

**Media Contacts**

Kyoko Okamoto  
 Renesas Electronics Corporation  
 +81 3-6773-3001  
 pr@renesas.com

**Investor Contacts**

Shigeo Muto  
 Renesas Electronics Corporation  
 +81 3-6773-3002  
 ir@renesas.com

## Renesas Electronics Reports Financial Results for the Second Quarter Ended June 30, 2021

**TOKYO, Japan, July 29, 2021** — Renesas Electronics Corporation (TSE:6723) today announced consolidated financial results in accordance with IFRS for the six months ended June 30, 2021.

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

	Three months ended June 30, 2021		Six months ended June 30, 2021	
	Billion Yen	% of Revenue	Billion Yen	% of Revenue
Revenue	217.9	100.0	421.6	100.0
Operating profit	35.5	16.3	65.7	15.6
Profit attributable to owners of parent	24.0	11.0	37.7	8.9
Capital expenditures (Note 2)	22.5		50.6	
Depreciation and others	33.3		65.7	
R&D expenses (Note 3)	34.1		67.3	
	Yen		Yen	
Exchange rate (USD)	109		107	
Exchange rate (EUR)	131		129	

	As of June 30, 2021
	Billion Yen
Total assets	1,942.7
Total equity	975.8
Equity attributable to owners of parent	972.6
Equity ratio attributable to owners of parent (%)	50.1
Interest-bearing liabilities	647.7

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

Note 2: Capital expenditures refer to the amount of capital for property, plant and equipment (manufacturing equipment) and intangible assets based on the amount of investment decisions made during the quarter ended June 30, 2021. However, the investments from the former Integrated Device Technology, Inc. are listed as an input basis.

Note 3: R&D expenses includes capitalized R&D expenses recorded as intangible assets.

**RENESAS ELECTRONICS CORPORATION**  
**Consolidated Financial Results for the Second Quarter Ended June 30, 2021**  
English translation from the original Japanese-language document



July 29, 2021

Company name	:Renesas Electronics Corporation
Stock exchanges on which the shares are listed	:Tokyo Stock Exchange, First Section
Code number	:6723
URL	: <a href="https://www.renesas.com">https://www.renesas.com</a>
Representative	:Hidetoshi Shibata, Representative Director, President and CEO
Contact person	:Fujiko Yamaguchi, Vice President, CEO Office Tel. +81 (0)3-6773-3002
Filing date of Shihanki Hokokusho (scheduled)	:August 4, 2021

(Amounts are rounded to the nearest million yen)

**1. Consolidated financial results for the six months ended June 30, 2021**

**1.1 Consolidated financial results** (% of change from corresponding period of 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	%
Six months ended June 30, 2021	421,553	22.0	65,661	114.8	50,736	70.4	37,879	62.9	37,705	62.4	126,334	---
Six months ended June 30, 2020	345,415	0.7	30,569	---	29,769	---	23,260	---	23,212	---	(720)	---

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended June 30, 2021	21.53	21.07
Six months ended June 30, 2020	13.55	13.32

**1.2 Consolidated financial position**

	Total assets	Total equity	Equity attributable to owners	Ratio of equity attributable to owners
	Million yen	Million yen	Million yen	%
June 30, 2021	1,942,678	975,804	972,563	50.1
December 31, 2020	1,608,985	619,661	616,701	38.3

## 2. Cash dividends

	Cash dividends per share				
	At the end of first quarter	At the end of second quarter	At the end of third quarter	At the end of year	Total
Year ended December 31, 2020	Yen ---	Yen 0.00	Yen ---	Yen 0.00	Yen 0.00
Year ending December 31, 2021	---	0.00			
Year ending December 31, 2021 (forecast)			---	---	---

Note: Change in forecast of cash dividends since the most recently announced forecast: No

## 3. Forecast of consolidated results for the nine months ending September 30, 2021

	Revenue		Non-GAAP Gross Margin		Non-GAAP Operating Margin	
	Million yen	%	%	%pts	%	%pts
Nine months ending September 30, 2021	661,553 (±4,000)	26.2 (±0.8)	51.8	4.4	27.8	8.6

Note 1: The Group reports its consolidated forecast on a quarterly basis (cumulative quarters) as substitute for a yearly forecast in a range format. The revenue forecast is provided assuming the midpoint and the range of the forecast are listed in brackets.

The gross margin and the operating margin forecasts are provided assuming the midpoint in the revenue forecast. For details, please refer to Appendix 1.3. "Consolidated Forecasts" on page 6.

Note 2: Non-GAAP figures are calculated by removing or adjusting non-recurring items and other adjustments from GAAP 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 as a non-GAAP basis. However, the figure provided as revenue is based on IFRS and does not include non-GAAP adjustments.

## 4. Others

4.1 Changes in significant subsidiaries for the six months ended June 30, 2021: No  
(Changes in specified subsidiaries resulting in changes in scope of consolidation)

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: No

4.3 Number of shares issued and outstanding (common stock)

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

As of June 30, 2021: 1,932,222,590 shares

As of December 31, 2020: 1,731,898,990 shares

2. Number of treasury stock

As of June 30, 2021: 2,581 shares

As of December 31, 2020: 2,581 shares

3. Average number of shares issued and outstanding

Six months ended June 30, 2021: 1,751,223,268 shares

Six months ended June 30, 2020: 1,713,078,576 shares

(Note) Information regarding the implementation of audit procedures

These financial results are not subject to quarterly review procedures by the independent auditor.

Cautionary Statement

The Group will hold a quarterly earnings conference for institutional investors and analysts on July 29, 2021. 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.

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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 the “Non-GAAP” financial measures) and those under IFRS.

Non-GAAP gross profit and Non-GAAP operating profit are gross profit and operating profit under IFRS (hereinafter “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 2 “Condensed Consolidated Financial Statements, 2.5 Notes to Condensed Consolidated Financial Statements (Business Segments).”

