

The following is an English translation of the Items subject to measures for electronic provision that are not provided in the documents delivered to shareholders who requested their physical delivery for the 24th Annual General Meeting of Shareholders of Renesas Electronics Corporation disclosed in Japan. This translation is provided for your reference and convenience only. If there is any inconsistency between this translation and the official Japanese Original, the latter shall prevail.

Other Items for Electric Provision
for the 24th Annual General Meeting of Shareholders
(Items Omitted from written documents delivered)

For the 24th Business Period (From January 1, 2025 to December 31, 2025)

■ Business Report

- Matters related to Stock Acquisition Rights, etc.

■ Consolidated Financial Statements

- Consolidated Statement of Changes in Equity
- Notes to Consolidated Financial Statements

■ Non-consolidated Financial Statements

- Non-Consolidated Statement of Changes in Net Assets
- Notes to Non-Consolidated Financial Statements

Renesas Electronics Corporation

The abovementioned items are not provided in the documents delivered to shareholders who requested their physical delivery, in accordance with the provisions of relevant law and regulations and Renesas Electronics Corporation's Article of Incorporation.

Business Report

Matters related to Stock Acquisition Rights, etc.

Stock acquisition rights granted by the Company as stock option are as follows (as of December 31, 2025).

Name (Date of resolution for granting)	Number of Stock Acquisition Rights	Class and Number of Shares to be Allotted	Issue Price	Exercise Price (Per share)	Exercise Period
No. 3 of FY2018 (June 27, 2018)	9	Common stock 900 shares	995 yen	1 yen	From August 1, 2018 to July 31, 2028
No. 11 of FY2019 (September 24, 2019)	15	Common stock 1,500 shares	739 yen	1 yen	From November 1, 2019 to October 31, 2029
No. 1 of FY2020 (May 26, 2020)	66	Common stock 6,600 shares	550 yen	1 yen	From July 1, 2020 to June 30, 2030
No. 2 of FY2020 (May 26, 2020)	95	Common stock 9,500 shares	gratis	1 yen	From July 1, 2020 to June 30, 2030
No. 3 of FY2020 (July 30, 2020)	3	Common stock 300 shares	666 yen	1 yen	From August 31, 2020 to August 30, 2030
No. 5 of FY2020 (July 30, 2020))	30	Common stock 3,000 shares	666 yen	1 yen	From September 1, 2020 to August 30, 2030
No. 7 of FY2020 (October 29, 2020)	5	Common stock 500 shares	927 yen	1 yen	From December 1, 2020 to November 30, 2030
No. 1 of FY2021 (January 29, 2021)	16	Common stock 1,600 shares	1,168 yen	1 yen	From February 27, 2021 to February 26, 2031
No. 2 of FY2021 (January 29, 2021)	6	Common stock 600 shares	gratis	1 yen	From February 27, 2021 to February 26, 2031

- (Notes)
1. After the prescribed date set for each stock acquisition right has passed, holders of stock acquisition rights may exercise stock acquisition rights at the respective ratios specified in advance each time the prescribed date for exercising rights arrives.
 2. If a holder of stock acquisition rights loses his/her position as Director, Executive Corporate Officer, etc. of the Company, he or she may exercise the stock acquisition rights that became capable of being exercised before the date of loss of the position until the day after the passage of 13 months from the date of loss of the position.
 3. Upon issuance of No. 3 of FY 2018, No. 11 of FY2019, No. 1 of FY2020, No. 3 of FY2020, No. 5 of FY2020, No. 7 of FY2020 and No. 1 of FY2021 stock acquisition rights, the obligations of payment based on the above-stated issue price were set off against compensation claims to the Company and therefore no payment of money occurred.

Consolidated Financial Statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(The Year Ended December 31, 2025)

(In millions of yen)

	Equity attributable to owners of parent						
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity		
					Share acquisition rights	Remeasurements of defined benefit plans	Equity instruments measured at fair value through other comprehensive income
Balance as of January 1, 2025	153,209	289,377	1,308,948	(92,120)	1,087	—	(3,489)
Profit (loss) for the year	—	—	(51,763)	—	—	—	—
Other comprehensive income	—	—	—	—	—	534	105
Total comprehensive income	—	—	(51,763)	—	—	534	105
Purchase and disposal of treasury shares	—	8,538	—	22,108	—	—	—
Dividends of surplus	—	—	(50,320)	—	—	—	—
Share-based payment transactions	—	7,421	—	—	(987)	—	—
Transfer to retained earnings	—	(6,050)	6,926	—	(84)	(534)	(258)
Total transactions with owners	—	9,909	(43,394)	22,108	(1,071)	(534)	(258)
Balance as of December 31, 2025	153,209	299,286	1,213,791	(70,012)	16	—	(3,642)

