

Media Contacts

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

Investor Contacts

Yuuki Oka
Investor Relations Office
Renesas Electronics Corporation
+81 3-6773-3002
ir@renesas.com

Renesas Reports Financial Results for the Second Quarter Ended June 30, 2022

TOKYO, Japan, July 28, 2022 — Renesas Electronics Corporation (TSE:6723) today announced consolidated financial results in accordance with IFRS for the six months ended June 30, 2022.

Summary of Consolidated Financial Results (Note 1)

| | Three months ended June 30, 2022 | | Six months ended June 30, 2022 | |
|---|---|--------------|---|--------------|
| | Billion Yen | % of Revenue | Billion Yen | % of Revenue |
| Revenue | 376.6 | 100.0 | 722.9 | 100.0 |
| Operating profit | 110.2 | 29.3 | 210.0 | 29.1 |
| Profit attributable to owners of parent | 50.6 | 13.4 | 110.4 | 15.3 |
| Capital expenditures (Note 2) | 148.6 | | 180.5 | |
| Depreciation and amortization | 45.9 | | 89.9 | |
| R&D expenses (Note 3) | 51.4 | | 97.0 | |
| | Yen | | Yen | |
| Exchange rate (USD) | 124 | | 120 | |
| Exchange rate (EUR) | 134 | | 132 | |

| | As of June 30, 2022 |
|---|----------------------------|
| | Billion Yen |
| Total assets | 2,840.3 |
| Total equity | 1,449.2 |
| Equity attributable to owners of parent | 1,445.3 |
| Equity ratio attributable to owners of parent (%) | 50.9 |
| Interest-bearing liabilities | 886.0 |

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

Note 2: Capital expenditures refer to the amount of capital for property, plant and equipment (manufacturing equipment) and intangible assets based on the amount of investment decisions made during the three months and six months ended June 30, 2022. However, the investments from the former Dialog Semiconductors Plc (hereinafter "Dialog") and Celeno Communications Inc. (hereinafter "Celeno") are listed as an input basis. It should be noted that as of September 14, 2021, Dialog has changed its company name to Dialog Semiconductor Limited.

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

Note 4: The allocation of the acquisition costs for the business combinations with Dialog has been revised at the end of the three months ended March 31, 2022 and for the business combinations with Celeno at the end of the three months ended June 30, 2022. The revised allocation of the acquisition costs (PPA) has been reflected in the consolidated financial results for the year ended December 31, 2021 and for the three months ended March 31, 2022.

RENESAS ELECTRONICS CORPORATION
Consolidated Financial Results for the Second Quarter Ended June 30, 2022
English translation from the original Japanese-language document



July 28, 2022

| | |
|--|---|
| Company name | : Renesas Electronics Corporation |
| Stock exchanges on which the shares are listed | : Tokyo Stock Exchange, Prime Market |
| Code number | : 6723 |
| URL | : https://www.renesas.com |
| Representative | : Hidetoshi Shibata, President and CEO |
| Contact person | : Fujiko Yamaguchi, Vice President, IR Office |
| | Tel. +81 (0)3-6773-3002 |
| Filing date of Shihanki Hokokusho (scheduled) | : August 10, 2022 |

(Amounts are rounded to the nearest million yen)

1. Consolidated financial results for the six months ended June 30, 2022

1.1 Consolidated financial results (% of change from corresponding period of the previous year)

| | Revenue | | Operating profit | | Profit before tax | | Profit | | Profit attributable to owners of parent | | Total comprehensive income | |
|--------------------------------|-------------|------|------------------|-------|-------------------|-------|-------------|-------|---|-------|----------------------------|-------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % | Million yen | % | Million yen | % |
| Six months ended June 30, 2022 | 722,908 | 71.5 | 210,005 | 219.8 | 147,423 | 190.6 | 110,575 | 191.9 | 110,437 | 192.9 | 486,404 | 285.0 |
| Six months ended June 30, 2021 | 421,553 | 22.0 | 65,661 | 114.8 | 50,736 | 70.4 | 37,879 | 62.9 | 37,705 | 62.4 | 126,334 | --- |

| | Basic earnings per share | Diluted earnings per share |
|--------------------------------|--------------------------|----------------------------|
| | Yen | Yen |
| Six months ended June 30, 2022 | 56.96 | 55.82 |
| Six months ended June 30, 2021 | 21.53 | 21.07 |

1.2 Consolidated financial position

| | Total assets | Total equity | Equity attributable to owners | Ratio of equity attributable to owners |
|-------------------|--------------|--------------|-------------------------------|--|
| | Million yen | Million yen | Million yen | % |
| June 30, 2022 | 2,840,293 | 1,449,179 | 1,445,349 | 50.9 |
| December 31, 2021 | 2,426,301 | 1,153,398 | 1,150,081 | 47.4 |

2. Cash dividends

| | Cash dividends per share | | | | |
|--|-----------------------------|------------------------------|-----------------------------|--------------------|-------|
| | At the end of first quarter | At the end of second quarter | At the end of third quarter | At the end of year | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Year ended December 31, 2021 | --- | 0.00 | --- | 0.00 | 0.00 |
| Year ending December 31, 2022 | --- | 0.00 | | | |
| Year ending December 31, 2022 (forecast) | | | --- | --- | --- |

