

Renesas Reports Financial Results for the First Quarter Ended March 31, 2026

TOKYO, Japan, April 24, 2026 — Renesas Electronics Corporation (TSE:6723) today announced consolidated financial results in accordance with IFRS for the three months ended March 31, 2026.

Summary of Consolidated Financial Results (Note 2)

Summary of Consolidated Financial Results (Non-GAAP basis) (Note 3)

	Three months ended March 31, 2026	
	Billion yen	% of revenue
Revenue (Note 1)	372.3	100.0
Gross profit	220.3	59.2
Operating profit	125.4	33.7
Profit attributable to owners of parent	102.9	27.6
EBITDA (Note 4)	146.2	39.3

(Note) 1. The Timing business, for which a planned business transfer was announced in February 2026, has been excluded from Non-GAAP financial measures starting from February 2026. On a basis excluding this adjustment, actual revenue amounted to 379.9 billion yen, representing an increase of 4.9 billion yen (1.3%), compared with the revenue forecast of 375.0 billion yen announced on February 5, 2026.

Summary of Consolidated Financial Results (IFRS basis)

	Three months ended March 31, 2026	
	Billion yen	% of revenue
Revenue	380.3	100.0
Gross profit	223.3	58.7
Operating profit	90.6	23.8
Profit attributable to owners of parent	68.1	17.9
EBITDA (Note 4)	138.0	36.3

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

(Billion yen)

	Three months ended March 31, 2026
Non-GAAP gross profit Non-GAAP gross margin	220.3 59.2%
Reconciliation items in non-recurring revenue (Note 5)	8.0
Amortization of purchased intangible assets and depreciation of property, plant and equipment	(0.1)
Stock-based compensation	(0.6)
Other reconciliation items in non-recurring expenses and adjustments (Note 6)	(4.2)
IFRS gross profit IFRS gross margin	223.3 58.7%
Non-GAAP operating profit Non-GAAP operating margin	125.4 33.7%
Reconciliation items in non-recurring revenue (Note 5)	8.0
Amortization of purchased intangible assets and depreciation of property, plant and equipment	(26.7)
Stock-based compensation	(8.2)
Other reconciliation items in non-recurring expenses and adjustments (Note 6)	(7.9)
IFRS operating profit IFRS operating margin	90.6 23.8%

(Note) 2. All figures are rounded to the nearest 100 million yen.

3. 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.

4. Operating profit + Depreciation and amortization.

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

6. "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 First Quarter Ended March 31, 2026
English translation from the original Japanese-language document



April 24, 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

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

1. Consolidated financial results for the three months ended March 31, 2026

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	%
Three months ended March 31, 2026	380,293	23.2	90,564	320.7	84,518	215.7	68,247	161.9	68,149	162.1	140,636	—
Three months ended March 31, 2025	308,777	(12.2)	21,525	(72.3)	26,769	(70.8)	26,062	(67.4)	26,006	(67.4)	(179,335)	—

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended March 31, 2026	37.57	36.96
Three months ended March 31, 2025	14.48	14.30

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	%
March 31, 2026	4,227,359	2,546,414	2,540,767	60.1
December 31, 2025	4,177,163	2,448,451	2,443,034	58.5

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
	Yen	Yen	Yen	Yen	Yen
Year ended December 31, 2025	0.00	0.00	0.00	28.00	28.00
Year ended December 31, 2026	0.00				
Year ending December 31, 2026 (forecast)		---	---	---	---

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

3. Forecast of consolidated results for the six months ending June 30, 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
Six months ending June 30, 2026	752,842 to 767,842	18.9 to 21.2	58.1	1.3	31.3	3.6

(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 three months ended March 31, 2026: 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: No

4.3 Number of shares issued and outstanding (common stock)

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

As of March 31, 2026:	1,870,614,885 shares
As of December 31, 2025:	1,870,614,885 shares

2. Number of treasury stock

As of March 31, 2026:	56,320,153 shares
As of December 31, 2025:	57,280,173 shares

3. Average number of shares issued and outstanding

Three months ended March 31, 2026:	1,813,959,006 shares
Three months ended March 31, 2025:	1,796,022,895 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 an earnings conference for institutional investors and analysts on April 24, 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.

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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. In addition, the Timing business, for which a planned business transfer was announced in February 2026, has been excluded from Non-GAAP financial measures starting from February 2026.

