December 31, 2024 | 973,959     | (8.6) | 242,001          | (23.1) | 212,892         | (28.3) | 189,972     | (24.6) |

|                   | Net income per share: basic | Net income per share: diluted |
|-------------------|-----------------------------|-------------------------------|
|                   | Yen                         | Yen                           |
| December 31, 2025 | 87.72                       | 86.45                         |
| December 31, 2024 | 106.19                      | 104.75                        |

**Non-consolidated financial position**

|                   | <b>Total assets</b> | <b>Net assets</b> | <b>Equity ratio</b> | <b>Net assets per share</b> |
|-------------------|---------------------|-------------------|---------------------|-----------------------------|
|                   | Million yen         | Million yen       | %                   | Yen                         |
| December 31, 2025 | 3,536,139           | 1,482,949         | 41.9                | 817.14                      |
| December 31, 2024 | 3,500,965           | 1,347,822         | 38.5                | 758.78                      |

Reference: Equity at the end of the year ended December 31, 2025: 1,482,933 million yen

Equity at the end of the year ended December 31, 2024: 1,346,735 million yen

(Note) Information regarding the implementation of audit procedures: These financial results are not subject to audit procedures by the independent auditor.

**Cautionary Statement**

The Group will hold an earnings conference for institutional investors and analysts on February 5, 2026. The Group plans to post the materials which are provided at the meeting, on the Group's website on that day.

The statements with respect to the financial outlook of Renesas Electronics Corporation (hereinafter "the Company") and its consolidated subsidiaries (hereinafter "the Group") are forward-looking statements involving risks and uncertainties. We caution you in advance that actual results may differ materially from such forward-looking statements due to changes in several important factors.

The allocation of the acquisition costs for the business combination with Transphorm, Inc. (hereinafter "Transphorm") and Altium Limited (hereinafter "Altium") has been revised during the three months ended December 31, 2024. These revisions have been reflected in the consolidated financial results for the three months ended June 30 and September 30, 2024. On December 12, 2024, Altium changed its corporate name to Altium Pty Ltd. For details, please refer to Appendix 3.5, "Notes to Consolidated Financial Statements (Business Combinations)" on page 19.

## [APPENDIX]

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## 1. Business Results

### 1.1 Analysis of Business Results

The Group discloses consolidated business results in terms of both its internal measures which the management relies upon in making decisions (hereinafter “Non-GAAP”) and those under IFRS.

Non-GAAP revenue, Non-GAAP gross profit and Non-GAAP operating profit are revenue, gross profit and operating profit under IFRS (hereinafter “IFRS revenue,” “IFRS gross profit” and “IFRS operating profit”) after excluding or adjusting non-recurring items and other adjustments following a certain set of rules. The Group believes providing Non-GAAP forecasts will help to better understand the Group’s constant business results. Non-recurring items include depreciation of intangible assets recognized from acquisitions, other purchase price allocation (hereinafter “PPA”) adjustments and stock-based compensation as well as other non-recurring expenses and income the Group believes to be applicable.

The Group consists of “Automotive Business” and “Industrial/Infrastructure/IoT Business” and those are the Group’s reportable segments. For details, please refer to Appendix 3 “Consolidated Financial Statements, 3.5 Notes to Consolidated Financial Statements (Business Segments).”

(Note) For Non-GAAP disclosure, the Group refers to the rules specified by the U.S. Securities and Exchange Commission but does not fully comply with such rules.

#### 1) Summary of Consolidated Financial Results for the Year ended December 31, 2025 (Non-GAAP basis)

|                               | Year ended<br>December 31, 2024<br>(Jan 1 – Dec 31, 2024) | Year ended<br>December 31, 2025<br>(Jan 1 – Dec 31, 2025) | Increase<br>(Decrease)   |                       |
|-------------------------------|---|---|--------------------------|-----------------------|
|                               | Billion yen   | Billion yen   | Billion<br>yen<br>(30.0) | %<br>Change<br>(2.2%) |
| Non-GAAP revenue              | 1,348.5   | 1,318.5   |                          |                       |
| Automotive                    | 702.8   | 639.7   | (63.1)                   | (9.0%)                |
| Industrial/Infrastructure/IoT | 636.8   | 671.8   | 35.0                     | 5.5%                  |
| Non-GAAP gross profit         | 756.3   | 759.9   | 3.7                      | 0.5%                  |
| Non-GAAP gross margin         | 56.1%   | 57.6%   | 1.6pts                   | —                     |
| Automotive                    | 367.8   | 346.3   | (21.4)                   | (5.8%)                |
| Industrial/Infrastructure/IoT | 52.3%   | 54.1%   | 1.8pts                   | —                     |
| Automotive                    | 385.8   | 410.9   | 25.1                     | 6.5%                  |
| Industrial/Infrastructure/IoT | 60.6%   | 61.2%   | 0.6pt                    | —                     |
| Non-GAAP operating profit     | 397.9   | 386.9   | (11.0)                   | (2.8%)                |
| Non-GAAP operating margin     | 29.5%   | 29.3%   | (0.2pt)                  | —                     |
| Automotive                    | 222.5   | 196.6   | (25.9)                   | (11.6%)               |
| Industrial/Infrastructure/IoT | 31.7%   | 30.7%   | (0.9pt)                  | —                     |
| Automotive                    | 173.4   | 169.4   | (4.0)                    | (2.3%)                |
| Industrial/Infrastructure/IoT | 27.2%   | 25.2%   | (2.0pts)                 | —                     |

(Note) For details on the above table, please refer to Appendix 3 “Consolidated Financial Statements, 3.5. Notes to Consolidated Financial Statements (Business Segments).”

The financial results for the year ended December 31, 2025 are as follows:

#### <Non-GAAP revenue>

Consolidated Non-GAAP revenue for the year ended December 31, 2025 was 1,318.5 billion yen, a 30.0 billion yen (2.2%) decrease year on year. This was mainly attributable to a decrease in revenue from the Automotive Business due to market softening, although revenue from the Industrial, Infrastructure, and IoT Business increased driven by stronger demand in the infrastructure business.

#### <Non-GAAP gross profit (margin)>

Non-GAAP gross profit for the year ended December 31, 2025 was 759.9 billion yen, a 3.7 billion yen (0.5%) increase year on year. This was due to lower manufacturing costs, despite the above-mentioned decrease in revenue from the Automotive Business and the resulting decrease in utilization rate. As a result, Non-GAAP gross margin for the year ended December 31, 2025 was 57.6%, an increase by 1.6 points year on year.



<Non-GAAP operating profit (margin)>

Non-GAAP operating profit for the year ended December 31, 2025 was 386.9 billion yen, a 11.0 billion yen (2.8%) decrease year on year. This was mainly due to an increase in SG&A expenses, despite the above-mentioned increase in gross profit. As a result, Non-GAAP operating margin for the year ended December 31, 2025 was 29.3%, a decrease by 0.2 point year on year.

The revenue breakdown of the business segments for the year ended December 31, 2025 are as follows:

Automotive Business

The Automotive Business includes the product categories "Automotive Control," comprising of semiconductor devices for controlling automobile engines and bodies, and "Automotive Information," comprising of semiconductor devices used in sensing systems for detecting environments inside and outside the vehicle as well as Automotive Information devices such as in-vehicle infotainment (IVI) and instrument panels used to give various information to the driver of the vehicle. The Group mainly supplies microcontrollers (MCUs), system-on-chip (SoC), analog semiconductor devices and power semiconductor devices in each of these categories.

Non-GAAP revenue of the Automotive Business for the year ended December 31, 2025 was 639.7 billion yen, a 63.1 billion yen (9.0%) decrease year on year. As mentioned above, this was mainly due to market softening.

Non-GAAP gross profit of the Automotive Business for the year ended December 31, 2025 was 346.3 billion yen, a 21.4 billion yen (5.8%) decrease year on year. This was mainly due to a decrease in revenue.

Non-GAAP operating profit of the Automotive Business for the year ended December 31, 2025 was 196.6 billion yen, a 25.9 billion yen (11.6%) decrease year on year. This was mainly due to a decrease in gross profit.

Industrial/Infrastructure/IoT Business

The Industrial/Infrastructure/IoT Business includes the categories "Industrial," "Infrastructure" and "IoT" which support a smart society. The Group mainly supplies MCUs, SoC, analog semiconductor devices and power semiconductor devices in each of these categories.

Non-GAAP revenue of the Industrial/Infrastructure/IoT Business for the year ended December 31, 2025 was 671.8 billion yen, a 35.0 billion yen (5.5%) increase year on year. This was due to an increase in revenue driven by stronger demand in the infrastructure business.

Non-GAAP gross profit of the Industrial/Infrastructure/IoT Business for the year ended December 31, 2025 was 410.9 billion yen, a 25.1 billion yen (6.5%) increase year on year. This was mainly due to increase in revenue.

Non-GAAP operating profit of the Industrial/Infrastructure/IoT Business for the year ended December 31, 2025 was 169.4 billion yen, a 4.0 billion yen (2.3%) decrease year on year. This was mainly due to an increase in SG&A expenses, despite higher gross profit mentioned above.

**2) Reconciliation of Non-GAAP gross profit to IFRS gross profit and Non-GAAP operating profit to IFRS operating profit**

(Billion yen)

|  | <b>Year ended<br/>December 31, 2024<br/>(Jan 1 – Dec 31, 2024)</b> | <b>Year ended<br/>December 31, 2025<br/>(Jan 1 – Dec 31, 2025)</b> |
|--|--|--|
| Non-GAAP gross profit  | 756.3  | 759.9  |
| Non-GAAP gross margin  | 56.1%  | 57.6%  |
| Reconciliation items in non-recurring revenue<br>(Note 1)  | —  | 2.7  |
| Amortization of purchased intangible assets<br>and depreciation of property, plant and equipment | (1.0)  | (0.8)  |
| Stock-based compensation   | (2.8)  | (2.7)  |
| Other reconciliation items in non-recurring<br>expenses and adjustments (Note 2)                 | (2.6)  | (5.4)  |
| IFRS gross profit  | 749.8  | 753.8  |
| IFRS gross margin  | 55.6%  | 57.1%  |
|  |  |  |
| Non-GAAP operating profit  | 397.9  | 386.9  |
| Non-GAAP operating margin  | 29.5%  | 29.3%  |
| Reconciliation items in non-recurring revenue<br>(Note 1)  | —  | 2.7  |
| Amortization of purchased intangible assets<br>and depreciation of property, plant and equipment | (122.4)  | (111.4)  |
| Stock-based compensation   | (36.3)   | (37.1)   |
| Other reconciliation items in non-recurring<br>expenses and adjustments (Note 2)                 | (16.2)   | (39.9)   |
| IFRS operating profit  | 223.0  | 201.2  |
| IFRS operating margin  | 16.5%  | 15.2%  |

(Note) 1. Non-recurring revenue that the Group has determined should be excluded.