(Note 1): For disclosure of Non-GAAP financial measures, 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 Six Months ended June 30, 2021 (Non-GAAP basis)

	Six months ended June 30, 2020 (Jan 1 – Jun 30, 2020)	Six months ended June 30, 2021 (Jan 1 – Jun 30, 2021)	Increase (Decrease)	
	Billion yen	Billion yen	Billion yen	% Change
Revenue (Note 2)	345.4	421.6	76.1	22.0%
Automotive	166.2	209.4	43.2	26.0%
Industrial/Infrastructure/IoT	174.1	203.5	29.4	16.9%
Non-GAAP Gross Profit	163.7	215.5	51.8	31.6%
Non-GAAP Gross Margin	47.4%	51.1%	3.7pts	---
Automotive	62.6 37.7%	90.3 43.1%	27.6 5.4pts	44.1% ---
Industrial/Infrastructure/IoT	100.4 57.7%	123.8 60.8%	23.4 3.2pts	23.3% ---
Non-GAAP Operating Profit	63.9	114.0	50.1	78.4%
Non-GAAP Operating Margin	18.5%	27.0%	8.5pts	---
Automotive	22.3 13.4%	47.8 22.9%	25.6 9.5pts	115.0% ---
Industrial/Infrastructure/IoT	43.2 24.8%	59.5 29.2%	16.3 4.4pts	37.7% ---

Note 1: For details on the above, please refer to Appendix 2 “Condensed Consolidated Financial Statements, 2.5. Notes to Condensed Consolidated Financial Statements (Business Segments).”

Note 2: Consolidated revenue for the six months ended June 30, 2020 and June 30, 2021 are based on IFRS and does not include non-GAAP adjustments.

The financial results for the six months ended June 30, 2021 are as follows:

#### <Revenue>

Consolidated revenue for the six months ended June 30, 2021 was 421.6 billion yen, a 22.0% increase year on year. This was due to an increase in revenue in the Industrial/Infrastructure/IoT Business in addition to an increase in revenue in the Automotive Business as a result of the recovery from the reduced vehicle production caused by the COVID-19 pandemic mostly during the first half of the fiscal year ended 2020.

#### <Non-GAAP Gross Profit (Margin)>

Non-GAAP gross profits for the six months ended June 30, 2021 was 215.5 billion yen, a 51.8 billion yen increase year on year. This was mainly due to increases in revenue for both Automotive and Industrial/Infrastructure/IoT Businesses as well as improvements in the factory utilization rate. As a result, non-GAAP gross margin for the six months ended June 30, 2021 was 51.1%, an increase by 3.7 points year on year.

#### <Non-GAAP Operating Profit (Margin)>

Non-GAAP operating profit for the six months ended June 30, 2021 was 114.0 billion yen, a 50.1 billion yen increase year on year. This was mainly due to an increase in gross profit as well as reduction of non-GAAP adjusted selling, general and administrative expenses excluding R&D expenses. As a result, non-GAAP operating margin for the six months ended June 30, 2021 was 27.0%, an increase by 8.5 points year on year.

The revenue breakdown of the business segments for the six months ended June 30, 2021 are as follows:

#### Automotive Business

The Automotive Business includes the product categories “Automotive Control,” comprising 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 IVI (in-vehicle infotainment) and instrument panels used to give various information to the driver of the vehicle. The Group mainly supplies microcontrollers (MCUs), system-on-chips (SoCs), analog semiconductor devices and power semiconductor devices in each of these categories.

Revenue of the Automotive Business for the six months ended June 30, 2021 was 209.4 billion yen, a 26.0% increase year on year. This was mainly due to increases in sales for both the “Automotive Control” and “Automotive Information” categories owing to the recovery from the reduced vehicle production.

Non-GAAP gross profit of the Automotive Business for the six months ended June 30, 2021 was 90.3 billion yen, a 27.6 billion yen increase year on year. This was due to an increase in gross profit mainly from product mix improvements in addition to an increase in revenue.

Non-GAAP operating profit of the Automotive Business for the six months ended June 30, 2021 was 47.8 billion yen, a 25.6 billion yen increase year on year, mainly due to a sales increase effect as well as an increase in gross margin.

#### 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 and SoCs in each of these categories.

Revenue of the Industrial/Infrastructure/IoT Business for the six months ended June 30, 2021 was 203.5 billion yen, a 16.9% increase year on year. This was due to revenue increases in the “Industrial,” “Infrastructure,” and “IoT” categories mainly owing to increased demand in factory automation, data centers and mobile phone base stations, OA devices for PCs, and air conditioners.

Non-GAAP gross profit of the Industrial/Infrastructure/IoT Business for the six months ended June 30, 2021 was 123.8 billion yen, a 23.4 billion yen increase year on year. This was mainly due to an increase in gross profit from product mix improvements in addition to an increase in revenue.

Non-GAAP operating profit of the Industrial/Infrastructure/IoT Business for the six months ended June 30, 2021 was 59.5 billion yen, a 16.3 billion yen increase year on year, due to a sales increase effect as well as an increase in profits from gross margin improvements.

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

(Billion yen)

	<b>Six months ended June 30, 2020</b> (Jan 1 – Jun 30, 2020)	<b>Six months ended June 30, 2021</b> (Jan 1 – Jun 30, 2021)
Non-GAAP gross profit	163.7	215.5
Non-GAAP gross margin	47.4%	51.1%
Amortization of purchased intangible assets and depreciation of property, plant and equipment	(0.9)	(0.5)
Stock-based compensation	(0.4)	(0.6)
Other reconciliation items in non-recurring expenses and adjustments	(1.0)	(11.7)
IFRS gross profit	161.4	202.7
IFRS gross margin	46.7%	48.1%
Non-GAAP operating profit	63.9	114.0
Non-GAAP operating margin	18.5%	27.0%
Amortization of purchased intangible assets and depreciation of property, plant and equipment	(28.5)	(27.3)
Stock-based compensation	(5.7)	(6.8)
Other reconciliation items in non-recurring expenses and adjustments	0.8	(14.2)
IFRS operating profit	30.6	65.7
IFRS operating margin	8.8%	15.6%

(Note): “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.

