

Renesas Reports Financial Results for the Third Quarter Ended September 30, 2025

TOKYO, Japan, October 30, 2025 — Renesas Electronics Corporation (TSE:6723) today announced consolidated financial results in accordance with IFRS for the three and nine months ended September 30, 2025.

Summary of Consolidated Financial Results (Note 1)

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

	Three months ended September 30, 2025		Nine months ended September 30, 2025	
	Billion yen	% of Revenue	Billion yen	% of Revenue
Revenue	334.2	100.0	967.6	100.0
Gross profit	192.5	57.6	552.0	57.1
Operating profit	103.2	30.9	278.9	28.8
Profit attributable to owners of parent	88.2	26.4	239.3	24.7
EBITDA (Note 3)	122.5	36.7	336.3	34.8

Summary of Consolidated Financial Results (IFRS basis)

	Three months ended September 30, 2025		Nine months ended September 30, 2025	
	Billion yen	% of Revenue	Billion yen	% of Revenue
Revenue	335.4	100.0	969.7	100.0
Gross profit	192.3	57.3	546.5	56.4
Operating profit	72.6	21.7	133.9	13.8
Profit (loss) attributable to owners of parent	106.3	31.7	(69.1)	(7.1)
EBITDA (Note 3)	117.4	35.0	276.7	28.5

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

(Billion yen)

	Three months ended September 30, 2025	Nine months ended September 30, 2025
Non-GAAP gross profit Non-GAAP gross margin	192.5 57.6%	552.0 57.1%
Reconciliation items in non-recurring revenue (Note 4)	1.2	2.1
Amortization of purchased intangible assets and depreciation of property, plant and equipment	(0.2)	(0.7)
Stock-based compensation	(0.6)	(2.1)
Other reconciliation items in non-recurring expenses and adjustments (Note 5)	(0.6)	(4.9)
IFRS gross profit IFRS gross margin	192.3 57.3%	546.5 56.4%
Non-GAAP operating profit Non-GAAP operating margin	103.2 30.9%	278.9 28.8%
Reconciliation items in non-recurring revenue (Note 4)	1.2	2.1
Amortization of purchased intangible assets and depreciation of property, plant and equipment	(25.4)	(85.4)
Stock-based compensation	(9.1)	(29.1)
Other reconciliation items in non-recurring expenses and adjustments (Note 5)	2.7	(32.5)
IFRS operating profit IFRS operating margin	72.6 21.7%	133.9 13.8%

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

2. Non-GAAP figures are calculated by removing or adjusting non-recurring items and other adjustments from GAAP (IFRS) figures following a certain set of rules. The Group believes non-GAAP measures provide useful information in understanding and evaluating the Group's constant business results.

3. Operating profit + Depreciation and amortization.

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

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

RENESAS ELECTRONICS CORPORATION
Consolidated Financial Results for the Third Quarter Ended September 30, 2025
English translation from the original Japanese-language document



October 30, 2025

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(Amounts are rounded to the nearest million yen)

1. Consolidated financial results for the nine months ended September 30, 2025

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	%
Nine months ended September 30, 2025	969,675	(8.2)	133,921	(33.3)	(49,243)	—	(68,994)	—	(69,086)	—	(278,743)	—
Nine months ended September 30, 2024	1,055,879	(4.7)	200,891	—	234,694	—	197,291	—	197,296	—	142,509	—

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended September 30, 2025	(38.28)	(38.28)
Nine months ended September 30, 2024	110.44	109.11

(Note) 1. The Group finalized the provisional accounting treatment for the business combination at the end of December 31, 2024, and each figure for the nine months ended September 30, 2024 reflects the details of the finalization of the provisional accounting treatment.

2. Diluted earnings per share is the same as basic earnings per share as there were no dilutive potential common shares outstanding for the nine months ended September 30, 2025.

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	%
September 30, 2025	4,012,675	2,242,306	2,237,322	55.8
December 31, 2024	4,490,436	2,542,298	2,537,382	56.5

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
Year ended December 31, 2024	Yen 0.00	Yen 0.00	Yen 0.00	Yen 28.00	Yen 28.00
Year ending December 31, 2025	0.00	0.00	0.00		
Year ending December 31, 2025 (forecast)				---	---

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

3. Forecast of consolidated results for the full year ending December 31, 2025

(% of change from the previous year)

	Non-GAAP Revenue		Non-GAAP Gross Margin		Non-GAAP Operating Margin	
	Million yen	%	%	%pts	%	%pts
Full year Ending December 31, 2025	1,300,115 to 1,315,115	(3.6) to (2.5)	57.0	1.0	28.5	(1.0)

(Note) 1. The Group reports its consolidated forecast on a quarterly basis (cumulative quarters) as a 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 nine months ended September 30, 2025: No

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

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

2. Changes in accounting policies except for 4.2.1: No

3. Changes in accounting estimates: Yes

(Note) For details, please refer to P.16 "(Changes in Accounting Estimates)" in the "2. Condensed Consolidated Financial Statements, 2.5 Notes to Condensed Consolidated Financial Statements."

4.3 Number of shares issued and outstanding (common stock)

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

As of September 30, 2025: 1,870,614,885 shares

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

2. Number of treasury stock

As of September 30, 2025: 58,358,033 shares

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

3. Average number of shares issued and outstanding

Nine months ended September 30, 2025: 1,804,665,079 shares

Nine months ended September 30, 2024: 1,786,450,388 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 October 30, 2025. 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 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 Non-GAAP measures provide useful information in understanding and evaluating 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 “(Business Segments)” in the “2. Condensed Consolidated Financial Statements, 2.5 Notes to Condensed Consolidated Financial Statements.”

