# Semi-Annual Securities Report
# (Excerpt)

**(The English translation of the “Hanki-Houkokusho” (Excerpt)**

**for the year ending December 31, 2026)**

## Renesas Electronics Corporation

This document is a translation of part of the Japanese original, except for the Independent Auditor’s Interim Review Report. The Japanese original has been disclosed in Japan in accordance with the International Financial Reporting Standards/International Accounting Standards and the Financial Instruments and Exchange Act of Japan. In this document, the terms “we,” “us,” “our,” “the Group” and “Renesas” refer to Renesas Electronics Corporation and consolidated subsidiaries, and the “Company” and “Filing Company” refer to Renesas Electronics Corporation on a non-consolidated basis. This document does not contain or constitute any guarantee and the Company will not compensate any losses and/or damages stemming from actions taken based on this document. In the case that there is any discrepancy between the Japanese original and this document, the Japanese original shall prevail.

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| 【Document Filed】 | Semi-Annual Securities Report (“Hanki-Hokokusho”) |
| 【Applicable Law】 | Item 1 of the table in Article 24-5, Paragraph 1 of the Financial Instruments and Exchange Act of Japan |
| 【Filed to】 | Director-General of Kanto Local Finance Bureau |
| 【Filing Date】 | August 6, 2026 |
| 【Fiscal Year】 | The First Half of the 25th Fiscal Year (from January 1, 2026 to June 30, 2026) |
| 【Company Name】 | Renesas Electronics Kabushiki-Kaisha |
| 【Company Name (English) 】 | Renesas Electronics Corporation |
| 【Title and Name of Representative】 | Hidetoshi Shibata, Representative Executive Officer, President and CEO |
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| 【Contact Person】 | Yukitake Hashiguchi, Director, Legal Division |
| 【Place Where Available for Public Inspection】 | Tokyo Stock Exchange, Inc.<br>(2-1, Nihombashi Kabuto-cho, Chuo-ku, Tokyo) |

# Part I. Information on Renesas

## I. Overview of Renesas

### 1. Main Financial Data

| Fiscal Year | | 24th<br>Six months ended<br>June 30, 2025 | 25th<br>Six months ended<br>June 30, 2026 | 24th |
|---|---|---|---|---|
| Accounting Period | | from January 1, 2025<br>to June 30, 2025 | from January 1, 2026<br>to June 30, 2026 | from January 1, 2025<br>to December 31, 2025 |
| Revenue | (Million yen) | 634,311 | 798,742 | 1,321,212 |
| Interim (current) profit (loss) before taxes | (Million yen) | (169,288) | 254,785 | (30,275) |
| Interim (current) profit (loss) attributable to owners of parent | (Million yen) | (175,342) | 217,333 | (51,763) |
| Interim (current) comprehensive income attributable to owners of parent | (Million yen) | (475,547) | 438,413 | (81,108) |
| Equity attributable to owners of parent | (Million yen) | 2,031,527 | 2,849,646 | 2,443,034 |
| Total assets | (Million yen) | 3,872,164 | 4,562,527 | 4,177,163 |
| Basic earnings (losses) per share for the interim (current) period | (Yen) | (97.34) | 119.51 | (28.65) |
| Diluted earnings (losses) per share for the interim (current) period | (Yen) | (97.34) | 117.47 | (28.65) |
| Ratio of equity attributable to owners of parent | (%) | 52.5 | 62.5 | 58.5 |
| Cash flow from operating activities | (Million yen) | 198,120 | 256,948 | 452,857 |
| Cash flow from investing activities | (Million yen) | (63,863) | (75,680) | (124,686) |
| Cash flow from financing activities | (Million yen) | (124,540) | (119,524) | (269,673) |
| Balance at end of interim period (year-end) of cash and cash equivalents | (Million yen) | 211,111 | 376,017 | 295,897 |

(Note) 1. Consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (hereinafter “IFRS”).
2. Since the Company prepares condensed interim consolidated financial statements, the Company does not provide Non-consolidated Business Performance Indicators.
3. Diluted earnings losses per share for the 24th interim consolidated fiscal year and the 24th fiscal year are the same as basic losses per share as there were no dilutive potential common shares outstanding for such periods.
4. In the 24th interim consolidated fiscal year and the 24th fiscal year, the share acquisition rights and the restricted stock unit issued by the Company do not have a dilutive effect and therefore are not included in the calculation of diluted losses per share for such periods.

## 2. Business Description

There have been no significant changes to the business operations of the Group during the current interim fiscal period (six months ended June 30, 2026).

The changes in major affiliated companies during the current interim fiscal period are as follows:
(1) 3 companies were excluded from the scope of consolidation due to dissolution through merger.
(2) 2 companies were newly included in the scope of consolidation due to acquisition.
(3) 2 companies were excluded from the scope of consolidation due to liquidation.

As a result, as of June 30, 2026, the Group consists of the Company, 105 subsidiaries (6 domestic and 99 overseas companies) and 1 equity method affiliate (1 overseas company).

# II. Business Overview

## 1. Risk Factors

There are no newly arisen business-related risks during the current interim fiscal period or as of the date of submission of this Semi-Annual Securities Report. Additionally, there have been no significant changes to the business-related risks stated in the Annual Securities Report for the previous fiscal year.

## 2. Management's Discussion and Analysis of Financial Position, Operating Results and Cash Flows

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 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 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 "Note 6. Business Segments" in the "IV. Finance Information, 1. Condensed Interim Consolidated Financial Statements, Notes to Condensed Interim 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) Business Results

(i) Overview of the financial operation for the current interim fiscal period (January 1 – June 30, 2026) (Non-GAAP basis)

(Billion yen)

| | | Previous interim fiscal period (January 1 – June 30, 2025) | Current interim fiscal period (January 1 – June 30, 2026) | Increase (Decrease) | |
|---|---|---|---|---|---|
| Non-GAAP revenue | | 633.4 | 777.6 | 144.2 | 22.8% |
| | Automotive | 316.3 | 358.7 | 42.4 | 13.4% |
| | Industrial/Infrastructure/IoT | 298.4 | 412.2 | 113.8 | 38.1% |
| Non-GAAP gross profit<br>(%) | | 359.6<br>(56.8%) | 455.6<br>(58.6%) | 96.0<br>1.8pts | 26.7%<br>— |
| | Automotive | 165.3<br>(52.3%) | 199.8<br>(55.7%) | 34.4<br>3.4pt | 20.8%<br>— |
| | Industrial/Infrastructure/IoT | 181.5<br>(60.8%) | 252.5<br>(61.3%) | 71.0<br>0.4pt | 39.1%<br>— |
| Non-GAAP operating margin<br>(%) | | 175.7<br>(27.7%) | 258.2<br>(33.2%) | 82.5<br>5.5pts | 46.9%<br>— |
| | Automotive | 83.6<br>(26.4%) | 126.1<br>(35.1%) | 42.5<br>8.7pts | 50.8%<br>— |
| | Industrial/Infrastructure/IoT | 67.1<br>(22.5%) | 131.8<br>(32.0%) | 64.7<br>9.5pts | 96.4%<br>— |

(Note) 1. For details on the above, please refer to "Note 6. Business Segments" in the "IV. Finance Information, 1. Condensed Interim Consolidated Financial Statements, Notes to Condensed Interim Consolidated Financial Statements".

The financial results for the current interim fiscal period are as follows:

< Non-GAAP revenue>

Consolidated Non-GAAP revenue for the current interim fiscal period was 777.6 billion yen, a 144.2 billion yen (22.8%) increase year on year. This was mainly attributable to an increase in revenues in both the Automotive Business and the Industrial/Infrastructure/IoT Business due to a demand increase and a rebound from the inventory adjustments in the distribution channel implemented last year.

<Non-GAAP gross profit (margin)>

Non-GAAP gross profit for the current interim fiscal period was 455.6 billion yen, a 96.0 billion yen (26.7%) increase year on year. This was due to an improved product mix, increased revenues in both the Automotive and the Industrial/Infrastructure/IoT Business as mentioned above, and the resulting increase in utilization rates. As a result, Non-GAAP gross margin for the current interim fiscal period was 58.6%, an increase by1.8 points year on year.

<Non-GAAP operating profit (margin)>

Non-GAAP operating profit for the current interim fiscal period was 258.2 billion yen, an 82.5 billion yen (46.9%) increase year on year. This was mainly due to the above-mentioned increase in gross profit. As a result, Non-GAAP operating margin for the current interim fiscal period was 33.2%, an increase by 5.5 points year on year.

The revenue breakdown of the business segments for the current interim fiscal period are as follows:

Automotive Business

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

Non-GAAP revenue of the Automotive Business for the current interim fiscal period was 358.7 billion yen, a 42.4 billion yen (13.4%) increase year on year. This was due to the above-mentioned demand increase and a rebound from the inventory adjustments in the distribution channel implemented last year.

Non-GAAP gross profit of the Automotive Business for the current interim fiscal period was 199.8 billion yen, a 34.4 billion yen (20.8%) increase year on year. This was due to an increase in revenue, improved product mix and an increase in utilization rates.

Non-GAAP operating profit of the Automotive Business for the current interim fiscal period was 126.1 billion yen, a 42.5 billion yen (50.8%) increase year on year. This was mainly attributable to an increase in gross profit and a decrease in operating expenses.

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 current interim fiscal period was 412.2 billion yen, a 113.8 billion yen (38.1%) increase year on year. This was due to a demand increase in Data center market, and a recovery in Industrial and IoT markets.

Non-GAAP gross profit of the Industrial/Infrastructure/IoT Business for the current interim fiscal period was 252.5 billion yen, a 71.0 billion yen (39.1%) increase year on year. This was due to an increase in revenue.