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

3. Forecast of consolidated results for the nine months ending September 30, 2022

| | Non-GAAP Revenue | | Non-GAAP Gross Margin | | Non-GAAP Operating Margin | |
|---------------------------------------|---------------------------|-----------------|-----------------------|------|---------------------------|------|
| | Million yen | % | % | %pts | % | %pts |
| Nine months ending September 30, 2022 | 1,103,759 to 1,111,759 | 62.3 to 63.5 | 57.8 | 5.1 | 37.3 | 8.2 |

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

Note 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 six months ended June 30, 2022: No
(Changes in specified subsidiaries resulting in changes in scope of consolidation)

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

1. Changes in accounting policies with revision of accounting standard: No
2. Changes in accounting policies except for 4.2.1: No
3. Changes in accounting estimates: No

4.3 Number of shares issued and outstanding (common stock)

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

| | |
|--------------------------|----------------------|
| As of June 30, 2022: | 1,952,747,173 shares |
| As of December 31, 2021: | 1,943,805,775 shares |
2. Number of treasury stock

| | |
|--------------------------|--------------------|
| As of June 30, 2022: | 168,069,831 shares |
| As of December 31, 2021: | 2,581 shares |
3. Average number of shares issued and outstanding

| | |
|---------------------------------|----------------------|
| Six months ended June 30, 2022: | 1,938,971,343 shares |
| Six months ended June 30, 2021: | 1,751,223,268 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 July 28, 2022. The Group plans to post the materials which are provided at the meeting, on the Group's website on that day.

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

The allocation of the acquisition costs for the business combinations with Dialog has been revised at the end of the three months ended March 31, 2022, and for the business combinations with Celeno at the end of the three months ended June 30, 2022. The revised allocation of the acquisition costs (PPA) has been reflected in the consolidated financial results for the year ended December 31, 2021 and for the three months ended March 31, 2022. For details, please refer to Appendix 1.5, "Notes to Quarterly Consolidated Financial Statements (Business Combinations)" on page 16.

[APPENDIX]

| | |
|--|----------|
| 1. Condensed Consolidated Financial Statements | 2 |
| 1.1 Condensed Consolidated Statement of Financial Position | 2 |
| 1.2 Condensed Consolidated Statement of Profit or Loss and Consolidated Statement of Comprehensive Income | 4 |
| 1.3 Condensed Consolidated Statement of Changes in Equity | 8 |
| 1.4 Condensed Consolidated Statement of Cash Flows | 10 |
| 1.5 Notes to Condensed Consolidated Financial Statements | 12 |
| (Notes about Going Concern Assumption) | 12 |
| (Basis for Preparation) | 12 |
| (Basis of Condensed Consolidated Financial Statements) | 12 |
| (Significant Accounting Policies) | 12 |
| (Significant Accounting Estimates and Judgments) | 12 |
| (Business Segments) | 13 |
| (Business Combinations) | 16 |
| (Trade and Other Receivables) | 18 |
| (Trade and Other Payables) | 18 |
| (Bonds and Borrowings) | 18 |
| (Equity and Other Equity Items) | 19 |
| (Revenue) | 19 |
| (Selling, General and Administrative Expenses) | 19 |
| (Other Income) | 20 |
| (Other Expenses) | 20 |
| (Additional Information) | 21 |
| (Subsequent Events) | 21 |

1. Condensed Consolidated Financial Statements
1.1 Condensed Consolidated Statement of Financial Position

| | (In millions of yen) | |
|------------------------------------|-------------------------|-------------------------|
| | As of December 31, 2021 | As of June 30, 2022 |
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | 221,924 | 247,854 |
| Trade and other receivables | 140,478 | 190,985 |
| Inventories | 137,759 | 173,318 |
| Other current financial assets | 737 | 5,322 |
| Income taxes receivable | 4,395 | 3,992 |
| Other current assets | 12,352 | 14,908 |
| Total current assets | <u>517,645</u> | <u>636,379</u> |
| Non-current assets | | |
| Property, plant and equipment | 198,165 | 205,895 |
| Goodwill | 1,089,452 | 1,294,611 |
| Intangible assets | 534,778 | 559,699 |
| Other non-current financial assets | 34,633 | 76,948 |
| Deferred tax assets | 42,537 | 52,757 |
| Other non-current assets | 9,091 | 14,004 |
| Total non-current assets | <u>1,908,656</u> | <u>2,203,914</u> |
| Total assets | <u><u>2,426,301</u></u> | <u><u>2,840,293</u></u> |