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 Nine Months ended September 30, 2025 (Non-GAAP basis)

	Nine months ended September 30, 2024 (January 1 – September 30, 2024)	Nine months ended September 30, 2025 (January 1 – September 30, 2025)	Increase (Decrease)	
	Billion yen	Billion yen	Billion yen	% Change
Non-GAAP revenue	1,055.9	967.6	(88.3)	(8.4%)
Automotive	554.0	476.4	(77.6)	(14.0%)
Industrial/Infrastructure/IoT	496.0	485.8	(10.2)	(2.1%)
Non-GAAP gross profit	595.7	552.0	(43.7)	(7.3%)
Non-GAAP gross margin	56.4%	57.1%	0.6pt	—
Automotive	292.4	254.0	(38.4)	(13.1%)
Industrial/Infrastructure/IoT	301.6	295.9	(5.7)	(1.9%)
Non-GAAP operating profit	322.5	278.9	(43.6)	(13.5%)
Non-GAAP operating margin	30.5%	28.8%	(1.7pts)	—
Automotive	176.7	140.3	(36.4)	(20.6%)
Industrial/Infrastructure/IoT	144.8	123.2	(21.6)	(14.9%)
	29.2%	25.4%	(3.8pts)	—

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 the nine months ended September 30, 2025 are as follows:

<Non-GAAP revenue>

Consolidated Non-GAAP revenue for the nine months ended September 30, 2025 was 967.6 billion yen, an 88.3 billion yen (8.4%) decrease year on year. This was mainly due to a decrease in revenue from the Automotive Business, reflecting softened market conditions and inventory adjustments in the distribution channel.

<Non-GAAP gross profit (margin)>

Non-GAAP gross profit for the nine months ended September 30, 2025 was 552.0 billion yen, a 43.7 billion yen (7.3%) decrease year on year. This was due to the above-mentioned decrease in revenue in the Automotive Business and the resulting decrease in utilization rate. Non-GAAP gross margin for the nine months ended September 30, 2025 was 57.1%, an increase by 0.6 point year on year due to an improvement in product mix.

<Non-GAAP operating profit (margin)>

Non-GAAP operating profit for the nine months ended September 30, 2025 was 278.9 billion yen, a 43.6 billion yen (13.5%) decrease year on year. This was mainly due to the above-mentioned decrease in gross profit. As a result, Non-GAAP operating margin for the nine months ended September 30, 2025 was 28.8%, a decrease by 1.7 points year on year.

The revenue breakdown of the business segments for the nine months ended September 30, 2025 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-chips (SoCs), analog semiconductor devices and power semiconductor devices in each of these categories.

Non-GAAP revenue of the Automotive Business for the nine months ended September 30, 2025 was 476.4 billion yen, a 77.6 billion yen (14.0%) decrease year on year. As mentioned above, this was due to softened market conditions and inventory adjustments in the distribution channel.

Non-GAAP gross profit of the Automotive Business for the nine months ended September 30, 2025 was 254.0 billion yen, a 38.4 billion yen (13.1%) decrease year on year. This was mainly due to a decrease in revenue and the resulting decrease in utilization rate.

Non-GAAP operating profit of the Automotive Business for the nine months ended September 30, 2025 was 140.3 billion yen, a 36.4 billion yen (20.6%) decrease year on year, mainly due to a decrease in gross profit as mentioned above.

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, SoCs, analog semiconductor devices and power semiconductor devices in each of these categories.

Non-GAAP revenue of the Industrial/Infrastructure/IoT Business for the nine months ended September 30, 2025 was 485.8 billion yen, a 10.2 billion yen (2.1%) decrease year on year. This was due to a decrease in the Industrial and IoT Business, caused by softened market conditions and inventory adjustments in the distribution channel, despite an increase in the Infrastructure Business.

Non-GAAP gross profit of the Industrial/Infrastructure/IoT Business for the nine months ended September 30, 2025 was 295.9 billion yen, a 5.7 billion yen (1.9%) decrease year on year. This was mainly due to a decrease in revenue.

Non-GAAP operating profit of the Industrial/Infrastructure/IoT Business for the nine months ended September 30, 2025 was 123.2 billion yen, a 21.6 billion yen (14.9%) decrease year on year, mainly due to a decrease in gross profit and increase in operating expenses.

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

(Billion yen)

	Nine months ended September 30, 2024 (January 1 – September 30, 2024)	Nine months ended September 30, 2025 (January 1 – September 30, 2025)
Non-GAAP gross profit	595.7	552.0
Non-GAAP gross margin	56.4%	57.1%
Reconciliation items in non-recurring revenue (Note 1)	—	2.1
Amortization of purchased intangible assets and depreciation of property, plant and equipment	(0.8)	(0.7)
Stock-based compensation	(2.1)	(2.1)
Other reconciliation items in non-recurring expenses and adjustments (Note 2)	(2.4)	(4.9)
IFRS gross profit	590.6	546.5
IFRS gross margin	55.9%	56.4%
Non-GAAP operating profit	322.5	278.9
Non-GAAP operating margin	30.5%	28.8%
Reconciliation items in non-recurring revenue (Note 1)	—	2.1
Amortization of purchased intangible assets and depreciation of property, plant and equipment	(88.9)	(85.4)
Stock-based compensation	(24.9)	(29.1)
Other reconciliation items in non-recurring expenses and adjustments (Note 2)	(7.8)	(32.5)
IFRS operating profit	200.9	133.9
IFRS operating margin	19.0%	13.8%

(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 Nine months ended September 30, 2025 (IFRS basis)

	Nine months ended September 30, 2024 (January 1 – September 30, 2024)	Nine months ended September 30, 2025 (January 1 – September 30, 2025)	Increase (Decrease)	
	Billion yen	Billion yen	Billion yen	% Change
Revenue	1,055.9	969.7	(86.2)	(8.2%)
Gross profit	590.6	546.5	(44.1)	(7.5%)
Gross margin	55.9%	56.4%	0.4 pt	—
Operating profit	200.9	133.9	(67.0)	(33.3%)
Operating margin	19.0%	13.8%	(5.2 pts)	—