Non-GAAP operating profit of the Industrial/Infrastructure/IoT Business for the current interim fiscal period was 131.8 billion yen, a 64.7 billion yen (96.4%) increase year on year. This was due to an increase in gross profit.

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

(Billion yen)

| | Previous interim fiscal period (January 1 – June 30, 2025) | Current interim fiscal period (January 1 – June 30, 2026) |
|---|---|---|
| Non-GAAP gross profit<br>(%) | 359.6<br>(56.8%) | 455.6<br>(58.6%) |
| Reconciliation items in non-recurring revenue (Note 1) | 0.9 | 21.1 |
| Amortization of purchased intangible assets and depreciation of fair value adjustment to property, plant and equipment | (0.5) | (0.3) |
| Stock-based compensation and related expenses | (1.5) | (1.4) |
| Other reconciliation items in non-recurring expenses and adjustments (Note 2) | (4.3) | (6.6) |
| IFRS gross profit<br>(%) | 354.2<br>(55.8%) | 468.4<br>(58.6%) |
| | | |
| Non-GAAP operating profit<br>(%) | 175.7<br>(27.7%) | 258.2<br>(33.2%) |
| Reconciliation items in non-recurring revenue (Note 1) | 0.9 | 21.1 |
| Amortization of purchased intangible assets and depreciation of fair value adjustment to property, plant and equipment | (60.0) | (51.9) |
| Stock-based compensation and related expenses | (20.0) | (20.2) |
| Other reconciliation items in non-recurring expenses and adjustments (Note 2) | (35.3) | (14.6) |
| IFRS operating profit<br>(%) | 61.3<br>(9.7%) | 192.7<br>(24.1%) |

(Note) 1. This is a 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.

(iii) Overview of the financial operation for the six months ended June 30, 2026 (January 1 – June 30, 2026) (IFRS)

(Billion yen)

| | Previous interim fiscal period (January 1 – June 30, 2025) | Current interim fiscal period (January 1 – June 30, 2026) | Increase (Decrease) | |
|---|---|---|---|---|
| Revenue | 634.3 | 798.7 | 164.4 | 25.9% |
| Gross profit<br>(%) | 354.2<br>(55.8%) | 468.4<br>(58.6%) | 114.2<br>2.8pts | 32.2%<br>— |
| Operating profit<br>(%) | 61.3<br>(9.7%) | 192.7<br>(24.1%) | 131.4<br>14.5pts | 214.3<br>— |

(2) Financial Position

Assets, Liabilities and Shareholders' Equity

(Billion yen)

| | Previous fiscal year end (as of December 31, 2025) | Current interim fiscal period end (as of June 30, 2026) | Increase (Decrease) |
|---|---|---|---|
| Total assets | 4,177.2 | 4,562.5 | 385.3 |
| Total equity | 2,448.5 | 2,855.6 | 407.1 |
| Equity attributable to owners of parent | 2,443.0 | 2,849.6 | 406.6 |
| Equity ratio attributable to owners of parent (%) | 58.5 | 62.5 | 4.0 |
| Interest-bearing liabilities | 1,226.8 | 1,179.4 | (47.4) |
| Debt to equity ratio | 0.50 | 0.41 | (0.09) |

Total assets as of the end of the current interim fiscal period amounted to 4,562.5 billion yen, a 385.3 billion yen increase from the end of the previous fiscal year. This was mainly due to an increase in financial assets, such as rising stock prices. Total equity as of the end of the current interim fiscal period amounted to 2,855.6 billion yen, a 407.1 billion yen increase from the end of the previous fiscal year. This was mainly due to the increase in the other capital components, such as the exchange rate fluctuations of overseas operating activities, and the increase in net income.

Equity attributable to owners of parent as of the end of the current interim fiscal period amounted to 2,849.6 billion yen, a 406.6 billion yen increase from the end of the previous fiscal year, and the equity ratio attributable to owners of parent was 62.5%. In addition, interest-bearing liabilities as of the end of the current interim fiscal period amounted to 1,179.4 billion yen, a 47.4 billion yen decrease from the end of the previous fiscal year, mainly due to a decrease in borrowings. Consequently, the Debt to equity ratio was 0.41.

Cash Flows

(Billion yen)

| | Previous interim fiscal period (January 1 – June 30, 2025) | Current interim fiscal period (January 1 – June 30, 2026) |
|---|---|---|
| Net cash provided by (used in) operating activities | 198.1 | 256.9 |
| Net cash provided by (used in) investing activities | (63.9) | (75.7) |
| Free cash flows (Note) | 134.3 | 181.3 |
| Net cash provided by (used in) financing activities | (124.5) | (119.5) |
| Cash and cash equivalents at the beginning of period | 229.2 | 295.9 |
| Cash and cash equivalents at the end of period | 211.1 | 376.0 |

(Note) Defined as the sum of net cash flows provided by (used in) operating activities and investing activities.

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

Net cash provided by operating activities for the current interim fiscal period was 256.9 billion yen. This is attributable to profit before tax of 254.8 billion yen for the current interim fiscal period, together with adjustments for non-cash items, including depreciation.

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

Net cash used in investing activities for the current interim fiscal period was 75.7 billion yen. This was mainly due to the purchase of property, plant, and equipment and intangible assets.

The foregoing resulted in positive free cash flows of 181.3 billion yen for the current interim fiscal period.

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

Net cash used in financing activities for the current interim fiscal period was 119.5 billion yen. This was mainly due to repayments of borrowings to main financing banks and payment of dividends.

(3) Business and Financial Challenges to Address

There have been no significant changes to the challenges the Group needs to address during the current interim fiscal period.

(4) Research and Development Activities

The total expenditure for research and development activities across the Group for the current interim fiscal period, including development costs recognized as intangible assets, amounts to 125.7 billion yen.

The Group's research and development are used in both the Automotive Business and the Industrial/Infrastructure/IoT Business, and it is difficult to allocate the amount strictly to each segment. Therefore, research and development costs by each segment are omitted.

There have been no significant changes in the status of the Group's research and development activities for the current interim fiscal period.

(5) Number of employees

As of the end of the current interim fiscal period (June 30, 2026), the number of employees in the Group is 21,490, a decrease of 139 from the end of the previous fiscal year (December 31, 2025).

Segment-specific information is omitted because the majority of the Group's employees are related to both the Automotive Business and the Industrial/Infrastructure/IoT Business.

The number of employees is the number of persons engaged in work (excluding employees seconded from the Group to outside the Group, but including those seconded from outside the Group to the Group).

(6) Major Facilities

As of the submission date of the Annual Securities Report for the previous fiscal year, specific plans for new installations, disposals, etc., of facilities for the current fiscal year were not determined. However, the Group's capital expenditures for the 25th cumulative third quarter period (nine months ending September 30, 2026) have been finalized as follows.

The planned capital expenditures of the Group for the 25th cumulative third quarter period are approximately 141.0 billion yen. The capital expenditure amount represents the investment decision-based amount for tangible fixed assets (production facilities) and intangible assets for such period. The primary investments will focus on increasing production capacity for AI-related semiconductors and strengthening design and development capabilities.

This capital investment is used in both the Automotive Business and the Industrial/Infrastructure/IoT Business, and it is difficult to allocate the amount strictly to each segment. Therefore, capital investment by each segment is omitted.

For the current interim fiscal period, there have been no significant changes to major facilities.

## 3. Material Agreements

(Business Transfer)

Renesas Electronics America Inc., our consolidated subsidiarity, entered into a definitive agreement to transfer our timing business to SiTime Corporation, effective February 5, 2026, and the transfer of said business was completed on July 1, 2026.

For details, please refer to "Note 22. Subsequent Events" in the "IV Finance Information. 1. Condensed Interim Consolidated Financial Statements, Note to Condensed Interim Consolidated Financial Statements."

(Amendment to the Commitment Line Agreement)

On February 27, 2026, the Company signed an amendment with our main banks, Mitsubishi UFJ Bank, Ltd., Mizuho Bank, Ltd., and Sumitomo Mitsui Trust Bank, Ltd., to increase the composition amount of the commitment line from 150.0 billion yen to 200.0 billion yen for the purpose of refinancing existing loans and securing operating funds.

# III. Corporate Information

## 1. Information on Renesas' Stock and Others

(1) [Total Number of Stock and Others]
(i) [Total Number of Shares]

| Type | Total number of authorized shares (shares) |
|---|---|
| Common stock | 3,400,000,000 |
| Total | 3,400,000,000 |

(ii) [Issued Shares]

| Type | Number of issued shares as of the end of interim fiscal period (as of June 30, 2026) | Number of issued shares as of the filing date (as of August 6, 2026) | Names of listed financial instruments exchange, registered or approved financial instruments trading association | Details |
|---|---|---|---|---|
| Common stock | 1,870,614,885 | 1,870,614,885 | Tokyo Stock Exchange (Prime Market) | Shares constituting one unit of shares: 100 shares |
| Total | 1,870,614,885 | 1,870,614,885 | — | — |

(2) [Information on the Stock Acquisition Rights and Others]
(i) [Details of Stock Option Plan]
Not applicable.

(ii) [Other Information about Stock Acquisition Rights]
Not applicable.

(3) [Information on Moving Strike Convertible Bonds]
Not applicable.