| | (In millions of yen) | |
|--|-------------------------|---------------------|
| | As of December 31, 2021 | As of June 30, 2022 |
| Liabilities and equity | | |
| Liabilities | | |
| Current liabilities | | |
| Trade and other payables | 204,330 | 237,209 |
| Bonds and borrowings | 121,105 | 160,034 |
| Other current financial liabilities | 11,595 | 22,224 |
| Income taxes payable | 22,050 | 43,069 |
| Provisions | 11,185 | 10,701 |
| Other current liabilities | 75,623 | 69,231 |
| Total current liabilities | 445,888 | 542,468 |
| Non-current liabilities | | |
| Trade and other payables | 15,100 | 10,145 |
| Bonds and borrowings | 692,983 | 709,690 |
| Other non-current financial liabilities | 11,868 | 16,325 |
| Income taxes payable | 3,792 | 4,561 |
| Retirement benefit liability | 27,926 | 28,023 |
| Provisions | 3,795 | 3,827 |
| Deferred tax liabilities | 65,788 | 70,521 |
| Other non-current liabilities | 5,763 | 5,554 |
| Total non-current liabilities | 827,015 | 848,646 |
| Total liabilities | 1,272,903 | 1,391,114 |
| Equity | | |
| Share capital | 147,133 | 151,341 |
| Capital surplus | 337,989 | 344,840 |
| Retained earnings | 570,292 | 680,421 |
| Treasury shares | (11) | (200,011) |
| Other components of equity | 94,678 | 468,758 |
| Total equity attributable to owners of parent | 1,150,081 | 1,445,349 |
| Non-controlling interests | 3,317 | 3,830 |
| Total equity | 1,153,398 | 1,449,179 |
| Total liabilities and equity | 2,426,301 | 2,840,293 |

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

Condensed Consolidated Statement of Profit or Loss
(Six months ended June 30, 2021 and June 30, 2022)

| | (In millions of yen) | |
|--|-----------------------------------|-----------------------------------|
| | Six months ended June 30, 2021 | Six months ended June 30, 2022 |
| Revenue | 421,553 | 722,908 |
| Cost of sales | (218,867) | (307,122) |
| Gross profit | 202,686 | 415,786 |
| Selling, general and administrative expenses | (135,432) | (200,744) |
| Other income | 4,611 | 6,207 |
| Other expenses | (6,204) | (11,244) |
| Operating profit | 65,661 | 210,005 |
| Finance income | 1,430 | 390 |
| Finance costs | (16,355) | (62,972) |
| Profit before tax | 50,736 | 147,423 |
| Income tax expense | (12,857) | (36,848) |
| Profit | 37,879 | 110,575 |
| Profit attributable to | | |
| Owners of parent | 37,705 | 110,437 |
| Non-controlling interests | 174 | 138 |
| Profit | 37,879 | 110,575 |
| Earnings per share | | |
| Basic earnings per share (yen) | 21.53 | 56.96 |
| Diluted earnings per share (yen) | 21.07 | 55.82 |

Condensed Consolidated Statement of Comprehensive Income
(Six months ended June 30, 2021 and June 30, 2022)

| | (In millions of yen) | |
|---|-----------------------------------|-----------------------------------|
| | Six months ended June 30, 2021 | Six months ended June 30, 2022 |
| Profit | 37,879 | 110,575 |
| Other comprehensive income | | |
| Items that will not be reclassified to profit or loss | | |
| Remeasurements of defined benefit plans | (140) | (242) |
| Equity instruments measured at fair value through other comprehensive income | — | (680) |
| Total of items that will not be reclassified to profit or loss | (140) | (922) |
| Items that may be reclassified subsequently to profit or loss | | |
| Exchange differences on translation of foreign operations | 85,178 | 391,349 |
| Cash flow hedges | 3,417 | (12,901) |
| Cost of hedges | — | (1,697) |
| Total of items that may be reclassified subsequently to profit or loss | 88,595 | 376,751 |
| Total other comprehensive income | 88,455 | 375,829 |
| Total comprehensive income | 126,334 | 486,404 |
| Comprehensive income attributable to | | |
| Owners of parent | 126,053 | 485,891 |
| Non-controlling interests | 281 | 513 |
| Total comprehensive income | 126,334 | 486,404 |

Condensed Consolidated Statement of Profit or Loss
(Three months ended June 30, 2021 and June 30, 2022)

| | (In millions of yen) | |
|--|-------------------------------------|-------------------------------------|
| | Three months ended June 30, 2021 | Three months ended June 30, 2022 |
| Revenue | 217,875 | 376,620 |
| Cost of sales | (112,944) | (158,722) |
| Gross profit | 104,931 | 217,898 |
| Selling, general and administrative expenses | (69,602) | (106,004) |
| Other income | 1,456 | 1,131 |
| Other expenses | (1,315) | (2,843) |
| Operating profit | 35,470 | 110,182 |
| Finance income | 49 | 248 |
| Finance costs | (2,407) | (41,749) |
| Profit before tax | 33,112 | 68,681 |
| Income tax expense | (9,039) | (18,043) |
| Profit | 24,073 | 50,638 |
| Profit attributable to | | |
| Owners of parent | 23,991 | 50,554 |
| Non-controlling interests | 82 | 84 |
| Profit | 24,073 | 50,638 |
| Earnings per share | | |
| Basic earnings per share (yen) | 13.56 | 26.15 |
| Diluted earnings per share (yen) | 13.28 | 25.67 |