1.2 Consolidated Financial Condition

Assets, Liabilities and Shareholders' Equity

(Billion yen)

	As of December 31, 2024	As of September 30, 2025	Increase (Decrease)
Total assets	4,490.4	4,012.7	(477.7)
Total equity	2,542.3	2,242.3	(300.0)
Equity attributable to owners of parent	2,537.4	2,237.3	(300.1)
Equity ratio attributable to owners of parent (%)	56.5	55.8	(0.7)
Interest-bearing liabilities	1,422.8	1,304.3	(118.5)
Debt to equity ratio	0.56	0.58	0.02

Total assets as of September 30, 2025 amounted to 4,012.7 billion yen, a 477.7 billion yen decrease from December 31, 2024. This was mainly due to a decrease in goodwill and intangible assets due to fluctuations in foreign exchange rates, as well as a decrease resulting from the recognition of valuation losses on other financial assets related to Wolfspeed, Inc. (hereinafter "Wolfspeed"), following its filing for protection under the U. S. Bankruptcy Code and its restructuring plan.

Total equity as of September 30, 2025 amounted to 2,242.3 billion yen, a 300.0 billion yen decrease from December 31, 2024. This was mainly due to a decrease in components of other equity, such as exchange differences on translation of foreign operations due to fluctuations in foreign exchange rates, as well as a reduction in retained earnings resulting from the recognition of valuation losses on other financial assets related to Wolfspeed.

Equity attributable to owners of the parent as of September 30, 2025 amounted to 2,237.3 billion yen, a 300.1 billion yen decrease from December 31, 2024, and the equity ratio attributable to owners of the parent was 55.8% as of September 30, 2025. In addition, interest-bearing liabilities as of September 30, 2025 amounted to 1,304.3 billion yen, a 118.5 billion yen decrease from December 31, 2024, mainly due to a decrease in borrowings. Consequently, the Debt to equity ratio was 0.58 as of September 30, 2025.

Cash Flows

(Billion yen)

	Nine months ended September 30, 2024 (Jan 1 – Sep 30, 2024)	Nine months ended September 30, 2025 (Jan 1 – Sep 30, 2025)
Net cash provided by (used in) operating activities	237.3	296.7
Net cash provided by (used in) investing activities	(1,243.5)	(94.5)
Free cash flows (Note)	(1,006.1)	202.2
Net cash provided by (used in) financing activities	780.6	(176.7)
Cash and cash equivalents at the beginning of period	434.7	229.2
Cash and cash equivalents at the end of period	239.1	238.4

(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 nine months ended September 30, 2025 was 296.7 billion yen. This was mainly due to adjustments for non-cash items such as depreciation and the valuation loss on other financial assets related to Wolfspeed, though a recording of 49.2 billion yen in loss before tax.

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

Net cash used in investing activities for the nine months ended September 30, 2025 was 94.5 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 202.2 billion yen for the nine months ended September 30, 2025.

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

Net cash used in financing activities for the nine months ended September 30, 2025 was 176.7 billion yen. This was mainly due to the repayment of borrowings to major financial institutions and the payment of dividends.

2. Condensed Consolidated Financial Statements

2.1 Condensed Consolidated Statement of Financial Position

(In millions of yen)

	As of December 31, 2024	As of September 30, 2025
Assets		
Current assets		
Cash and cash equivalents	229,249	238,436
Trade and other receivables	167,113	168,440
Inventories	176,544	174,468
Other current financial assets	9,236	2,713
Income taxes receivable	12,454	15,356
Other current assets	22,730	25,048
Total current assets	617,326	624,461
Non-current assets		
Property, plant and equipment	341,447	339,656
Goodwill	2,256,169	2,125,569
Intangible assets	724,768	597,856
Investments accounted for using the equity method	328	633
Other non-current financial assets	450,702	235,251
Deferred tax assets	47,107	46,415
Other non-current assets	52,589	42,834
Total non-current assets	3,873,110	3,388,214
Total assets	4,490,436	4,012,675

(In millions of yen)

	As of December 31, 2024	As of September 30, 2025
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	231,029	197,738
Bonds and borrowings	144,137	143,564
Other current financial liabilities	8,071	8,924
Income taxes payable	5,930	14,108
Provisions	11,273	2,648
Other current liabilities	90,998	102,022
Total current liabilities	491,438	469,004
Non-current liabilities		
Trade and other payables	22,938	9,774
Bonds and borrowings	1,256,535	1,141,267
Other non-current financial liabilities	15,616	13,793
Income taxes payable	6,537	5,104
Retirement benefit liability	23,564	22,976
Provisions	3,066	3,250
Deferred tax liabilities	117,151	93,012
Other non-current liabilities	11,293	12,189
Total non-current liabilities	1,456,700	1,301,365
Total liabilities	1,948,138	1,770,369
Equity		
Share capital	153,209	153,209
Capital surplus	289,377	292,772
Retained earnings	1,308,948	1,195,443
Treasury shares	(92,120)	(71,306)
Other components of equity	877,968	667,204
Total equity attributable to owners of parent	2,537,382	2,237,322
Non-controlling interests	4,916	4,984
Total equity	2,542,298	2,242,306
Total liabilities and equity	4,490,436	4,012,675

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

Condensed Consolidated Statement of Profit or Loss

(Nine months ended September 30, 2024 and September 30, 2025)