(4) [Changes in Total Number of Issued Shares and Capital]

| Date | Changes in total number of issued shares (shares) | Balance of total number of issued shares (shares) | Changes in share capital (million yen) | Balance of share capital (million yen) | Changes in legal capital surplus (million yen) | Balance of legal capital surplus (million yen) |
|---|---|---|---|---|---|---|
| January 1, 2026 - June 30, 2026 | — | 1,870,614,885 | — | 153,209 | — | 143,209 |

(5) [Major Shareholders]

As of June 30, 2026

| Name of shareholders | Address | Number of shares held (shares) | Percentage of shares held (%) |
|---|---|---|---|
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 1-8-1, Akasaka, Minato-ku, Tokyo | 286,175,700 | 15.65 |
| Custody Bank of Japan, Ltd. (Trust Account) | 1-8-12, Harumi, Chuo-ku, Tokyo | 111,527,015 | 6.10 |
| TOYOTA MOTOR CORPORATION | 1, Toyota-cho, Toyota-shi, Aichi | 75,015,900 | 4.10 |
| STATE STREET BANK AND TRUST COMPANY 505001 (Standing proxy: Mizuho Bank, Ltd.) | ONE CONGRESS STREET, SUITE 1, BOSTON, MASSACHUSETTS (2-15-1, Konan, Minato-ku, Tokyo) | 62,212,533 | 3.40 |
| GOLDMAN, SACHS & CO. REG (Standing proxy: Goldman Sachs Japan Co., Ltd.) | 200 WEST STREET NEW YORK, NY, USA (2-6-1, Toranomon, Minato-ku, Tokyo) | 37,433,060 | 2.04 |
| MSCO CUSTOMER SECURITIES (Standing proxy: Morgan Stanley MUFG Securities Co., Ltd.) | 1585 BROADWAY NEW YORK, NEW YORK 10036, U.S.A. (1-9-7, Otemachi, Chiyoda-ku, Tokyo) | 34,594,274 | 1.89 |
| THE BANK OF NEW YORK MELLON 140040 (Standing proxy: Mizuho Bank, Ltd.) | 240 GREENWICH STREET, NEW YORK, NY 10286 U.S.A. (2-15-1, Konan, Minato-ku, Tokyo) | 32,089,261 | 1.75 |
| GOVERNMENT OF NORWAY (Standing proxy: Citibank, N.A., Tokyo Branch) | BANKPLASSEN 2, 0107 OSLO 1 OSLO 0107 NORWAY (6-27-30, Shinjuku, Shinjuku-ku, Tokyo) | 28,930,399 | 1.58 |
| JP MORGAN CHASE BANK 385864 (Standing proxy: Mizuho Bank, Ltd.) | 25 BANK STREET, CANARY WHARF, LONDON, E14 5JP, UNITED KINGDOM (2-15-1, Konan, Minato-ku, Tokyo) | 27,878,900 | 1.52 |
| THE CHASE MANHATTAN BANK, N.A. LONDONSECS LENDING OMNIBUS ACCOUNT (Standing proxy: Mizuho Bank, Ltd.) | WOOLGATE HOUSE, COLEMAN STREET LONDON EC2P 2HD, ENGLAND (2-15-1, Konan, Minato-ku, Tokyo) | 27,831,045 | 1.52 |
| Total | – | 723,688,087 | 39.60 |

(Note) 1. In addition to the above, the Company owns 43,125,646 shares of treasury stock.
2. Shareholding ratio is calculated by excluding 43,125,646 shares of treasury stock.
3. Shareholding ratio is shown by truncating the numbers beyond the third decimal place.
4. Nomura Securities Co., Ltd. submitted the large shareholding report dated August 6, 2025, with joint ownership of Nomura Asset Management Co., Ltd., reporting that they jointly own 99,035,298 shares (percentage of shares held: 5.29%) as of July 31, 2025 (the date of the reporting obligation has occurred) as follows. However, they are not included in the above Major Shareholders as the Company could not confirm the actual owning share numbers as of June 30, 2026. The contents of the large shareholding report are as follows:

| Name of shareholders | Address | Number of shares held (shares) | Percentage of shares held (%) |
|---|---|---|---|
| Nomura Securities Co., Ltd. | 1-13-1 Nihonbashi, Chuo-ku, Tokyo | 4,859,398 | 0.26 |
| Nomura Asset Management Co., Ltd. | 2-2-1 Toyosu, Koto-ku, Tokyo | 94,175,900 | 5.03 |

5. Sumitomo Mitsui Trust Asset Management Co., Ltd. submitted the large shareholding report dated October 6, 2025, with joint ownership of Amova Asset Management Co., Ltd., reporting that they jointly own 95,208,700 shares (percentage of shares held: 5.09%) as of September 30, 2025 (the date of the reporting obligation has occurred) as follows. However, they are not included in the above Major Shareholders as the Company could not confirm the actual owning share numbers as of June 30, 2026. The contents of the large shareholding report are as follows:

| Name of shareholders | Address | Number of shares held (shares) | Percentage of shares held (%) |
|---|---|---|---|
| Sumitomo Mitsui Trust Asset Management Co., Ltd. | 1-1-1, Shiba-Koen, Minato-ku, Tokyo | 58,860,100 | 3.15 |
| Amova Asset Management Co., Ltd. | 9-7-1 Akasaka, Minato-ku, Tokyo | 36,348,600 | 1.94 |

6. T. Rowe Price Associates, Inc. submitted an amendment to the large shareholding report dated May 12, 2026, with joint ownership of T. Rowe Price International Ltd., reporting that they jointly own 68,413,200 shares (percentage of shares held: 3.66%) as of April 30, 2026 (the date of the reporting obligation has occurred) as follows. However, they are not included in the above Major Shareholders as the Company could not confirm the actual owning share numbers as of June 30, 2026. The contents of an amendment to the large shareholding report are as follows:

| Name of shareholders | Address | Number of shares held (shares) | Percentage of shares held (%) |
|---|---|---|---|
| T. Rowe Price Associates, Inc. | 1307, Point Street, Baltimore, Maryland 21231, U.S.A. | 8,243,900 | 0.44 |
| T. Rowe Price International Ltd. | Warwick Court, 5 Paternoster Square, London EC4M 7DX, UK | 60,169,300 | 3.22 |

7. BlackRock Japan Co., Ltd. submitted an amendment to the large shareholding report dated June 5, 2026, with joint ownership of Aperio Group, LLC, BlackRock Advisers, LLC, BlackRock (Netherlands) BV, BlackRock Fund Managers Limited, BlackRock Asset Management Canada Limited, BlackRock Asset Management Ireland Limited, BlackRock Fund Advisors, BlackRock Institutional Trust Company, N.A. and BlackRock Investment Management (UK) Limited, reporting that they jointly own 146,488,894 shares (percentage of shares held: 7.83%) as of May 29, 2026 (the date that the reporting obligation occurred) as follow. However, they are not included in the above Major Shareholders as the Company could not confirm the actual owning share numbers as of June 30, 2026. The contents of the large shareholding report are as follows:

| Name of shareholders | Address | Number of shares held (shares) | Percentage of shares held (%) |
|---|---|---|---|
| BlackRock Japan Co., Ltd. | 1-8-3, Marunouchi, Chiyoda-ku, Tokyo | 34,833,900 | 1.86 |
| Aperio Group, LLC | 3 Harbor Drive, Suite 204, Sausalito, California, U.S.A. | 2,498,485 | 0.13 |
| BlackRock Advisers, LLC | 251 Little Falls Drive, Wilmington, Delaware, U.S.A. | 1,873,208 | 0.10 |
| BlackRock (Netherlands) BV | Amstelplein 1, 1096 HA Amsterdam, Netherlands | 5,194,898 | 0.28 |
| BlackRock Fund Managers Limited | 12 Throgmorton Avenue, London, England | 4,721,948 | 0.25 |
| BlackRock Asset Management Canada Limited | Suite 2500, 161 Bay Street, Toronto, Ontario, Canada | 2,750,555 | 0.15 |
| BlackRock Asset Management Ireland Limited | 1st Floor, 2 Ballsbridge Park, Dublin 4, Ireland | 19,023,094 | 1.02 |
| BlackRock Fund Advisors | 400 Howard Street, San Francisco, California, U.S.A. | 42,528,952 | 2.27 |
| BlackRock Institutional Trust Company, N.A. | 400 Howard Street, San Francisco, California, U.S.A. | 24,936,820 | 1.33 |
| BlackRock Investment Management (UK) Limited | 12 Throgmorton Avenue, London, England | 8,127,034 | 0.43 |

8. Fidelity Management & Research Company LLC submitted the large shareholding report dated June 6, 2026, with joint ownership of FIAM LLC, Fidelity Management Trust Company, Fidelity Institutional Asset Management Trust Company, FMR Investment Management (UK) Limited, FIDELITY MANAGEMENT AND RESEARCH JAPAN CO., LTD., and Strategic Advisers LLC, reporting that they jointly own 101,282,602 shares (percentage of shares held: 5.41%) as of February 13, 2026 (the date that the reporting obligation occurred) as stated below. However, they are not included in the above Major Shareholders as the Company could not confirm the actual owning share numbers as of June 30, 2026. The contents of the large shareholding report are as follows:

| Name of shareholders | Address | Number of shares held (shares) | Percentage of shares held (%) |
|---|---|---|---|
| Fidelity Management & Research Company LLC | 1209 Orange Street, Wilmington, New Castle County, Delaware 19801, U.S.A. | 60,449,391 | 3.23 |
| FIAM LLC | 1209 Orange Street, Wilmington, New Castle County, Delaware 19801, U.S.A. | 15,301,844 | 0.82 |
| Fidelity Management Trust Company | 155 Federal Street, Suite 700, Boston, Massachusetts 02110, U.S.A. | 7,608,195 | 0.41 |
| Fidelity Institutional Asset Management Trust Company | CT Corporation System, 9 Capitol Street, Concord, New Hampshire 03301, U.S.A. | 6,568,790 | 0.35 |
| FMR Investment Management (UK) Limited | 25 Cannon Street, London EC4M 5SB, United Kingdom | 2,012,203 | 0.11 |
| FIDELITY MANAGEMENT AND RESEARCH JAPAN CO., LTD. | Kamiyacho Prime Place, 4-1-17, Toranomon, Minato-ku, Tokyo | 2,764,400 | 0.15 |

| | | | |
|---|---|---|---|
| Strategic Advisers LLC | 1209 Orange St, Wilmington, New Castle County, Delaware 19801, U.S.A. | 6,577,779 | 0.35 |