Condensed Consolidated Statement of Comprehensive Income
(Three months ended June 30, 2021 and June 30, 2022)

| | (In millions of yen) | |
|---|-------------------------------------|-------------------------------------|
| | Three months ended June 30, 2021 | Three months ended June 30, 2022 |
| Profit | 24,073 | 50,638 |
| Other comprehensive income | | |
| Items that will not be reclassified to profit or loss | | |
| Remeasurements of defined benefit plans | (42) | (132) |
| Equity instruments measured at fair value through other comprehensive income | — | (265) |
| Total of items that will not be reclassified to profit or loss | (42) | (397) |
| Items that may be reclassified subsequently to profit or loss | | |
| Exchange differences on translation of foreign operations | 412 | 256,363 |
| Cash flow hedges | 3,416 | (6,977) |
| Cost of hedges | — | (1,724) |
| Total of items that may be reclassified subsequently to profit or loss | 3,828 | 247,662 |
| Total other comprehensive income | 3,786 | 247,265 |
| Total comprehensive income | 27,859 | 297,903 |
| Comprehensive income attributable to | | |
| Owners of parent | 27,778 | 297,610 |
| Non-controlling interests | 81 | 293 |
| Total comprehensive income | 27,859 | 297,903 |

1.3 Condensed Consolidated Statement of Changes in Equity

(Six months ended June 30, 2021)

(In millions of yen)

| | Equity attributable to owners of parent | | | | | | |
|----------------------------------|---|-----------------|-------------------|-----------------|----------------------------|---|--|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Other components of equity | | |
| | | | | | Share acquisition rights | Remeasurements of defined benefit plans | Equity instruments measured at fair value through other comprehensive income |
| Balance as of January 1, 2021 | 28,971 | 208,253 | 449,975 | (11) | 15,959 | — | (1,131) |
| Profit | — | — | 37,705 | — | — | — | — |
| Other comprehensive income | — | — | — | — | — | (140) | — |
| Total comprehensive income | — | — | 37,705 | — | — | (140) | — |
| Issuance of new shares | 113,862 | 113,044 | — | — | — | — | — |
| Share-based payment transactions | — | 1,552 | — | — | 1,351 | — | — |
| Transfer to retained earnings | — | — | 129 | — | (269) | 140 | — |
| Total transactions with owners | 113,862 | 114,596 | 129 | — | 1,082 | 140 | — |
| Balance as of June 30, 2021 | 142,833 | 322,849 | 487,809 | (11) | 17,041 | — | (1,131) |

| | Equity attributable to owners of parent | | | | | Non-controlling interests | Total equity |
|----------------------------------|---|------------------|----------------|----------|---|---------------------------|--------------|
| | Other components of equity | | | | Total equity attributable to owners of parent | | |
| | Exchange differences on translation of foreign operations | Cash flow hedges | Cost of hedges | Total | | | |
| Balance as of January 1, 2021 | (85,315) | — | — | (70,487) | 616,701 | 2,960 | 619,661 |
| Profit | — | — | — | — | 37,705 | 174 | 37,879 |
| Other comprehensive income | 85,071 | 3,417 | — | 88,348 | 88,348 | 107 | 88,455 |
| Total comprehensive income | 85,071 | 3,417 | — | 88,348 | 126,053 | 281 | 126,334 |
| Issuance of new shares | — | — | — | — | 226,906 | — | 226,906 |
| Share-based payment transactions | — | — | — | 1,351 | 2,903 | — | 2,903 |
| Transfer to retained earnings | — | — | — | (129) | — | — | — |
| Total transactions with owners | — | — | — | 1,222 | 229,809 | — | 229,809 |
| Balance as of June 30, 2021 | (244) | 3,417 | — | 19,083 | 972,563 | 3,241 | 975,804 |

(Six months ended June 30, 2022)

(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, 2022 | 147,133 | 337,989 | 570,292 | (11) | 13,270 | — | (1,475) |
| Profit | — | — | 110,437 | — | — | — | — |
| Other comprehensive income | — | — | — | — | — | (242) | (680) |
| Total comprehensive income | — | — | 110,437 | — | — | (242) | (680) |
| Issuance of new shares | 4,208 | 4,183 | — | — | — | — | — |
| Purchase of treasury shares | — | (22) | — | (200,000) | — | — | — |
| Share-based payment transactions | — | 2,690 | — | — | (1,682) | — | — |
| Transfer to retained earnings | — | — | (308) | — | 20 | 242 | 46 |
| Total transactions with owners | 4,208 | 6,851 | (308) | (200,000) | (1,662) | 242 | 46 |
| Balance as of June 30, 2022 | 151,341 | 344,840 | 680,421 | (200,011) | 11,608 | — | (2,109) |

| | 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, 2022 | 83,454 | (418) | (153) | 94,678 | 1,150,081 | 3,317 | 1,153,398 |
| Profit | — | — | — | — | 110,437 | 138 | 110,575 |
| Other comprehensive income | 390,974 | (12,901) | (1,697) | 375,454 | 375,454 | 375 | 375,829 |
| Total comprehensive income | 390,974 | (12,901) | (1,697) | 375,454 | 485,891 | 513 | 486,404 |
| Issuance of new shares | — | — | — | — | 8,391 | — | 8,391 |
| Purchase of treasury shares | — | — | — | — | (200,022) | — | (200,022) |
| Share-based payment transactions | — | — | — | (1,682) | 1,008 | — | 1,008 |
| Transfer to retained earnings | — | — | — | 308 | — | — | — |
| Total transactions with owners | — | — | — | (1,374) | (190,623) | — | (190,623) |
| Balance as of June 30, 2022 | 474,428 | (13,319) | (1,850) | 468,758 | 1,445,349 | 3,830 | 1,449,179 |