	(In millions of yen)	
	Nine months ended September 30, 2024	Nine months ended September 30, 2025
Revenue	1,055,879	969,675
Cost of sales	(465,323)	(423,206)
Gross profit	590,556	546,469
Selling, general and administrative expenses	(388,425)	(387,090)
Other income	9,523	5,967
Other expenses	(10,763)	(31,425)
Operating profit	200,891	133,921
Finance income	40,426	11,161
Finance costs	(6,510)	(193,955)
Share of loss of investments accounted for using equity method	(113)	(370)
Profit (loss) before tax	234,694	(49,243)
Income tax expense	(37,403)	(19,751)
Profit (loss)	197,291	(68,994)
Profit (loss) attributable to		
Owners of parent	197,296	(69,086)
Non-controlling interests	(5)	92
Profit (loss)	197,291	(68,994)
Earnings (losses) per share		
Basic earnings (losses) per share (yen)	110.44	(38.28)
Diluted earnings (losses) per share (yen)	109.11	(38.28)

Condensed Consolidated Statement of Comprehensive Income
(Nine months ended September 30, 2024 and September 30, 2025)

	(In millions of yen)	
	Nine months ended September 30, 2024	Nine months ended September 30, 2025
Profit (loss)	197,291	(68,994)
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	(253)	(20)
Equity instruments measured at fair value through other comprehensive income	(2,563)	271
Total of items that will not be reclassified to profit or loss	(2,816)	251
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	(40,839)	(212,059)
Cash flow hedges	(7,922)	2,459
Cost of hedges	(3,205)	(400)
Total of items that may be reclassified subsequently to profit or loss	(51,966)	(210,000)
Total other comprehensive income	(54,782)	(209,749)
Total comprehensive income	142,509	(278,743)
Comprehensive income attributable to		
Owners of parent	142,075	(278,820)
Non-controlling interests	434	77
Total comprehensive income	142,509	(278,743)

Condensed Consolidated Statement of Profit or Loss
(Three months ended September 30, 2024 and September 30, 2025)

	(In millions of yen)	
	Three months ended September 30, 2024	Three months ended September 30, 2025
Revenue	345,282	335,364
Cost of sales	(153,120)	(143,099)
Gross profit	192,162	192,265
Selling, general and administrative expenses	(137,385)	(123,403)
Other income	1,248	3,684
Other expenses	(2,642)	74
Operating profit	53,383	72,620
Finance income	22,039	52,323
Finance costs	(6,600)	(4,766)
Share of loss of investments accounted for using equity method	(113)	(132)
Profit before tax	68,709	120,045
Income tax expense	(11,161)	(13,718)
Profit	57,548	106,327
Profit attributable to		
Owners of parent	57,709	106,256
Non-controlling interests	(161)	71
Profit	57,548	106,327
Earnings per share		
Basic earnings per share (yen)	32.21	58.66
Diluted earnings per share (yen)	31.93	58.04

Condensed Consolidated Statement of Comprehensive Income
(Three months ended September 30, 2024 and September 30, 2025)

	(In millions of yen)	
	Three months ended September 30, 2024	Three months ended September 30, 2025
Profit	57,548	106,327
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	(30)	22
Equity instruments measured at fair value through other comprehensive income	652	(143)
Total of items that will not be reclassified to profit or loss	622	(121)
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	(391,645)	90,191
Cash flow hedges	(23,028)	889
Cost of hedges	2,296	(352)
Total of items that may be reclassified subsequently to profit or loss	(412,377)	90,728
Total other comprehensive income	(411,755)	90,607
Total comprehensive income	(354,207)	196,934
Comprehensive income attributable to		
Owners of parent	(354,090)	196,727
Non-controlling interests	(117)	207
Total comprehensive income	(354,207)	196,934

2.3 Condensed Consolidated Statement of Changes in Equity

(Nine months ended September 30, 2024)

(In millions of yen)

	Equity attributable to owners of parent						
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity		
					Share acquisition rights	Remeasurements of defined benefit plans	Equity instruments measured at fair value through other comprehensive income
Balance as of January 1, 2024	153,209	359,398	1,157,236	(217,691)	3,106	—	(2,311)
Profit	—	—	197,296	—	—	—	—
Other comprehensive income	—	—	—	—	—	(253)	(2,563)
Total comprehensive income	—	—	197,296	—	—	(253)	(2,563)
Purchase and disposal of treasury shares	—	16,394	—	17,701	—	—	—
Cancellation of treasury shares	—	(104,529)	—	104,529	—	—	—
Dividends of surplus	—	—	(49,758)	—	—	—	—
Share-based payment transactions	—	(6,012)	—	—	(1,727)	—	—
Transfer to retained earnings	—	14,576	(16,487)	—	(106)	253	1,764
Transfer to non-financial assets	—	—	—	—	—	—	—
Total transactions with owners	—	(79,571)	(66,245)	122,230	(1,833)	253	1,764
Balance as of September 30, 2024	153,209	279,827	1,288,287	(95,461)	1,273	—	(3,110)

	Equity attributable to owners of parent					Non-controlling interests	Total equity
	Other components of equity				Total equity attributable to owners of parent		
	Exchange differences on translation of foreign operations	Cash flow hedges	Cost of hedges	Total			
Balance as of January 1, 2024	564,215	(19,379)	3,770	549,401	2,001,553	4,035	2,005,588
Profit	—	—	—	—	197,296	(5)	197,291
Other comprehensive income	(41,278)	(7,922)	(3,205)	(55,221)	(55,221)	439	(54,782)
Total comprehensive income	(41,278)	(7,922)	(3,205)	(55,221)	142,075	434	142,509
Purchase and disposal of treasury shares	—	—	—	—	34,095	—	34,095
Cancellation of treasury shares	—	—	—	—	—	—	—
Dividends of surplus	—	—	—	—	(49,758)	(8)	(49,766)
Share-based payment transactions	—	—	—	(1,727)	(7,739)	—	(7,739)
Transfer to retained earnings	—	—	—	1,911	—	—	—
Transfer to non-financial assets	—	19,475	—	19,475	19,475	—	19,475
Total transactions with owners	—	19,475	—	19,659	(3,927)	(8)	(3,935)
Balance as of September 30, 2024	522,937	(7,826)	565	513,839	2,139,701	4,461	2,144,162