2. “Other reconciliation items in non-recurring expenses and adjustments” includes the non-recurring items related to acquisitions and other adjustments as well as non-recurring profits or losses the Group believes to be applicable.

**3) Summary of Consolidated Financial Results for the year ended December 31, 2025 (IFRS basis)**

|                  | <b>Year ended<br/>December 31, 2024<br/>(Jan 1 – Dec 31, 2024)</b> | <b>Year ended<br/>December 31, 2025<br/>(Jan 1 – Dec 31, 2025)</b> | <b>Increase<br/>(Decrease)</b> |             |
|------------------|--|--|--------------------------------|-------------|
|                  | Billion yen  | Billion yen  | Billion yen                    | %<br>Change |
| Revenue          | 1,348.5  | 1,321.2  | (27.3)                         | (2.0%)      |
| Gross profit     | 749.8  | 753.8  | 4.0                            | 0.5%        |
| Gross margin     | 55.6%  | 57.1%  | 1.4 pts                        | —           |
| Operating profit | 223.0  | 201.2  | (21.8)                         | (9.8%)      |
| Operating margin | 16.5%  | 15.2%  | (1.3 pts)                      | —           |

## 1.2 Consolidated Financial Condition

### Assets, Liabilities and Shareholders' Equity

(Billion yen)

|   | As of December 31,<br>2024 | As of December 31,<br>2025 | Increase<br>(Decrease) |
|---|----------------------------|----------------------------|------------------------|
| Total assets                                      | 4,490.4                    | 4,177.2                    | (313.2)                |
| Total equity                                      | 2,542.3                    | 2,448.5                    | (93.8)                 |
| Equity attributable to owners of parent           | 2,537.4                    | 2,443.0                    | (94.4)                 |
| Equity ratio attributable to owners of parent (%) | 56.5                       | 58.5                       | 2.0                    |
| Interest-bearing liabilities                      | 1,422.8                    | 1,226.8                    | (196.0)                |
| Debt to equity ratio                              | 0.56                       | 0.50                       | (0.06)                 |

Total assets as of December 31, 2025 amounted to 4,177.2 billion yen, a 313.2 billion yen decrease from December 31, 2024. This was mainly due to the amortization of intangible assets arising from past acquisitions, as well as a decrease resulting from the recognition of valuation losses on other financial assets related to Wolfspeed, Inc. (hereinafter "Wolfspeed"), following its filing for protection under the U. S. Bankruptcy Code and its restructuring plan.

Total equity as of December 31, 2025 amounted to 2,448.5 billion yen, a 93.8 billion yen decrease from December 31, 2024. This was mainly due to a decrease in components of other equity, such as exchange differences on translation of foreign operations due to fluctuations in foreign exchange rates, as well as a reduction in retained earnings due to the net loss for the year ended December 31, 2025.

Equity attributable to owners of the parent as of December 31, 2025 amounted to 2,443.0 billion yen, a 94.4 billion yen decrease from December 31, 2024, and the equity ratio attributable to owners of the parent was 58.5% as of December 31, 2025. In addition, interest-bearing liabilities as of December 31, 2025 amounted to 1,226.8 billion yen, a 196.0 billion yen decrease from December 31, 2024, mainly due to a decrease in borrowings. Consequently, the Debt to equity ratio was 0.50 as of December 31, 2025.

## 1.3 Cash Flows

(Billion yen)

|  | Year ended<br>December 31, 2024<br>(Jan 1 – Dec 31, 2024) | Year ended<br>December 31, 2025<br>(Jan 1 – Dec 31, 2025) |
|--|---|---|
| Net cash provided by (used in) operating activities  | 340.5   | 452.9   |
| Net cash provided by (used in) investing activities  | (1,284.1)   | (124.7)   |
| Free cash flows (Note)                               | (943.6)   | 328.2   |
| Net cash provided by (used in) financing activities  | 677.3   | (269.7)   |
| Cash and cash equivalents at the beginning of period | 434.7   | 229.2   |
| Cash and cash equivalents at the end of period       | 229.2   | 295.9   |

(Note) As defined as a total of net cash flows provided by (used in) operating and investing activities.

(Net cash provided by (used in) operating activities)

Net cash provided by operating activities for the year ended December 31, 2025 was 452.9 billion yen. This was mainly due to adjustments for non-cash items such as depreciation and the valuation loss on other financial assets related to Wolfspeed, though a recording of 30.3 billion yen in loss before tax.

(Net cash provided by (used in) investing activities)

Net cash used in investing activities for the year ended December 31, 2025 was 124.7 billion yen. This was mainly due to the purchase of property, plant, and equipment as well as intangible assets.

The foregoing resulted in positive free cash flows of 328.2 billion yen for the year ended December 31, 2025.

(Net cash provided by (used in) financing activities)

Net cash used in financing activities for the year ended December 31, 2025 was 269.7 billion yen. This was mainly due to the repayment of borrowings to major financial institutions and the payment of dividends.

## 1.4 Consolidated Forecasts

The Group reports its consolidated forecasts on a quarterly basis as a range because of the difficulty of forecasting full-year results with high accuracy due to the short-term volatility of the semiconductor market.

Additionally, in order to provide useful information to better understand the Group's constant business results, figures such as gross margin and operating margin are presented in the Non-GAAP format, which excludes or adjusts the non-recurring items related to acquisitions and other adjustments including non-recurring expenses or income from the figures based on GAAP (IFRS) following a certain set of rules.

The gross margin and operating margin forecasts are given assuming the midpoint in the revenue forecast.

(For the three months ending March 31, 2026)

|  | Non-GAAP<br>revenue                  | Non-GAAP<br>gross margin | Non-GAAP<br>operating margin |
|--|--------------------------------------|--------------------------|------------------------------|
| Previous forecasts   | ---                                  | ---                      | ---                          |
| Forecasts as of<br>February 5, 2026  | Million yen<br>367,500<br>to 382,500 | %<br><br>58.5            | %<br><br>32.0                |
| Increase (decrease)  | ---                                  | ---                      | ---                          |
| Percentage change  | ---                                  | ---                      | ---                          |
| Reference:<br>The first quarter results<br>of the three months<br>ended March 31, 2025 | 308,777                              | 56.7                     | 27.1                         |

(Note) 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. The Group believes Non-GAAP measures provide useful information in understanding and evaluating the Group's constant business results, and therefore, forecasts are provided on a Non-GAAP basis. This adjustment and exclusion include step-up depreciation of property, plant and equipment, amortization of intangible assets recognized from acquisitions, other PPA adjustments and stock-based compensation, as well as other non-recurring expenses and income the Group believes to be applicable.

The consolidated forecasts for the three months ending March 31, 2026 are calculated at the rate of 154 yen per USD and 182 yen per Euro.

The statements with respect to the financial outlook of the Group are forward-looking statements involving risks and uncertainties. The Company cautions you in advance that actual results may vary materially from such forward-looking statements due to several important factors.

## 1.5 Dividend Payments

From the perspective of maximizing enterprise value, in order to respond to rapid changes in the business environment and thrive in the global marketplace, the Group aims to maintain a strong financial structure by using retained earnings for strategic investments such as research and development of new products and technologies as well as capital expenditures and to continuously and stably distribute part of its earnings to shareholders. For each dividend period, consideration of declaring a dividend is made with consideration of consolidated and non-consolidated retained earnings, consolidated profits, outlook for profits for the next and future periods, and cash flows status.

Following the above policy, for the fiscal year ended December 31, 2025, the Group plans to distribute a year-end dividend of 28 yen per share. This matter is planned to be proposed at Renesas' Annual General Meeting of Shareholders scheduled for March 2026.

Dividends for the next fiscal year are undecided at this time and will be disclosed as soon as they are determined. The Group will continue to work toward continuous and stable dividends.

## 2. Primary policy for selection of accounting standards

The Group has adopted International Financial Reporting Standards (IFRS) for its consolidated financial statements from annual securities report for the fiscal year ended December 31, 2018 to increase the international comparability of financial information considering that the Group drives its business globally further.

### 3. Consolidated Financial Statements

#### 3.1 Consolidated Statement of Financial Position

(In millions of yen)

|   | As of December 31, 2024 | As of December 31, 2025 |
|---|-------------------------|-------------------------|
| <b>Assets</b>                                     |                         |                         |
| Current assets                                    |                         |                         |
| Cash and cash equivalents                         | 229,249                 | 295,897                 |
| Trade and other receivables                       | 167,113                 | 169,124                 |
| Inventories                                       | 176,544                 | 185,903                 |
| Other current financial assets                    | 9,236                   | 38,601                  |
| Income taxes receivable                           | 12,454                  | 10,757                  |
| Other current assets                              | 22,730                  | 23,277                  |
| Total current assets                              | 617,326                 | 723,559                 |
| Non-current assets                                |                         |                         |
| Property, plant and equipment                     | 341,447                 | 355,835                 |
| Goodwill  | 2,256,169               | 2,239,337               |
| Intangible assets                                 | 724,768                 | 593,324                 |
| Investments accounted for using the equity method | 328                     | 825                     |
| Other non-current financial assets                | 450,702                 | 168,363                 |
| Deferred tax assets                               | 47,107                  | 51,414                  |
| Other non-current assets                          | 52,589                  | 44,506                  |
| Total non-current assets                          | 3,873,110               | 3,453,604               |
| Total assets                                      | 4,490,436               | 4,177,163               |