	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 other components of equity			
Balance as of January 1, 2025	884,005	(3,652)	17	877,968	2,537,382	4,916	2,542,298
Profit (loss) for the year	—	—	—	—	(51,763)	105	(51,658)
Other comprehensive income	(31,754)	2,384	(614)	(29,345)	(29,345)	405	(28,940)
Total comprehensive income	(31,754)	2,384	(614)	(29,345)	(81,108)	510	(80,598)
Purchase and disposal of treasury shares	—	—	—	—	30,646	—	30,646
Dividends of surplus	—	—	—	—	(50,320)	(9)	(50,329)
Share-based payment transactions	—	—	—	(987)	6,434	—	6,434
Transfer to retained earnings	—	—	—	(876)	—	—	—
Total transactions with owners	—	—	—	(1,863)	(13,240)	(9)	(13,249)
Balance as of December 31, 2025	852,251	(1,268)	(597)	846,760	2,443,034	5,417	2,448,451

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Notes to Basis of Consolidated Financial Statements

1. Basis for Preparation

Renesas Electronics Corporation (hereinafter “the Company”) and its subsidiaries (hereinafter “the Group”) prepare the notes to consolidated financial statements in accordance with the International Financial Reporting Standards (hereinafter “IFRS”) pursuant to Article 120, paragraph 1 of the Regulation on Corporate Accounting. The Group adopts the provision to Article 120, paragraph 1 of the Regulation on Corporate Accounting and omits certain disclosures required by IFRS in the notes to consolidated financial statements.

2. Scope of Consolidation

All subsidiaries are consolidated.

The number of consolidated companies of Renesas Electronics Corporation Group: 108 companies

The names of major subsidiaries: Names of the major consolidated subsidiaries are listed on “Overview of Group Operations, Principal Subsidiaries (as of December 31, 2025)” in the Business Report and omitted in this part.

(Number of subsidiaries decreased due to mergers or liquidation: 17 companies)

iWatt HK Limited and 16 other companies.

(Number of subsidiaries increased mainly due to acquisition of shares: 3 companies)

Part Analytics, Inc. and 2 other companies.

3. Application of Equity Method

The number of associates accounted for using the equity method: 1 company.

4. Accounting Policies

(1) Financial instruments

A. Financial assets other than derivatives

(a) Initial recognition and measurement

Trade and other receivables are initially recognized at their transaction price on that date, and all other financial assets are initially recognized on the date of the transaction when the Company becomes the contracting party to the financial assets.

At the time of initial recognition, financial assets are classified as financial assets measured at amortized cost or financial assets measured at fair value.

(i) Financial assets are classified as financial assets measured at amortized cost if both of the following conditions are met or otherwise classified as financial assets measured at fair value.

- Assets are held within a business model that aims to hold assets to collect contractual cash flows.
- The contract terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) If both of the following conditions are met, financial assets are classified as debt instruments measured at fair value through other comprehensive income.

- Assets are held within a business model whose objective is achieved by both the collection and sale of contractual cash flows.
- The contract terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Of financial assets measured at amortized cost, or financial assets other than debt instruments measured at fair value through other comprehensive income, when an irrevocable election at the time of initial recognition is made, subsequent changes in fair value are recognized in other comprehensive income and such equity instruments are classified as financial assets measured at fair value through other comprehensive income.

(iii) Financial assets that do not meet the criteria for either (i) or (ii) above are classified into financial assets measured at fair value through profit or loss.

(b) Impairment of financial assets

For impairment of financial assets measured at amortized cost, the Group has decided to recognize an allowance for expected credit losses of financial assets. On each reporting date, the Group assesses whether the credit losses of the financial instruments have increased significantly since the initial recognition.

If the credit losses of the financial instruments have not increased significantly since the initial recognition, the allowance for credit losses of the financial instruments is measured at the amount of 12-month expected credit losses, and if the credit losses of the financial instruments have increased significantly since the initial recognition, the allowance for credit losses of the financial instruments is measured at the amount of lifetime expected credit losses.

However, for trade receivables, the allowance for credit losses is always measured at the amount of lifetime expected credit losses.

(c) Derecognition

The Group derecognizes financial assets if the contractual rights to the cash flows from the financial assets expire, or if substantially all risks and rewards associated with ownership of the financial assets are transferred as a result of assigning the contractual right to receive cash flows from the financial assets.

B. Financial liabilities other than derivatives

(a) Initial recognition and measurement

At the time of initial recognition, financial liabilities are classified as financial liabilities measured at amortized cost or financial liabilities measured at fair value through profit or loss. Although all financial liabilities are initially measured at fair value, financial liabilities measured at amortized cost are measured at an amount obtained by deducting directly attributable transaction costs.

(b) Derecognition

The Group derecognizes financial liabilities when they are extinguished, for example when their obligations specified in the contract are discharged, cancelled or expired.

C. Derivatives and hedge accounting

The Group holds derivative financial instruments for the purpose of hedging the risk of exchange rate fluctuations and others. The Group has a policy of not conducting speculative derivative transactions.

Derivatives are initially recognized at fair value, related transaction costs and the difference between the fair value at the time of initial recognition and the transaction price are recognized in profit or loss when they are incurred. After the initial recognition, derivatives are remeasured at fair value, and changes in the fair value are accounted for as described below, depending on whether the derivative financial instruments that are designated as hedging instruments meet the requirements for hedge accounting. The Group designates the derivatives that meet the requirements for hedge accounting as hedging instruments and applies hedge accounting. In addition, at the inception of a hedge, the Group formally documents the risk management objective, the relationship between hedging instruments and the hedged items, along with strategies when executing hedging transactions, the nature of the risk being hedged and the method of assessing hedge effectiveness.