**3) Summary of Consolidated Financial Results for the Six Months ended June 30, 2021 (IFRS basis)**

	<b>Six months ended June 30, 2020</b> (Jan 1 – Jun 30, 2020)	<b>Six months ended June 30, 2021</b> (Jan 1 – Jun 30, 2021)	Increase (Decrease)	
	Billion yen	Billion yen	Billion yen	% Change
Revenue	345.4	421.6	76.1	22.0%
Gross Profit	161.4	202.7	41.3	25.6%
Gross Margin	46.7%	48.1%	1.4pts	---
Operating Profit	30.6	65.7	35.1	114.8%
Operating Margin	8.8%	15.6%	6.7pts	---



## 1.2 Consolidated Financial Condition

### 1.2.1 Total Assets, Liabilities and Total Equity

	As of December 31, 2020	As of June 30, 2021	Increase (Decrease)
	Billion yen	Billion yen	Billion yen
Total assets	1,609.0	1,942.7	333.7
Total equity	619.7	975.8	356.1
Equity attributable to owners of parent	616.7	972.6	355.9
Equity ratio attributable to owners of parent (%)	38.3	50.1	11.8
Interest-bearing liabilities	693.7	647.7	(46.1)
Debt to equity ratio	1.12	0.67	(0.45)

Total assets at June 30, 2021 were 1,942.7 billion yen, a 333.7 billion yen increase from December 31, 2020. This was due to an increase in cash and cash equivalents and increase in goodwill owing to the issuance of new shares mainly through public offering as well as fluctuations in the exchange rate despite decreases in property, plant and equipment and intangible assets mainly due to depreciation. Total equity were 975.8 billion yen, a 356.1 billion yen increase from December 31, 2020. This was mainly due to: increases in share capital and capital surplus as a result of the issuance of new shares mainly through public offering; an increase in other components of equity from an increase in exchange differences on translation of foreign operations following fluctuations in the exchange; and an increase in retained earnings through profit.

Equity attributable to owners of parent increased by 355.9 billion yen from December 31, 2020, and Equity ratio attributable to owners of parent was 50.1%. In addition, Interest-bearing liabilities decreased by 46.1 billion yen from December 31, 2020, mainly due to debt repayment. Consequently, Debt to equity ratio was 0.67.

### 1.2.2 Cash Flows

	Six months ended June 30, 2020 (Jan 1 – Jun 30, 2020)	Six months ended June 30, 2021 (Jan 1 – Jun 30, 2021)
	Billion yen	Billion yen
Net cash provided by (used in) operating activities	76.6	120.6
Net cash provided by (used in) investing activities	(19.8)	(16.9)
Free cash flows (Note)	56.8	103.7
Net cash provided by (used in) financing activities	(52.5)	171.9
Cash and cash equivalents at the beginning of period	146.5	219.8
Cash and cash equivalents at the end of period	148.5	504.8

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 six months ended June 30, 2021 was 120.6 billion yen. This was mainly due to a recording of 50.7 billion yen in income before tax as well as adjustments in non-cash items such as depreciation.

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

Net cash used in investing activities for the six months ended June 30, 2021 was 16.9 billion yen. This was mainly due to the purchase of property, plant and equipment and intangible assets.

The foregoing resulted in positive free cash flows of 103.7 billion yen for the six months ended June 30, 2021.

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

Net cash provided by financing activities for the six months ended June 30, 2021 was 171.9 billion yen. This was mainly due to income from the issuance of new shares mainly through public offering despite repayments of long-term borrowings to main financing banks.

### 1.3 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 based) following a certain set of rules. However, the figure provided as revenue is based on IFRS and does not include non-GAAP adjustments.

The revenue forecast is provided assuming the midpoint and the range of the forecast are listed in brackets. The gross margin and operating margin forecasts are given assuming the midpoint in the revenue forecast.

#### (For the nine months ending September 30, 2021)

	Revenue	Non-GAAP Gross Margin	Non-GAAP Operating Margin
Previous forecasts	---	---	---
	Million yen	%	%
Forecasts as of July 29, 2021	661,553 (±4,000)	51.8	27.8
Increase (decrease)	---	---	---
Percentage change	---	---	---
Reference: Results of the nine months ended September 30, 2020	524,093	47.4	19.2

(Note) Non-GAAP figures are calculated by removing or adjusting non-recurring items and other adjustments from GAAP 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 as a non-GAAP basis. This adjustment and exclusion include 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 nine months ending September 30, 2021 are calculated by combining the forecasts for the three months ending September 30, 2021, to the financial results of the six months ended June 30, 2021. The consolidated forecasts for the nine months ending September 30, 2021 are calculated at the rate of 107 yen per USD and 129 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.