|   | (In millions of yen)    |                         |
|---|-------------------------|-------------------------|
|   | As of December 31, 2024 | As of December 31, 2025 |
| Liabilities and equity                        |                         |                         |
| Liabilities                                   |                         |                         |
| Current liabilities                           |                         |                         |
| Trade and other payables                      | 231,029                 | 219,167                 |
| Bonds and borrowings                          | 144,137                 | 242,478                 |
| Other current financial liabilities           | 8,071                   | 9,477                   |
| Income taxes payable                          | 5,930                   | 24,377                  |
| Provisions                                    | 11,273                  | 4,099                   |
| Other current liabilities                     | 90,998                  | 116,782                 |
| Total current liabilities                     | 491,438                 | 616,380                 |
| Non-current liabilities                       |                         |                         |
| Trade and other payables                      | 22,938                  | 7,070                   |
| Borrowings                                    | 1,122,281               | 964,089                 |
| Other non-current financial liabilities       | 15,616                  | 14,598                  |
| Income taxes payable                          | 6,537                   | 4,393                   |
| Retirement benefit liability                  | 23,564                  | 22,516                  |
| Provisions                                    | 3,066                   | 3,551                   |
| Deferred tax liabilities                      | 117,151                 | 83,479                  |
| Other non-current liabilities                 | 145,547                 | 12,636                  |
| Total non-current liabilities                 | 1,456,700               | 1,112,332               |
| Total liabilities                             | 1,948,138               | 1,728,712               |
| Equity  |                         |                         |
| Share capital                                 | 153,209                 | 153,209                 |
| Capital surplus                               | 289,377                 | 299,286                 |
| Retained earnings                             | 1,308,948               | 1,213,791               |
| Treasury shares                               | (92,120)                | (70,012)                |
| Other components of equity                    | 877,968                 | 846,760                 |
| Total equity attributable to owners of parent | 2,537,382               | 2,443,034               |
| Non-controlling interests                     | 4,916                   | 5,417                   |
| Total equity                                  | 2,542,298               | 2,448,451               |
| Total liabilities and equity                  | 4,490,436               | 4,177,163               |

### 3.2 Consolidated Statement of Profit or Loss and Consolidated Statement of Comprehensive Income

#### Consolidated Statement of Profit or Loss

|  | (In millions of yen)                |                                     |
|--|-------------------------------------|-------------------------------------|
|  | The year ended<br>December 31, 2024 | The year ended<br>December 31, 2025 |
| Revenue  | 1,348,479                           | 1,321,212                           |
| Cost of sales  | (598,683)                           | (567,420)                           |
| Gross profit   | 749,796                             | 753,792                             |
| Selling, general and administrative expenses                   | (527,475)                           | (521,249)                           |
| Other income   | 19,961                              | 6,244                               |
| Other expenses   | (19,305)                            | (37,621)                            |
| Operating profit   | 222,977                             | 201,166                             |
| Finance income   | 52,100                              | 14,652                              |
| Finance costs  | (10,972)                            | (245,641)                           |
| Share of loss of investments accounted for using equity method | (272)                               | (452)                               |
| Profit (loss) before tax                                       | 263,833                             | (30,275)                            |
| Income tax expense   | (44,411)                            | (21,383)                            |
| Profit (loss)  | 219,422                             | (51,658)                            |
| Profit (loss) attributable to                                  |                                     |                                     |
| Owners of parent   | 219,084                             | (51,763)                            |
| Non-controlling interests                                      | 338                                 | 105                                 |
| Profit (loss)  | 219,422                             | (51,658)                            |
| Earnings (losses) per share                                    |                                     |                                     |
| Basic earnings (losses) per share (yen)                        | 122.51                              | (28.65)                             |
| Diluted earnings (losses) per share (yen)                      | 120.85                              | (28.65)                             |

Consolidated Statement of Comprehensive Income

|   | (In millions of yen)                |                                     |
|---|-------------------------------------|-------------------------------------|
|   | The year ended<br>December 31, 2024 | The year ended<br>December 31, 2025 |
| Profit (loss)   | 219,422                             | (51,658)                            |
| Other comprehensive income  |                                     |                                     |
| Items that will not be reclassified to profit or loss                           |                                     |                                     |
| Remeasurements of defined benefit plans   | (81)                                | 534                                 |
| Equity instruments measured at fair value<br>through other comprehensive income | (2,972)                             | 105                                 |
| Total of items that will not be reclassified to<br>profit or loss               | (3,053)                             | 639                                 |
| Items that may be reclassified subsequently to<br>profit or loss                |                                     |                                     |
| Exchange differences on translation of foreign<br>operations                    | 320,341                             | (31,349)                            |
| Cash flow hedges  | (3,748)                             | 2,384                               |
| Cost of hedges  | (3,753)                             | (614)                               |
| Total of items that may be reclassified<br>subsequently to profit or loss       | 312,840                             | (29,579)                            |
| Total other comprehensive income  | 309,787                             | (28,940)                            |
| Total comprehensive income  | 529,209                             | (80,598)                            |
| Comprehensive income attributable to  |                                     |                                     |
| Owners of parent  | 528,320                             | (81,108)                            |
| Non-controlling interests   | 889                                 | 510                                 |
| Total comprehensive income  | 529,209                             | (80,598)                            |



### 3.3 Consolidated Statement of Changes in Equity

(The year ended December 31, 2024)

(In millions of yen)

|  | Equity attributable to owners of parent |                 |                   |                 |                            |   |  |
|--|---|-----------------|-------------------|-----------------|----------------------------|---|--|
|  | Share capital                           | Capital surplus | Retained earnings | Treasury shares | Other components of equity |   |  |
|  |   |                 |                   |                 | Share acquisition rights   | Remeasurements of defined benefit plans | Equity instruments measured at fair value through other comprehensive income |
| Balance as of January 1, 2024            | 153,209                                 | 359,398         | 1,157,236         | (217,691)       | 3,106                      | —                                       | (2,311)  |
| Profit (loss)                            | —                                       | —               | 219,084           | —               | —                          | —                                       | —  |
| Other comprehensive income               | —                                       | —               | —                 | —               | —                          | (81)                                    | (2,972)  |
| Total comprehensive income               | —                                       | —               | 219,084           | —               | —                          | (81)                                    | (2,972)  |
| Purchase and disposal of treasury shares | —                                       | 18,463          | —                 | 21,042          | —                          | —                                       | —  |
| Cancellation of treasury shares          | —                                       | (104,529)       | —                 | 104,529         | —                          | —                                       | —  |
| Dividends of surplus                     | —                                       | —               | (49,758)          | —               | —                          | —                                       | —  |
| Share-based payment transactions         | —                                       | 196             | —                 | —               | (1,909)                    | —                                       | —  |
| Transfer to retained earnings            | —                                       | 15,849          | (17,614)          | —               | (110)                      | 81                                      | 1,794  |
| Transfer to non-financial assets         | —                                       | —               | —                 | —               | —                          | —                                       | —  |
| Total transactions with owners           | —                                       | (70,021)        | (67,372)          | 125,571         | (2,019)                    | 81                                      | 1,794  |
| Balance as of December 31, 2024          | 153,209                                 | 289,377         | 1,308,948         | (92,120)        | 1,087                      | —                                       | (3,489)  |

|  | Equity attributable to owners of parent                   |                  |                |         |   | Non-controlling interests | Total equity |
|--|---|------------------|----------------|---------|---|---------------------------|--------------|
|  | Other components of equity                                |                  |                |         | Total equity attributable to owners of parent |                           |              |
|  | Exchange differences on translation of foreign operations | Cash flow hedges | Cost of hedges | Total   |   |                           |              |
| Balance as of January 1, 2024            | 564,215   | (19,379)         | 3,770          | 549,401 | 2,001,553                                     | 4,035                     | 2,005,588    |
| Profit (loss)                            | —   | —                | —              | —       | 219,084                                       | 338                       | 219,422      |
| Other comprehensive income               | 319,790   | (3,748)          | (3,753)        | 309,236 | 309,236                                       | 551                       | 309,787      |
| Total comprehensive income               | 319,790   | (3,748)          | (3,753)        | 309,236 | 528,320                                       | 889                       | 529,209      |
| Purchase and disposal of treasury shares | —   | —                | —              | —       | 39,505  | —                         | 39,505       |
| Cancellation of treasury shares          | —   | —                | —              | —       | —   | —                         | —            |
| Dividends of surplus                     | —   | —                | —              | —       | (49,758)                                      | (8)                       | (49,766)     |
| Share-based payment transactions         | —   | —                | —              | (1,909) | (1,713)                                       | —                         | (1,713)      |
| Transfer to retained earnings            | —   | —                | —              | 1,765   | —   | —                         | —            |
| Transfer to non-financial assets         | —   | 19,475           | —              | 19,475  | 19,475  | —                         | 19,475       |
| Total transactions with owners           | —   | 19,475           | —              | 19,331  | 7,509   | (8)                       | 7,501        |
| Balance as of December 31, 2024          | 884,005   | (3,652)          | 17             | 877,968 | 2,537,382                                     | 4,916                     | 2,542,298    |

(The year ended December 31, 2025)

(In millions of yen)

|  | Equity attributable to owners of parent |                 |                   |                 |                            |   |  |
|--|---|-----------------|-------------------|-----------------|----------------------------|---|--|
|  | Share capital                           | Capital surplus | Retained earnings | Treasury shares | Other components of equity |   |  |
|  |   |                 |                   |                 | Share acquisition rights   | Remeasurements of defined benefit plans | Equity instruments measured at fair value through other comprehensive income |
| Balance as of January 1, 2025            | 153,209                                 | 289,377         | 1,308,948         | (92,120)        | 1,087                      | —                                       | (3,489)  |
| Profit (loss)                            | —                                       | —               | (51,763)          | —               | —                          | —                                       | —  |
| Other comprehensive income               | —                                       | —               | —                 | —               | —                          | 534                                     | 105  |
| Total comprehensive income               | —                                       | —               | (51,763)          | —               | —                          | 534                                     | 105  |
| Purchase and disposal of treasury shares | —                                       | 8,538           | —                 | 22,108          | —                          | —                                       | —  |
| Dividends of surplus                     | —                                       | —               | (50,320)          | —               | —                          | —                                       | —  |
| Share-based payment transactions         | —                                       | 7,421           | —                 | —               | (987)                      | —                                       | —  |
| Transfer to retained earnings            | —                                       | (6,050)         | 6,926             | —               | (84)                       | (534)                                   | (258)  |
| Total transactions with owners           | —                                       | 9,909           | (43,394)          | 22,108          | (1,071)                    | (534)                                   | (258)  |
| Balance as of December 31, 2025          | 153,209                                 | 299,286         | 1,213,791         | (70,012)        | 16                         | —                                       | (3,642)  |