(Nine months ended September 30, 2025)

(In millions of yen)

	Equity attributable to owners of parent						
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity		
					Share acquisition rights	Remeasurements of defined benefit plans	Equity instruments measured at fair value through other comprehensive income
Balance as of January 1, 2025	153,209	289,377	1,308,948	(92,120)	1,087	—	(3,489)
Profit (loss)	—	—	(69,086)	—	—	—	—
Other comprehensive income	—	—	—	—	—	(20)	271
Total comprehensive income	—	—	(69,086)	—	—	(20)	271
Purchase and disposal of treasury shares	—	7,887	—	20,814	—	—	—
Dividends of surplus	—	—	(50,320)	—	—	—	—
Share-based payment transactions	—	1,345	—	—	(966)	—	—
Transfer to retained earnings	—	(5,837)	5,901	—	(84)	20	—
Total transactions with owners	—	3,395	(44,419)	20,814	(1,050)	20	—
Balance as of September 30, 2025	153,209	292,772	1,195,443	(71,306)	37	—	(3,218)

	Equity attributable to owners of parent					Non-controlling interests	Total equity
	Other components of equity				Total equity attributable to owners of parent		
	Exchange differences on translation of foreign operations	Cash flow hedges	Cost of hedges	Total			
Balance as of January 1, 2025	884,005	(3,652)	17	877,968	2,537,382	4,916	2,542,298
Profit (loss)	—	—	—	—	(69,086)	92	(68,994)
Other comprehensive income	(212,044)	2,459	(400)	(209,734)	(209,734)	(15)	(209,749)
Total comprehensive income	(212,044)	2,459	(400)	(209,734)	(278,820)	77	(278,743)
Purchase and disposal of treasury shares	—	—	—	—	28,701	—	28,701
Dividends of surplus	—	—	—	—	(50,320)	(9)	(50,329)
Share-based payment transactions	—	—	—	(966)	379	—	379
Transfer to retained earnings	—	—	—	(64)	—	—	—
Total transactions with owners	—	—	—	(1,030)	(21,240)	(9)	(21,249)
Balance as of September 30, 2025	671,961	(1,193)	(383)	667,204	2,237,322	4,984	2,242,306

2.4 Condensed Consolidated Statement of Cash Flows

(In millions of yen)

	Nine months ended September 30, 2024	Nine months ended September 30, 2025
Cash flows from operating activities		
Profit (loss) before tax	234,694	(49,243)
Depreciation and amortization	154,445	142,810
Impairment losses	1,290	14,278
Finance income and finance costs	(26,952)	181,747
Share-based payment expenses	24,863	29,083
Insurance income	(503)	(152)
Foreign exchange loss (gain)	(4,736)	(3,953)
Loss (gain) on sales of property, plant and equipment, and intangible assets	(187)	(1,636)
Loss on disposal of fixed assets	717	3,549
Decrease (increase) in inventories	(7,739)	(1,315)
Decrease (increase) in trade and other receivables	(3,886)	(4,327)
Decrease (increase) in other financial assets	2,534	20,529
Decrease (increase) in long term prepaid expenses	(28,154)	—
Increase (decrease) in trade and other payables	(20,443)	(12,952)
Increase (decrease) in retirement benefit liability	(1,218)	(986)
Increase (decrease) in provisions	(4,777)	(7,936)
Increase (decrease) in other current liabilities	(21,405)	10,662
Increase (decrease) in other financial liabilities	1,650	397
Other	(4,319)	(32)
Subtotal	295,874	320,523
Interest received	23,517	7,780
Dividends received	327	63
Proceeds from insurance income	503	152
Income taxes paid	(89,144)	(31,805)
Income taxes refund	6,260	—
Net cash flows from operating activities	237,337	296,713
Cash flows from investing activities		
Purchase of property, plant and equipment	(105,714)	(70,651)
Proceeds from sales of property, plant and equipment	784	5,113
Purchase of intangible assets	(24,598)	(35,133)
Purchase of other financial assets	(3,290)	(4,007)
Proceeds from sales of other financial assets	2,008	2,410
Payments for acquisitions of subsidiaries	(962,825)	(2,823)
Purchase of shares of subsidiaries and associates	(338)	(698)
Subsidies received	9,743	4,143
Payments for long-term loans receivable	(155,220)	—
Proceeds from sale of businesses	—	4,728
Other	(4,007)	2,404
Net cash flows from investing activities	(1,243,457)	(94,514)

	(In millions of yen)	
	Nine months ended September 30, 2024	Nine months ended September 30, 2025
Cash flows from financing activities		
Proceeds from short-term borrowings	180,000	38,000
Repayments of short-term borrowings	(180,000)	(38,000)
Proceeds from long-term borrowings	1,187,000	—
Repayments of long-term borrowings	(341,844)	(107,054)
Dividends paid	(49,702)	(50,307)
Repayments of lease liabilities	(3,952)	(7,448)
Interest paid	(10,883)	(11,859)
Other	(4)	(4)
Net cash flows from financing activities	780,615	(176,672)
Effect of exchange rate changes on cash and cash equivalents	29,954	(16,340)
Net increase (decrease) in cash and cash equivalents	(195,551)	9,187
Cash and cash equivalents at beginning of the period	434,681	229,249
Cash and cash equivalents at end of the period	239,130	238,436

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

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.

(Changes in Accounting Estimates)

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

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

As a result, compared to the previous method, operating profit increased by 11,059 million yen and loss before tax decreased by 11,059 million yen for the nine months ended September 30, 2025.

(Basis of Condensed Consolidated Financial Statements)

(1) Scope of consolidation

A. For the three months ended March 31, 2025, one company was newly included in the scope of consolidation due to an acquisition. Additionally, three companies were excluded from the scope of consolidation due to merger.