## 2. Condensed Consolidated Financial Statements

### 2.1 Condensed Consolidated Statement of Financial Position

(In millions of yen)

	As of December 31, 2020	As of June 30, 2021
<b>Assets</b>		
Current assets		
Cash and cash equivalents	219,786	504,771
Trade and other receivables	82,318	93,503
Inventories	89,761	94,392
Other current financial assets	605	5,731
Income taxes receivable	2,190	1,850
Other current assets	8,162	6,788
Total current assets	<u>402,822</u>	<u>707,035</u>
Non-current assets		
Property, plant and equipment	187,354	182,483
Goodwill	590,459	630,850
Intangible assets	364,764	351,850
Other non-current financial assets	18,101	24,711
Deferred tax assets	40,600	41,237
Other non-current assets	4,885	4,512
Total non-current assets	<u>1,206,163</u>	<u>1,235,643</u>
Total assets	<u>1,608,985</u>	<u>1,942,678</u>

	(In millions of yen)	
	As of December 31, 2020	As of June 30, 2021
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	114,235	145,685
Bonds and borrowings	93,181	93,182
Other current financial liabilities	4,036	4,502
Income taxes payable	10,337	16,066
Provisions	6,383	8,969
Other current liabilities	58,873	47,334
Total current liabilities	<u>287,045</u>	<u>315,738</u>
Non-current liabilities		
Trade and other payables	25,177	20,283
Bonds and borrowings	586,563	540,509
Other non-current financial liabilities	10,241	10,181
Income taxes payable	4,084	4,390
Retirement benefit liability	30,012	29,372
Provisions	3,033	3,016
Deferred tax liabilities	38,680	38,099
Other non-current liabilities	4,489	5,286
Total non-current liabilities	<u>702,279</u>	<u>651,136</u>
Total liabilities	<u>989,324</u>	<u>966,874</u>
Equity		
Share capital	28,971	142,833
Capital surplus	208,253	322,849
Retained earnings	449,975	487,809
Treasury shares	(11)	(11)
Other components of equity	(70,487)	19,083
Total equity attributable to owners of parent	<u>616,701</u>	<u>972,563</u>
Non-controlling interests	2,960	3,241
Total equity	<u>619,661</u>	<u>975,804</u>
Total liabilities and equity	<u>1,608,985</u>	<u>1,942,678</u>

**2.2 Condensed Consolidated Statement of Profit or Loss and Consolidated Statement of Comprehensive Income**Condensed Consolidated Statement of Profit or Loss  
(Six months ended June 30, 2020 and June 30, 2021)

	(In millions of yen)	
	Six months ended June 30, 2020	Six months ended June 30, 2021
Revenue	345,415	421,553
Cost of sales	(184,010)	(218,867)
Gross profit	161,405	202,686
Selling, general and administrative expenses	(131,479)	(135,432)
Other income	3,146	4,611
Other expenses	(2,503)	(6,204)
Operating profit	30,569	65,661
Finance income	3,296	1,430
Finance costs	(4,096)	(16,355)
Profit before tax	29,769	50,736
Income tax expense	(6,509)	(12,857)
Profit	23,260	37,879
Profit attributable to		
Owners of parent	23,212	37,705
Non-controlling interests	48	174
Profit	23,260	37,879
Earnings per share		
Basic earnings per share (yen)	13.55	21.53
Diluted earnings per share (yen)	13.32	21.07

Condensed Consolidated Statement of Comprehensive Income  
(Six months ended June 30, 2020 and June 30, 2021)

(In millions of yen)

	Six months ended June 30, 2020	Six months ended June 30, 2021
Profit	23,260	37,879
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	270	(140)
Equity instruments measured at fair value through other comprehensive income	(434)	—
Total of items that will not be reclassified to profit or loss	(164)	(140)
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	(23,816)	85,178
Cash flow hedges	—	3,417
Total of items that may be reclassified subsequently to profit or loss	(23,816)	88,595
Total other comprehensive income	(23,980)	88,455
Total comprehensive income	(720)	126,334
Comprehensive income attributable to		
Owners of parent	(634)	126,053
Non-controlling interests	(86)	281
Total comprehensive income	(720)	126,334

Condensed Consolidated Statement of Profit or Loss  
(Three months ended June 30, 2020 and June 30, 2021)

(In millions of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Revenue	166,672	217,875
Cost of sales	(87,567)	(112,944)
Gross profit	<u>79,105</u>	<u>104,931</u>
Selling, general and administrative expenses	(63,153)	(69,602)
Other income	2,513	1,456
Other expenses	(1,209)	(1,315)
Operating profit	<u>17,256</u>	<u>35,470</u>
Finance income	233	49
Finance costs	(1,898)	(2,407)
Profit before tax	<u>15,591</u>	<u>33,112</u>
Income tax expense	(3,689)	(9,039)
Profit	<u><u>11,902</u></u>	<u><u>24,073</u></u>
Profit attributable to		
Owners of parent	11,923	23,991
Non-controlling interests	(21)	82
Profit	<u><u>11,902</u></u>	<u><u>24,073</u></u>
Earnings per share		
Basic earnings per share (yen)	6.95	13.56
Diluted earnings per share (yen)	6.84	13.28

Condensed Consolidated Statement of Comprehensive Income  
(Three months ended June 30, 2020 and June 30, 2021)

(In millions of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Profit	11,902	24,073
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	4	(42)
Equity instruments measured at fair value through other comprehensive income	(434)	—
Total of items that will not be reclassified to profit or loss	(430)	(42)
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	(11,207)	412
Cash flow hedges	—	3,416
Total of items that may be reclassified subsequently to profit or loss	(11,207)	3,828
Total other comprehensive income	(11,637)	3,786
Total comprehensive income	265	27,859
Comprehensive income attributable to		
Owners of parent	286	27,778
Non-controlling interests	(21)	81
Total comprehensive income	265	27,859



**2.3 Condensed Consolidated Statement of Changes in Equity**  
(Six months ended June 30, 2020)

(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, 2020	22,213	201,588	403,857	(11)	16,053	—	(1,131)
Profit	—	—	23,212	—	—	—	—
Other comprehensive income	—	—	—	—	—	270	(434)
Total comprehensive income	—	—	23,212	—	—	270	(434)
Issuance of new shares	2,842	2,842	—	—	—	—	—
Share-based payment transactions	—	—	—	—	6	—	—
Transfer to retained earnings	—	—	794	—	(958)	(270)	434
Total transactions with owners	2,842	2,842	794	—	(952)	(270)	434
Balance as of June 30, 2020	25,055	204,430	427,863	(11)	15,101	—	(1,131)