(6) [Information on Voting Rights]

(i) [Issued Shares]

As of June 30, 2026

| Classification | Number of shares (shares) | Number of voting rights | Details |
|---|---|---|---|
| Non-voting shares | — | — | — |
| Shares with restricted voting rights (treasury stock, etc.) | — | — | — |
| Shares with restricted voting rights (others) | — | — | — |
| Shares with full-voting rights (treasury stock, etc.) | Common stock 43,125,600 | — | — |
| Shares with full-voting rights (others) | Common stock 1,827,195,000 | 1,776,928,800 18,271,950 | — |
| Shares constituting less than one unit of shares | Common stock 294,285 | 1,796,965,800 — | — |
| Number of issued shares | 1,870,614,885 | — | — |
| Voting rights of all shareholders | — | 18,271,950 | — |

(Note) 1. "Shares with full-voting rights (others)" includes 200 shares (2 voting rights) held in the name of the Japan Securities Depository Center.
2. "Shares constituting less than one unit of shares" includes 46 shares of treasury stock held by the Company.

(ii) [Treasury Shares and Others]

As of June 30, 2026

| Holder's name | Address of holder | Number of shares held in the name of holder (shares) | Number of shares held in the name of others (shares) | Total number of shares held (shares) | Percentage of number of shares held to the total number of issued shares (%) |
|---|---|---|---|---|---|
| Renesas Electronics Corporation | 3-2-24, Toyosu, Koto-ku, Tokyo | 43,125,600 | — | 43,125,600 | 2.30 |
| Total | - | 43,125,600 | — | 43,125,600 | 2.30 |

## 2. Status of Directors and Executive Officers

There were no changes in directors and executive officers during the current interim financial period after the date of submission of the Annual Securities Report for the previous fiscal year.

## IV. Finance Information

1. Preparation Method of the Condensed Interim Consolidated Financial Statements

The condensed interim consolidated financial statements of the Company have been prepared in accordance with International Accounting Standards 34 “Interim Financial Reporting” (hereinafter “IAS 34”) pursuant to the provisions of Article 312 of the “Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statements” (Ministry of Finance Ordinance No. 28, 1976, hereinafter “Ordinance on Consolidated Financial Statements”).

The condensed interim consolidated financial statements of the Company are Type-1 interim consolidated financial statements.

2. Audit Certification

The condensed interim consolidated financial statements for the current interim fiscal period (from January 1, 2026 to June 30, 2026) were reviewed by PricewaterhouseCoopers Japan LLC in accordance with Article 193-2, Section 1, of the Financial Instruments and Exchange Act.

## 1. Condensed Interim Consolidated Financial Statements

(1) [Condensed Interim Consolidated Statement of Financial Position]

(In millions of yen)

| | Notes | Previous fiscal year (as of December 31, 2025) | Current interim fiscal period (as of June 30, 2026) |
|---|---|---|---|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | | 295,897 | 376,017 |
| Trade and other receivables | 8 | 169,124 | 207,210 |
| Inventories | | 185,903 | 212,133 |
| Other current financial assets | 20 | 38,601 | 45,772 |
| Income taxes receivable | | 10,757 | 15,990 |
| Other current assets | | 23,277 | 33,535 |
| Subtotal | | 723,559 | 890,657 |
| Assets held for sale | 9 | — | 315,803 |
| Total current assets | | 723,559 | 1,206,460 |
| Non-current assets | | | |
| Property, plant and equipment | | 355,835 | 367,107 |
| Goodwill | | 2,239,337 | 2,016,301 |
| Intangible assets | | 593,324 | 549,186 |
| Investments accounted for using the equity method | | 825 | 1,018 |
| Other non-current financial assets | 20 | 168,363 | 322,639 |
| Deferred tax assets | | 51,414 | 52,762 |
| Other non-current assets | | 44,506 | 47,054 |
| Total non-current assets | | 3,453,604 | 3,356,067 |
| Total assets | | 4,177,163 | 4,562,527 |

(In millions of yen)

| | Notes | Previous fiscal year (as of December 31, 2025) | Current interim fiscal period (as of June 30, 2026) |
|---|---|---|---|
| Liabilities and equity | | | |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 10,20 | 219,167 | 233,182 |
| Bonds and borrowings | 11,20 | 242,478 | 247,818 |
| Other current financial liabilities | 20 | 9,477 | 7,351 |
| Income taxes payable | | 24,377 | 40,517 |
| Provisions | | 4,099 | 4,478 |
| Other current liabilities | | 116,782 | 119,838 |
| Subtotal | | 616,380 | 653,184 |
| Liabilities directly associated with assets held for sale | 9 | — | 226 |
| Total current liabilities | | 616,380 | 653,410 |
| Non-current liabilities | | | |
| Trade and other payables | 10,20 | 7,070 | 1,578 |
| Borrowings | 11,20 | 964,089 | 910,092 |
| Other non-current financial liabilities | 20 | 14,598 | 15,608 |
| Income taxes payable | | 4,393 | 4,350 |
| Retirement benefit liability | | 22,516 | 22,058 |
| Provisions | | 3,551 | 3,560 |
| Deferred tax liabilities | | 83,479 | 81,473 |
| Other non-current liabilities | | 12,636 | 14,848 |
| Total non-current liabilities | | 1,112,332 | 1,053,567 |
| Total liabilities | | 1,728,712 | 1,706,977 |
| Equity | | | |
| Share capital | 12 | 153,209 | 153,209 |
| Capital surplus | 12 | 299,286 | 310,810 |
| Retained earnings | | 1,213,791 | 1,370,809 |
| Treasury shares | 12 | (70,012) | (53,168) |
| Other components of equity | | 846,760 | 1,067,986 |
| Total equity attributable to owners of parent | | 2,443,034 | 2,849,646 |
| Non-controlling interests | | 5,417 | 5,904 |
| Total equity | | 2,448,451 | 2,855,550 |
| Total liabilities and equity | | 4,177,163 | 4,562,527 |

(2) [Condensed Interim Consolidated Statement of Profit or Loss and Condensed Interim Consolidated Statement of Comprehensive Income]

[Condensed Interim Consolidated Statement of Profit or Loss]

(In millions of yen)

| | Notes | Previous interim fiscal period (six months ended June 30, 2025) | Current interim fiscal period (six months ended June 30, 2026) |
|---|---|---|---|
| Revenue | 6,14 | 634,311 | 798,742 |
| Cost of sales | | (280,107) | (330,331) |
| Gross profit | | 354,204 | 468,411 |
| | | | |
| Selling, general and administrative expenses | 15 | (263,687) | (272,057) |
| Other income | 16 | 2,283 | 4,159 |
| Other expenses | 17 | (31,499) | (7,833) |
| Operating profit | | 61,301 | 192,680 |
| | | | |
| Finance income | | 6,829 | 73,021 |
| Finance costs | | (237,180) | (10,664) |
| Share of loss of investments accounted for using equity method | | (238) | (252) |
| Profit (loss) before tax | | (169,288) | 254,785 |
| Income tax expense | | (6,033) | (37,156) |
| Profit (loss) | | (175,321) | 217,629 |
| | | | |
| Profit (loss) attributable to | | | |
| Owners of parent | | (175,342) | 217,333 |
| Non-controlling interests | | 21 | 296 |
| Profit (loss) | | (175,321) | 217,629 |
| | | | |
| Earnings (losses) per share | 18 | | |
| Basic earnings (losses) per share (yen) | | (97.34) | 119.51 |
| Diluted earnings (losses) per share (yen) | | (97.34) | 117.47 |

[Condensed Interim Consolidated Statement of Comprehensive Income]

(In millions of yen)

| | Notes | Previous interim fiscal period (six months ended June 30, 2025) | Current interim fiscal period (six months ended June 30, 2026) |
|---|---|---|---|
| Profit (loss) | | (175,321) | 217,629 |
| Other comprehensive income | | | |
| Items that will not be reclassified to profit or loss | | | |
| Remeasurements of defined benefit plans | | (42) | (154) |
| Equity instruments measured at fair value through other comprehensive income | | 414 | 85,028 |
| Total of items that will not be reclassified to profit or loss | | 372 | 84,874 |
| Items that may be reclassified subsequently to profit or loss | | | |
| Exchange differences on translation of foreign operations | | (302,250) | 135,289 |
| Cash flow hedges | | 1,570 | 381 |
| Cost of hedges | | (48) | 737 |
| Total of items that may be reclassified subsequently to profit or loss | | (300,728) | 136,407 |
| Total other comprehensive income | | (300,356) | 221,281 |
| Total comprehensive income | | (475,677) | 438,910 |
| Comprehensive income attributable to | | | |
| Owners of parent | | (475,547) | 438,413 |
| Non-controlling interests | | (130) | 497 |
| Total comprehensive income | | (475,677) | 438,910 |

(3) [Condensed Interim Consolidated Statement of Changes in Equity]

Previous interim fiscal period (six months ended June 30, 2025)