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) 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 Three Months ended March 31, 2026 (Non-GAAP basis)

	Three months ended March 31, 2025 (January 1 – March 31, 2025)	Three months ended March 31, 2026 (January 1 – March 31, 2026)	Increase (Decrease)	
	Billion yen	Billion yen	Billion yen	% Change
Non-GAAP revenue	308.8	372.3	63.6	20.6%
Automotive	155.3	171.7	16.5	10.6%
Industrial/Infrastructure/IoT	150.8	199.0	48.2	32.0%
Non-GAAP gross profit	175.2	220.3	45.0	25.7%
Non-GAAP gross margin	56.7%	59.2%	2.4pts	—
Automotive	81.1	96.5	15.4	19.0%
Industrial/Infrastructure/IoT	93.3	123.4	30.1	32.3%
Non-GAAP operating profit	83.8	125.4	41.6	49.6%
Non-GAAP operating margin	27.1%	33.7%	6.5pts	—
Automotive	46.2	61.8	15.6	33.8%
Industrial/Infrastructure/IoT	32.2	64.2	32.0	99.4%
	21.4%	32.3%	10.9pts	—

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

The financial results for three months ended March 31, 2026 are as follows:

<Non-GAAP revenue>

Consolidated Non-GAAP revenue for the three months ended March 31, 2026 was 372.3 billion yen, a 63.6 billion yen (20.6%) increase year on year. This was attributable to increased demand from both the Automotive Business and the Industrial/Infrastructure/IoT Business.

<Non-GAAP gross profit (margin)>

Non-GAAP gross profit for the three months ended March 31, 2026 was 220.3 billion yen, a 45.0 billion yen (25.7%) increase year on year. This was due to the above-mentioned increase in revenue. As a result, Non-GAAP gross margin for the three months ended March 31, 2026 was 59.2%, an increase by 2.4 points year on year, driven by higher utilization rates and an improved product mix.

<Non-GAAP operating profit (margin)>

Non-GAAP operating profit for the three months ended March 31, 2026 was 125.4 billion yen, a 41.6 billion yen (49.6%) increase year on year. This was due to the above-mentioned increase in gross profit. As a result, Non-GAAP operating margin for the three months ended March 31, 2026 was 33.7%, an increase by 6.5 points year on year.

The revenue breakdown of the business segments for the three months ended March 31, 2026 is 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 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 three months ended March 31, 2026 was 171.7 billion yen, a 16.5 billion yen (10.6%) increase year on year. As mentioned above, this was due to increased demand.

Non-GAAP gross profit of the Automotive Business for the three months ended March 31, 2026 was 96.5 billion yen, a 15.4 billion yen (19.0%) increase year on year. This was due to an increase in revenue and higher utilization rates.

Non-GAAP operating profit of the Automotive Business for the three months ended March 31, 2026 was 61.8 billion yen, a 15.6 billion yen (33.8%) increase year on year. This was due to the above-mentioned increase 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 three months ended March 31, 2026 was 199.0 billion yen, a 48.2 billion yen (32.0%) increase year on year. This was mainly due to increased demand in the infrastructure business.

Non-GAAP gross profit of the Industrial/Infrastructure/IoT Business for the three months ended March 31, 2026 was 123.4 billion yen, a 30.1 billion yen (32.3%) increase year on year. This was due to an increase in revenue and an improved product mix.

Non-GAAP operating profit of the Industrial/Infrastructure/IoT Business for the three months ended March 31, 2026 was 64.2 billion yen, a 32.0 billion yen (99.4%) increase year on year. This was due to an increase in gross profit.

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

(Billion yen)

	Three months ended March 31, 2025 (January 1 – March 31, 2025)	Three months ended March 31, 2026 (January 1 – March 31, 2026)
Non-GAAP gross profit	175.2	220.3
Non-GAAP gross margin	56.7%	59.2%
Reconciliation items in non-recurring revenue (Note 1)	—	8.0
Amortization of purchased intangible assets and depreciation of property, plant and equipment	(0.2)	(0.1)
Stock-based compensation	(0.8)	(0.6)
Other reconciliation items in non-recurring expenses and adjustments (Note 2)	(1.3)	(4.2)
IFRS gross profit	172.9	223.3
IFRS gross margin	56.0%	58.7%
Non-GAAP operating profit	83.8	125.4
Non-GAAP operating margin	27.1%	33.7%
Reconciliation items in non-recurring revenue (Note 1)	—	8.0
Amortization of purchased intangible assets and depreciation of property, plant and equipment	(34.5)	(26.7)
Stock-based compensation	(9.7)	(8.2)
Other reconciliation items in non-recurring expenses and adjustments (Note 2)	(18.1)	(7.9)
IFRS operating profit	21.5	90.6
IFRS operating margin	7.0%	23.8%