	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	Total			
Balance as of January 1, 2020	(21,114)	—	(6,192)	621,455	2,949	624,404
Profit	—	—	—	23,212	48	23,260
Other comprehensive income	(23,682)	—	(23,846)	(23,846)	(134)	(23,980)
Total comprehensive income	(23,682)	—	(23,846)	(634)	(86)	(720)
Issuance of new shares	—	—	—	5,684	—	5,684
Share-based payment transactions	—	—	6	6	—	6
Transfer to retained earnings	—	—	(794)	—	—	—
Total transactions with owners	—	—	(788)	5,690	—	5,690
Balance as of June 30, 2020	(44,796)	—	(30,826)	626,511	2,863	629,374

(Six months ended June 30, 2021)

(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, 2021	28,971	208,253	449,975	(11)	15,959	—	(1,131)
Profit	—	—	37,705	—	—	—	—
Other comprehensive income	—	—	—	—	—	(140)	—
Total comprehensive income	—	—	37,705	—	—	(140)	—
Issuance of new shares	113,862	113,044	—	—	—	—	—
Share-based payment transactions	—	1,552	—	—	1,351	—	—
Transfer to retained earnings	—	—	129	—	(269)	140	—
Total transactions with owners	113,862	114,596	129	—	1,082	140	—
Balance as of June 30, 2021	142,833	322,849	487,809	(11)	17,041	—	(1,131)

	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	Total			
Balance as of January 1, 2021	(85,315)	—	(70,487)	616,701	2,960	619,661
Profit	—	—	—	37,705	174	37,879
Other comprehensive income	85,071	3,417	88,348	88,348	107	88,455
Total comprehensive income	85,071	3,417	88,348	126,053	281	126,334
Issuance of new shares	—	—	—	226,906	—	226,906
Share-based payment transactions	—	—	1,351	2,903	—	2,903
Transfer to retained earnings	—	—	(129)	—	—	—
Total transactions with owners	—	—	1,222	229,809	—	229,809
Balance as of June 30, 2021	(244)	3,417	19,083	972,563	3,241	975,804

## 2.4 Condensed Consolidated Statement of Cash Flows

(Six months ended June 30, 2020 and June 30, 2021)

(In millions of yen)

	Six months ended June 30, 2020	Six months ended June 30, 2021
<b>Cash flows from operating activities</b>		
Profit before tax	29,769	50,736
Depreciation and amortization	73,166	65,724
Impairment losses	580	61
Finance income and finance costs	3,439	3,208
Share-based payment expenses	5,680	6,821
Foreign exchange loss (gain)	(2,083)	12,323
Loss (gain) on sales of property, plant and equipment, and intangible assets	(448)	(3,447)
Decrease (increase) in inventories	(11,713)	(2,711)
Decrease (increase) in trade and other receivables	7,023	(7,697)
Increase (decrease) in trade and other payables	(11,182)	20,234
Increase (decrease) in retirement benefit liability	(342)	(1,033)
Increase (decrease) in provisions	(3,910)	2,350
Increase (decrease) in other current liabilities	(11,869)	(12,227)
Other	1,581	(2,307)
Subtotal	79,691	132,035
Interest received	183	87
Dividends received	219	211
Income taxes paid	(3,474)	(11,700)
Net cash flows from operating activities	76,619	120,633
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(10,487)	(11,894)
Proceeds from sales of property, plant and equipment	645	3,777
Purchase of intangible assets	(8,426)	(6,821)
Purchase of other financial assets	(320)	(1,239)
Proceeds from sales of other financial assets	304	386
Other	(1,489)	(1,113)
Net cash flows from investing activities	(19,773)	(16,904)
<b>Cash flows from financing activities</b>		
Repayments of long-term borrowings	(46,710)	(46,695)
Proceeds from issuance of shares	—	223,799
Payments for share issuance costs	—	(820)
Repayments of lease liabilities	(2,623)	(1,572)
Interest paid	(3,220)	(2,776)
Other	9	(10)
Net cash flows from financing activities	(52,544)	171,926
Effect of exchange rate changes on cash and cash equivalents	(2,265)	9,330
Net increase (decrease) in cash and cash equivalents	2,037	284,985
Cash and cash equivalents at beginning of the period	146,468	219,786
Cash and cash equivalents at end of the period	148,505	504,771

## 2.5 Notes to Condensed Consolidated Financial Statements

(Notes about Going Concern Assumption)  
Not applicable

(Basis for Preparation)

(1) Compliance with IFRS

Because the Group meets the requirements for “Specified Companies Complying with Designated International Accounting Standards” stated in Article 1-2 of Ordinance on Consolidated Financial Statements, the Group has adopted the provisions of Article 93 of the Ordinance. The condensed consolidated financial statements of the Group have been prepared in accordance with International Accounting Standards 34 “Interim Financial Reporting” (hereafter “IAS 34”).

The condensed consolidated financial statements do not contain all of the information that would be required on consolidated financial statements for a fiscal year. Therefore, the condensed consolidated financial statements should be used with the consolidated financial statements for the prior fiscal year.

(2) Basis of measurement

In the condensed consolidated financial statements of the Group, assets and liabilities are measured at a historical cost basis except for items such as financial instruments measured at fair value.