1.4 Condensed Consolidated Statement of Cash Flows

(In millions of yen)

| | Six months ended June 30, 2021 | Six months ended June 30, 2022 |
|--|-----------------------------------|-----------------------------------|
| Cash flows from operating activities | | |
| Profit before tax | 50,736 | 147,423 |
| Depreciation and amortization | 65,724 | 89,923 |
| Impairment losses | 61 | 5,761 |
| Finance income and finance costs | 2,077 | 6,015 |
| Share-based payment expenses | 6,821 | 9,421 |
| Foreign exchange loss (gain) | 12,323 | 57,143 |
| Loss (gain) on sales of property, plant and equipment, and intangible assets | (3,447) | (373) |
| Decrease (increase) in inventories | (2,711) | (22,978) |
| Decrease (increase) in trade and other receivables | (7,697) | (30,669) |
| Decrease (increase) in other financial assets | (3,854) | (16,056) |
| Increase (decrease) in trade and other payables | 20,234 | 24,727 |
| Increase (decrease) in retirement benefit liability | (1,033) | (891) |
| Increase (decrease) in provisions | 2,350 | (1,756) |
| Increase (decrease) in other current liabilities | (12,227) | (11,789) |
| Increase (decrease) in other financial liabilities | — | (1,647) |
| Other | 2,678 | (614) |
| Subtotal | 132,035 | 253,640 |
| Interest received | 87 | 168 |
| Dividends received | 211 | 132 |
| Income taxes paid | (11,700) | (25,637) |
| Net cash flows from operating activities | 120,633 | 228,303 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (11,894) | (30,931) |
| Proceeds from sales of property, plant and equipment | 3,777 | 1,277 |
| Purchase of intangible assets | (6,821) | (10,972) |
| Purchase of other financial assets | (1,239) | (4,083) |
| Proceeds from sales of other financial assets | 386 | 911 |
| Payments for acquisitions of subsidiaries | — | (29) |
| Other | (1,113) | (5,986) |
| Net cash flows from investing activities | (16,904) | (49,813) |
| Cash flows from financing activities | | |
| Proceeds from short-term borrowings | — | 50,000 |
| Repayments of short-term borrowings | — | (11,088) |
| Proceeds from long-term borrowings | — | 47,096 |
| Repayments of long-term borrowings | (46,695) | (60,433) |
| Proceeds from issuance of shares | 223,799 | — |
| Payments for share issuance costs | (820) | — |
| Purchase of treasury shares | — | (200,000) |
| Repayments of lease liabilities | (1,572) | (3,916) |
| Interest paid | (2,776) | (2,838) |
| Other | (10) | (63) |
| Net cash flows from financing activities | 171,926 | (181,242) |

| | (In millions of yen) | |
|--|-----------------------------------|-----------------------------------|
| | Six months ended June 30, 2021 | Six months ended June 30, 2022 |
| Effect of exchange rate changes on cash and cash equivalents | 9,330 | 28,682 |
| Net increase (decrease) in cash and cash equivalents | 284,985 | 25,930 |
| Cash and cash equivalents at beginning of the period | 219,786 | 221,924 |
| Cash and cash equivalents at end of the period | <u>504,771</u> | <u>247,854</u> |

1.5 Notes to Condensed Consolidated Financial Statements

(Notes about Going Concern Assumption)

Not applicable

(Basis for Preparation)

(1) Compliance with IFRS

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

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

(2) Basis of measurement

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

(3) Functional currency and presentation currency

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

(4) Change in Presentation

(Condensed Consolidated Statement of Cash Flows)

Within "Cash flows from operating activities" category, "Decrease (increase) in other financial assets," which was disclosed in "Other" for the six months ended June 30, 2021, has been presented separately for the six months ended June 30, 2022 due to the increase in its materiality. Also, Loss (gain) on sales and valuation of investment securities, which was disclosed in "Other" for the six months ended June 30, 2021, has been classified to "Finance income and finance costs" for the six months ended June 30, 2022.

In order to reflect those changes in presentation, Condensed Consolidated Statement of Cash Flows for the six months ended June 30, 2021 has been reclassified. Consequently, within "Cash flows from operating activities" category, (2,307) million yen of "Other" has been classified to (3,854) million yen of "Decrease (increase) in other financial assets", 2,678 million yen of "Other" and (1,131) million yen of "Finance income and finance costs."

(Basis of Condensed Consolidated Financial Statements)

Scope of consolidation

A company has been excluded from the scope of consolidation due to liquidation for the three months ended March 31, 2022.

No change in the scope of consolidation for the three months ended June 30, 2022.

(Significant Accounting Policies)

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

In addition, income taxes for the six months ended June 30, 2022 are calculated using the estimated annual effective tax rate.

(Significant Accounting Estimates and Judgments)

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

Estimates and underlying assumptions are reviewed continuously. The results of the review of these estimates are reflected in the period when the estimates are revised and for the future periods.

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

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

(Business Segments)

(1) Overview of reportable segments

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

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

(2) Information on reportable segments

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

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.