(a) Cash flow hedges

Of gains or losses from hedging instruments, the effective portion of the hedge is recognized in other comprehensive income, and the ineffective portion is recognized in profit or loss.

When applying cash flow hedges to currency swap contracts, the portion excluding the currency basis spread is designated as the hedging instruments, and for the currency basis spread portion, the amount of change in fair value is recognized as hedging cost through other components of equity and included in the comprehensive income. The amount accumulated in other components of equity is transferred to profit or loss during the same period in which the cash flows to be hedged affect profit or loss. If the hedged item is the acquisition of a non-financial asset, the amount accumulated in other components of equity will be treated as an adjustment to the initial acquisition cost of the non-financial asset.

When the Group recognizes hedging cost for a derivative transaction entered in order to hedge a time-period related hedged item, it transfers the cumulative costs of hedging accumulated in other components of equity to profit or loss on a systematic and rational basis over the period during which the hedge adjustment from the hedging instrument affects profit or loss.

The amount of hedging instruments that is recorded in other comprehensive income is reclassified to profit or loss at the time when the underlying hedged transactions affect profit or loss. If the hedged items give rise to the recognition of non-financial assets or non-financial liabilities, the amount that is recognized in other comprehensive income is reclassified as an adjustment to the initial carrying amount of non-financial assets or non-financial liabilities.

For cash flow hedges other than the above, the amount is reclassified from other comprehensive income to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss. However, if the accumulated amount is a loss and if all or part of the loss is not expected to be recovered in the future, the amount that is not expected to be recovered is immediately reclassified to profit or loss.

When hedge accounting is terminated, this accumulated amount remains in other comprehensive income until the expected future cash flows occur, and if the forecast transaction is no longer expected to occur, this amount is immediately reclassified to profit or loss.

(b) Derivatives that do not meet requirements for hedge accounting

Changes in fair value are recognized in profit or loss.

D. Difference between the fair value at initial recognition and the transaction price

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.

(2) Inventories

The acquisition cost of inventories comprises all costs of purchase, costs of conversion and all other costs incurred in bringing the inventories to their present location and condition.

After the initial recognition, inventories are measured at the lower of cost and net realizable value, but if cost exceeds net realizable value, the inventories are written down to net realizable value. The net realizable value is calculated by deducting the estimated costs of completion and the estimated costs necessary to make the sale from the estimated selling price in the ordinary course of business.

(3) Property, plant and equipment (other than leased assets)

The acquisition cost of property, plant and equipment includes costs directly related to the acquisition of assets, dismantling, disposal and restoration costs and borrowing costs that meet the requirements for capitalization.

The cost model is used in the measurement of property, plant and equipment, and they are presented at the carrying value obtained by deducting accumulated depreciation and accumulated impairment losses from the acquisition cost.

Except for land and construction in progress, the acquisition cost of each asset after deducting the residual value is depreciated over the estimated useful life using the straight-line method.

The estimated useful life, the residual value and the depreciation method are reviewed at the end of each fiscal year, and any changes are applied to the period when the estimates are changed and future periods prospectively as a change in the accounting estimate. The impact of the change of these estimates is recognized in the period when the estimates are changed and future periods.

(4) Goodwill and intangible assets

A. Goodwill

Any excess of the consideration for acquisition, the non-controlling interests in the acquiree and the fair value of assets of the acquiree that the acquirer previously held over the net amount of identifiable assets and liabilities as of the date of acquisition is recognized as goodwill. Goodwill is not amortized and is presented at cost, less any accumulated impairment losses.

B. Intangible assets

The cost model is used for intangible assets, and they are presented at cost less any accumulated amortization and accumulated impairment losses.

Intangible assets acquired separately are measured at cost at the time of initial recognition and intangible assets acquired in a business combination are measured at fair value as of the date of acquisition.

For internally generated intangible assets (Capitalized development cost), research and development costs that do not meet the criteria for capitalization are recognized in profit or loss when they are incurred. Internally generated intangible assets are amortized using the straight-line method based on an estimated useful life (5 years) that is expected to provide net cash inflow.

Intangible assets with finite useful lives are amortized over their respective estimated useful life using the straight-line method, etc. and an impairment test is performed if any indications of impairment exist. For intangible assets with finite useful lives, their useful lives and amortization method are reviewed at the end of each fiscal year, and if there is a change, it is applied to the period when the estimates are changed and future periods prospectively as a change in the accounting estimate.

Intangible assets with indefinite useful lives and intangible assets that are not yet available for use are not amortized, and an impairment test is performed at a certain time each fiscal year and whenever any indication of impairment exists.

(5) Leases

The leased assets for the Group are land, office building, and machinery, equipment and vehicles.

The lease liabilities are measured at the present value of the lease payments that are not paid at the commencement date. The right-of-use assets are measured at the initial measurement of the lease liabilities, adjusted by items such as prepaid lease payments, adding costs to be incurred by the lessee in restoring the underlying assets to the condition required by the terms and conditions of the lease. The right-of-use assets are depreciated over the lease term on a systemic basis.

Lease payments are apportioned between finance costs and repayments of lease liabilities so as to produce a constant interest rate in proportion to the remaining balance of lease liabilities. Finance costs are separately presented from the depreciation charge for the right-of-use assets in the consolidated statement of profit or loss.