(In millions of yen)

| | Notes | Equity attributable to owners of parent | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | Other components of equity | | |
| | | Share capital | Capital surplus | Retained earnings | Treasury shares | 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) | | — | — | (175,342) | — | — | — | — |
| Other comprehensive income | | — | — | — | — | — | (42) | 414 |
| Total comprehensive income | | — | — | (175,342) | — | — | (42) | 414 |
| Purchase and disposal of treasury shares | 12 | — | 5,888 | — | 17,158 | — | — | — |
| Dividends of surplus | 13 | — | — | (50,320) | — | — | — | — |
| Share-based payment transactions | | — | (2,167) | — | — | (867) | — | — |
| Transfer to retained earnings | | — | (3,813) | 3,838 | — | (67) | 42 | — |
| Total transactions with owners | | — | (92) | (46,482) | 17,158 | (934) | 42 | — |
| Balance as of June 30, 2025 | | 153,209 | 289,285 | 1,087,124 | (74,962) | 153 | — | (3,075) |

| | Notes | Equity attributable to owners of parent | | | | | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|---|
| | | Other components of equity | | | | | | |
| | | Exchange differences on translation of foreign operations | Cash flow hedges | Cost of hedges | Total | Total equity attributable to owners of parent | | |
| Balance as of January 1, 2025 | | 884,005 | (3,652) | 17 | 877,968 | 2,537,382 | 4,916 | 2,542,298 |
| Profit (loss) | | — | — | — | — | (175,342) | 21 | (175,321) |
| Other comprehensive income | | (302,099) | 1,570 | (48) | (300,205) | (300,205) | (151) | (300,356) |
| Total comprehensive income | | (302,099) | 1,570 | (48) | (300,205) | (475,547) | (130) | (475,677) |
| Purchase and disposal of treasury shares | 12 | — | — | — | — | 23,046 | — | 23,046 |
| Dividends of surplus | 13 | — | — | — | — | (50,320) | (8) | (50,328) |
| Share-based payment transactions | | — | — | — | (867) | (3,034) | — | (3,034) |
| Transfer to retained earnings | | — | — | — | (25) | — | — | — |
| Total transactions with owners | | — | — | — | (892) | (30,308) | (8) | (30,316) |
| Balance as of June 30, 2025 | | 581,906 | (2,082) | (31) | 576,871 | 2,031,527 | 4,778 | 2,036,305 |

Current interim fiscal period (six months ended June 30,2026)

(In millions of yen)

| | Notes | Equity attributable to owners of parent | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | Other components of equity | | |
| | | Share capital | Capital surplus | Retained earnings | Treasury shares | 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 (loss) | | — | — | 217,333 | — | — | — | — |
| Other comprehensive income | | — | — | — | — | — | (154) | 85,028 |
| Total comprehensive income | | — | — | 217,333 | — | — | (154) | 85,028 |
| Purchase and disposal of treasury shares | 12 | — | 19,834 | — | 16,844 | — | — | — |
| Dividends of surplus | 13 | — | — | (50,814) | — | — | — | — |
| Share-based payment transactions | | — | (17,657) | — | — | (8) | — | — |
| Transfer to retained earnings | | — | 9,347 | (9,501) | — | — | 154 | — |
| Total transactions with owners | | — | 11,524 | (60,315) | 16,844 | (8) | 154 | — |
| Balance as of June 30, 2026 | | 153,209 | 310,810 | 1,370,809 | (53,168) | 8 | — | 81,386 |

| | Notes | Equity attributable to owners of parent | | | | | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|---|
| | | Other components of equity | | | | | | |
| | | Exchange differences on translation of foreign operations | Cash flow hedges | Cost of hedges | Total | Total equity attributable to owners of parent | | |
| Balance as of January 1, 2026 | | 852,251 | (1,268) | (597) | 846,760 | 2,443,034 | 5,417 | 2,448,451 |
| Profit (loss) | | — | — | — | — | 217,333 | 296 | 217,629 |
| Other comprehensive income | | 135,088 | 381 | 737 | 221,080 | 221,080 | 201 | 221,281 |
| Total comprehensive income | | 135,088 | 381 | 737 | 221,080 | 438,413 | 497 | 438,910 |
| Purchase and disposal of treasury shares | 12 | — | — | — | — | 36,678 | — | 36,678 |
| Dividends of surplus | 13 | — | — | — | — | (50,814) | (10) | (50,824) |
| Share-based payment transactions | | — | — | — | (8) | (17,665) | — | (17,665) |
| Transfer to retained earnings | | — | — | — | 154 | — | — | — |
| Total transactions with owners | | — | — | — | 146 | (31,801) | (10) | (31,811) |
| Balance as of June 30, 2026 | | 987,339 | (887) | 140 | 1,067,986 | 2,849,646 | 5,904 | 2,855,550 |

(4) [Condensed Interim Consolidated Statement of Cash Flows]

(In millions of yen)

| | Notes | Previous interim fiscal period (six months ended June 30, 2025) | Current interim fiscal period (six months ended June 30, 2026) |
|---|---|---|---|
| Cash flows from operating activities | | | |
| Profit (loss) before tax | | (169,288) | 254,785 |
| Depreciation and amortization | | 98,041 | 94,183 |
| Impairment losses | | 13,741 | 2,420 |
| Finance income and finance costs | | 227,697 | (60,574) |
| Share-based payment expenses | | 20,015 | 19,019 |
| Insurance claim income | | (150) | (69) |
| Foreign exchange loss (gain) | | (5,715) | 4,519 |
| Loss (gain) on sales of property, plant and equipment, and intangible assets | | 179 | (293) |
| Loss on disposal of fixed assets | | 3,442 | 514 |
| Decrease (increase) in inventories | | 5,445 | (22,836) |
| Decrease (increase) in trade and other receivables | | (14,869) | (33,860) |
| Decrease (increase) in other current assets | | 1,108 | (9,413) |
| Decrease (increase) in other financial assets | | 18,393 | 1,845 |
| Increase (decrease) in trade and other payables | | (5,330) | 25,535 |
| Increase (decrease) in retirement benefit liability | | (806) | (606) |
| Increase (decrease) in provisions | | (3,379) | 241 |
| Increase (decrease) in other current liabilities | | 11,356 | 2,536 |
| Increase (decrease) in other financial liabilities | | 477 | 251 |
| Other | | 1,605 | 3,732 |
| Subtotal | | 201,962 | 281,929 |
| Interest received | | 5,081 | 5,201 |
| Dividends received | | 33 | 562 |
| Proceeds from insurance income | | 150 | 69 |
| Income taxes paid | | (9,106) | (30,813) |
| Net cash flows from operating activities | | 198,120 | 256,948 |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | | (47,822) | (42,815) |
| Proceeds from sales of property, plant and equipment | | 1,830 | 434 |
| Purchase of intangible assets | | (25,426) | (26,382) |
| Purchase of other financial assets | | (2,482) | (1,680) |
| Proceeds from sales of other financial assets | | 1,460 | 1,451 |
| Payments for acquisitions of subsidiaries | | (2,823) | (3,651) |
| Payments for settlement of contingent consideration of subsidiary shares | 7 | — | (1,328) |
| Purchase of shares of subsidiaries and associates | | (352) | (445) |
| Proceeds from subsidy | | 3,110 | 577 |
| Proceeds from sale of businesses | | 4,728 | — |
| Other | | 3,914 | (1,841) |
| Net cash flows from investing activities | | (63,863) | (75,680) |

(In millions of yen)

| | Notes | Previous interim fiscal period (six months ended June 30, 2025) | Current interim fiscal period (six months ended June 30, 2026) |
|---|---|---|---|
| Cash flows from financing activities | | | |
| Proceeds from short-term borrowings | 11 | 38,000 | — |
| Repayments of short-term borrowings | 11 | (28,000) | — |
| Repayments of long-term borrowings | | (71,370) | (54,099) |
| Dividends paid | 13 | (50,300) | (50,802) |
| Repayments of lease liabilities | | (4,966) | (5,392) |
| Interest paid | | (7,900) | (9,228) |
| Other | | (4) | (3) |
| Net cash flows from financing activities | | (124,540) | (119,524) |
| Effect of exchange rate changes on cash and cash equivalents | | (27,855) | 18,376 |
| Net increase (decrease) in cash and cash equivalents | | (18,138) | 80,120 |
| Cash and cash equivalents at beginning of the period | | 229,249 | 295,897 |
| Cash and cash equivalents at end of the period | | 211,111 | 376,017 |

**Notes to Condensed Interim Consolidated Financial Statements**

1. Reporting Entity

The Company is a public company established under the Companies Act of Japan and domiciled in Japan. The condensed interim consolidated financial statements (from January 1, 2026 to June 30, 2026) are composed of the Company and its consolidated subsidiaries (hereinafter the "Group"). The Group engages in research, development, design, manufacturing, sales and services related to various kinds of semiconductors as a manufacturer specializing in semiconductors. For details of the Group's major business, please refer to "Note 6. Business Segments".

The condensed interim consolidated financial statements were approved on August 3, 2026 by Hidetoshi Shibata, Representative Executive Officer, President and CEO, and Shuhei Shinkai, Senior Vice President and CFO.

2. Basis for Preparation

(1) Compliance with IFRS

Because the Group meets the requirements for "Specified Companies Complying with Designated International Accounting Standards" stated in Article 1-2-2 of the Ordinance on Consolidated Financial Statements, the Group has adopted the provisions of Article 312 of the Ordinance.

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

(2) Basis of measurement

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

(3) Functional currency and presentation currency

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

(4) Change in Presentation

(Condensed Interim Consolidated Statement of Cash Flows)

Within cash flows from operating activities category, "Decrease (increase) in other current assets," which was disclosed in "Other" for the previous interim fiscal period, has been presented separately for the current interim fiscal period due to the increase in its materiality.