(Six months ended June 30, 2021)

(In millions of yen)

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

(Six months ended June 30, 2022)

(In millions of yen)

| | Reportable Segments | | Other | Adjustments 1 | Total | Adjustments 2 | Consolidation basis |
|---------------------------------|---------------------|---------------------------------------|-------|------------------|---------|------------------|------------------------|
| | Automotive | Industrial/ Infrastructure/ IoT | | | | | |
| Revenue from external customers | 317,657 | 400,203 | 5,899 | — | 723,759 | (851) | 722,908 |
| Segment gross profit | 164,893 | 256,355 | 1,637 | 278 | 423,163 | (7,377) | 415,786 |
| Segment operating profit | 116,892 | 160,064 | 1,636 | 2,268 | 280,860 | (70,855) | 210,005 |
| Finance income | | | | | | | 390 |
| Finance costs | | | | | | | (62,972) |
| Profit before tax | | | | | | | 147,423 |
| (Other items) | | | | | | | |
| Depreciation and amortization | 21,428 | 18,105 | — | — | 39,533 | 50,390 | 89,923 |

(Three months ended June 30, 2021)

(In millions of yen)

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

(Three months ended June 30, 2022)

(In millions of yen)

| | Reportable Segments | | Other | Adjustments 1 | Total | Adjustments 2 | Consolidation basis |
|--|---------------------|---------------------------------------|-------|------------------|---------|------------------|------------------------|
| | Automotive | Industrial/ Infrastructure/ IoT | | | | | |
| Revenue from external customers | 163,770 | 210,374 | 2,919 | — | 377,063 | (443) | 376,620 |
| Segment gross profit | 85,186 | 134,716 | 827 | 127 | 220,856 | (2,958) | 217,898 |
| Segment operating profit | 59,376 | 84,320 | 826 | 797 | 145,319 | (35,137) | 110,182 |
| Finance income | | | | | | | 248 |
| Finance costs | | | | | | | (41,749) |
| Profit before tax | | | | | | | 68,681 |
| (Other items) Depreciation and amortization | 10,646 | 9,192 | — | — | 19,838 | 26,059 | 45,897 |

(3) Information on products and services

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

(4) Information on regions and countries

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

(Six months ended June 30, 2021 and June 30, 2022)

| | (In millions of yen) | |
|----------------------------------|-----------------------------------|-----------------------------------|
| | Six months ended June 30, 2021 | Six months ended June 30, 2022 |
| Japan | 140,686 | 197,730 |
| China | 88,895 | 196,783 |
| Asia (Excluding Japan and China) | 85,840 | 156,195 |
| Europe | 67,308 | 107,382 |
| North America | 37,411 | 61,945 |
| Others | 1,413 | 2,873 |
| Total | 421,553 | 722,908 |

(Three months ended June 30, 2021 and June 30, 2022)

| | (In millions of yen) | |
|----------------------------------|-------------------------------------|-------------------------------------|
| | Three months ended June 30, 2021 | Three months ended June 30, 2022 |
| Japan | 69,615 | 99,870 |
| China | 48,650 | 106,602 |
| Asia (Excluding Japan and China) | 46,651 | 80,590 |
| Europe | 33,550 | 54,993 |
| North America | 18,641 | 33,002 |
| Others | 768 | 1,563 |
| Total | 217,875 | 376,620 |

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

(Business Combinations)
Six months ended June 30, 2022

(Dialog Semiconductor Plc)

As of December 31, 2021, 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 the three months ended March 31, 2022, the Group has completed the purchase price allocation and revised the goodwill amount as follows:

Fair value of assets acquired and liabilities assumed on the acquisition date (August 31, 2021)
(In millions of yen)

| Adjusted items | Adjustments of goodwill |
|-------------------------------------|-------------------------|
| Goodwill (before adjustment) (Note) | 519,618 |
| Inventories | 316 |
| Property, plant and equipment | (2,531) |
| Intangible assets | (146,963) |
| Other (Non-current assets) | (125) |
| Other (Current liabilities) | (1,458) |
| Other financial liabilities | 345 |
| Deferred tax liabilities | 29,731 |
| Other (Non-current liabilities) | (763) |
| Total adjustments | (121,448) |
| Goodwill (after adjustment) (Note) | 398,170 |

(Note) Goodwill reflects future excess earning power expected from synergies between the Company and Dialog Semiconductor Plc (hereinafter "Dialog"). No amount of goodwill is expected to be deductible for tax purposes.

Condensed Consolidated Statement of Financial Position as of December 31, 2021 has been revised retrospectively upon the completion of the purchase price allocation. After the revision, goodwill has decreased by 127,106 million yen and retained earnings has decreased by 7,725 million yen. On the other hand, property, plant and equipment, intangible assets, and deferred tax liabilities have increased by 2,436 million yen, 144,165 million yen, and 29,150 million yen, respectively.

In addition, the revision has no impact on the Condensed Consolidated Statement of Profit or Loss and Condensed Consolidated Statement of Comprehensive Income for the six months ended June 30, 2021.

It should be noted that as of September 14, 2021, Dialog has changed its company name to Dialog Semiconductor Limited.

(Celeno Communications Inc.)

As of December 31, 2021, 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 the three months ended June 30, 2022, the Group has completed the purchase price allocation and revised the goodwill amount as follows. Adjustment in consideration for the acquisition is reflected for the six months ended June 30, 2022.