(3) Functional currency and presentation currency

The condensed 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

(Condensed Consolidated Statement of Cash Flows)

“Foreign exchange loss (gain),” which was disclosed under “Other” under “Cash flows from operating activities” for the prior fiscal year, has been presented independently from the current fiscal year due to the increase in its materiality. In order to reflect this change in presentation, Condensed Consolidated Statement of Cash Flows for the prior fiscal year has been reclassified. Consequently, (502) million yen of “Other”, which was disclosed under “Cash flows from operating activities,” has been classified to (2,083) million yen of “Foreign exchange loss (gain)” and 1,581 million yen of “Other.”

(Basis of Condensed Consolidated Financial Statements)

Scope of consolidation

Two companies have been excluded from the scope of consolidation due to liquidation for the three months ended March 31, 2021.

A company has been excluded from the scope of consolidation due to the transfer of the shares for the three months ended June 30, 2021.

(Significant Accounting Policies)

The significant accounting policies for the condensed consolidated financial statements of the Group are the same with the accounting policies applied in preparing the Group’s consolidated financial statements for the prior fiscal year.

In addition, income taxes for the six months ended June 30, 2021 are calculated using the estimated annual effective tax rate.

(Significant Accounting Estimates and Judgments)

In preparing the condensed consolidated financial statements, management of the Group makes judgements, accounting estimates and assumptions that could have an impact on the application of accounting policies and the reporting amounts of assets, liabilities, revenue and expenses. These estimates and assumptions are based on the best judgment of management, taking into account various factors that are deemed reasonable on the closing date in light of past experience and available information. However, figures based on these estimates and assumptions may differ from the actual results due to their nature.

Estimates and underlying assumptions are reviewed continuously. The impact of the review of these estimates is recognized in the period when the estimates are revised and future periods.

Estimates and assumptions that could have a significant impact on the figures in the condensed consolidated financial statements are the same with those stated in the Group’s consolidated financial statements for the prior fiscal year.

The Group reflects the impact of the spread of COVID-19 to estimates and assumptions (such as judgment to indication of impairment of goodwill and collectability of deferred tax assets), to a reasonable extent based on available information.

(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 of 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 microcontrollers (MCUs), system-on-chips (SoCs), 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 and SoCs 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 same as described in "Significant Accounting Policies." As for information on the reportable segments, the Group discloses revenue from external customers, segment gross profit, and segment operating profit (which is the segment profit). The Group added segment gross profit as a disclosure item in the business segments from the three months ended March 31, 2021. This change is reflected to the business segments for the six months ended June 30, 2020 and June 30, 2021.

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 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 reportable segments included within the segment results.

Information on reportable segments is as follows.

Six months ended June 30, 2020

(In millions of yen)

	Reportable Segments		Other	Adjustments 1	Total	Adjustments 2	Consolidation basis
	Automotive	Industrial/ Infrastructure/ IoT					
Revenue from external customers	166,174	174,122	5,119	—	345,415	—	345,415
Segment gross profit	62,649	100,387	652	—	163,688	(2,283)	161,405
Segment operating profit	22,256	43,198	742	(2,303)	63,893	(33,324)	30,569
Finance income							3,296
Finance costs							(4,096)
Profit before tax							29,769
(Other adjustments)							
Depreciation and amortization	24,144	20,200	236	—	44,580	28,586	73,166

Six months ended June 30, 2021

(In millions of yen)

	Reportable Segments		Other	Adjustments 1	Total	Adjustments 2	Consolidation basis
	Automotive	Industrial/ Infrastructure/ IoT					
Revenue from external customers	209,356	203,486	8,711	—	421,553	—	421,553
Segment gross profit	90,288	123,809	1,086	289	215,472	(12,786)	202,686
Segment operating profit	47,841	59,471	1,086	5,594	113,992	(48,331)	65,661
Finance income							1,430
Finance costs							(16,355)
Profit before tax							50,736
(Other adjustments)							
Depreciation and amortization	22,088	16,276	—	—	38,364	27,360	65,724

Three months ended June 30, 2020

(In millions of yen)

	Reportable Segments		Other	Adjustments 1	Total	Adjustments 2	Consolidation basis
	Automotive	Industrial/ Infrastructure/ IoT					
Revenue from external customers	72,626	91,567	2,479	—	166,672	—	166,672
Segment gross profit	26,312	52,504	385	—	79,201	(96)	79,105
Segment operating profit	7,861	24,224	440	(2,303)	30,222	(12,966)	17,256
Finance income							233
Finance costs							(1,898)
Profit before tax							15,591
(Other adjustments) Depreciation and amortization	10,305	10,304	—	—	20,609	13,728	34,337

Three months ended June 30, 2021

(In millions of yen)

	Reportable Segments		Other	Adjustments 1	Total	Adjustments 2	Consolidation basis
	Automotive	Industrial/ Infrastructure/ IoT					
Revenue from external customers	106,108	106,881	4,886	—	217,875	—	217,875
Segment gross profit	46,470	66,021	671	93	113,255	(8,324)	104,931
Segment operating profit	25,050	34,583	672	1,080	61,385	(25,915)	35,470
Finance income							49
Finance costs							(2,407)
Profit before tax							33,112
(Other adjustments) Depreciation and amortization	10,965	8,207	—	—	19,172	14,082	33,254

(3) Information on products and services

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

(4) Information on regions and countries

The components of revenue from external customers by region and country are as follows.

(Six months ended June 30, 2020 and June 30, 2021)

	(In millions of yen)	
	Six months ended June 30, 2020	Six months ended June 30, 2021
Japan	123,558	140,686
China	81,540	88,895
Asia (Excluding Japan and China)	57,670	85,840
Europe	51,802	67,308
North America	29,557	37,411
Others	1,288	1,413
Total	345,415	421,553

(Three months ended June 30, 2020 and June 30, 2021)

	(In millions of yen)	
	Three months ended June 30, 2020	Three months ended June 30, 2021
Japan	59,920	69,615
China	42,894	48,650
Asia (Excluding Japan and China)	29,994	46,651
Europe	21,788	33,550
North America	11,514	18,641
Others	562	768
Total	166,672	217,875

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

(Trade and Other Receivables)

The components of trade and other receivables are as follows.