|  | Equity attributable to owners of parent                   |                  |                |          |   | Non-controlling interests | Total equity |
|--|---|------------------|----------------|----------|---|---------------------------|--------------|
|  | Other components of equity                                |                  |                |          | Total equity attributable to owners of parent |                           |              |
|  | Exchange differences on translation of foreign operations | Cash flow hedges | Cost of hedges | Total    |   |                           |              |
| Balance as of January 1, 2025            | 884,005   | (3,652)          | 17             | 877,968  | 2,537,382                                     | 4,916                     | 2,542,298    |
| Profit (loss)                            | —   | —                | —              | —        | (51,763)                                      | 105                       | (51,658)     |
| Other comprehensive income               | (31,754)  | 2,384            | (614)          | (29,345) | (29,345)                                      | 405                       | (28,940)     |
| Total comprehensive income               | (31,754)  | 2,384            | (614)          | (29,345) | (81,108)                                      | 510                       | (80,598)     |
| Purchase and disposal of treasury shares | —   | —                | —              | —        | 30,646  | —                         | 30,646       |
| Dividends of surplus                     | —   | —                | —              | —        | (50,320)                                      | (9)                       | (50,329)     |
| Share-based payment transactions         | —   | —                | —              | (987)    | 6,434   | —                         | 6,434        |
| Transfer to retained earnings            | —   | —                | —              | (876)    | —   | —                         | —            |
| Total transactions with owners           | —   | —                | —              | (1,863)  | (13,240)                                      | (9)                       | (13,249)     |
| Balance as of December 31, 2025          | 852,251   | (1,268)          | (597)          | 846,760  | 2,443,034                                     | 5,417                     | 2,448,451    |

### 3.4 Consolidated Statement of Cash Flows

|   | (In millions of yen)                |                                     |
|---|-------------------------------------|-------------------------------------|
|   | The year ended<br>December 31, 2024 | The year ended<br>December 31, 2025 |
| Cash flows from operating activities  |                                     |                                     |
| Profit (loss) before tax  | 263,833                             | (30,275)                            |
| Depreciation and amortization   | 210,728                             | 188,597                             |
| Impairment losses   | 3,015                               | 18,430                              |
| Finance income and finance costs  | (26,053)                            | 230,979                             |
| Share-based payment expenses  | 36,299                              | 37,085                              |
| Insurance income  | (587)                               | (169)                               |
| Foreign exchange loss (gain)  | (292)                               | 2,927                               |
| Loss (gain) on sales of property, plant and equipment,<br>and intangible assets | (293)                               | (1,625)                             |
| Loss on disposal of fixed assets  | 1,665                               | 4,127                               |
| Decrease (increase) in inventories  | (5,070)                             | (8,605)                             |
| Decrease (increase) in trade and other receivables                              | 25,918                              | 887                                 |
| Decrease (increase) in other financial assets                                   | 1,166                               | 19,885                              |
| Decrease (increase) in long term prepaid expenses                               | (28,154)                            | —                                   |
| Increase (decrease) in trade and other payables                                 | (35,562)                            | (208)                               |
| Increase (decrease) in retirement benefit liability                             | (1,821)                             | (2,100)                             |
| Increase (decrease) in provisions   | (749)                               | (6,747)                             |
| Increase (decrease) in other current liabilities                                | (23,898)                            | 21,947                              |
| Increase (decrease) in other financial liabilities                              | (2,405)                             | 501                                 |
| Other   | (5,852)                             | 669                                 |
| Subtotal  | 411,888                             | 476,305                             |
| Interest received   | 27,752                              | 10,449                              |
| Dividends received  | 866                                 | 1,544                               |
| Proceeds from insurance income  | 587                                 | 169                                 |
| Income taxes paid   | (108,506)                           | (35,610)                            |
| Income taxes refund   | 7,897                               | —                                   |
| Net cash flows from operating activities  | 340,484                             | 452,857                             |
| Cash flows from investing activities  |                                     |                                     |
| Purchase of property, plant and equipment                                       | (129,889)                           | (89,151)                            |
| Proceeds from sales of property, plant and equipment                            | 878                                 | 5,238                               |
| Purchase of intangible assets   | (39,946)                            | (44,619)                            |
| Purchase of other financial assets  | (3,964)                             | (5,219)                             |
| Proceeds from sales of other financial assets                                   | 2,422                               | 4,449                               |
| Payments for acquisitions of subsidiaries                                       | (962,825)                           | (6,663)                             |
| Purchase of shares of subsidiaries and associates                               | (284)                               | (975)                               |
| Subsidies received  | 9,791                               | 4,143                               |
| Payments for long-term loans receivable   | (155,220)                           | —                                   |
| Proceeds from sale of businesses  | —                                   | 4,728                               |
| Other   | (5,068)                             | 3,383                               |
| Net cash flows from investing activities  | (1,284,105)                         | (124,686)                           |

|  | (In millions of yen)                |                                     |
|--|-------------------------------------|-------------------------------------|
|  | The year ended<br>December 31, 2024 | The year ended<br>December 31, 2025 |
| Cash flows from financing activities                         |                                     |                                     |
| Proceeds from short-term borrowings                          | 180,000                             | 38,000                              |
| Repayments of short-term borrowings                          | (180,316)                           | (38,000)                            |
| Proceeds from long-term borrowings                           | 1,187,000                           | —                                   |
| Repayments of long-term borrowings                           | (377,529)                           | (192,738)                           |
| Redemption of bonds  | (57,170)                            | —                                   |
| Dividends paid   | (49,702)                            | (50,311)                            |
| Repayments of lease liabilities                              | (9,931)                             | (10,784)                            |
| Interest paid  | (15,001)                            | (15,834)                            |
| Other  | (6)                                 | (6)                                 |
| Net cash flows from financing activities                     | 677,345                             | (269,673)                           |
| Effect of exchange rate changes on cash and cash equivalents | 60,844                              | 8,150                               |
| Net increase (decrease) in cash and cash equivalents         | (205,432)                           | 66,648                              |
| Cash and cash equivalents at beginning of the period         | 434,681                             | 229,249                             |
| Cash and cash equivalents at end of the period               | 229,249                             | 295,897                             |

### 3.5 Notes to Consolidated Financial Statements

(Notes about Going Concern Assumption)  
Not applicable

(Basis for Preparation)

(1) Statement of the consolidated financial statements' compliance with IFRS

The Group meets the requirements of "specified company complying with designated international accounting standards" as stipulated in Article 1-2, Item 1 of the Consolidated Financial Statements Regulations. Therefore, the provisions of Article 312 of the same regulations are applied, and the Group's consolidated financial statements are prepared in accordance with IFRS.

(2) Basis of measurement

The Group's consolidated financial statements are prepared based on the accounting policies outlined in the "(Material Accounting Policies)." The balances of assets and liabilities are measured at cost, unless otherwise specified.

(3) Functional currency and presentation currency

The consolidated financial statements are presented in Japanese yen (rounded to the nearest million yen), which is the functional currency of the Company.

(4) Change in presentation

(Consolidated Statement of Financial Position)

"Borrowings" which was included in "Bonds and borrowings" under non-current liabilities for the year ended December 31, 2024, has been presented as a separate line item to enhance clarity of presentation. In order to reflect this change in presentation, reclassification was made in the consolidated statement of financial position as of December 31, 2024.

As a result, in the consolidated statement of financial position as of December 31, 2024, the amount of 1,256,535 million yen previously presented as "Bonds and borrowings" under non-current liabilities has been reclassified and is now presented as "Borrowings" of 1,122,281 million yen, and "Other non-current liabilities" has been changed from 11,293 million yen to 145,547 million yen.

(Basis of Consolidated Financial Statements)

(1) Scope of consolidation

This consolidated financial statement includes all subsidiaries within the scope of consolidation.

The number of consolidated subsidiaries: 108 companies

(17 companies decreased due to liquidation or mergers)

iWatt HK Limited and 16 other companies

(3 companies increased due to acquisitions, etc.)

Part Analytics, Inc. and 2 other companies

(2) Scope of Application of equity method

The number of associates accounted for using the equity method: 1 company

(Material Accounting Policies)

The material accounting policies for the condensed consolidated financial statements of the Group are the same as the accounting policies applied in preparing the Group's consolidated financial statements for the year ended December 31, 2024.

(Changes in Accounting Estimates)

(Change in the useful life of property, plant and equipment)

For the year ended December 31, 2025, the Group revised the useful lives of certain machinery and equipment to better reflect actual usage conditions, taking into account changes in the product lifecycle and other factors. This change is applied prospectively.

As a result, compared to the previous method, operating profit increased by 14,669 million yen and loss before tax decreased by 14,669 million yen for the year ended December 31, 2025.

(Business Segments)

(1) Overview of reportable segments

The Group's reportable segments are components of the Group for which separate financial information is available that is evaluated regularly by the Board of Directors to determine the allocation of management resources and assess performance.

The Group mainly consists of "Automotive Business" and "Industrial/Infrastructure/IoT Business" and those are the Group's reportable segments. The Automotive Business includes the product categories "Automotive control," comprising semiconductor devices for controlling automobile engines and bodies, and "Automotive information," comprising semiconductor devices used in sensing systems for detecting environments inside and outside the vehicle as well as automotive information devices such as IVI (In-Vehicle Infotainment) and instrument panels used to give various information to the driver of the vehicle. The Group mainly supplies MCUs (microcontrollers), SoC (System-On-Chip), analog semiconductor devices and power semiconductor devices in each of these categories. The Industrial/Infrastructure/IoT Business includes the product categories "Industrial," "Infrastructure" and "IoT" which support the smart society. The Group mainly supplies MCUs, SoC, analog semiconductor devices and power semiconductor devices in each of these categories. Additionally, commissioned development and manufacturing from the Group's design and manufacturing subsidiaries are categorized as "Other."

(2) Information on reportable segments

The accounting treatment for the reportable segments is the same as described in "Material Accounting Policies." As for information on the reportable segments, the Group discloses revenue from external customers, segment gross profit, and operating profit.