As a result, in the condensed interim consolidated statement of cash flows for the previous interim fiscal period, "Decrease (increase) in other current assets" of 1,108 million yen is separately presented under cash flows from operating activities. Consequently, "Other" of cash flows from operating activities has been revised from 2,713 million yen to 1,605 million yen.

3. Material Accounting Policies

The material accounting policies for the condensed interim consolidated financial statements of the Group are the same as the accounting policies applied in preparing the Group's consolidated financial statements for the previous fiscal year.

In addition, income taxes for the current interim fiscal period are calculated using the estimated annual effective tax rate.

4. Significant Accounting Estimates and Judgements

In preparing the condensed interim 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 judgements for the condensed interim consolidated financial statements for the current interim fiscal period are the same as those applied in the consolidated financial statements for the previous fiscal year.

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 apply.

5. Scope of Consolidation and Application of Equity Method

A. Scope of consolidation

(a) 3 companies were excluded from the scope of consolidation due to dissolution through merger.
(b) 2 companies were newly included in the scope of consolidation due to acquisition.
(c) 2 companies were excluded from the scope of consolidation due to liquidation.

B. Application of equity method

No change in the scope of application of equity method for the current interim fiscal period.

6. 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 of the Company 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 of semiconductor devices for controlling automobile engines and bodies, and "Automotive information," comprising of semiconductor devices used in sensing systems for detecting environments inside and outside the vehicle as well as automotive information devices such as IVI and instrument panels used to give various information to the driver of the vehicle. The Group mainly supplies MCUs, SOC, 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."

(Changes in Reportable Segments)

The Company's U.S. subsidiary and SiTime Corporation (hereinafter "SiTime") signed a definitive agreement to transfer the Group's Timing Business to SiTime. The transfer was approved by the Company's Board of Directors on February 5, 2026. Following this transfer, the reportable segment classification for the relevant business has been reclassified from "Automotive Business" and "Industrial/Infrastructure/IoT Business" to "Other" beginning with the current interim fiscal period.

Note that segment information for the previous interim fiscal period has been prepared based on the categorization method following the change.

(2) Information on reportable segments

The accounting treatment for the reportable segments is the same as stated in "3. Material Accounting Policies". The Company discloses revenue from external customers, segment gross profit, and segment operating profit (which is the segment 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; 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 Company's Board of Directors assesses 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.

Previous interim fiscal period (six months ended June 30, 2025)

(In millions of yen)

| | Reportable Segments | | Other | Adjustments 1 | Total | Adjustments 2 | Consolidation basis |
|---|---|---|---|---|---|---|---|
| | Automotive | Industrial/ Infrastructure/ IoT | | | | | |
| Revenue from external customers | 316,306 | 298,383 | 18,725 | — | 633,414 | 897 | 634,311 |
| Segment gross profit | 165,342 | 181,548 | 12,072 | 618 | 359,580 | (5,376) | 354,204 |
| Segment operating profit | 83,598 | 67,130 | 7,137 | 17,824 | 175,689 | (114,388) | 61,301 |
| Finance income | | | | | | | 6,829 |
| Finance costs | | | | | | | (237,180) |
| Share of loss of investments accounted for using equity method | | | | | | | (238) |
| Loss before tax | | | | | | | (169,288) |
| (Other items) Depreciation and amortization | 21,929 | 15,667 | 444 | — | 38,040 | 60,001 | 98,041 |

Current interim fiscal period (six months ended June 30, 2026)

(In millions of yen)

| | Reportable Segments | | Other | Adjustments 1 | Total | Adjustments 2 | Consolidation basis |
|---|---|---|---|---|---|---|---|
| | Automotive | Industrial/ Infrastructure/ IoT | | | | | |
| Revenue from external customers | 358,679 | 412,206 | 27,458 | (20,730) | 777,613 | 21,129 | 798,742 |
| Segment gross profit | 199,777 | 252,548 | 19,653 | (16,415) | 455,563 | 12,848 | 468,411 |
| Segment operating profit | 126,061 | 131,827 | 14,431 | (14,155) | 258,164 | (65,484) | 192,680 |
| Finance income | | | | | | | 73,021 |
| Finance costs | | | | | | | (10,664) |
| Share of loss of investments accounted for using equity method | | | | | | | (252) |
| Profit before tax | | | | | | | 254,785 |
| (Other items) Depreciation and amortization | 23,463 | 18,411 | 509 | (54) | 42,329 | 51,854 | 94,183 |

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

(In millions of yen)

| | Previous interim fiscal period (six months ended June 30, 2025) | Current interim fiscal period (six months ended June 30, 2026) |
|---|---|---|
| China | 197,629 | 241,738 |
| Asia (Excluding Japan and China) | 139,263 | 186,250 |
| Japan | 130,890 | 166,927 |
| Europe | 98,426 | 121,550 |
| North America | 67,146 | 80,641 |
| Others | 957 | 1,636 |
| Total | 634,311 | 798,742 |

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

7. Business Combinations

(1) Significant business combinations

Previous interim fiscal period (six months ended June 30, 2025)

There were no significant business combinations during the six months ended June 30, 2025.

Current interim fiscal period (six months ended June 30, 2026)

There were no significant business combinations during the six months ended June 30, 2026.

(2) The contingent consideration

The contingent consideration resulted from the business combination with Panthronics AG (hereinafter “Panthronics”).

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.

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)

| | Previous interim fiscal period (six months ended June 30, 2025) | Current interim fiscal period (six months ended June 30, 2026) |
|---|---|---|
| Beginning balance | 1,582 | 1,566 |
| Settlement of amount during the period | — | (1,328) |
| Exchange differences | (134) | 22 |
| Ending balance | 1,448 | 260 |

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

8. Trade and Other Receivables

The components of trade and other receivables are as follows.

(In millions of yen)

| | Previous fiscal year (as of December 31, 2025) | Current interim fiscal period (as of June 30, 2026) |
|---|---|---|
| Notes and trade receivables | 156,172 | 196,355 |
| Other receivables | 13,752 | 11,699 |
| Loss allowance | (800) | (844) |
| Total | 169,124 | 207,210 |

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

9. Assets Held for Sale

On May 8, 2026 (U.S. time), approval under the U.S. antitrust laws was obtained for the transfer of the Company's Timing Business to SiTime.

As a result, the relevant assets and liabilities (Note) have been reclassified as assets held for sale and liabilities directly associated with assets held for sale as of June 30, 2026. For the segments in which the business belongs, please refer to "6. Business Segments (1) Overview of reportable segments." Regarding "Other components of equity" in the Condensed Interim Consolidated Statement of Financial Position for the current interim fiscal period, the cumulative amount of other comprehensive income related to the transfer includes 99,520 million yen.

The transfer was completed on July 1, 2026. For details, please refer to "22. Subsequent Events."

Since the fair value (planned sale price) less costs to sell exceeds the carrying amount, the assets are measured at their carrying amount.

(Note) The transferred business includes not only the Timing Business of the Company's U.S. subsidiary but also assets and liabilities related to the Timing Business held by the Company's other subsidiaries.

The components of assets held for sale and liabilities directly associated with assets held for sale are as follows.

(In millions of yen)

| | Previous fiscal year (as of December 31, 2025) | Current interim fiscal period (as of June 30, 2026) |
|---|---|---|
| Assets held for sale | | |
| Inventories | — | 227 |
| Property, plant and equipment | — | 1,157 |
| Goodwill | — | 308,021 |
| Intangible assets | — | 6,398 |
| Total | — | 315,803 |
| | | |
| Liabilities directly associated with assets held for sale | | |
| Other financial liabilities (current) | — | 36 |
| Provision (current) | — | 2 |
| Other financial liabilities (non-current) | — | 188 |
| Total | — | 226 |

10. Trade and Other Liabilities

The components of trade and other payables are as follows.

(In millions of yen)

| | Previous fiscal year (as of December 31, 2025) | Current interim fiscal period (as of June 30, 2026) |
|---|---|---|
| Trade payables | 98,999 | 120,000 |
| Other payables | 61,509 | 41,716 |
| Electronically recorded obligations | 9,620 | 7,192 |
| Refund liabilities | 56,109 | 65,852 |
| Total | 226,237 | 234,760 |
| Current liabilities | 219,167 | 233,182 |
| Non-current liabilities | 7,070 | 1,578 |

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

11. Bonds and Borrowings

(1) Bonds

Previous interim fiscal period (six months ended June 30, 2025)

Not applicable.

Current interim fiscal period (six months ended June 30, 2026)

Not applicable.

(2) Borrowings

Previous interim fiscal period (six months ended June 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.

Additionally, the Company has breached certain financial covenants related to loan agreements for the current interim fiscal period. However, the Company has obtained consent from the financial institutions not to exercise their right to demand immediate repayment due to this breach.

Current interim fiscal period (six months ended June 30, 2026)

Not applicable.

12. Share Capital and Other Equity Items

Previous interim fiscal period (six months ended June 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 14,418,893 shares of treasury share for the previous interim fiscal period. As a consequence, treasury shares decreased by 17,158 million yen for the previous interim fiscal period.

As a result, the amount of treasury shares held was 74,962 million yen as of the end of the previous interim fiscal period.

Current interim fiscal period (six months ended June 30, 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 14,154,527 shares of treasury share for the current interim fiscal period. As a consequence, treasury shares decreased by 16,844 million yen for the current interim fiscal period.

As a result, the amount of treasury shares held was 53,168 million yen as of the end of the current interim fiscal period.