B. For the three months ended June 30, 2025, one company was excluded from the scope of consolidation due to liquidation.

C. For the three months ended September 30, 2025, three companies were excluded from the scope of consolidation due to mergers, and five companies were excluded due to liquidation.

(2) Scope of Application of equity method

No change in the scope of application of equity method for the nine months ended September 30, 2025.

(Material Accounting Policies)

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

In addition, income taxes for the nine months ended September 30, 2025 are calculated using the estimated annual effective tax rate.

(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-Chips), analog semiconductor devices and power semiconductor devices in each of these categories. The Industrial/Infrastructure/IoT Business includes the product categories "Industrial," "Infrastructure" and "IoT" which support the smart society. The Group mainly supplies MCUs, SoC, analog semiconductor devices and power semiconductor devices in each of these categories. Additionally, commissioned development and manufacturing from the Group's design and manufacturing subsidiaries are categorized as "Other."

(2) Information on reportable segments

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

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

Information on reportable segments is as follows.

(Nine months ended September 30, 2024)

(In millions of yen)

	Reportable Segments		Other	Adjustments 1	Total	Adjustments 2	Consolidation basis
	Automotive	Industrial/ Infrastructure/ IoT					
Revenue from external customers	554,022	495,966	5,891	—	1,055,879	—	1,055,879
Segment gross profit	292,420	301,636	1,688	—	595,744	(5,188)	590,556
Segment operating profit	176,740	144,803	1,690	(770)	322,463	(121,572)	200,891
Finance income							40,426
Finance costs							(6,510)
Share of loss of investments accounted for using equity method							(113)
Profit before tax							234,694
(Other items)							
Depreciation and amortization	37,576	27,945	—	—	65,521	88,924	154,445

(Nine months ended September 30, 2025)

(In millions of yen)

	Reportable Segments		Other	Adjustments 1	Total	Adjustments 2	Consolidation basis
	Automotive	Industrial/ Infrastructure/ IoT					
Revenue from external customers	476,378	485,750	5,487	—	967,615	2,060	969,675
Segment gross profit	253,996	295,916	1,385	752	552,049	(5,580)	546,469
Segment operating profit	140,307	123,170	93	15,307	278,877	(144,956)	133,921
Finance income							11,161
Finance costs							(193,955)
Share of loss of investments accounted for using equity method							(370)
Loss before tax							(49,243)
(Other items)							
Depreciation and amortization	32,670	24,638	89	—	57,397	85,413	142,810

(Three months ended September 30, 2024)

(In millions of yen)

	Reportable Segments		Other	Adjustments 1	Total	Adjustments 2	Consolidation basis
	Automotive	Industrial/ Infrastructure/ IoT					
Revenue from external customers	185,464	158,198	1,620	—	345,282	—	345,282
Segment gross profit	96,621	95,826	402	—	192,849	(687)	192,162
Segment operating profit	56,722	42,037	402	(770)	98,391	(45,008)	53,383
Finance income							22,039
Finance costs							(6,600)
Share of loss of investments accounted for using equity method							(113)
Profit before tax							68,709
(Other items)							
Depreciation and amortization	13,537	9,505	—	—	23,042	32,573	55,615

(Three months ended September 30, 2025)

(In millions of yen)

	Reportable Segments		Other	Adjustments 1	Total	Adjustments 2	Consolidation basis
	Automotive	Industrial/ Infrastructure/ IoT					
Revenue from external customers	159,242	173,652	1,307	—	334,201	1,163	335,364
Segment gross profit	88,027	104,018	290	134	192,469	(204)	192,265
Segment operating profit	56,290	49,141	274	(2,517)	103,188	(30,568)	72,620
Finance income							52,323
Finance costs							(4,766)
Share of loss of investments accounted for using equity method							(132)
Profit before tax							120,045
(Other items)							
Depreciation and amortization	10,721	8,636	—	—	19,357	25,412	44,769

(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)

	Nine months ended September 30, 2024	Nine months ended September 30, 2025
China	286,976	300,849
Asia (Excluding Japan and China)	235,984	220,067
Japan	227,920	195,978
Europe	181,999	149,601
North America	121,126	101,559
Others	1,874	1,621
Total	1,055,879	969,675

(In millions of yen)

	Three months ended September 30, 2024	Three months ended September 30, 2025
China	102,593	103,220
Asia (Excluding Japan and China)	72,201	80,804
Japan	70,904	65,088
Europe	60,338	51,175
North America	38,590	34,413
Others	656	664
Total	345,282	335,364

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

(Business Combinations)

Business combinations that occurred during the nine months ended September 30, 2024 and the nine months ended September 30, 2025 are as follows. Immaterial business combinations are not included in this disclosure.

Nine months ended September 30, 2024

(Steradian Semiconductors Private Limited)

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

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

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

	(In millions of yen)
	Nine months ended September 30, 2024
Beginning balance	586
Changes in fair value	(606)
Exchange differences	20
Ending balance	—

Of the amount of change in fair value related to contingent consideration, the fluctuated amount due to the time value of money is recorded in "Finance costs," and the fluctuated amount due to factors other than the time value of money is recorded in "Other income" or "Other expenses." For the nine months ended September 30, 2024, "Other income" of 606 million yen was recorded for the change of fair value.

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

(Transphorm, Inc.)

a. Overview of business combination

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

1) Name and overview of the acquiree

Name of the acquiree: Transphorm, Inc.

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

2) Date of the acquisition

June 20, 2024

3) Purpose of the acquisition

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

4) Acquisition Method

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

b. Consideration for the acquisition and its breakdown

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

Expenses related to the acquisition were 890 million yen, which were recorded in "Selling, general and administrative expenses" for the nine months ended September 30, 2024.