In addition, lease payments for lease transactions with lease term under 12 months and leases of small-value assets are recognized as expense over the lease term on a straight-line basis.

(6) Impairment of non-financial assets

The Group determines whether there is any indication that assets (except for inventories, deferred tax assets and assets pertaining to retirement benefits) may be impaired each fiscal year, and if such indication exists, an impairment test is performed. However, for goodwill or intangible assets with indefinite useful lives or that are not yet available for use, an impairment test is performed at a certain time each fiscal year or when any signs of impairment are identified.

In the impairment test, a recoverable amount is estimated, and the carrying amount and the recoverable amount are compared. The recoverable amount of assets, cash-generating units or groups of cash-generating units is calculated at the higher of the value in use and the fair value less costs of disposal. The value in use is calculated by discounting the estimated future cash flows to the present value, using the pre-tax discount rate that reflects the time value of money and risks specific to the asset.

If the recoverable amount of assets, cash-generating units or groups of cash-generating units is lower than the carrying amount as a result of the impairment test, an impairment loss is recognized. When the impairment loss of a cash-

generating unit including goodwill is recognized, an allocation is made first to reduce the carrying amount of goodwill that is allocated to the cash-generating unit, and then an allocation is made to proportionally reduce the carrying amount of other assets in the cash-generating unit.

The impairment loss is reversed if there is any indication that the impairment loss recognized in a prior period may no longer exist or may have decreased and if the estimated recoverable amount exceeds the carrying amount. The upper limit of the reversal shall not exceed the carrying amount that would have been determined had no impairment loss been recognized in prior years, net of normal depreciation or amortization. The impairment loss on goodwill is not reversed.

(7) Provisions

The Company recognizes a provision if the Group has assumed a legal or constructive obligation as a result of a past event, if it is probable that an outflow of economic benefits will be required to settle the obligation and if a reliable estimate can be made of the amount of the obligation.

If the time value of the money of the provision is significant, the estimated future cash flows are discounted to the present value using a pre-tax discount rate that reflects the time value of the money and risks specific to the liability.

The unwinding of the discount amount due to the passage of time is recognized as a finance cost.

(8) Employee benefits

A. Short-term employee benefits

A short-term employee benefit is an employee benefit that will be settled within 12 months from the end of the fiscal year in which the employee renders the related service to the Group, and the Group recognizes an amount expected to be paid in exchange for the services rendered during a certain accounting period. Short-term employee benefits in the Group include bonuses and benefits related to paid leave.

Bonuses are recognized as a liability if the Group has a legal or constructive obligation to pay as a result of the provision of service by the employee in the past and if the obligation can be estimated reliably.

B. Post-employment benefits

For post-employment benefit plans, the Group has adopted defined benefit plans and defined contribution plans.

(a) Defined contribution plans

Contributions to defined contribution plans are recognized as an expense when they are incurred unless they are included in inventories or property, plant and equipment.

(b) Defined benefit plans

The net amount of assets or liabilities of the defined benefit plan is the amount obtained by deducting the fair value of the plan assets (including the upper limit of the plan assets and adjustments to minimum funding requirements, if necessary) from the present value of defined benefit obligations, and it is recognized in the consolidated financial statements as an asset or a liability. The defined benefit obligations are calculated using the projected unit credit method, and the present value of defined benefit obligations is calculated by applying a discount rate to the expected payment amount in the future. The discount rate is calculated based on market yields at the end of the reporting period on high quality corporate bonds corresponding to the discount period by setting the discount period based on the period until the future expected benefit payment date in each reporting period.

Service costs and net interest expense for the net amount of assets or liabilities related to the defined benefit obligations are recognized in profit or loss. Actuarial gains or losses and fluctuations in the return on the plan assets excluding the portion included in the net interest expense are recognized in other comprehensive income as "Remeasurements of defined benefit plans" in the corresponding period and are immediately transferred from other components of equity to retained earnings. Past service costs are recognized in profit or loss when the plan is revised or curtailed, or when related restructuring costs or termination benefits are recognized, whichever is earlier.

(9) Foreign currency translation

A. Foreign currency transactions

Foreign currency transactions are translated into the functional currency at the spot exchange rate or a rate approximate to the spot exchange rate on the date of the transaction. Monetary items denominated in a foreign currency at the end of the reporting period are translated into the functional currency using the closing rate, while non-monetary items denominated in a foreign currency that are measured at historical cost are translated using the exchange rate in effect on the date of the initial transaction, and those that are measured at fair value are translated using the exchange rate in effect on the date when the fair value was calculated.

Exchange differences from translation or settlement are recognized in profit or loss during the period when they arise. However, exchange differences arising from equity instruments and cash flow hedges measured through other comprehensive income are recognized in other comprehensive income.

B. Foreign operations

In preparing the consolidated financial statements, the assets and liabilities of a foreign operation whose functional currency is other than Japanese yen are translated into Japanese yen at the exchange rate as of the closing date of the consolidated financial statements, and profit or loss and cash flows of the foreign operation are translated into Japanese yen at the exchange rate on the date of the transaction or the average exchange rate for the period that is approximate to the exchange rate. Exchange differences are recognized in other comprehensive income, and the cumulative amount thereof is recognized in other components of equity.