(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 Three months ended March 31, 2026 (IFRS basis)

	Three months ended March 31, 2025 (January 1 – March 31, 2025)	Three months ended March 31, 2026 (January 1 – March 31, 2026)	Increase (Decrease)	
	Billion yen	Billion yen	Billion yen	% Change
Revenue	308.8	380.3	71.5	23.2%
Gross profit	172.9	223.3	50.4	29.2%
Gross margin	56.0%	58.7%	2.7 pts	—
Operating profit	21.5	90.6	69.0	320.7%
Operating margin	7.0%	23.8%	16.8 pts	—

1.2 Consolidated Financial Condition

Assets, Liabilities and Shareholders' Equity

(Billion yen)

	As of December 31, 2025	As of March 31, 2026	Increase (Decrease)
Total assets	4,177.2	4,227.4	50.2
Total equity	2,448.5	2,546.4	97.9
Equity attributable to owners of parent	2,443.0	2,540.8	97.8
Equity ratio attributable to owners of parent (%)	58.5	60.1	1.6
Interest-bearing liabilities	1,226.8	1,203.5	(23.3)
Debt to equity ratio	0.50	0.47	(0.03)

Total assets as of March 31, 2026 amounted to 4,227.4 billion yen, a 50.2 billion yen increase from December 31, 2025. This was mainly due to an increase in goodwill resulting from fluctuations in foreign exchange rates. Total equity as of March 31, 2026 amounted to 2,546.4 billion yen, a 97.9 billion yen increase from December 31, 2025. This was mainly due to an increase in components of other equity, such as exchange differences on translation of foreign operations due to fluctuations in foreign exchange rates, as well as an increase in retained earnings due to the net profit for the three months ended March 31, 2026.

Equity attributable to owners of the parent as of March 31, 2026 amounted to 2,540.8 billion yen, a 97.8 billion yen increase from December 31, 2025, and the equity ratio attributable to owners of the parent was 60.1% as of March 31, 2026. In addition, interest-bearing liabilities as of March 31, 2026 amounted to 1,203.5 billion yen, a 23.3 billion yen decrease from December 31, 2025, mainly due to a decrease in borrowings. Consequently, the Debt to equity ratio was 0.47 as of March 31, 2026.

Cash Flows

(Billion yen)

	Three months ended March 31, 2025 (Jan 1 – Mar 31, 2025)	Three months ended March 31, 2026 (Jan 1 – Mar 31, 2026)
Net cash provided by (used in) operating activities	95.7	84.8
Net cash provided by (used in) investing activities	(38.9)	(37.8)
Free cash flows (Note)	56.9	47.0
Net cash provided by (used in) financing activities	(90.3)	(84.8)
Cash and cash equivalents at the beginning of period	229.2	295.9
Cash and cash equivalents at the end of period	177.6	267.6

(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 three months ended March 31, 2026 was 84.8 billion yen. This was due to a recording of 84.5 billion yen in profit 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 three months ended March 31, 2026 was 37.8 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 47.0 billion yen for the three months ended March 31, 2026.

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

Net cash used in financing activities for the three months ended March 31, 2026 was 84.8 billion yen. This was mainly due to the payment of dividends and the repayment of borrowings to major financial institutions.

2. Condensed Consolidated Financial Statements

2.1 Condensed Consolidated Statement of Financial Position

(In millions of yen)

	As of December 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and cash equivalents	295,897	267,629
Trade and other receivables	169,124	198,052
Inventories	185,903	199,988
Other current financial assets	38,601	40,278
Income taxes receivable	10,757	14,600
Other current assets	23,277	20,155
Total current assets	<u>723,559</u>	<u>740,702</u>
Non-current assets		
Property, plant and equipment	355,835	361,512
Goodwill	2,239,337	2,286,199
Intangible assets	593,324	573,169
Investments accounted for using the equity method	825	996
Other non-current financial assets	168,363	163,512
Deferred tax assets	51,414	53,300
Other non-current assets	44,506	47,969
Total non-current assets	<u>3,453,604</u>	<u>3,486,657</u>
Total assets	<u>4,177,163</u>	<u>4,227,359</u>