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

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

(Note) 1. As of September 30, 2024, the acquisition was accounted for using provisional amounts determined based on reasonable information available at the time of preparing the condensed consolidated financial statements. Since the recognition and fair value measurement of the identifiable assets acquired and liabilities assumed at the acquisition date had not been finalized, the purchase price allocation was provisionally accounted for. For the year ended December 31, 2024, the Group has completed the purchase price allocation and revised the goodwill amount as follows:

Fair value of assets acquired, liabilities assumed on the acquisition date (June 20, 2024)
(In millions of yen)

Adjusted items	Adjustments of goodwill
Goodwill (before adjustment) (Note 3)	55,343
Intangible assets	(6,730)
Deferred tax assets	(6,762)
Deferred tax liabilities	—
Total adjustments	(13,492)
Goodwill (after adjustment) (Note 3)	41,851

2. There are no significant receivables from acquired debts that are estimated to be uncollectible.
3. Goodwill reflects expected synergies with existing business and future excess earning power arising from the acquisition of Transphorm. No amount of goodwill is expected to be deductible for tax purposes.

d. Payments for acquisition of subsidiaries

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

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

Assuming that the date of the acquisition of Transphorm was at the beginning of the fiscal year, the pro forma information is not stated since the impact on the consolidated revenue and profit for the nine months ended September 30, 2024 would not be material.

f. Revenue and profit / loss of the acquired company

For the nine months ended September 30, 2024, the revenue and profit of Transform from the acquisition date to September 30, 2024 had no significant impact on the consolidated financial statements.

(Altium Limited)

a. Overview of business combination

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

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

1) Name and overview of the acquiree

Name of the acquiree: Altium Limited

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

2) Date of the acquisition

August 1, 2024

3) Purpose of the acquisition

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

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

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

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

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

4) Acquisition Method

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

b. Consideration for the acquisition and its breakdown

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

Expenses related to the acquisition were 2,052 million yen, which were recorded in “Selling, general and administrative expenses” for the nine months ended September 30, 2024.

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

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

(Note) 1. As of September 30, 2024, the acquisition was accounted for using provisional amounts determined based on reasonable information available at the time of preparing consolidated financial statements. Since the recognition and fair value measurement of the identifiable assets acquired and liabilities assumed at the acquisition date had not been finalized, the purchase price allocation was provisionally accounted for. For the year ended December 31, 2024, the Group has completed the purchase price allocation and revised the goodwill amount as follows:

Fair value of assets acquired, liabilities assumed on the acquisition date (August 1, 2024)

(In millions of yen)	
Adjusted items	Adjustments of goodwill
Goodwill (before adjustment) (Note 5)	917,470
Intangible assets (Note 3)	(310,799)
Deferred tax assets	7,815
Deferred tax liabilities	65,023
Others	3,614
Total adjustments	(234,347)
Goodwill (after adjustment) (Note 5)	683,123

2. There are no significant receivables from acquired debts that are estimated to be uncollectible.
3. The amount allocated to intangible assets is mainly composed of developed technology, and the fair value of such intangible assets (284,278 million yen) is measured using the excess earnings method based on assumptions such as future business plans, growth rates beyond the business plan period, and discount rates.
4. The Company enters into currency options and forward exchange contracts to hedge against exchange rate risks associated with the payment of acquisition consideration denominated in Australian dollars, and applies hedge accounting. These hedging instruments are settled in cash at fair value on the acquisition date. The basis adjustment represents the change in fair value of the hedging instruments recognized in other comprehensive income on the acquisition date, and is added to the carrying amount of goodwill.
5. Goodwill reflects expected synergies with existing business and future excess earning power arising from the acquisition of Altium. No amount of goodwill is expected to be deductible for tax purposes.

d. Payments for acquisition of subsidiaries

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

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

Assuming that the date of the acquisition of Altium was at the beginning of the fiscal year, the pro forma information is not stated since the impact on the consolidated revenue and profit for the nine months ended September 30, 2024 would not be material.

f. Revenue and profit / loss of the acquired company

For the nine months ended September 30, 2024, the revenue and profit of Altium from the acquisition date to September 30, 2024 had no significant impact on the consolidated financial statements.

Nine months ended September 30, 2025

(Panthronics AG)

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

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

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

	(In millions of yen)	
	Nine months ended September 30, 2024	Nine months ended September 30, 2025
Beginning balance	2,711	1,582
Exchange differences	(74)	(93)
Ending balance	2,637	1,489

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

(Trade and Other Receivables)

The components of trade and other receivables are as follows.

(In millions of yen)

	As of December 31, 2024	As of September 30, 2025
Notes and trade receivables	152,381	153,377
Other receivables	16,311	15,658
Loss allowance	(1,579)	(595)
Total	167,113	168,440

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

(Trade and Other Payables)

The components of trade and other payables are as follows.

(In millions of yen)

	As of December 31, 2024	As of September 30, 2025
Trade payables	82,942	85,572
Other payables	86,697	57,490
Electronically recorded obligations	15,092	9,905
Refund liabilities	69,236	54,545
Total	253,967	207,512
Current liabilities	231,029	197,738
Non-current liabilities	22,938	9,774

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

(Bonds and Borrowings)

a. Bonds

Nine months ended September 30, 2024

Not applicable.

Nine months ended September 30, 2025

Not applicable.

b. Borrowings

Nine months ended September 30, 2024

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

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

Nine months ended September 30, 2025

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

Additionally, the Company has breached certain financial covenants related to loan agreements for the six months ended June 30, 2025. However, the Company has obtained consent from the financial institutions not to exercise their right to demand immediate repayment due to this breach.

(Share Capital and Other Equity Items)

Nine months ended September 30, 2024

Based on the resolution at the Board of Directors' meeting held on February 8, 2024, the Company conducted a retirement of 87,839,138 shares on February 29, 2024. In addition, the number of treasury shares decreased by 14,874,707 shares, due to disposals of treasury shares and other related transactions based on the exercise of stock options, the vesting of Restricted Stock Unit (RSU) and Performance Share Unit (PSU) for the nine months ended September 30, 2024.