Segment gross profit and segment operating profit are internal key performance indicators which are used by management when making decisions and are calculated by excluding the following items from IFRS revenue, gross profit and operating profit (Adjustments 2): amortization of certain tangible and intangible assets related to business combinations; certain share-based payment expenses; and other non-recurring items. Other non-recurring items include costs related to acquisitions and gains and losses the Group believes to be appropriate for deduction. However, certain other non-recurring items the Group believes to be covered by each reportable segment are included in segment gross profit and segment operating profit of each reportable segment (Adjustments 1). The Group's Executive Officers assess the performance after eliminating intragroup transactions, and therefore, there are no transfers between the reportable segments included within the segment results.

Information on reportable segments is as follows.

(The year ended December 31, 2024)

(In millions of yen)

|  | Reportable Segments |                                       | Other | Adjustments<br>1 | Total     | Adjustments<br>2 | Consolidation<br>basis |
|--|---------------------|---------------------------------------|-------|------------------|-----------|------------------|------------------------|
|  | Automotive          | Industrial/<br>Infrastructure/<br>IoT |       |                  |           |                  |                        |
| Revenue from external customers                                | 702,812             | 636,760                               | 8,907 | —                | 1,348,479 | —                | 1,348,479              |
| Segment gross profit   | 367,771             | 385,823                               | 2,675 | —                | 756,269   | (6,473)          | 749,796                |
| Segment operating profit                                       | 222,486             | 173,379                               | 1,417 | 630              | 397,912   | (174,935)        | 222,977                |
| Finance income   |                     |                                       |       |                  |           |                  | 52,100                 |
| Finance costs  |                     |                                       |       |                  |           |                  | (10,972)               |
| Share of loss of investments accounted for using equity method |                     |                                       |       |                  |           |                  | (272)                  |
| Profit before tax  |                     |                                       |       |                  |           |                  | 263,833                |
| (Other items)  |                     |                                       |       |                  |           |                  |                        |
| Depreciation and amortization                                  | 50,677              | 37,525                                | 109   | —                | 88,311    | 122,417          | 210,728                |

(The year ended December 31, 2025)

(In millions of yen)

|  | Reportable Segments |                                       | Other | Adjustments<br>1 | Total     | Adjustments<br>2 | Consolidation<br>basis |
|--|---------------------|---------------------------------------|-------|------------------|-----------|------------------|------------------------|
|  | Automotive          | Industrial/<br>Infrastructure/<br>IoT |       |                  |           |                  |                        |
| Revenue from external customers                                | 639,690             | 671,760                               | 7,032 | —                | 1,318,482 | 2,730            | 1,321,212              |
| Segment gross profit   | 346,336             | 410,915                               | 1,906 | 785              | 759,942   | (6,150)          | 753,792                |
| Segment operating profit                                       | 196,576             | 169,404                               | 603   | 20,289           | 386,872   | (185,706)        | 201,166                |
| Finance income   |                     |                                       |       |                  |           |                  | 14,652                 |
| Finance costs  |                     |                                       |       |                  |           |                  | (245,641)              |
| Share of loss of investments accounted for using equity method |                     |                                       |       |                  |           |                  | (452)                  |
| Loss before tax  |                     |                                       |       |                  |           |                  | (30,275)               |
| (Other items)<br>Depreciation and amortization                 | 43,577              | 33,522                                | 89    | —                | 77,188    | 111,409          | 188,597                |

## (3) Information on products and services

Information on products and services is the same as information on the reportable segments and therefore, omitted from this section.

(4) Information on regions and countries

The breakdown of revenue from external customers and non-current assets by region is as follows.

(i) Revenue from external customers

|                                  | (In millions of yen)                |                                     |
|----------------------------------|-------------------------------------|-------------------------------------|
|                                  | The year ended<br>December 31, 2024 | The year ended<br>December 31, 2025 |
| China                            | 375,214                             | 409,471                             |
| Asia (Excluding Japan and China) | 300,786                             | 301,865                             |
| Japan                            | 283,663                             | 269,104                             |
| Europe                           | 230,627                             | 202,781                             |
| North America                    | 155,628                             | 135,731                             |
| Others                           | 2,561                               | 2,260                               |
| Total                            | 1,348,479                           | 1,321,212                           |

(Note) Revenues are categorized into the region based on the location of the customers.

(ii) Non-current assets

Non-current assets include property, plant and equipment, goodwill and intangible assets.

|                              | (In millions of yen)                |                                     |
|------------------------------|-------------------------------------|-------------------------------------|
|                              | The year ended<br>December 31, 2024 | The year ended<br>December 31, 2025 |
| Japan                        | 1,991,797                           | 1,934,428                           |
| The United States of America | 1,077,190                           | 1,048,038                           |
| Asia (Excluding Japan)       | 200,593                             | 162,874                             |
| Europe                       | 48,860                              | 39,570                              |
| Others                       | 3,944                               | 3,586                               |
| Total                        | 3,322,384                           | 3,188,496                           |

(5) Major customers

Revenue from a single external customer accounting for 10% or more of revenue is as follows.

|                                      |  | (In millions of yen)                |                                     |
|--------------------------------------|--|-------------------------------------|-------------------------------------|
|                                      | Name of related reportable<br>segment            | The year ended<br>December 31, 2024 | The year ended<br>December 31, 2025 |
| WT Microelectronics<br>Co., Ltd.     | Automotive,<br>Industrial/Infrastructure<br>/IoT | 170,954                             | 225,419                             |
| HAGIWARA<br>ELECTRONICS CO.,<br>LTD. | Automotive,<br>Industrial/Infrastructure<br>/IoT | 171,375                             | —                                   |

(Note) For the year ended December 31, 2025, revenue from Hagiwara Electronics Co., Ltd. was less than 10% of total revenue; therefore, the related amount has been omitted.



(Business Combinations)

Business combinations that occurred during the year ended December 31, 2024 and the year ended December 31, 2025 are as follows. Immaterial business combinations are not included in this disclosure.

The year ended December 31, 2024

(Steradian Semiconductors Private Limited)

Contingent consideration includes at most 11 million USD which will be paid based on the contract when several certain conditions (milestones) are met such as future product development and mass production progress of Steradian Semiconductors Private Limited (hereinafter "Steradian").

The fair value of the contingent consideration is calculated as the present value of the amount that may be paid to Steradian, with consideration of the probability of occurrence.

The level of the fair value hierarchy for the contingent consideration is Level 3. The reconciliation table of the change for the contingent consideration classified in Level 3 from the beginning balance to the ending balance is as described below.

|                       | (In millions of yen)                |
|-----------------------|-------------------------------------|
|                       | The year ended<br>December 31, 2024 |
| Beginning balance     | 586                                 |
| Changes in fair value | (606)                               |
| Exchange differences  | 20                                  |
| Ending balance        | —                                   |

Of the amount of change in fair value related to contingent consideration, the fluctuated amount due to the time value of money is recorded in "Finance costs," and the fluctuated amount due to factors other than the time value of money is recorded in "Other income" or "Other expenses." For the year ended December 31, 2024, "Other income" of 606 million yen was recorded for the change of fair value.

Steradian changed its company name from Steradian Semiconductors Private Limited to Renesas Design India Private Limited on March 26, 2024.

(Transphorm, Inc.)

a. Overview of business combination

On June 20, 2024, the Company completed the acquisition of Transphorm, Inc. (hereinafter "Transphorm"), a semiconductor company headquartered in Goleta, California, USA through the wholly-owned subsidiary of the Company. Following the completion of the acquisition, Transphorm has become a wholly-owned subsidiary of the Company.

1) Name and overview of the acquiree

Name of the acquiree: Transphorm, Inc.

Business overview: Development and sales of gallium nitride ("GaN") power semiconductors

2) Date of the acquisition

June 20, 2024

3) Purpose of the acquisition

The Company now aims to further expand its wide bandgap portfolio with Transphorm's expertise in GaN, an emerging material that enables higher switching frequency, lower power losses, and smaller form factors. These benefits empower customers' systems with greater efficiency, smaller and lighter composition, and lower overall cost. As such, demand for GaN is predicted to grow by more than 50 percent annually, according to an industry study. The Company will implement Transphorm's auto-qualified GaN technology to develop new enhanced power solution offerings, such as X-in-1 powertrain solutions for EVs, along with computing, energy, industrial and consumer applications.

4) Acquisition Method

Acquisition of shares for cash consideration through the wholly-owned subsidiary of the Company.

b. Consideration for the acquisition and its breakdown

| Consideration  | (In millions of yen) |        |
|--|----------------------|--------|
|  | Amount               |        |
| Cash   |                      | 53,533 |
| Acquisition consideration from Restricted Stock Unit |                      | 386    |
| Total  | A                    | 53,919 |

Expenses related to the acquisition were 916 million yen, which were recorded in "Selling, general and administrative expenses" for the year ended December 31, 2024.

c. Fair value of assets acquired, liabilities assumed and goodwill

|   |     | (In millions of yen)                   |
|---|-----|--|
|   |     | Date of acquisition<br>(June 20, 2024) |
| Current assets                                    |     |  |
| Cash and cash equivalents                         |     | 836                                    |
| Trade and other receivables (Note 2)              |     | 478                                    |
| Inventories                                       |     | 1,555                                  |
| Other   |     | 63                                     |
| Total current assets                              |     | 2,932                                  |
| Non-current assets                                |     |  |
| Property, plant and equipment                     |     | 1,543                                  |
| Intangible assets                                 |     | 6,730                                  |
| Investments accounted for using the equity method |     | 49                                     |
| Other financial assets                            |     | 25                                     |
| Deferred tax assets                               |     | 6,762                                  |
| Other   |     | 56                                     |
| Total non-current assets                          |     | 15,165                                 |
| Total assets                                      |     | 18,097                                 |
| Current liabilities                               |     |  |
| Trade and other payables                          |     | 1,909                                  |
| Bonds and borrowings                              |     | 332                                    |
| Other financial liabilities                       |     | 59                                     |
| Other   |     | 1,018                                  |
| Total current liabilities                         |     | 3,318                                  |
| Non-current liabilities                           |     |  |
| Bonds and borrowings                              |     | 2,423                                  |
| Other   |     | 288                                    |
| Total non-current liabilities                     |     | 2,711                                  |
| Total liabilities                                 |     | 6,029                                  |
| Net assets  | B   | 12,068                                 |
| Goodwill (Note 3)                                 | A-B | 41,851                                 |

(Note) 1. For the year ended December 31, 2024, the Group completed the purchase price allocation to identifiable intangible assets following the completion of the fair value assessment and revised the goodwill amount accordingly.