13. Dividends

(1) Dividend payment amounts

Previous interim fiscal period (six months ended June 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 |

Current interim fiscal period (six months ended June 30, 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 current interim fiscal period, but an effective date is after the end of the current interim fiscal period

Previous interim fiscal period (six months ended June 30, 2025)

Not applicable.

Current interim fiscal period (six months ended June 30, 2026)

Not applicable.

14. Revenue

All of the revenue arises from contracts with customers. In addition, disaggregation of revenue recognized from contracts with customers is stated in "6. Business segments; (2) Information on reportable segments and (4) Information on regions and countries."

15. Selling, General and Administrative Expenses

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

(In millions of yen)

| | Previous interim fiscal period (six months ended June 30, 2025) | Current interim fiscal period (six months ended June 30,2026) |
|---|---|---|
| Research and development expenses | 118,856 | 124,584 |
| Personnel expenses | 55,212 | 59,228 |
| Depreciation and amortization costs | 63,504 | 55,662 |
| Retirement benefit expenses | 2,526 | 3,090 |
| Other | 23,589 | 29,493 |
| Total | 263,687 | 272,057 |

(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.

16. Other Income

The components of other income are as follows.

(In millions of yen)

| | Previous interim fiscal period (six months ended June 30, 2025) | Current interim fiscal period (six months ended June 30, 2026) |
|---|---|---|
| Litigation-related income | — | 1,969 |
| Damage compensation income | — | 847 |
| Gain on sale of fixed assets | 559 | 305 |
| Compensation income | 413 | 139 |
| Government grant income | 365 | 89 |
| Insurance claim income | 150 | 69 |
| Other | 796 | 741 |
| Total | 2,283 | 4,159 |

17. Other Expenses

The components of other expenses are as follows

(In millions of yen)

| | Previous interim fiscal period (six months ended June 30, 2025) | Current interim fiscal period (six months ended June 30, 2026) |
|---|---|---|
| Business restructuring expenses (Note 1) | 5,560 | 3,021 |
| Impairment losses (Note 2) | 13,741 | 2,420 |
| Loss on disposal of fixed assets | 3,442 | 514 |
| Provision for loss on litigation | 5,826 | — |
| Other | 2,930 | 1,878 |
| Total | 31,499 | 7,833 |

(Note) 1. Business restructuring expenses mainly consist of personnel-related expenses, such as premium retirement payments and other related costs.

2. The main component of impairment losses pertains to the recognition of impairment on assets which are not expected to be utilized and are scheduled for disposal.

18. Earnings Per Share

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

(1) Basic earnings (losses)

| | Previous interim fiscal period (six months ended June 30, 2025) | Current interim fiscal period (six months ended June 30, 2026) |
|---|---|---|
| Profit (loss) attributable to owners of parent used for the calculation of basic earnings (losses) per share (million yen) | (175,342) | 217,333 |
| Weighted average number of ordinary shares during the year (thousands of shares) | 1,801,305 | 1,818,577 |
| Basic earnings (losses) per share (yen) | (97.34) | 119.51 |

(2) Diluted earnings (losses) per share

| | Previous interim fiscal period (six months ended June 30, 2025) | Current interim fiscal period (six months ended June 30, 2026) |
|---|---|---|
| Profit (loss) attributable to owners of parent used for the calculation of basic earnings (losses) per share (million yen) | (175,342) | 217,333 |
| Adjustments on earnings (million yen) | — | — |
| Profit (loss) used for the calculation of diluted earnings (losses) per share (million yen) | (175,342) | 217,333 |
| Weighted average number of ordinary shares during the year before dilution (thousands of shares) | 1,801,305 | 1,818,577 |
| Increase in common stock | | |
| Share acquisition rights (thousands of shares) | — | 19 |
| Restricted Stock Unit (thousands of shares) | — | 31,557 |
| Weighted average number of ordinary shares during the year after dilution (thousands of shares) | 1,801,305 | 1,850,154 |
| Diluted earnings (losses) per share (yen) | (97.34) | 117.47 |

(Note) 1. Diluted losses per share for the previous interim fiscal period are the same as basic losses per share as there were no dilutive potential common shares outstanding for the previous interim fiscal period.
2. For the previous interim fiscal period, the share acquisition rights and the restricted stock unit issued by the Company were not dilutive and were thus excluded from the calculation of diluted losses per share.
3. For the current interim fiscal period, there were 21,786 thousand shares of dilutive potential common stock. However, since they had no dilutive effect, they were excluded from the calculation of diluted losses per share.

19. Share-based Payments

The Company has adopted Restricted Stock Unit (RSU) and Performance Share Unit (PSU) Equity Plans since April 2021. The details of RSU and PSU granted for the current interim fiscal period are as follows.

| | | |
|---|---|---|
| Date of grant for RSU | | January 16, 2026 |
| Category and number of grantees | | Employees of the Company and subsidiaries 193 |
| 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) |
| Number of units | RSU | 1,092,000 |

(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 fair value of RSU is 2,294.2 yen, 2,262.4 yen, and 2,230.9 yen for each vesting date, and is calculated by taking into account the market value of the Company's shares and expected dividends based on past dividend history.

| | | |
|---|---|---|
| Date of grant for RSU and PSU | | April 10, 2026 |
| Category and number of grantees | | Directors of the Company 7<br>Executive Corporate Officers 6<br>Employees of the Company and subsidiaries 10,711 |
| 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) |
| | 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 | 13,542,100 |
| | PSU | 2,379,000 |
| | Total | 15,921,100 |

(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.
3. The fair value of RSU is 2,620.4 yen, 2,586.6 yen, and 2,553.4 yen for each vesting date, and is calculated by taking into account the market value of the Company's shares and expected dividends based on past dividend history.
4. The fair value of PSU is 2,553.4 yen and is calculated based on the results of comparing the fluctuation rate of the Company's stock with that of stock indexes over a certain period.

20. Financial Instruments

(1) Calculation method of fair value

The calculation method of the fair value of financial instruments is as follows.

(a) Cash and cash equivalents, and trade and other receivables

The fair value of these instruments approximates their carrying amount due to short term maturities.

(b) Trade and other payables

For trade and other payables that will mature within a short amount of time, the fair value approximates the carrying amount. The fair value of trade and other payables that will not mature in a short amount of time is calculated by the present value that is discounted by an interest rate assumed for the case where a similar borrowing is newly made and classified as Level 2.

(c) Securities

If the market price of a security is available in an active market, the securities are measured using this market price and classified as Level 1. If the market price is not available, the fair value is measured mainly by a method based on net assets (method of calculating by making adjustments to the market value as required based on the net assets of the entity that issues shares) and others, and classified as Level 3.

(d) Loans

The fair value of loans is calculated based on the present value discounted at an interest rate that takes into account credit risk and classified as Level 3.

(e) Long-term borrowings

The fair value of long-term borrowings is calculated at the present value that is discounted using an interest rate assumed for the case where a similar borrowing is newly made and classified as Level 2.

(f) Derivative transactions

Forward exchange contracts, currency options and currency swaps are calculated based on the price presented by the customers’ financial institution and classified as Level 2. In addition, the fair value calculated using unobservable inputs is classified as Level 3.

(g) Bonds

The fair value of bonds is calculated by referring to a market price and classified as Level 2.

(h) Contingent consideration

The fair value of the contingent consideration is calculated as the present value of the payments in the future using appropriate valuation methods with consideration of the probability of occurrence and is classified as Level 3.

(i) Other financial assets and liabilities

The fair value of convertible notes and stock acquisition rights is measured using the Black-Scholes model and is classified as Level 3.

Time deposits with maturities of more than three months, long-term accounts receivable, security deposits and guarantee deposits received that are measured at amortized cost are classified as Level 2. Because their fair value approximates their carrying amount, they are omitted from the following table.

(2) Classification of financial instruments measured at fair value by levels

In the fair value hierarchy, financial instruments are classified from Level 1 to Level 3 as follows.

Level 1: Fair value measured using unadjusted quoted prices in the active markets

Level 2: Fair value calculated using observable inputs, either directly or indirectly, other than those classified as Level 1

Level 3: Fair value calculated by using a valuation technique including inputs that are not based on observable market data

Transfers between the levels in the fair value hierarchy are recognized on the assumption that the transfers occur at the end of each reporting period.

A. Financial instruments measured at amortized cost

The carrying amount and the fair value of financial instruments measured at amortized cost are as follows. Financial instruments measured at fair value and financial instruments whose carrying amount closely approximates fair value are not included in the table below. Lease liabilities are not included in the following table.

Previous fiscal year (as of December 31, 2025)

(In millions of yen)

| | Carrying amount | Fair value | | | |
|---|---|---|---|---|---|
| | | Level 1 | Level 2 | Level 3 | Total |
| Financial liabilities | | | | | |
| Borrowings | 1,073,585 | — | 1,065,829 | — | 1,065,829 |
| Bonds | 132,982 | — | 132,982 | — | 132,982 |
| Other payables | 61,509 | — | 61,548 | — | 61,548 |
| Total | 1,268,076 | — | 1,260,359 | — | 1,260,359 |

Current interim fiscal period (as of June 30, 2026)

(In millions of yen)

| | Carrying amount | Fair value | | | |
|---|---|---|---|---|---|
| | | Level 1 | Level 2 | Level 3 | Total |
| Financial liabilities | | | | | |
| Borrowings | 1,019,921 | — | 1,014,153 | — | 1,014,153 |
| Bonds | 137,989 | — | 137,989 | — | 137,989 |
| Other payables | 41,716 | — | 41,727 | — | 41,727 |
| Total | 1,199,626 | — | 1,193,869 | — | 1,193,869 |

B. Financial instruments measured at fair value

The components of financial assets and financial liabilities measured at fair value on a recurring basis that are classified as each level of the fair value hierarchy are as follows.