As a result, treasury shares decreased by 122,230 million yen. The amount of treasury shares held was 95,461 million yen as of September 30, 2024.

Nine months ended September 30, 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 17,490,862 shares of treasury stock for the nine months ended September 30, 2025. As a consequence, treasury shares decreased by 20,814 million yen for the nine months ended September 30, 2025.

As a result, the amount of treasury shares held was 71,306 million yen as of September 30, 2025.

(Dividends)

(1) Dividend payment amounts

Nine months ended September 30, 2024

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

Nine months ended September 30, 2025

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

- (2) Dividends with a record date within the nine months ended September 30, 2024, but an effective date is after September 30, 2024, and dividends with a record date within the nine months ended September 30, 2025, but an effective date is after September 30, 2025

Nine months ended September 30, 2024

Not applicable.

Nine months ended September 30, 2025

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)	
	Nine months ended September 30, 2024	Nine months ended September 30, 2025
Research and development expenses	189,426	175,855
Depreciation and amortization	93,700	90,697
Personnel expenses	70,251	81,991
Retirement benefit expenses	3,472	3,787
Other	31,576	34,760
Total	388,425	387,090

	(In millions of yen)	
	Three months ended September 30, 2024	Three months ended September 30, 2025
Research and development expenses	63,482	56,999
Depreciation and amortization	34,152	27,193
Personnel expenses	26,922	26,779
Retirement benefit expenses	1,274	1,261
Other	11,555	11,171
Total	137,385	123,403

(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)	
	Nine months ended September 30, 2024	Nine months ended September 30, 2025
Gain on sale of fixed assets	217	2,885
Reversal of allowance for doubtful accounts	—	874
Compensation income	—	695
Government grant income (Note 1)	5,789	399
Reversal of impairment losses	1,077	—
Fair value remeasurements on contingent considerations (Note 2)	606	—
Other	1,834	1,114
Total	9,523	5,967

	(In millions of yen)	
	Three months ended September 30, 2024	Three months ended September 30, 2025
Gain on sale of fixed assets	67	2,326
Reversal of allowance for doubtful accounts	—	845
Compensation income	—	282
Government grant income	278	34
Insurance claim income	502	2
Other	401	195
Total	1,248	3,684

(Note) 1. Government grant income consists of government subsidies received for the acquisition of property, plant and equipment for the nine months ended September 30, 2024.

2. For details, please refer to "Business Combinations."

(Other Expenses)

The components of other expenses are as follows.

	(In millions of yen)	
	Nine months ended September 30, 2024	Nine months ended September 30, 2025
Impairment losses (Note 1)	1,290	14,278
Business restructuring expenses (Note 2)	2,760	6,705
Loss on disposal of fixed assets	717	3,549
Provision for loss on litigation	—	2,498
Loss on reduction of fixed assets	4,879	—
Other	1,117	4,395
Total	10,763	31,425

	(In millions of yen)	
	Three months ended September 30, 2024	Three months ended September 30, 2025
Business restructuring expenses (Note 2)	1,667	1,145
Impairment losses (Note 1)	325	537
Provision for loss on litigation	—	(3,328)
Other	650	1,572
Total	2,642	(74)

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

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

(Additional Information)

(Loss resulting from signing Restructuring Support Agreement with Wolfspeed, Inc.)

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

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

Additionally, in connection with this Restructuring Support Agreement, the Company recorded a loss of 234,978 million yen for the three and six months ended June 30, 2025. However, a revaluation was conducted for the three and nine months ended September 30, 2025, resulting in a gain of 44,504 million yen for the three months ended September 30, 2025. As a result, a total loss of 188,594 million yen, including the impact of foreign exchange fluctuations, was recorded for the nine months ended September 30, 2025. These gains and losses are included in finance income and finance costs in the Condensed Consolidated Financial Statements.

(Subsequent Events)

Not applicable

About Renesas Electronics Corporation

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

(FORWARD-LOOKING STATEMENTS)

The statements in this press release with respect to the plans, strategies and financial outlook of Renesas and its consolidated subsidiaries (collectively “we”) are forward-looking statements involving risks and uncertainties. Such forward-looking statements do not represent any guarantee by management of future performance. In many cases, but not all, we use such words as “aim,” “anticipate,” “believe,” “continue,” “endeavor,” “estimate,” “expect,” “initiative,” “intend,” “may,” “plan,” “potential,” “probability,” “project,” “risk,” “seek,” “should,” “strive,” “target,” “will” and similar expressions to identify forward-looking statements. You can also identify forward-looking statements by discussions of strategy, plans or intentions. These statements discuss future expectations, identify strategies, contain projections of our results of operations or financial condition, or state other forward-looking information based on our current expectations, assumptions, estimates and projections about our business and industry, our future business strategies and the environment in which we will operate in the future. Known and unknown risks, uncertainties and other factors could cause our actual results, performance or achievements to differ materially from those contained or implied in any forward-looking statement, including, but not limited to, general economic conditions in our markets, which are primarily Japan, North America, Asia, and Europe; demand for, and competitive pricing pressure on, products and services in the marketplace; ability to continue to win acceptance of products and services in these highly competitive markets; and fluctuations in currency exchange rates, particularly between the yen and the U.S. dollar. Among other factors, downturn of the world economy; deteriorating financial conditions in world markets, or deterioration in domestic and overseas stock markets, may cause actual results to differ from the projected results forecast.

This press release is based on the economic, regulatory, market and other conditions as in effect on the date hereof. It should be understood that subsequent developments may affect the information contained in this presentation, which neither we nor our advisors or representatives are under an obligation to update, revise or affirm.

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