On disposal of the entire ownership interest in a foreign operation or part of the interest that results in a loss of control or significant influence, the exchange differences of the foreign operation that were recognized in other comprehensive

income and accumulated in equity are reclassified from equity to profit or loss when the related gains or losses on disposal are recognized.

Monetary items, which are receivables or payables from foreign operations that settlements are neither planned nor likely to occur in the foreseeable future, are a part of the entity's net investment in that foreign operation. Exchange differences arising from the monetary items are recognized in other comprehensive income.

(10) Revenue recognition

The Group recognizes revenue based on the following five-step model.

Step 1: Identify the contract with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when the entity satisfies a performance obligation

The Group engages in research, development, design, manufacturing, sales and services related to various kinds of semiconductors as a manufacturer specializing in semiconductors. Revenue is mainly recognized when the goods are delivered as the ownership of these goods has been transferred to the customer and the performance obligations are identified at the time of delivery.

Also, revenue is measured at the amount of the consideration received after deducting discounts, rebates and returns.

Sales to specific distributors may be subject to the following various sales promotion programs.

Ship and debit is a program designed to assist specific distributors on their sales to end customers through pricing adjustments. Under this program, the selling prices will be adjusted when the specific distributors sell the products to the end customers. At the time we record sales to the specific distributors, we accrue for refund liabilities and deduct the same amounts from revenue based on the estimate of the variable consideration resulting from the possible application of the ship and debit program upon the future sales by the distributors. In addition, the related balance of accounts receivable-trade is transferred to long-term accounts receivable in order to reduce specific distributors' financial burden caused by a time lag, and will be reversed in the future based on the contract.

Stock rotation is a program whereby on a semiannual basis, specific distributors are allowed to return, for credit, inventories equal to a certain percentage of their purchases for the previous six months. We accrue for refund liabilities related to the stock rotation program on a quarterly basis and deduct the same amount from revenue.

(11) Other significant accounting policies

Adoption of the group tax sharing system

The Group adopted the group tax sharing system.

Note to Accounting Estimates

In preparing the consolidated financial statements, management of the Group makes judgments, accounting estimates and assumptions that impacted 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, considering 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 in future periods.

Estimates and assumptions that have a significant impact on the amounts recognized in the consolidated financial statements are as follows:

Valuation of goodwill

The carrying amount of goodwill recorded in the consolidated statement of financial position as of December 31, 2025 was 2,239,337 million yen.

The impairment test is performed by comparing the carrying amount and the recoverable amount of the assets, and if the recoverable amount is lower than the carrying amount, an impairment loss is recorded. The recoverable amount is calculated mainly using the discounted cash flow model, where certain assumptions are made, including, but not limited to, gross margin, perpetual growth rate, and pre-tax discount rate, as included in the business plan.

Note to Changes in Accounting Estimates

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

As a result, compared to the previous method, operating profit increased by 14,669 million yen and loss before tax decreased by 14,669 million yen for the year ended December 31, 2025.

Notes to Consolidated Statement of Financial Position

1. Assets pledged as collateral and secured liabilities

(1) Assets pledged as collateral

The shares of subsidiaries (920,544 million yen) which have been eliminated in consolidation was provided as collateral.

(2) Secured liabilities

	(In millions of yen)
Current portion of long-term borrowings	46,850
Long-term borrowings	353,683
Total	400,533

2. Accumulated Depreciation of Property, Plant and Equipment: 1,001,050 million yen

(Including accumulated impairment losses of property, plant and equipment)

3. Other:

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.

The legal proceedings that the Group is currently involved in, or may become involved in the future, may take considerable time and incur significant costs to resolve, and it is difficult to predict the outcomes. However, such outcomes could negatively impact the Group's business, performance, financial position, cash flow, reputation, and credit. In accordance with paragraph 92 of IFRS 37 "Provisions, Contingent Liabilities and Contingent Assets," we have not disclosed detailed information about these legal proceedings as they may put the Group in 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.

The Group's subsidiary has been named as a defendant in a civil lawsuit in the United States related to the alleged patent infringement and trade secret violation. The matter was resolved through a settlement in April 2025.

The Group's subsidiary in Taiwan may be subject to requests for restitution for environmental pollution associated with a factory in Taiwan owned by the subsidiary's predecessor company.

Notes to Consolidated Statement of Changes in Equity

1. The type and total number of shares issued and outstanding as of December 31, 2025

Common stock 1,870,614,885 shares

2. The type and number of shares to be acquired upon exercise of the stock options (excluding share acquisition rights of which the commencement date of exercise period has not yet arrived) as of December 31, 2025

Common stock 24,500 shares

3. Dividends

(1) Dividend payment amounts

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

(2) Among dividends with a record date that falls under the consolidated fiscal year, for those with an effective date in the subsequent period

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

Notes to Financial Instruments

1. Situations of financial instruments

(1) Policies for Financial Instruments

The Group aims to achieve sustainable growth and maximize its corporate value. Regarding fund operation, the Group uses only short-term deposits and financial assets which are relatively safe. Regarding financing, the Group uses mainly borrowings from banks. The Group utilizes derivative financial instruments to manage fluctuations in foreign currency exchange rates and interest payments. The Group's policies prohibit holding or issuing derivative financial instruments for trading purposes.