Fair value of assets acquired and liabilities assumed on the acquisition date (December 20, 2021)
(In millions of yen)

| Adjusted items | Adjustments of goodwill |
|--|-------------------------|
| Goodwill (before adjustment) (Note) | 34,193 |
| Inventories | 166 |
| Intangible assets | (18,644) |
| Deferred tax liabilities | 409 |
| Adjustment in consideration for the acquisition (Cash) | 26 |
| Total adjustments | (18,043) |
| Goodwill (after adjustment) (Note) | 16,150 |

(Note) Goodwill reflects future excess earning power expected from synergies between the Company and Celeno Communications Inc. (hereinafter "Celeno"). No amount of goodwill is expected to be deductible for tax purposes.

Condensed Consolidated Statement of Financial Position as of December 31, 2021 has been revised retrospectively upon the completion of the purchase price allocation. After the revision, goodwill has decreased by 18,042 million yen and intangible assets has increased by 18,644 million yen.

In addition, the revision has no impact on the Condensed Consolidated Statement of Profit or Loss and Condensed Consolidated Statement of Comprehensive Income for the six months ended June 30, 2021.

Contingent consideration includes \$45 million which will be paid based on the contract when several certain conditions (milestones) related to Celeno's future product development and mass production progress are met. As of June 30, 2022, none of the conditions has been met.

The fair value of the contingent consideration is calculated as the present value of the amount that may be paid to Celeno 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.

| | Six months ended June 30, 2021 | Six months ended June 30, 2022 |
|-----------------------|-----------------------------------|-----------------------------------|
| Beginning balance | — | 4,681 |
| Changes in fair value | — | (2,271) |
| Exchange differences | — | 624 |
| Ending balance | — | 3,034 |

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 "financial expenses", and the fluctuated amount due to other than the time value of money is recorded in "other income" or "other expenses". For the six months ended June 30, 2022, other income of 2,271 million yen was recorded for the change of fair value.

(Trade and Other Receivables)

The components of trade and other receivables are as follows.

(In millions of yen)

| | As of December 31, 2021 | As of June 30, 2022 |
|-----------------------------|-------------------------|---------------------|
| Notes and trade receivables | 136,810 | 187,718 |
| Other receivables | 3,737 | 3,440 |
| Loss allowance | (69) | (173) |
| Total | 140,478 | 190,985 |

(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, 2021 | As of June 30, 2022 |
|-------------------------------------|-------------------------|---------------------|
| Trade payables | 104,775 | 110,027 |
| Other payables | 59,262 | 48,356 |
| Electronically recorded obligations | 14,808 | 11,545 |
| Refund liabilities | 40,585 | 77,426 |
| Total | 219,430 | 247,354 |
| Current liabilities | 204,330 | 237,209 |
| Non-current liabilities | 15,100 | 10,145 |

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

(Bonds and Borrowings)

a. Bonds

Six months ended June 30, 2021

Not applicable.

Six months ended June 30, 2022

Not applicable.

b. Borrowings

Six months ended June 30, 2021

Not applicable.

Six months ended June 30, 2022

In April 2022, the Company had borrowed 50,000 million yen from MUFG Bank, Ltd., Mizuho Bank, Ltd., and Sumitomo Mitsui Trust Bank, Limited. under a commitment line agreement dated January 15, 2019.

In June 2022, the Company has entered into a term loan agreement dated June 28, 2022(Loan amount: \$200 million, Borrowing date: June 30, 2022, Repayment date: June 30, 2027, Interest rate: Basic interest rate+0.91448%, Participating financial institutions: Bank of America NA Tokyo Branch) and a term loan agreement dated June 30, 2022(Loan amount: 20,000 million yen, Borrowing date: June 30, 2022, Repayment date: June 30, 2027, Interest rate: 0.495%, Participating financial institutions: MUFG Bank, Ltd.). As a result, the Company has borrowed a total of 47,096 million yen under these agreements on June 30, 2022.

(Equity and Other Equity Items)

Six months ended June 30, 2021

Based on the resolution at the Board of Directors' meeting held on May 28, 2021, the Company issued 192,252,800 shares through a public offering with the payment due date on June 15, 2021 and 2,067,600 shares of common stock through a third-party allotment with the payment due date of June 28, 2021. As a consequence, share capital increased by 111,899 million yen and capital surplus increased by 111,092 million yen for the six months ended June 30, 2021.

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

Six months ended June 30, 2022

Based on the resolution at the Board of Directors' meeting held on April 27, 2022, the Company conducted a tender offer to acquire its own shares and purchased 168,067,250 shares from April 28, 2022 to May 31, 2022. As a consequence, treasury shares increased by 200,000 million yen for the six months ended June 30, 2022.

As a result, the treasury shares was 200,011 million yen as of June 30, 2022.