(In millions of yen)

	As of December 31, 2020	As of June 30, 2021
Notes and trade receivables	77,686	91,679
Other receivables	4,751	1,981
Loss allowance	(119)	(157)
Total	82,318	93,503

(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, 2020	As of June 30, 2021
Trade payables	67,008	75,110
Other payables	47,433	63,570
Electronically recorded obligations	7,852	8,382
Refund liabilities	17,119	18,906
Total	139,412	165,968
Current liabilities	114,235	145,685
Non-current liabilities	25,177	20,283

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

(Equity and Other Equity Items)

Six months ended June 30, 2021

Based on the resolution at the Board of Directors' meeting held on May 28, 2021, the Company newly issued 192,252,800 shares through a public offering with the due date of payment on June 15, 2021 and 2,067,600 shares through a third-party allotment of shares with the due date of payment on June 28, 2021, respectively.

As a consequence, the Share capital has increased by 111,899 million yen and the Capital surplus has increased by 111,092 million yen during the six months ended June 30, 2021.

As a result, the Share capital is 142,833 million yen and the Capital surplus is 322,849 million yen as of June 30, 2021.

(Revenue)

All of 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.

(Six months ended June 30, 2020 and June 30, 2021)

(In millions of yen)

	Six months ended June 30, 2020	Six months ended June 30, 2021
Research and development expenses	64,338	66,814
Depreciation and amortization	31,905	30,241
Personnel expenses	20,876	24,132
Retirement benefit expenses	1,218	1,261
Other	13,142	12,984
Total	131,479	135,432

(Three months ended June 30, 2020 and June 30, 2021)

(In millions of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Research and development expenses	31,053	33,862
Depreciation and amortization	14,758	15,571
Personnel expenses	9,776	13,266
Retirement benefit expenses	664	661
Other	6,902	6,242
Total	63,153	69,602

(Other Income)

The components of other income are as follows.  
(Six months ended June 30, 2020 and June 30, 2021)

(In millions of yen)

	Six months ended June 30, 2020	Six months ended June 30, 2021
Gain on sales of property, plant and equipment	489	3,500
Insurance claim income	2,313	331
Other	344	780
Total	3,146	4,611

(Three months ended June 30, 2020 and June 30, 2021)

(In millions of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Gain on sales of property, plant and equipment	19	807
Insurance claim income	2,313	307
Other	181	342
Total	2,513	1,456

(Other Expenses)

The components of other expenses are as follows.  
(Six months ended June 30, 2020 and June 30, 2021)

(In millions of yen)

	Six months ended June 30, 2020	Six months ended June 30, 2021
Provision for loss on litigation	10	4,494
Business restructuring expenses	1,245	816
Impairment loss	580	61
Other	668	833
Total	2,503	6,204

(Three months ended June 30, 2020 and June 30, 2021)

(In millions of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Provision for loss on litigation	10	667
Business structure improvement expenses	293	297
Impairment loss	495	61
Other	411	290
Total	1,209	1,315

(Additional Information)

Fire outbreak in a wholly-owned manufacturing subsidiary

On March 19, 2021, a fire broke out at a manufacturing line in the N3 Building (300mm line) of Naka Factory (located in Hitachinaka, Ibaraki Prefecture) of Renesas Semiconductor Manufacturing Co., Ltd, a wholly-owned manufacturing subsidiary of the Company. Due to this fire, certain property, plant and equipment such as machinery and equipment and inventories such as work in progress were damaged.

Regarding the resumption of manufacturing at the N3 Building, the production resumed on April 17, 2021. Since then all necessary manufacturing equipment has been restored to regain the pre-fire production capacity. As a result, the production level of the N3 Building has returned to 100% of the pre-fire level as of June 24.

Due to this fire, the Group recorded 12,315 million yen for restoration and repairment costs of property, plant and equipment, disposal costs and reinspection fees of inventories and fixed costs during the shutdown for the six months ended June 30, 2021. These are included in cost of sales of 12,260 million yen and other expenses of 55 million yen in the condensed consolidated statement of profit or loss. The Group recorded 10,080 million yen for restoration and repairment costs of property, plant and equipment, fixed costs during the shutdown for the three months ended June 30, 2021. These are included in cost of sales of 10,042 million yen and other expenses of 38 million yen in the condensed consolidated statement of profit or loss. In addition, other payables of the fire related costs are recorded in trade and other payables and other liabilities of 8,808 million yen in the condensed consolidated statement of financial position.

The amounts of loss may change depending on the situation of the repairment of property, plant and equipment and the determination of insurance claim income.

Acquisition of Stock of Dialog Semiconductor Plc (hereafter "Dialog")

On February 8, 2021, the Company has reached an agreement with Dialog in the UK, on the terms of a recommended all-cash acquisition by the Company of the entire issued and to be issued share capital of Dialog, thereby making Dialog a wholly-owned subsidiary of the Company (the "Acquisition").

1) Purpose of the Acquisition

Dialog is an innovative provider of highly-integrated and power-efficient mixed-signal ICs (Integrated Circuits) for a broad array of customers within IoT, consumer electronics and high-growth segments of automotive and industrial end-markets. Centered around its low-power and mixed-signal expertise, Dialog brings a wide range of product offerings including battery and power management, power conversion, configurable mixed-signal (CMIC), LED drivers, custom mixed-signal ICs (ASICs) and automotive power management ICs (PMICs), wireless charging technology, and more. Dialog also offers broad and differentiated Bluetooth® Low Energy (BLE), WiFi and audio system-on-chips (SoCs) that deliver advanced connectivity for a wide range of applications; from smart home/building automation, wearables, to connected medical. All these systems complement and expand the Company's leadership portfolio in delivering comprehensive solutions to improve performance and efficiency in high-computing electronic systems.