(2) Contents and Risks of Financial Instruments and Risk Management

The Group is exposed to financial risks (credit risk, liquidity risk and market risk) in the process of executing its business activities. Accordingly, the Group regularly monitors the financial risks based on internal management regulations and takes measures to avoid or reduce the risks as required.

The Group does not engage in derivative transactions for speculative purposes.

(3) Credit risk

Notes and trade receivables are exposed to the credit risk of customers. Conforming to the internal rules for the management of receivables, the Group regularly monitors major customers' credit and manages the due dates of collection and the balance for each customer. Other receivables are exposed to the credit risk of customers, but most of them are settled in the short term. Short-term investments are financial assets invested on a short-time basis, and the Group transacts with highly creditworthy financial institutions. Trade receivables are regarded as non-performing if all or part of them cannot be collected or if collection is deemed extremely difficult. The Group does not have any exposure to the significant credit risk of certain customers, and there is no excessive concentration of credit risk that requires special management.

(4) Liquidity risk

The Group is exposed to liquidity risk whereby the performance of payment obligations could become difficult. To limit its exposure to liquidity risk, however, the Group works to maintain fund management through the optimization of capital efficiency through the efficient management of working capital and the central management of funds by the Company. The Group also manages the liquidity risk by appropriately maintaining liquidity on hand through the timely preparation and updating of the financing plan and taking the external financial environment into account.

(5) Market risk

(a) Foreign currency exchange risk

Foreign currency receivables and obligations arising from the global business development of the Group are exposed to the risk of foreign exchange rate fluctuations. To reduce the risk of foreign exchange rate fluctuations, the Group uses forward exchange contracts, currency options and currency swaps.

(b) Interest rate risk

The Group raises funds mainly through borrowings and bonds for the purpose of securing funds for long-term working capital and the promotion of growth strategies. The Group is exposed to the risk of interest rate fluctuations because borrowings are mainly made at floating interest rates. To reduce the risk of changes in the interest paid on borrowings, the Group uses interest rate swaps as required. Additionally, bonds are issued with fixed interest rates. Accordingly, the Group has decided that the impact of the risk of interest rate fluctuations on the Company is limited and insignificant and does not conduct a sensitive analysis for interest rate risk.

(c) Stock price risk

The Group has adopted an incentive plan for its employees for the purpose of securing excellent human resources, particularly at subsidiaries. To operate the incentive plan, the Group holds shares and other financial instruments for the long term and is exposed to the risk of changes in their market prices. Please note that, following the introduction of the stock option plan, the incentive plan was abolished and there was no new issuance.

The Group does not conduct a sensitivity analysis for the risk of changes in share prices since the impact of changes in share prices are immaterial.

2. Fair value of 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, 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), etc. 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

The fair value of forward exchange contracts, currency options and currency swaps are calculated based on the price, etc. provide by customers' financial institutions and classified as Level 2. In addition, derivative transactions measured using unobservable inputs are 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 future using appropriate valuation methods with consideration of the probability of occurrence and classified as Level 3.

(i) Other financial assets and liabilities

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, financial instruments whose carrying amount closely approximates fair value and lease liabilities are not included in the table below.

(In millions of yen)					
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
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

(b) Financial instruments measured at fair value

A breakdown of financial assets and financial liabilities measured at fair value on a recurring basis by level of the fair value hierarchy is as follows.

(In millions of yen)

	Fair value			Total
	Level 1	Level 2	Level 3	
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
Others (Note 1)	—	—	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 (Note 2)	—	—	2,576	2,576
Total	—	1,278	2,576	3,854

(Note) 1. Others include 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. For details, please refer to "Other Notes 3. Business Combinations."

(3) Changes in financial assets and financial liabilities that are classified as Level 3 are as follows.

(In millions of yen)

	Financial assets	Financial liabilities
Beginning balance	340,871	1,582
Total gains or losses in the period	(240,260)	798
Profit or loss (Note1, 2)	(227,733)	777
Other comprehensive income (Note 3)	(12,527)	21
Purchases	929	—
Sale	—	—
Settlement	—	—
Acquisition due to business combination	—	196
Other	—	—
Ending balance	101,540	2,576
Changes in unrealized gains or losses recorded in profit or loss for the balance held at the end of the reporting period (Note1, 3)	(227,733)	777

(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 consolidated statement of profit or loss.

2. The decrease in financial assets is mainly due to the recognition of an impairment loss of 236,600 million yen on other financial assets related to Wolfspeed, Inc. (hereinafter “Wolfspeed”), following the company’s filing for protection under the U.S. Federal Bankruptcy Code and its restructuring plan.

3. Amounts relate to exchange differences on translation of foreign operations and equity instruments measured at fair value through other comprehensive income. They are presented in “Exchange differences on translation of foreign operations” and “Equity instruments measured at fair value through other comprehensive income” in the consolidated statement of changes in equity respectively.

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 consolidated statement of profit or loss.