2. There are no significant receivables from acquired debts that are estimated to be uncollectible.

3. Goodwill reflects expected synergies with existing business and future excess earning power arising from the acquisition of Transphorm. No amount of goodwill is expected to be deductible for tax purposes.

d. Payments for acquisition of subsidiaries

| (In millions of yen)  |        |
|---|--------|
| Item  | Amount |
| Consideration for acquisition in cash   | 53,533 |
| Cash and cash equivalents held by the acquiree at the time of obtaining control | (836)  |
| Amount of cash paid for the acquisition of subsidiaries (net amount)            | 52,697 |

e. Impact on revenue and profit as though the date of the acquisition had been as of the beginning of the fiscal year (unaudited information)

Assuming that the date of the acquisition of Transphorm was at the beginning of the year ended December 31, 2024, the pro forma information is not stated since the impact on the consolidated revenue and profit for the year ended December 31, 2024 would not be material.

f. Revenue and profit / loss of the acquired company

For the year ended December 31, 2024, the revenue and profit of Transphorm from the acquisition date to December 31, 2024 had no significant impact on the consolidated financial statements.

(Altium Limited)

a. Overview of business combination

On August 1, 2024, the Company completed the acquisition of Altium Limited (hereinafter "Altium"), a global leader in electronics design systems headquartered in San Diego, California, USA, through a wholly-owned subsidiary, thereby making Altium a wholly-owned subsidiary.

Additionally, on December 12, 2024, Altium changed its company name to Altium Pty Ltd.

1) Name and overview of the acquiree

Name of the acquiree: Altium Limited

Business overview: Development and sales of software tools for PCB design, etc.

2) Date of the acquisition

August 1, 2024

3) Purpose of the acquisition

Under its Purpose, "To Make Our Lives Easier", the Company has been expanding its product portfolio of embedded processors, analog, power, and connectivity with an aim to becoming a global leader in embedded semiconductor solutions. Furthermore, the Company has been advancing its digitalization strategy that enables enhanced user experience (UX) through cloud-based development.

Altium's history began in 1985 from Australia as the world's first printed-circuit board (PCB) design tool provider. The company has grown into a global market leader with the most well-known PCB software tools in use today.

The acquisition enables two industry leaders to join forces and establish an integrated and open "electronics system design and lifecycle management platform" that allows for collaboration across component, subsystem, and system-level design. The transaction strongly aligns with the Company's digitalization strategy and represents the Company's first material step in bringing enhanced user experience and innovation at the system level for electronics system designers.

As technology advances, the design and integration of electronic systems become increasingly complex. The current electronics system design flow is a complicated and iterative process that involves multiple stakeholders and design steps, from component selection and evaluation to simulation and PCB physical design. Engineers must be able to design systems that are not only functional but also efficient and cost-effective under shortened development cycles.

Together, the Company and Altium, under a shared vision, aim to build an integrated and open electronics system design and lifecycle management platform that unifies these steps at a system level. The acquisition brings together Altium's sophisticated cloud platform capabilities with Renesas' strong portfolio of embedded solutions, combining high-performance processors, analog, power and connectivity. The combination will also enable integration with third-party vendors across the ecosystem to execute all electronic design steps seamlessly on the cloud. The electronics system design and lifecycle management platform will deliver integration and standardization of various electronic design data and functions and enhanced component lifecycle management, while enabling seamless digital iteration of design processes to increase overall productivity. This brings significantly faster innovation and lowers barriers to entry for system designers by reducing development resources and inefficiencies.

4) Acquisition Method

Acquisition of shares for cash consideration through the wholly-owned subsidiary of the Company.

b. Consideration for the acquisition and its breakdown

| Consideration   | (In millions of yen) |         |
|---|----------------------|---------|
|   | Amount               |         |
| Cash  |                      | 917,399 |
| Acquisition consideration from Restricted Stock Unit and Performance Share Unit |                      | 1,110   |
| Other assets recognized prior to the acquisition date                           |                      | 355     |
| Total   | A                    | 918,864 |

Expenses related to the acquisition were 2,277 million yen, which were recorded in "Selling, general and administrative expenses" for the year ended December 31, 2024.

c. Fair value of assets acquired, liabilities assumed and goodwill

|   |       | (In millions of yen)                    |
|---|-------|---|
|   |       | Date of acquisition<br>(August 1, 2024) |
| Current assets                          |       |   |
| Cash and cash equivalents               |       | 26,746                                  |
| Trade and other receivables (Note 2)    |       | 11,976                                  |
| Other                                   |       | 1,617                                   |
| Total current assets                    |       | 40,339                                  |
| Non-current assets                      |       |   |
| Property, plant and equipment           |       | 2,418                                   |
| Intangible assets (Note 3)              |       | 312,855                                 |
| Other financial assets                  |       | 607                                     |
| Deferred tax assets                     |       | 657                                     |
| Other                                   |       | 31                                      |
| Total non-current assets                |       | 316,568                                 |
| Total assets                            |       | 356,907                                 |
| Current liabilities                     |       |   |
| Trade and other payables                |       | 654                                     |
| Other current financial liabilities     |       | 579                                     |
| Income taxes payable                    |       | 7,326                                   |
| Other                                   |       | 21,005                                  |
| Total current liabilities               |       | 29,564                                  |
| Non-current liabilities                 |       |   |
| Trade and other payables                |       | 285                                     |
| Other non-current financial liabilities |       | 2,190                                   |
| Income taxes payable                    |       | 3,469                                   |
| Retirement benefit liability            |       | 134                                     |
| Deferred tax liabilities                |       | 66,041                                  |
| Other                                   |       | 8                                       |
| Total non-current liabilities           |       | 72,127                                  |
| Total liabilities                       |       | 101,691                                 |
| Net assets                              | B     | 255,216                                 |
| Basis adjustment (Note 4)               | C     | 19,475                                  |
| Goodwill (Note 5)                       | A-B+C | 683,123                                 |

(Note) 1. For the year ended December 31, 2024, the Group completed the purchase price allocation to identifiable intangible assets following the completion of the fair value assessment and revised the goodwill amount accordingly.

2. There are no significant receivables from acquired debts that are estimated to be uncollectible.

3. The amount allocated to intangible assets is mainly composed of developed technology, and the fair value of such intangible assets (284,278 million yen) is measured using the excess earnings method based on assumptions such as future business plans, growth rates beyond the business plan period, and discount rate.

4. The Company enters into currency options and forward exchange contracts to hedge against exchange rate risks associated with the payment of acquisition consideration denominated in Australian dollars, and applies hedge accounting. These hedging instruments are settled in cash at fair value on the acquisition date. The basis adjustment represents the change in fair value of the hedging instruments recognized in other comprehensive income on the acquisition date, and is added to the carrying amount of goodwill.

5. Goodwill reflects expected synergies with existing business and future excess earning power arising from the acquisition of Altium. No amount of goodwill is expected to be deductible for tax purposes.

d. Payments for acquisition of subsidiaries

|   |  | (In millions of yen) |
|---|--|----------------------|
| Item  |  | Amount               |
| Consideration for acquisition in cash   |  | 917,399              |
| Cash and cash equivalents held by the acquiree at the time of obtaining control |  | (26,746)             |
| Amount of cash paid for the acquisition of subsidiaries                         |  | 890,653              |
| Basis adjustment  |  | 19,475               |
| Amount of cash paid for the acquisition of subsidiaries (net amount)            |  | 910,128              |

e. Impact on revenue and profit as though the date of the acquisition had been as of the beginning of the fiscal year (unaudited information)

Assuming that the date of the acquisition of Altium was at the beginning of the year ended December 31, 2024, the pro forma information is not stated since the impact on the consolidated revenue and profit for the year ended December 31, 2024 would not be material.

f. Revenue and profit / loss of the acquired company

For the year ended December 31, 2024, the revenue and profit of Altium from the acquisition date to December 31, 2024 had no significant impact on the consolidated financial statements.

The year ended December 31, 2025

(Panthronics AG)

Contingent consideration includes at most 61 million USD which will be paid based on the contract when several certain conditions (milestones) are met such as future product development and mass production progress of Panthronics AG (hereinafter "Panthronics").'

The fair value of the contingent consideration is calculated as the present value of the amount that may be paid to Panthronics, with consideration of the probability of occurrence.

The level of the fair value hierarchy for the contingent consideration is Level 3. The reconciliation table of the change for the contingent consideration classified in Level 3 from the beginning balance to the ending balance is as described below.

|                       | (In millions of yen)                |                                     |
|-----------------------|-------------------------------------|-------------------------------------|
|                       | The year ended<br>December 31, 2024 | The year ended<br>December 31, 2025 |
| Beginning balance     | 2,711                               | 1,582                               |
| Changes in fair value | (1,278)                             | —                                   |
| Exchange differences  | 149                                 | (16)                                |
| Ending balance        | 1,582                               | 1,566                               |

Panthronics changed its company name from Panthronics AG to Renesas Design Austria GmbH on October 12, 2023.



(Trade and Other Receivables)

The components of trade and other receivables are as follows.

(In millions of yen)

|                             | As of December 31, 2024 | As of December 31, 2025 |
|-----------------------------|-------------------------|-------------------------|
| Notes and trade receivables | 152,381                 | 156,172                 |
| Other receivables           | 16,311                  | 13,752                  |
| Loss allowance              | (1,579)                 | (800)                   |
| Total                       | 167,113                 | 169,124                 |

(Note) Trade and other receivables are classified as financial assets measured at amortized cost.

(Trade and Other Payables)

The components of trade and other payables are as follows.

(In millions of yen)

|                                     | As of December 31, 2024 | As of December 31, 2025 |
|-------------------------------------|-------------------------|-------------------------|
| Trade payables                      | 82,942                  | 98,999                  |
| Other payables                      | 86,697                  | 61,509                  |
| Electronically recorded obligations | 15,092                  | 9,620                   |
| Refund liabilities                  | 69,236                  | 56,109                  |
| Total                               | 253,967                 | 226,237                 |
| Current liabilities                 | 231,029                 | 219,167                 |
| Non-current liabilities             | 22,938                  | 7,070                   |

(Note) Trade and other payables are classified as financial liabilities measured at amortized cost.