The Acquisition demonstrates the Company's continued and unwavering commitment to further advance its solution offering. The complementary nature of the Companies' technological assets and the scale of the combined portfolios will enable the Company to build more robust and comprehensive solutions to serve high-growth segments of the IoT and automotive markets.

2) Overview of the acquiree

(1) Name	Dialog Semiconductor Plc
(2) Address	100 Longwater Avenue, Reading, RG2 6GP, United Kingdom
(3) Business description	Development, manufacturing and sales of analog ICs such as mixed-signal devices
(4) Capital amount	14,253 thousand USD (As of September 2020)
(5) Date of foundation / incorporation	February 1998

3) Acquisition Method

The Company will implement a scheme of arrangement pursuant to UK law. The scheme of arrangement is a method of acquisition whereby, with the agreement of Dialog, the Acquisition will be executed by obtaining approvals from Dialog shareholders and the Court. Through this method, the Company will acquire 100% of the issued and to be issued share capital of Dialog.

The Acquisition needs to be approved by an affirmative vote of a majority of the shareholders in attendance at a meeting of shareholders convened by the Court and the number of the voting rights held by such shareholders who approve the Acquisition needs to represent 75% or more of the total number of voting rights. In addition, approval must be obtained from the Court following the necessary regulatory clearances from the relevant countries including United States, China and Germany.

Number of shares to be acquired, acquisition price, and share ownership before and after the Acquisition are as follows.

(1) Number of shares owned before the Acquisition	0 share (Ownership ratio: 0.0%)
(2) Number of shares to be acquired	72,387,613 shares (Note) (Ratio to the number of issued shares: 100.0%)
(3) Acquisition Value	Approximately EUR 4,886 million (approximately 615.7 billion yen, calculated at 126 yen per euro)

(4) Number of shares owned after the Acquisition 72,387,613 shares  
(Ratio to the number of issued shares: 100.0%)

Note: The number of shares is on a fully-diluted basis as of December 31, 2020

The Company sent the "Scheme Document" (announcement and procedural document regarding the scheme of arrangement) to the shareholders of Dialog on March 8, 2021 (London time). At the Dialog General Meeting and the Court Meeting held on April 9, 2021 (London time) convened in accordance with the direction of the Court, the scheme of arrangement including the Acquisition has been approved by the shareholders of Dialog.

#### 4) Schedule

As described in the Scheme Document, the completion of the Acquisition is subject to the approval by the relevant regulatory authorities in each country and the approval of the scheme by the Court at the Court hearing. With the aforementioned conditions, the Acquisition is expected to become effective by the end of the fiscal year ending December 31, 2021.

#### 5) Execution of Loan Agreement in relation to the Acquisition

To procure the funds for the Acquisition, the Company entered into a loan agreement (Facilities Agreement) as described below on February 8, 2021. As for the loan agreement, the Company also has entered into an amendment agreement (the "Amendment Agreement") with MUFG Bank, Ltd. and Mizuho Bank, Ltd. to partially amend the Facilities Agreement on June 30, 2021. As described in 6) below, both net proceeds from the fundraising through the issuance of new shares and Renesas' cash on hand are appropriated for the funds of the Acquisition. Among the loan facilities, the amount has been amended in the Amendment Agreement. The borrowing limit has been reduced for the part of the loan agreement as the planned currency hedge has been completed.

Following the Amendment Agreement, the borrowing limit has changed from the initial amount of 735.4 billion yen to 665.4 billion yen. No changes have been made to the period of loan execution and repayment date.

(1) Borrowing limit	665.4 billion yen
(2) Execution date of agreement	February 8, 2021
(3) Period of loan execution	From the execution date of the Facilities Agreement until February 3, 2022
(4) Repayment date	February 7, 2022
(5) Participating financial institutions	MUFG Bank, Ltd. and Mizuho Bank, Ltd.

#### 6) Filing of Shelf Registration Statement for the Issuance of New Shares

To enable the Company to flexibly issue new shares to procure a portion of the funds for the Acquisition, the Company has filed the Shelf Registration Statement in Japan for the issuance of new shares on February 8, 2021. Based on the shelf registration, new shares have been offered in June 2021. The class of securities offered was the shares of common stock of the company and the result of the offering through the shelf registration was 41,891,475,120 yen (Aggregate Issue Amount). Concurrent with the offering through the shelf registration above, 179,526,074,640 yen (Aggregate Issue Amount) of new shares have been offered in overseas markets (in the United States, restricted to sales to qualified institutional buyers pursuant to Rule 144A under the U.S. Securities Act of 1933, as amended). In addition to the above, 2,381,254,920 yen (Aggregate Amount Paid) of new shares have been offered through third-party allotment. For details on the Issuance of New Shares, please refer to "Equity and Other Equity Items".

The shelf registration was withdrawn on June 16, 2021 upon completion of the offering of shares scheduled under the shelf registration above.

**Forward-Looking Statements**

The statements in this press release with respect to the plans, strategies and financial outlook of Renesas Electronics Corporation and its consolidated subsidiaries (collectively “we”) 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 several important factors 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.

**About Renesas Electronics Corporation**

Renesas Electronics Corporation (TSE: 6723) delivers trusted embedded design innovation with complete semiconductor solutions that enable billions of connected, intelligent devices to enhance the way people work and live—securely and safely. A global leader in microcontrollers, analog, power, and SoC products and integrated platforms, Renesas provides the expertise, quality, and comprehensive solutions for a broad range of Automotive, Industrial, Home Electronics, Office Automation and Information Communication Technology applications to help shape a limitless future. Learn more at [renesas.com](http://renesas.com).