5. Financial instruments that are classified as Level 3 consist of unlisted securities, convertible notes under “Others”, rights that are expected to be converted into common stock (also classified under “Others”) and warrants (also classified under “Others”) in the future and contingent consideration for acquisitions. The fair value measurement results are reviewed and approved by the appropriate authorized persons.

Unlisted securities are mainly investments in funds, and the fair value of the unlisted securities is measured based on the value of net asset as a valuation technique.

The fair value of convertible notes and rights that are expected to be converted into warrants in the future is calculated using the Black-Scholes model, while the fair value of rights that are expected to be converted into common stock in the future is determined based on shareholder value. 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 significant non-observable development milestones become more likely to be achieved.

(4) The aggregate difference yet to be recognized in profit or loss at the beginning and end of the period and changes in the balance of this difference are as follows.

	(In millions of yen)
	Financial assets
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	(74,494)
Decrease due to amortization	(4,656)
Others	(4,578)
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.

Notes to Per Share Information

Equity attributable to owners per share: 1,347.26 yen
Basic losses per share: 28.65 yen

Notes to Revenue Recognition

(1) Disaggregation of revenue

The Group disaggregates its revenue by reported segment and by region, and the disaggregation is as follows. All revenue is derived from contracts with customers.

a. Reportable Segments

Reportable segments		Other	Total	Adjustments	Consolidation basis
Automotive	Industrial/ Infrastructure/ IoT				
639,690	671,760	7,032	1,318,482	2,730	1,321,212

(Note) 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. Additionally, commissioned development and manufacturing from the Group's design and manufacturing subsidiaries are categorized as "Other." The total revenue is calculated by excluding the non-recurring items, that the Group has determined should be excluded, from IFRS revenue (Consolidation basis). The Group's Executive Officers assess the performance after eliminating intragroup transactions, and therefore, there are no transfers between reportable segments included within the segment results.

b. Region

	(In millions of yen)
	Revenue
China	409,471
Asia (Excluding Japan and China)	301,865
Japan	269,104
Europe	202,781
North America	135,731
Others	2,260
Total	1,321,212

The Group engages in research, development, design, manufacturing, sales and services related to various kinds of semiconductors as a manufacturer specializing in semiconductors, and the revenue is mainly due to sales of semiconductor products.

Regarding the sales of these products, the Group recognizes revenue when the customer obtains control over the product which is at the time of delivery of a product because legal title of the product, physical possession of the asset, the significant risks and rewards of ownership are transferred to the customer, and the customer has an obligation to pay for the products at the time of delivery of the product.

Revenue is measured at the amount of promised consideration in contracts with customers.

With regard to sales contract including variable consideration such as rebate and discounts, the transaction price is estimated and determined using the most-likely-amount method based largely on historical data, only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Consideration under sales contracts is recovered mainly within one year from satisfaction of a performance obligation and includes no significant financing components.

(2) Accounts arising from contracts

(In millions of yen)

	Beginning balance	Ending balance
Trade receivables	204,149	192,466
Contract assets	8,973	5,583
Contract liabilities	10,452	20,917

- (Note) 1. Trade receivables are included in the consolidated statement of financial position under "Trade and other receivables" and "Other financial assets."
2. Contract assets are company's rights to the consideration received in exchange for goods or services transferred to the customer by the company, on condition of something other than the passage of time (for example, future performance of the company). Contract assets are transferred to receivables when the right to consideration becomes unconditional. Contract assets are included in "Trade and other receivables" in the consolidated statement of financial position.
3. Contract liabilities relate to the payment received in advance of performance under the contract. The contract liabilities are reclassified to revenue when the Group satisfies a performance obligation based on the contract. Contract liabilities are included in "Other current liabilities" and "Other non-current liabilities" in the consolidated statement of financial position.
4. The increase in contract liabilities for the year ended December 31, 2025, primarily reflects the recognition of advance consideration received under contracts with customers.
5. The amounts of revenues recognized from the performance obligations satisfied in the past periods were immaterial.
6. Of the revenues recognized for the year ended December 31, 2025, 372 million yen was included in the balance of contract liabilities as of January 1, 2025.

(3) Transaction price allocated to the remaining performance obligation

The Group uses the practical expedient of omitting the disclosure of information on the remaining performance obligations because it has no significant transactions with individual expected contractual terms exceeding one year. In addition, there are no significant amounts in consideration from contracts with customers that are not included in transaction prices.

(4) Assets recognized from the cost to obtain or fulfill contracts with customers

There are no assets recognized from the cost to obtain or fulfill contracts with customers.

Notes to Significant Subsequent Events

(Acquisition of shares and other securities in the Company's U.S. subsidiaries in connection with CFIUS approval of the share issuance by Wolfspeed)

On January 29, 2026 (U.S. time), the issuance of shares by Wolfspeed to the Company's U.S. subsidiary was approved by the Committee on Foreign Investment in the United States (CFIUS). Following this approval, Wolfspeed issued 16,852,372 shares of common stock which were received by the Company's U.S. subsidiary.

In addition, the subsidiary now has the ability to exercise warrants for 4,943,555 additional shares of common stock. The subsidiary also received 2.5% Second Lien Senior Secured Notes due 2031, and now has the ability to exercise conversion rights.