(Bonds and Borrowings)

a. Bonds

The year ended December 31, 2024

In November 2024, the Company redeemed the U.S. dollar-denominated unsecured ordinary bonds (Green Bonds) issued on November 26, 2021, with a total issuance amount of 500 million USD, an interest rate of 1.543%, and a maturity date of November 26, 2024.

The year ended December 31, 2025

Not applicable.

b. Borrowings

The year ended December 31, 2024

In March 2024, the Company executed a short-term borrowing of 30,000 million yen from MUFG Bank, Ltd., Mizuho Bank, Ltd., and Sumitomo Mitsui Trust Bank, Limited. under a commitment line agreement dated January 15, 2019. The borrowing was fully repaid in June 2024. In addition, in July 2024, the Company executed a short-term borrowing of 150,000 million yen for financing the acquisition of Altium from MUFG Bank, Ltd., and Mizuho Bank, Ltd., under a loan agreement dated May 30, 2024. The borrowing was fully repaid in September 2024.

The Company has entered into a term loan agreement dated June 25, 2024 (Loan amount: 250,000 million yen, Borrowing date: June 28, 2024, Repayment date: June 29, 2029, Participating financial institutions: MUFG Bank, Ltd., Mizuho Bank, Ltd., and Sumitomo Mitsui Trust Bank, Limited.) and has borrowed 250,000 million yen. In July 24, 2024, the Company executed a term loan of 788,000 million yen in total, under the loan agreement dated May 30, 2024 (Borrowing date: July 24, 2024, Repayment date: July 24, 2029, Participating financial institutions: MUFG Bank, Ltd., Mizuho Bank, Ltd., Sumitomo Mitsui Trust Bank, Limited and five other financial institutions. In addition, in September 30, 2024, the Company executed a JBIC loan agreement (Loan amount: 149,000 million yen; Borrowing date: September 30, 2024; Repayment date: July 24, 2029; Participating financial institutions: Japan Bank for International Cooperation (JBIC)) and executed borrowing of 149,000 million yen.

The year ended December 31, 2025

In April 2025, the Company executed a short-term borrowing of 38,000 million yen from MUFG Bank, Ltd., Mizuho Bank, Ltd., and Sumitomo Mitsui Trust Bank, Limited. under a commitment line agreement dated June 25, 2024. The Company repaid 28,000 million yen of the borrowed amount in June 2025, and the entire amount was fully repaid by July 2025.

The Company made an early repayment on December 30, 2025, of borrowings totaling 240,000 million yen that had been executed on December 30, 2021, pursuant to a syndicated loan agreement entered into on December 23, 2021 (Loan amount: 96,000 million yen, Borrowing date: December 30, 2021, Repayment date: December 31, 2026, Participating financial institution: MUFG Bank, Ltd., Mizuho Bank, Ltd., Sumitomo Mitsui Trust Bank, Limited, Resona Bank, Ltd., Aozora Bank, Ltd., Shinkin Central Bank, The Norinchukin Bank, and Bank of America, N.A., Tokyo Branch), and a JBIC loan agreement (Loan amount: 144,000 million yen, Borrowing date: December 30, 2021, Repayment date: December 31, 2026, Participating financial institution: Japan Bank for International Cooperation (JBIC)).

Additionally, the Company has breached certain financial covenants related to loan agreements for the six months ended June 30, 2025. However, the Company has obtained consent from the financial institutions not to exercise their right to demand immediate repayment due to this breach. For the six months ended December 31, 2025, no events occurred that would constitute a breach of financial covenants.

(Share Capital and Other Equity Items)

The year ended December 31, 2024

Based on the resolution at the Board of Directors' meeting held on February 8, 2024, the Company conducted a retirement of 87,839,138 shares on February 29, 2024. In addition, the number of treasury shares decreased by 17,681,849 shares, due to disposals of treasury shares and other related transactions based on the exercise of stock options, the vesting of Restricted Stock Unit (RSU) and Performance Share Unit (PSU) for the year ended December 31, 2024.

As a result, treasury shares decreased by 125,571 million yen. The amount of treasury shares held was 92,120 million yen as of December 31, 2024.

The year ended December 31, 2025

The Company conducted transactions involving the disposal of treasury shares, including the exercise of stock options and the vesting of Restricted Stock Unit (RSU) and Performance Share Unit (PSU), resulting in a decrease of 18,568,722 shares of treasury stock for the year ended December 31, 2025. As a consequence, treasury shares decreased by 22,108 million yen for the year ended December 31, 2025.

As a result, the amount of treasury shares held was 70,012 million yen as of December 31, 2025.

(Dividends)

(1) Dividend payment amounts

The year ended December 31, 2024

| Resolution  | Class of shares | Total amount of dividends (million yen) | Dividend per share (yen) | Record date       | Effective date | Source of dividend |
|---|-----------------|---|--------------------------|-------------------|----------------|--------------------|
| March 26, 2024 Annual general meeting of shareholders | Ordinary shares | 49,758                                  | 28                       | December 31, 2023 | March 29, 2024 | Retained earnings  |

The year ended December 31, 2025

| Resolution  | Class of shares | Total amount of dividends (million yen) | Dividend per share (yen) | Record date       | Effective date | Source of dividend |
|---|-----------------|---|--------------------------|-------------------|----------------|--------------------|
| March 26, 2025 Annual general meeting of shareholders | Ordinary shares | 50,320                                  | 28                       | December 31, 2024 | March 31, 2025 | Retained earnings  |

(2) Dividends with a record date within the year ended December 31, 2024, but an effective date is after December 31, 2024, and dividends with a record date within the year ended December 31, 2025, but an effective date is after December 31, 2025

The year ended December 31, 2024

| Resolution  | Class of shares | Total amount of dividends (million yen) | Dividend per share (yen) | Record date       | Effective date | Source of dividend |
|---|-----------------|---|--------------------------|-------------------|----------------|--------------------|
| March 26, 2025 Annual general meeting of shareholders | Ordinary shares | 50,320                                  | 28                       | December 31, 2024 | March 31, 2025 | Retained earnings  |

The year ended December 31, 2025

| Resolution  | Class of shares | Total amount of dividends (million yen) | Dividend per share (yen) | Record date       | Effective date | Source of dividend |
|---|-----------------|---|--------------------------|-------------------|----------------|--------------------|
| March 25, 2026 Annual general meeting of shareholders | Ordinary shares | 50,814                                  | 28                       | December 31, 2025 | March 31, 2026 | Retained earnings  |

(Revenue)

All the revenue arises from contracts with customers. In addition, disaggregation of revenue recognized from contracts with customers are stated in "Business segments, (2) Information on reportable segments and (4) Information on regions and countries."

(Selling, General and Administrative Expenses)

The components of selling, general and administrative expenses are as follows.

(In millions of yen)

|  | The year ended<br>December 31, 2024 | The year ended<br>December 31, 2025 |
|--|-------------------------------------|-------------------------------------|
| Research and development expenses (Note) | 249,649                             | 238,056                             |
| Depreciation and amortization            | 128,886                             | 117,572                             |
| Personnel expenses                       | 97,106                              | 109,392                             |
| Retirement benefit expenses              | 4,439                               | 4,941                               |
| Other                                    | 47,395                              | 51,288                              |
| Total                                    | 527,475                             | 521,249                             |

(Note) Research and development expenses are included in selling, general and administrative expenses. Related expenses such as outsourcing costs, personnel expenses, depreciation and amortization costs and material costs are mainly included in research and development expenses.

(Other Income)

The components of other income are as follows.

(In millions of yen)

|   | The year ended<br>December 31, 2024 | The year ended<br>December 31, 2025 |
|---|-------------------------------------|-------------------------------------|
| Gain on sale of fixed assets                                    | 339                                 | 2,940                               |
| Compensation income (Note 1)                                    | 7,840                               | 719                                 |
| Reversal of allowance for doubtful accounts                     | —                                   | 713                                 |
| Government grant income (Note 2)                                | 6,007                               | 655                                 |
| Fair value remeasurements on contingent considerations (Note 3) | 1,884                               | —                                   |
| Other   | 3,891                               | 1,217                               |
| Total   | 19,961                              | 6,244                               |

- (Note) 1. Compensation income for the year ended December 31, 2024 is compensation for the damages resulting from the discontinuation of development.  
2. Government grant income consists of government subsidies received for the acquisition of property, plant and equipment for the year ended December 31, 2024.  
3. For details, please refer to "Business Combinations."

(Other Expenses)

The components of other expenses are as follows.

|  | (In millions of yen)                |                                     |
|--|-------------------------------------|-------------------------------------|
|  | The year ended<br>December 31, 2024 | The year ended<br>December 31, 2025 |
| Impairment losses (Note 1)               | 3,015                               | 18,430                              |
| Business restructuring expenses (Note 2) | 7,852                               | 7,401                               |
| Loss on disposal of fixed assets         | 1,665                               | 4,127                               |
| Provision for loss on litigation         | —                                   | 2,510                               |
| Loss on reduction of fixed assets        | 4,879                               | —                                   |
| Other                                    | 1,894                               | 5,153                               |
| Total                                    | 19,305                              | 37,621                              |

(Note) 1. The main component of impairment losses pertains to the recognition of impairment on assets scheduled for disposal that are not expected to be utilized.

2. Business restructuring expenses consist of personnel-related expenses, such as premium retirement payments and other related costs.

(Earnings Per Share)

Basic earnings (losses) per share attributable to owners of parent and diluted earnings (losses) per share are as follows.

| (1) Basic earnings (losses) per share  |                                     |                                     |
|--|-------------------------------------|-------------------------------------|
|  | The year ended<br>December 31, 2024 | The year ended<br>December 31, 2025 |
| Profit (loss) attributable to owners of parent used for the calculation of basic earnings (losses) per share (million yen) | 219,084                             | (51,763)                            |
| Weighted average number of ordinary shares during the year (thousands of shares)   | 1,788,230                           | 1,806,796                           |
| Basic earnings (losses) per share (yen)  | 122.51                              | (28.65)                             |
| (2) Diluted earnings (losses) per share  |                                     |                                     |
|  | The year ended<br>December 31, 2024 | The year ended<br>December 31, 2025 |
| Profit (loss) attributable to owners of parent used for the calculation of basic earnings (losses) per share (million yen) | 219,084                             | (51,763)                            |
| Adjustments on earnings (losses) (million yen)   | —                                   | —                                   |
| Profit (loss) used for the calculation of diluted earnings (losses) per share (million yen)                                | 219,084                             | (51,763)                            |
| Weighted average number of ordinary shares during the year before dilution (thousands of shares)                           | 1,788,230                           | 1,806,796                           |
| Increase in common stock   |                                     |                                     |
| Share acquisition rights (thousands of shares)   | 2,943                               | 514                                 |
| Restricted Stock Unit (thousands of shares)  | 21,649                              | 26,022                              |
| Weighted average number of ordinary shares during the year after dilution (thousands of shares)                            | 1,812,822                           | 1,833,332                           |
| Diluted earnings (losses) per share (yen)  | 120.85                              | (28.65)                             |

(Note) 1. Diluted losses per share are the same as basic losses per share as there were no dilutive potential common shares outstanding for the year ended December 31, 2025

2. For the year ended December 31, 2025, the share acquisition rights and restricted stock unit issued by the Company were not dilutive and were thus excluded from the calculation of diluted losses per share.