Previous fiscal year (as of December 31, 2025)

(In millions of yen)

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Financial assets | | | | |
| Financial assets measured at fair value through profit or loss | | | | |
| Derivative assets | — | 39,854 | — | 39,854 |
| Investment trust | 13,108 | — | — | 13,108 |
| Unlisted securities | — | — | 5,520 | 5,520 |
| Other (Note 1, 3) | — | — | 87,384 | 87,384 |
| Equity instruments measured at fair value through other comprehensive income | | | | |
| Listed securities | 65 | — | — | 65 |
| Unlisted securities | — | — | 8,636 | 8,636 |
| Total | 13,173 | 39,854 | 101,540 | 154,567 |
| Financial liabilities | | | | |
| Financial liabilities measured at fair value through profit or loss | | | | |
| Derivative liabilities | — | 1,278 | — | 1,278 |
| Contingent consideration | — | — | 2,576 | 2,576 |
| Total | — | 1,278 | 2,576 | 3,854 |

Current interim fiscal period (as of June 30, 2026)

(In millions of yen)

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Financial assets | | | | |
| Financial assets measured at fair value through profit or loss | | | | |
| Derivative assets | — | 45,065 | — | 45,065 |
| Investment trust | 14,512 | — | — | 14,512 |
| Unlisted securities | — | — | 12,910 | 12,910 |
| Other (Note 2) | — | — | 102,445 | 102,445 |
| Equity instruments measured at fair value through other comprehensive income | | | | |
| Listed securities (Note 3) | 132,104 | — | — | 132,104 |
| Unlisted securities | — | — | 9,534 | 9,534 |
| Total | 146,616 | 45,065 | 124,889 | 316,570 |
| Financial liabilities | | | | |
| Financial liabilities measured at fair value through profit or loss | | | | |
| Derivative liabilities | — | — | — | — |
| Contingent consideration | — | — | 1,485 | 1,485 |
| Total | — | — | 1,485 | 1,485 |

(Note) 1. Other includes convertible notes subject to restrictions on conversion, as well as rights that are expected to be converted into common stock and warrants in the future.
2. Other includes convertible notes subject to restrictions on conversion, as well as share acquisition rights.
3. Rights that are expected to be converted into common stock in the future were classified as Level 3 at the end of the previous fiscal year and were reclassified to Level 1 during the current interim fiscal period upon conversion into common stock.

C. Changes in financial assets that are classified as Level 3 are as follows.

(In millions of yen)

| | Previous interim fiscal period (six months ended June 30, 2025) | Current interim fiscal period (six months ended June 30, 2026) |
|---|---|---|
| Financial Assets | | |
| Beginning balance | 340,871 | 101,540 |
| Total gains or losses in the period | (244,643) | 155,393 |
| Profit or loss (Note 1, 2) | (224,916) | 57,406 |
| Other comprehensive income (Note 3) | (19,727) | 97,987 |
| Purchases | 700 | — |
| Transfer to level 1 | — | (132,044) |
| Other | — | — |
| Ending balance | 96,928 | 124,889 |
| Changes in unrealized gains or losses recorded in profit or loss for the balance held at the end of the reporting period (Note 1) | (224,916) | 57,406 |
| Financial liabilities | | |
| Beginning balance | 1,582 | 2,576 |
| Total gains or losses in the period | 264 | 421 |
| Profit or loss (Note 4) | 446 | 369 |
| Other comprehensive income | (182) | 52 |
| Settlement | — | (1,717) |
| Acquisition due to business combinations | 461 | — |
| Other | — | 205 |
| Ending balance | 2,307 | 1,485 |
| Changes in unrealized gains or losses recorded in profit or loss for the balance held at the end of the reporting period (Note 4) | 446 | 369 |

(Note) 1. Amounts relate to financial assets measured at fair value through profit or loss and included in “Finance income” and “Finance costs” in the condensed interim consolidated statements of profit or loss.

2. The decrease in financial assets for the previous interim fiscal period is mainly due to the reduction in long-term loans receivable resulting from the recognition of a valuation loss of 234,978 million yen on deposits receivable with Wolfspeed, following the company’s filing for protection under the U.S. Federal Bankruptcy Code and its restructuring plan.

3. Amounts relate to equity instruments measured at fair value through other comprehensive income and presented in “Exchange differences on translation of foreign operations” or “Equity instruments measured at fair value through other comprehensive income” in the condensed interim consolidated statements of comprehensive income.

4. Amounts relate to financial liabilities measured at fair value through profit or loss and included in “Finance costs,” “Other expenses” and “Other income” in the condensed interim consolidated statements of profit or loss.

5. Financial instruments that are classified as Level 3 consist of unlisted securities, convertible notes and warrants under “Other,” and contingent consideration due to business combination. The measurement results of the fair value are reviewed and approved by an appropriate authorized person.
Unlisted securities are mainly investments in funds, and the fair value of the unlisted securities is measured based on the value of net assets as a valuation technique.
The fair value of the convertible notes and warrants is calculated using the Black-Scholes model. As these estimates involve uncertainty, changes in significant unobservable inputs may lead to fluctuations in fair value.
In addition, the fair value of contingent consideration is measured in consideration of the possibility of achieving for developmental milestones and the time value of money. Since these estimates are uncertain, fair value may increase if material unobservable development milestones become more likely to be achieved.

D. The aggregate amount of the difference between the fair value at initial recognition and the transaction price that remains unrecognized in profit or loss at the beginning and end of the interim fiscal period, and the changes therein during the period, are as follows.

(In millions of yen)

| | Previous interim fiscal period (six months ended June 30, 2025) | Current interim fiscal period (six months ended June 30, 2026) |
|---|---|---|
| Financial assets measured at fair value through profit or loss | | |
| Loans | | |
| Beginning balance | 83,728 | — |
| Increase | | |
| Increase due to new transactions | — | — |
| Decrease | | |
| Other amounts recognized in profit or loss | (74,798) | — |
| Decrease due to amortization | (4,675) | — |
| Others | (4,255) | — |
| Ending balance | — | — |

(Note) In cases where the transaction price of a financial instrument differs from its fair value at the initial recognition, and the fair value is determined using unobservable inputs, the difference between the transaction price and fair value is deferred. This difference is recognized in profit or loss either when amortized over the term of the contract using the straight-line method or when the financial instrument is derecognized.

21. Contingent Liabilities

As the Group conducts business worldwide, it is possible that the Group may become a party to lawsuits, arbitration, investigation by regulatory authorities and other legal proceedings in various countries.

Though it is difficult to predict the outcome of the legal proceedings to which the Group is presently a party or to which it may become a party in the future, the resolution of such proceedings may require considerable time and expense. There is a possibility that the Group's business, performance, financial condition, cash flow, reputation and creditability may have material adverse effects by the outcome. In accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" Article 92, the Group does not disclose detailed information of the legal proceedings since it is likely to lead the Group to an unfavorable position.

The Group recognizes a provision for litigation losses to cover payments related to lawsuits and damage claims involving other companies, to the extent that such amounts can be reasonably estimated.

(Indemnification claim related to environmental pollution)

The Group's subsidiary in Taiwan has been subjected to requests for restitution for environmental pollution associated with a factory in Taiwan owned by the subsidiary's predecessor company.

Since June 2004, the Group's subsidiary has been notified that a company reserved its right to seek indemnification from the subsidiary for all costs associated with the remediation of the contamination related to environmental pollution found at a factory in Taiwan owned by the subsidiary's predecessor company, and the costs associated with the lawsuit as well as the costs relating to those retained environmental liabilities in a toxic tort class action lawsuit filed by ex-employees who worked at the factory. Though the Group's subsidiary is not a defendant in the class action lawsuit, the claimant initiated arbitration proceedings against the subsidiary related to all claims arising out of the contamination, including the remediation, the toxic tort claims, and attorneys' fees in December 2017, but afterward, the arbitrator ordered a stay of the arbitration in response to a unilateral request by the claimant.

22. Subsequent Events

(The completion of transfer of the Timing Business)

As described in "9. Assets Held for Sale," the assets and liabilities related to the Company's Timing Business have been classified as assets held for sale and liabilities directly associated with assets held for sale as of June 30, 2026.

The transaction to transfer the business to SiTime Corporation (hereinafter "the Transfer") was completed on July 1, 2026. As the Transfer occurred after the end of the current interim consolidated accounting period, it has not been reflected in the condensed interim consolidated financial statements for the current interim fiscal period.

With the Transfer, the Group expects to recognize gain on sale of the business of approximately 443.3 billion yen based on estimates as of the completion date of the Transfer. However, the final impact on profit or loss, including related tax expenses and other transaction-related expenses, may change as the related calculations are further reviewed and finalized.

(Impact of the Earthquake in Kumamoto Prefecture)

Due to the Kumamoto Earthquake that occurred on July 28, 2026 (JST), the Company's Nishiki Factory (Nishiki Town, Kuma District, Kumamoto Prefecture) and the Kawashiri Factory (Kumamoto City, Kumamoto Prefecture) of Renesas Semiconductor Manufacturing Co., Ltd., a wholly-owned subsidiary of the Company, have been affected. The details of the impact and the amount of damage caused by the earthquake are currently under investigation at both factories.

## 2. Others

(1) Situation after the financial closing date

Not applicable.

(2) Litigation

As stated in “Note 21. Contingent Liabilities” in the “IV. Finance Information, 1. Condensed Interim Consolidated Financial Statements, Notes to Condensed Interim Consolidated Financial Statements”.

# Part II.　Corporate Information on Guarantors and Others

Not applicable.