(In millions of yen)

	As of December 31, 2025	As of March 31, 2026
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	219,167	217,193
Bonds and borrowings	242,478	245,531
Other current financial liabilities	9,477	7,394
Income taxes payable	24,377	19,297
Provisions	4,099	3,707
Other current liabilities	116,782	108,526
Total current liabilities	616,380	601,648
Non-current liabilities		
Trade and other payables	7,070	1,736
Borrowings	964,089	937,128
Other non-current financial liabilities	14,598	14,996
Income taxes payable	4,393	4,505
Retirement benefit liability	22,516	22,265
Provisions	3,551	3,552
Deferred tax liabilities	83,479	81,814
Other non-current liabilities	12,636	13,301
Total non-current liabilities	1,112,332	1,079,297
Total liabilities	1,728,712	1,680,945
Equity		
Share capital	153,209	153,209
Capital surplus	299,286	306,787
Retained earnings	1,213,791	1,230,529
Treasury shares	(70,012)	(68,870)
Other components of equity	846,760	919,112
Total equity attributable to owners of parent	2,443,034	2,540,767
Non-controlling interests	5,417	5,647
Total equity	2,448,451	2,546,414
Total liabilities and equity	4,177,163	4,227,359

2.2 Condensed Consolidated Statement of Profit or Loss and Condensed Consolidated Statement of Comprehensive Income

Condensed Consolidated Statement of Profit or Loss
(Three months ended March 31, 2025 and March 31, 2026)

	(In millions of yen)	
	Three months ended March 31, 2025	Three months ended March 31, 2026
Revenue	308,777	380,293
Cost of sales	(135,915)	(156,994)
Gross profit	<u>172,862</u>	<u>223,299</u>
Selling, general and administrative expenses	(135,318)	(131,834)
Other income	551	3,491
Other expenses	(16,570)	(4,392)
Operating profit	<u>21,525</u>	<u>90,564</u>
Finance income	9,879	5,014
Finance costs	(4,557)	(10,930)
Share of loss of investments accounted for using equity method	(78)	(130)
Profit before tax	<u>26,769</u>	<u>84,518</u>
Income tax expense	(707)	(16,271)
Profit	<u><u>26,062</u></u>	<u><u>68,247</u></u>
Profit attributable to		
Owners of parent	26,006	68,149
Non-controlling interests	56	98
Profit	<u><u>26,062</u></u>	<u><u>68,247</u></u>
Earnings per share		
Basic earnings per share (yen)	14.48	37.57
Diluted earnings per share (yen)	14.30	36.96

Condensed Consolidated Statement of Comprehensive Income
(Three months ended March 31, 2025 and March 31, 2026)

	(In millions of yen)	
	Three months ended March 31, 2025	Three months ended March 31, 2026
Profit	26,062	68,247
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	14	(99)
Equity instruments measured at fair value through other comprehensive income	133	(2,950)
Total of items that will not be reclassified to profit or loss	147	(3,049)
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	(207,089)	74,097
Cash flow hedges	1,335	673
Cost of hedges	210	668
Total of items that may be reclassified subsequently to profit or loss	(205,544)	75,438
Total other comprehensive income	(205,397)	72,389
Total comprehensive income	(179,335)	140,636
Comprehensive income attributable to		
Owners of parent	(179,172)	140,406
Non-controlling interests	(163)	230
Total comprehensive income	(179,335)	140,636

2.3 Condensed Consolidated Statement of Changes in Equity
(Three months ended March 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	—	—	26,006	—	—	—	—
Other comprehensive income	—	—	—	—	—	14	133
Total comprehensive income	—	—	26,006	—	—	14	133
Purchase and disposal of treasury shares	—	859	—	2,503	—	—	—
Dividends of surplus	—	—	(50,320)	—	—	—	—
Share-based payment transactions	—	6,751	—	—	(444)	—	—
Transfer to retained earnings	—	369	(355)	—	—	(14)	—
Total transactions with owners	—	7,979	(50,675)	2,503	(444)	(14)	—
Balance as of March 31, 2025	153,209	297,356	1,284,279	(89,617)	643	—	(3,356)