3. For the year ended December 31, 2025, the Company had 26,536 thousand potentially dilutive ordinary shares. Since these shares were not dilutive, they were excluded from the calculation of diluted losses per share.

(Additional Information)

(Loss resulting from signing Restructuring Support Agreement with Wolfspeed)

On June 23, 2025, the Company entered into a Restructuring Support Agreement with Wolfspeed and its principal creditors outlining the terms of Wolfspeed's financial restructuring.

Under the Restructuring Support Agreement, the Company agreed to convert its deposit with Wolfspeed (hereinafter "the Deposit") into Wolfspeed's convertible notes, common stock, and warrants. Wolfspeed filed a reorganization plan (hereinafter "the Plan") with a U.S. court on June 30, 2025, under Chapter 11 of the U.S. Bankruptcy Code. The Plan was approved by the court on September 18, 2025, and successfully completed its financial restructuring process and emergence from Chapter 11 protection on September 29, 2025. Following this, the Deposit was converted into other financial assets. The other financial assets include convertible notes subject to restrictions on conversion, as well as rights that are expected to be converted into common stock and warrants in the future.

Additionally, in connection with this Restructuring Support Agreement, the Company recorded a loss of 236,600 million yen, including the impact of foreign exchange fluctuations for the year ended December 31, 2025. The loss is included under "Finance costs" in the Consolidated Statement of Profit or Loss.

(Subsequent Events)

(Acquisition of shares and other securities in the Company's U.S. subsidiaries in connection with CFIUS approval of the share issuance by Wolfspeed)

On January 29, 2026 (U.S. time), the issuance of shares by Wolfspeed to the Company's U.S. subsidiary was approved by the Committee on Foreign Investment in the United States (CFIUS). Following this approval, Wolfspeed issued 16,852,372 shares of common stock which were received by the Company's U.S. subsidiary.

In addition, the subsidiary now has the ability to exercise warrants for 4,943,555 additional shares of common stock. The subsidiary also received 2.5% Second Lien Senior Secured Notes due 2031, and now has the ability to exercise conversion rights.

The shares and other securities acquired by the Company's U.S. subsidiary are subject to holding limitations (exercise of warrants or conversion of convertible notes exceeding 39.9% is invalid) and voting rights limitations (limited to 9.9%). Accordingly, neither the Company nor its U.S. subsidiary has control over, or significant influence on, Wolfspeed. Therefore, Wolfspeed is not included in the scope of consolidation of the Group, nor does the equity method of accounting applies.

The financial impact of this transaction on the Group is currently being assessed.

(Business Transfer of Timing business)

The Company, a premier supplier of advanced semiconductor solutions, announced that the Company's U.S. subsidiary, and SiTime Corporation (hereinafter "SiTime") signed a definitive agreement to transfer the Company's timing business (hereinafter the "Transferred Business") (Note 1) to SiTime (hereinafter "the Transfer"). The Transfer was approved by the Company's Board of Directors on February 5, 2026, and is expected to be completed by the end of 2026, subject to satisfaction of customary closing conditions, including approval from relevant regulatory authorities.

(Note 1) The "Transferred Business" includes the Company's U.S. timing business and assets of other subsidiaries of the Company related to such timing business.

(1) Background and Purpose of the Transfer

This decision to transfer the business was made with a view to achieving sustainable mid- to long-term growth by refining our business priorities and directing maximum resources to strategic initiatives.

The timing products offered by the Transferred Business have long been highly regarded in the market. After a comprehensive review of future growth opportunities, the Company has determined that transferring the Transferred Business to a company with cutting-edge technology, high growth ambition, and investment capability is the best course of action.

SiTime, the transferee, is a leader in MEMS (Note 2) timing devices. The Transfer will ensure the Company customers have access to SiTime's cutting-edge MEMS timing technology.

In addition to the Transfer, the Company and SiTime have also signed an MoU today to explore a partnership to integrate SiTime's MEMS resonator in the Company's MCUs and SoCs. SiTime's MEMS resonator technology enables bare-die co-packaging with MCUs or SoCs, eliminating the need for a discrete resonator on the board, which simplifies design and saves space. By combining the Company's core embedded compute technologies with SiTime's high-precision MEMS timing technologies at the silicon level, both companies will explore collaboration on the development of new solutions. Through this effort, the companies aim to deliver integrated solutions that power the next generation of intelligent devices that demand performance and efficiency.

(Note 2) MEMS stands for Micro Electro Mechanical Systems, a category of devices created through microfabrication technologies by forming miniature mechanical structures (such as resonators and sensors) on a silicon substrate.

(2) Overview of the Transfer

a. Description of the Transferred Business

The Company' timing business, which originated from the acquisition of Integrated Device Technology, Inc. in 2019, consists of the Company' timing product portfolio and the related technologies, assets, and personnel.

b. Operating Results of the Transferred Business (Note 3)

|                  | FY2024/12<br>Transferred Businesses (a)   | FY2024/12<br>Consolidated Financials (b)      | Ratio (a/b) |
|------------------|---|---|-------------|
| Revenue          | 201.4 million USD<br>(30,414 million yen) | 8,930.3million USD<br>(1,348,479 million yen) | 2.26%       |
| Gross Profit     | 150.0 million USD<br>(22,654 million yen) | 4,965.5 million USD<br>(749,796 million yen)  | 3.02%       |
| Operating Profit | 104.9 million USD<br>(15,841 million yen) | 1,476.7 million USD<br>(222,977 million yen)  | 7.10%       |

(Note 3) The figures of the Transferred Businesses are unaudited pro forma financials based on certain assumptions, such as allocated indirect costs, since the operating results of the Transferred Business do not exist as figures for an independent business entity. Furthermore, the balance sheet linked solely to book values is currently unavailable and not included in this announcement, since most of the assets and liabilities to be transferred have been estimated based on certain assumptions and allocations. Note that the exchange rate used is 151 yen per USD (the average exchange rate for the year ended December 31, 2024).

c. Transfer price and method of payment

- Transfer price: 3,000 million USD (approximately 468,000 million yen) (Note 4)
- Method of payment: 1,500 million USD in cash and 4.13 million SiTime common stock (Note 5)

(Note 4) The actual transfer price is subject to certain price adjustments defined in the definitive agreement, and may fluctuate depending on the price adjustment. For reference, the amount above is calculated using the exchange rate as of February 3, 2026: 156 yen per USD.

(Note 5) Under the terms of the acquisition agreement, SiTime will acquire the Transferred Business for 1,500 million USD in cash and 4.13 million shares of common stock, 0.0001 USD par value per share of SiTime, subject to a potential adjustment and a collar determined by the 10-day volume weighted average price ("VWAP") as of three trading days prior to the execution of the asset purchase agreement. The stock consideration will be paid in the form of newly issued SiTime common stock based on SiTime's 10-day VWAP as of three trading days prior to closing, subject to a floor price of 308.6686 USD and a ceiling price of 417.6104 USD.

(3) Overview of the Company' Consolidated Subsidiary

|  |  |
|--|--|
| (a)Company                                     | SiTime Corporation   |
| (b)Address                                     | 5451 Patrick Henry Drive Santa Clara, CA 95054, U.S.A.   |
| (c)Title and name of the representative person | Chairman and CEO: Rajesh Vashist   |
| (d)Business description                        | Precision timing solutions (MEMS technology, advanced analog circuitry, and systems expertise) |
| (e)Capital amount                              | 881.7 million USD as of December 31, 2024  |
| (f)Date of foundation / incorporation          | December 2003  |

(4) Schedule

The Company is expected to be completed by the end of 2026, subject to satisfaction of customary closing conditions, including approval from relevant regulatory authorities.

(5) Future Outlook

With the Transfer, the Company expects to record a non-recurring gain in its consolidated financial statements. Although the exact timing and amount of this gain are yet to be determined, the Company believes this non-recurring gain could total approximately 1,500 million USD (approximately 234,000 million yen) (Note 6), and it may be recorded in the consolidated financial statements for the year ending December 31, 2026. Please note that this amount is an estimate calculated by the Company' internal analysis based on the currently available information and may increase or decrease due to various factors. The definitive timing and amount of the non-recurring gain will be determined in consultation with the Company' auditor.

(Note 6) The amount above is calculated using the exchange rate as of February 3, 2026: 156 yen per USD.



### **About Renesas Electronics Corporation**

Renesas Electronics Corporation ([TSE: 6723](#)) empowers a safer, smarter and more sustainable future where technology helps make our lives easier. A leading [global](#) provider of microcontrollers, Renesas combines our expertise in embedded processing, analog, power and connectivity to deliver complete semiconductor solutions. These Winning Combinations accelerate time to market for automotive, industrial, infrastructure and IoT applications, enabling billions of connected, intelligent devices that enhance the way people work and live. Learn more at [renesas.com](#). Follow us on [LinkedIn](#), [Facebook](#), [Twitter](#), [YouTube](#), and [Instagram](#).

### **(FORWARD-LOOKING STATEMENTS)**

The statements in this press release with respect to the plans, strategies and financial outlook of Renesas 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, products and services in the marketplace; ability to continue to win acceptance of products and services in these highly competitive markets; and fluctuations in currency exchange rates, particularly between the yen and the U.S. dollar. Among other factors, downturn of the world economy; deteriorating financial conditions in world markets, or deterioration in domestic and overseas stock markets, may cause actual results to differ from the projected results forecast.

This press release 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.

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