(Revenue)

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

(Selling, General and Administrative Expenses)

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

(Six months ended June 30, 2021 and June 30, 2022)

| | (In millions of yen) | |
|-----------------------------------|-----------------------------------|-----------------------------------|
| | Six months ended June 30, 2021 | Six months ended June 30, 2022 |
| Research and development expenses | 66,814 | 96,630 |
| Depreciation and amortization | 30,241 | 52,909 |
| Personnel expenses | 24,132 | 32,404 |
| Retirement benefit expenses | 1,261 | 1,074 |
| Other | 12,984 | 17,727 |
| Total | 135,432 | 200,744 |

(Three months ended June 30, 2021 and June 30, 2022)

| | (In millions of yen) | |
|-----------------------------------|-------------------------------------|-------------------------------------|
| | Three months ended June 30, 2021 | Three months ended June 30, 2022 |
| Research and development expenses | 33,862 | 51,235 |
| Depreciation and amortization | 15,571 | 27,161 |
| Personnel expenses | 13,266 | 16,749 |
| Retirement benefit expenses | 661 | 426 |
| Other | 6,242 | 10,433 |
| Total | 69,602 | 106,004 |

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

(Other Income)

The components of other income are as follows.
(Six months ended June 30, 2021 and June 30, 2022)

| | (In millions of yen) | |
|---|-----------------------------------|-----------------------------------|
| | Six months ended June 30, 2021 | Six months ended June 30, 2022 |
| Fair value remeasurements on contingent considerations (Note) | — | 2,271 |
| Reversal of provision for business restructuring | — | 1,068 |
| Insurance claim income | 331 | 1,005 |
| Gain on sales of property, plant and equipment | 3,500 | 525 |
| Other | 780 | 1,338 |
| Total | <u>4,611</u> | <u>6,207</u> |

(Three months ended June 30, 2021 and June 30, 2022)

| | (In millions of yen) | |
|--|-------------------------------------|-------------------------------------|
| | Three months ended June 30, 2021 | Three months ended June 30, 2022 |
| Gain on sales of property, plant and equipment | 807 | 432 |
| Insurance claim income | 307 | — |
| Other | 342 | 699 |
| Total | <u>1,456</u> | <u>1,131</u> |

(Note) For details, please refer to "Business Combinations."

(Other Expenses)

The components of other expenses are as follows.
(Six months ended June 30, 2021 and June 30, 2022)

| | (In millions of yen) | |
|----------------------------------|-----------------------------------|-----------------------------------|
| | Six months ended June 30, 2021 | Six months ended June 30, 2022 |
| Impairment losses (Note) | 61 | 5,761 |
| Business restructuring expenses | 816 | 2,433 |
| Provision for loss on litigation | 4,494 | 1,072 |
| Other | 833 | 1,978 |
| Total | <u>6,204</u> | <u>11,244</u> |

(Three months ended June 30, 2021 and June 30, 2022)

| | (In millions of yen) | |
|---|-------------------------------------|-------------------------------------|
| | Three months ended June 30, 2021 | Three months ended June 30, 2022 |
| Business structure improvement expenses | 297 | 1,943 |
| Provision for loss on litigation | 667 | 137 |
| Other | 351 | 763 |
| Total | <u>1,315</u> | <u>2,843</u> |

(Note) Impairment losses are mainly due to the discontinuation of certain in-process research and development projects for the six months ended June 30, 2022.

(Additional Information)

Fire outbreak in a wholly-owned manufacturing subsidiary

On March 19, 2021, a fire broke out at a manufacturing line of Naka Factory (located in Hitachinaka, Ibaraki Prefecture) of Renesas Semiconductor Manufacturing Co., Ltd, a wholly-owned manufacturing subsidiary of the Company.

Due to this fire, the Group recorded 12,315 million yen for restoration and repairment costs of property, plant and equipment, disposal costs and reinspection fees of inventories and fixed costs during the shutdown for the six months ended June 30, 2021. These are included in cost of sales of 12,260 million yen and other expenses of 55 million yen in the Condensed Consolidated Statement of Profit or Loss.

The Group recorded 10,080 million yen for restoration and repairment costs of property, plant and equipment, disposal costs and reinspection fees of inventories and fixed costs during the shutdown for the three months ended June 30, 2021. These are included in cost of sales of 10,042 million yen and other expenses of 38 million yen in the Condensed Consolidated Statement of Profit or Loss. In addition, other payables of the fire related costs are recorded in trade and other payables and other liabilities of 6,147 million yen in the Consolidated Statement of Financial Position as of December 31, 2021.

The Group recorded 942 million yen for restoration and repairment costs of property, plant and equipment for the six months ended June 30, 2022. These are included in cost of sales in the Condensed Consolidated Statement of Profit or Loss. The Group recorded 193 million yen for restoration and repairment costs of property, plant and equipment for the three months ended June 30, 2022. These are included in cost of sales in the Condensed Consolidated Statement of Profit or Loss. In addition, the Group received part of fire insurance payments and recorded in "Other income" for the six months ended June 30, 2022.

(Subsequent Events)

Not applicable.

Forward-Looking Statements

The statements in this press release with respect to the plans, strategies and financial outlook of Renesas Electronics Corporation and its consolidated subsidiaries (collectively “we”) are forward-looking statements involving risks and uncertainties. We caution you in advance that actual results may differ materially from such forward-looking statements due to several important factors including, but not limited to, general economic conditions in our markets, which are primarily Japan, North America, Asia, and Europe; demand for, and competitive pricing pressure on, products and services in the marketplace; ability to continue to win acceptance of products and services in these highly competitive markets; and fluctuations in currency exchange rates, particularly between the yen and the U.S. dollar. Among other factors, downturn of the world economy; deteriorating financial conditions in world markets, or deterioration in domestic and overseas stock markets, may cause actual results to differ from the projected results forecast.

About Renesas Electronics Corporation

Renesas Electronics Corporation (TSE: 6723) 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.