	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	—	—	—	—	26,006	56	26,062
Other comprehensive income	(206,870)	1,335	210	(205,178)	(205,178)	(219)	(205,397)
Total comprehensive income	(206,870)	1,335	210	(205,178)	(179,172)	(163)	(179,335)
Purchase and disposal of treasury shares	—	—	—	—	3,362	—	3,362
Dividends of surplus	—	—	—	—	(50,320)	(9)	(50,329)
Share-based payment transactions	—	—	—	(444)	6,307	—	6,307
Transfer to retained earnings	—	—	—	(14)	—	—	—
Total transactions with owners	—	—	—	(458)	(40,651)	(9)	(40,660)
Balance as of March 31, 2025	677,135	(2,317)	227	672,332	2,317,559	4,744	2,322,303

(Three months ended March 31, 2026)

(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, 2026	153,209	299,286	1,213,791	(70,012)	16	—	(3,642)
Profit	—	—	68,149	—	—	—	—
Other comprehensive income	—	—	—	—	—	(99)	(2,950)
Total comprehensive income	—	—	68,149	—	—	(99)	(2,950)
Purchase and disposal of treasury shares	—	1,121	—	1,142	—	—	—
Dividends of surplus	—	—	(50,814)	—	—	—	—
Share-based payment transactions	—	5,881	1	—	(4)	—	—
Transfer to retained earnings	—	499	(598)	—	—	99	—
Total transactions with owners	—	7,501	(51,411)	1,142	(4)	99	—
Balance as of March 31, 2026	153,209	306,787	1,230,529	(68,870)	12	—	(6,592)

	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, 2026	852,251	(1,268)	(597)	846,760	2,443,034	5,417	2,448,451
Profit	—	—	—	—	68,149	98	68,247
Other comprehensive income	73,965	673	668	72,257	72,257	132	72,389
Total comprehensive income	73,965	673	668	72,257	140,406	230	140,636
Purchase and disposal of treasury shares	—	—	—	—	2,263	—	2,263
Dividends of surplus	—	—	—	—	(50,814)	—	(50,814)
Share-based payment transactions	—	—	—	(4)	5,878	—	5,878
Transfer to retained earnings	—	—	—	99	—	—	—
Total transactions with owners	—	—	—	95	(42,673)	—	(42,673)
Balance as of March 31, 2026	926,216	(595)	71	919,112	2,540,767	5,647	2,546,414

2.4 Condensed Consolidated Statement of Cash Flows

(In millions of yen)

	Three months ended March 31, 2025	Three months ended March 31, 2026
Cash flows from operating activities		
Profit before tax	26,769	84,518
Depreciation and amortization	54,264	47,432
Impairment losses	7,213	2,371
Finance income and finance costs	(4,046)	7,147
Share-based payment expenses	9,671	8,144
Foreign exchange loss (gain)	(5,745)	3,512
Loss (gain) on sales of property, plant and equipment, and intangible assets	43	(232)
Loss on disposal of fixed assets	2,477	253
Decrease (increase) in inventories	(2,897)	(12,157)
Decrease (increase) in trade and other receivables	9,563	(26,750)
Decrease (increase) in other financial assets	13,333	44
Increase (decrease) in trade and other payables	(13,850)	2,278
Increase (decrease) in retirement benefit liability	(228)	(265)
Increase (decrease) in provisions	3,626	(477)
Increase (decrease) in other current liabilities	(5,032)	(8,693)
Increase (decrease) in other financial liabilities	4,913	175
Other	1,198	4,434
Subtotal	101,272	111,734
Interest received	2,502	2,523
Dividends received	13	458
Income taxes paid	(8,065)	(29,951)
Net cash flows from operating activities	95,722	84,764
Cash flows from investing activities		
Purchase of property, plant and equipment	(26,635)	(22,759)
Proceeds from sales of property, plant and equipment	20	227
Purchase of intangible assets	(9,172)	(10,207)
Purchase of other financial assets	(1,225)	(1,100)
Proceeds from sales of other financial assets	632	903
Payments for acquisitions of subsidiaries	(2,781)	—
Payments for settlement of contingent consideration for subsidiary shares	—	(1,328)
Purchase of shares of subsidiaries and associates	—	(301)
Proceeds from government grant income	1,134	15
Other	(837)	(3,224)
Net cash flows from investing activities	(38,864)	(37,774)

	(In millions of yen)	
	Three months ended March 31, 2025	Three months ended March 31, 2026
Cash flows from financing activities		
Repayments of long-term borrowings	(35,685)	(27,049)
Dividends paid	(48,850)	(50,584)
Repayments of lease liabilities	(2,483)	(2,696)
Interest paid	(3,269)	(4,436)
Other	—	(1)
Net cash flows from financing activities	<u>(90,287)</u>	<u>(84,766)</u>
Effect of exchange rate changes on cash and cash equivalents	(18,219)	9,508
Net increase (decrease) in cash and cash equivalents	(51,648)	(28,268)
Cash and cash equivalents at beginning of the period	229,249	295,897
Cash and cash equivalents at end of the period	<u>177,601</u>	<u>267,629</u>

2.5 Notes to Condensed Consolidated Financial Statements

(Notes about Going Concern Assumption)

Not applicable.

(Basis for Preparation)

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

The Group prepares its quarterly condensed consolidated financial statements in compliance with Article 5, Paragraph 2 of the Standards for the Preparation of Quarterly Financial Statements, etc. (applying the omission of the description specified in Article 5, Paragraph 5 of the same standard) issued by Tokyo Stock Exchange, Inc. and omits some disclosure items required by International Accounting Standards 34 "Interim Financial Reporting."

(2) Basis of measurement

The condensed consolidated financial statements of the Group are measured at an acquisition cost 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.

(Basis of Condensed Consolidated Financial Statements)

(1) Scope of consolidation

One company has been excluded in the scope of consolidation due to extinction by merger and another company excluded due to dissolution resulting from liquidation for the three months ended March 31, 2026.

(2) Scope of Application of equity method

No change in the scope of application of equity method for the three months ended March 31, 2026.

(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, 2025.

In addition, income taxes for the three months ended March 31, 2026 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 results of the review of these estimates are reflected in the period when the estimates are revised and for the future periods.

Except as described below, the significant accounting estimates and judgments for the condensed consolidated financial statements for the three months ended March 31, 2026 are the same as those applied in the consolidated financial statements for the year ended December 31, 2025.

Basis of consolidation

The Company's U.S. subsidiary holds 16,852,372 shares of common stock, warrants for 4,943,555 additional shares of common stock and convertible notes of Wolfspeed, Inc (hereinafter "Wolfspeed"). However, these shares 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.

(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.

Revenue from external customers, 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; non-recurring revenue that the Group has determined should be excluded; 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, non-recurring revenue that the Group has determined should be excluded; and certain other non-recurring items the Group believes to be covered by each reportable segment and other segment are included in revenue from external customers, segment gross profit, and segment operating profit (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.

(Three months ended March 31, 2025)

(In millions of yen)

	Reportable Segments		Other	Adjustments 1	Total	Adjustments 2	Consolidation basis
	Automotive	Industrial/ Infrastructure/ IoT					
Revenue from external customers	155,297	150,776	2,704	—	308,777	—	308,777
Segment gross profit	81,090	93,301	632	207	175,230	(2,368)	172,862
Segment operating profit	46,155	32,210	(480)	5,940	83,825	(62,300)	21,525
Finance income							9,879
Finance costs							(4,557)
Share of loss of investments accounted for using equity method							(78)
Profit before tax							26,769
(Other items)							
Depreciation and amortization	11,212	8,414	89	—	19,715	34,549	54,264

(Three months ended March 31, 2026)

(In millions of yen)

	Reportable Segments		Other	Adjustments 1	Total	Adjustments 2	Consolidation basis
	Automotive	Industrial/ Infrastructure/ IoT					
Revenue from external customers	171,749	198,964	9,181	(7,552)	372,342	7,951	380,293
Segment gross profit	96,507	123,407	6,433	(6,079)	220,268	3,031	223,299
Segment operating profit	61,754	64,221	4,714	(5,248)	125,441	(34,877)	90,564
Finance income							5,014
Finance costs							(10,930)
Share of loss of investments accounted for using equity method							(130)
Profit before tax							84,518
(Other items) Depreciation and amortization	11,519	9,091	152	—	20,762	26,670	47,432

(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 by region is as follows.

(In millions of yen)

	Three months ended March 31, 2025	Three months ended March 31, 2026
China	95,137	115,622
Asia (Excluding Japan and China)	67,306	86,341
Japan	63,458	79,274
Europe	48,421	61,362
North America	34,009	36,910
Others	446	784
Total	308,777	380,293

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

(Business Combinations)

Business combinations that occurred during the three months ended March 31, 2025 and March 31, 2026 are as follows. Immaterial business combinations are not included in this disclosure.

Three months ended March 31, 2026

(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)	
	Three months ended March 31, 2025	Three months ended March 31, 2026
Beginning balance	1,582	1,566
Settlement	—	(1,328)
Exchange differences	(87)	18
Ending balance	1,495	256

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, 2025	As of March 31, 2026
Notes and trade receivables	156,172	180,493
Other receivables	13,752	18,361
Loss allowance	(800)	(802)
Total	169,124	198,052

(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, 2025	As of March 31, 2026
Trade payables	98,999	104,137
Other payables	61,509	48,968
Electronically recorded obligations	9,620	9,952
Refund liabilities	56,109	55,872
Total	226,237	218,929
Current liabilities	219,167	217,193
Non-current liabilities	7,070	1,736

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

(Bonds and Borrowings)

a. Bonds

Three months ended March 31, 2025
Not applicable.

Three months ended March 31, 2026
Not applicable.

b. Borrowings

Three months ended March 31, 2025
Not applicable.

Three months ended March 31, 2026
Not applicable.

(Share Capital and Other Equity Items)

Three months ended March 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 2,102,956 shares of treasury stock for the three months ended March 31, 2025. As a consequence, treasury shares decreased by 2,503 million yen for the three months ended March 31, 2025.

As a result, the amount of treasury shares held was 89,617 million yen as of March 31, 2025.

Three months ended March 31, 2026

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 960,020 shares of treasury stock for the three months ended March 31, 2026. As a consequence, treasury shares decreased by 1,142 million yen for the three months ended March 31, 2026.

As a result, the amount of treasury shares held was 68,870 million yen as of March 31, 2026.

(Dividends)

(1) Dividend payment amounts

Three months ended March 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

Three months ended March 31, 2026

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 30, 2026	Retained earnings

(2) Dividends with a record date within the three months ended March 31, 2025, but an effective date is after March 31, 2025, and dividends with a record date within the three months ended March 31, 2026, but an effective date is after March 31, 2026

Three months ended March 31, 2025

Not applicable.

Three months ended March 31, 2026

Not applicable.

(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)

	Three months ended March 31, 2025	Three months ended March 31, 2026
Research and development expenses	58,682	59,435
Depreciation and amortization	36,390	28,763
Personnel expenses	28,207	28,103
Retirement benefit expenses	868	1,208
Other	11,171	14,325
Total	135,318	131,834

(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)

	Three months ended March 31, 2025	Three months ended March 31, 2026
Litigation-related income	—	1,965
Compensation income	—	847
Government grant income	266	82
Reversal of allowance for doubtful accounts	114	10
Other	171	587
Total	551	3,491

(Other Expenses)

The components of other expenses are as follows.

(In millions of yen)

	Three months ended March 31, 2025	Three months ended March 31, 2026
Impairment losses	7,213	2,371
Business restructuring expenses	4,043	1,349
Loss on disposal of fixed assets	2,477	253
Other	2,837	419
Total	16,570	4,392

(Subsequent Events)

(Grant of share-based payments)

The Company has adopted Restricted Stock Unit (RSU) and Performance Share Unit (PSU) Equity Plans from April 2021.

The Company resolved the granting of the RSU and PSU for Directors, Corporate Officers, and employees of the Company and the subsidiaries at the Executive Committee on April 10, 2026.

Date of grant of RSU and PSU		April 10, 2026
Category and number of grantees		Outside Directors 6 Director and Corporate Officer 1 Corporate Officers 6 Employees of the Company and the subsidiaries 10,719
Vesting conditions	RSU	To be vested based on time (One third each will be vested after 1 year, 2 years and 3 years from the date of grant, except that all units will be vested after 1 year from the grant date for the Outside Directors)
	PSU	To be vested based on performance (According to the performance achieved, all units will be vested after 3 years from the grant date)
Number of units	RSU	13,558,000
	PSU	2,379,000
	Total	15,937,000

(Note) 1. At the time of rights confirmation, the company will issue common shares (one share per unit) corresponding to the confirmed number of units. No payment will be required from the recipients at the time of the stock issuance.

2. The number of units for PSU will be determined based on the number of granted units using factors such as the three-year growth rate of the total shareholder return.

About Renesas Electronics Corporation

Renesas Electronics Corporation ([TSE: 6723](https://www.tse-europe.com/quote/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](https://www.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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Media Contact

Corporate Communications Office
+81 3-6773-3001
pr@renesas.com

Investor Contact

Investor Relations
+81 3-6773-3002
ir@renesas.com