The shares and other securities acquired by the Company's U.S. subsidiary are subject to holding limitations (exercise of warrants or conversion of convertible notes exceeding 39.9% is invalid) and voting rights limitations (limited to 9.9%). Accordingly, neither the Company nor its U.S. subsidiary has control over, or significant influence on, Wolfspeed. Therefore, Wolfspeed is not included in the scope of consolidation of the Group, nor does the equity method of accounting applies.

The financial impact of this transaction on the Group is currently being assessed.

(Business Transfer of Timing business)

The Company, a premier supplier of advanced semiconductor solutions, announced that the Company's U.S. subsidiary, and SiTime Corporation (hereinafter "SiTime") signed a definitive agreement to transfer the Company' timing business (hereinafter the "Transferred Business") (Note 1) to SiTime (hereinafter "the Transfer"). The Transfer was approved by the Company' Board of Directors on February 5, 2026, and is expected to be completed by the end of 2026, subject to satisfaction of customary closing conditions, including approval from relevant regulatory authorities.

(Note 1) The "Transferred Business" includes the Company's U.S. timing business and assets of other subsidiaries of the Company related to such timing business.

(1) Background and Purpose of the Transfer

This decision to transfer the business was made with a view to achieving sustainable mid- to long-term growth by refining our business priorities and directing maximum resources to strategic initiatives.

The timing products offered by the Transferred Business have long been highly regarded in the market. After a comprehensive review of future growth opportunities, the Company has determined that transferring the Transferred Business to a company with cutting-edge technology, high growth ambition, and investment capability is the best course of action.

SiTime, the transferee, is a leader in MEMS (Note 2) timing devices. The Transfer will ensure the Company customers have access to SiTime's cutting-edge MEMS timing technology.

In addition to the Transfer, the Company and SiTime have also signed an MoU today to explore a partnership to integrate SiTime's MEMS resonator in the Company' MCUs and SoCs. SiTime's MEMS resonator technology enables bare-die co-packaging with MCUs or SoCs, eliminating the need for a discrete resonator on the board, which simplifies design and saves space. By combining the Company' core embedded compute technologies with SiTime's high-precision MEMS timing technologies at the silicon level, both companies will explore collaboration on the development of new solutions. Through this effort, the companies aim to deliver integrated solutions that power the next generation of intelligent devices that demand performance and efficiency.

(Note 2) MEMS stands for Micro Electro Mechanical Systems, a category of devices created through microfabrication technologies by forming miniature mechanical structures (such as resonators and sensors) on a silicon substrate.

(2) Overview of the Transfer

a. Description of the Transferred Business

The Company' timing business, which originated from the acquisition of Integrated Device Technology, Inc. in 2019, consists of the Company' timing product portfolio and the related technologies, assets, and personnel.

b. Transfer price and method of payment

- Transfer price: 3,000 million USD (approximately 468,000 million yen) (Note 3)
- Method of payment: 1,500 million USD in cash and 4.13 million SiTime common stock (Note 4)

(Note 3) The actual transfer price is subject to certain price adjustments defined in the definitive agreement, and may fluctuate depending on the price adjustment. For reference, the amount above is calculated using the exchange rate as of February 3, 2026: 156 yen per USD.

(Note 4) Under the terms of the acquisition agreement, SiTime will acquire the Transferred Business for 1,500 million USD in cash and 4.13 million shares of common stock, 0.0001 USD par value per share of SiTime, subject to a potential adjustment and a collar determined by the 10-day volume weighted average price ("VWAP") as of three trading days prior to the execution of the asset purchase agreement. The stock consideration will be paid in the form of newly issued SiTime common stock based on SiTime's 10-day VWAP as of three trading days prior to closing, subject to a floor price of 308.6686 USD and a ceiling price of 417.6104 USD.

(3) Overview of SiTime

(a)Company	SiTime Corporation
(b)Address	5451 Patrick Henry Drive Santa Clara, CA 95054, U.S.A.
(c)Title and name of the representative person	Chairman and CEO: Rajesh Vashist
(d)Business description	Precision timing solutions (MEMS technology, advanced analog circuitry, and systems expertise)
(e)Capital amount	881.7 million USD as of December 31, 2024
(f)Date of foundation / incorporation	December 2003

(4) Schedule

The Company is expected to be completed by the end of 2026, subject to satisfaction of customary closing conditions, including approval from relevant regulatory authorities.

(5) Future Outlook

With the Transfer, the Company expects to record a non-recurring gain in its consolidated financial statements. The timing and amount of recognition of the relevant gain are currently under review.

Other Notes

1. Business restructuring expenses

For the year ended December 31, 2025, the Group recorded 7,401 million yen in business restructuring expenses. The main components of business restructuring expenses include personnel-related expenses such as special retirement allowances and facility removal costs associated with the consolidation of locations. Business restructuring expenses are included under "Other expenses" in the consolidated statement of profit or loss.

2. Impairment Losses

For the year ended December 31, 2025, impairment losses are mainly recognized in assets intended for disposal that are unlikely to be used, and included in "Other expenses" in the consolidated statement of profit or loss.

The components of assets for which the impairment losses are recorded are as follows.

	(In millions of yen)
	The year ended December 31, 2025
Property, plant and equipment	8,814
Intangible assets	9,616
Total	18,430

3. Business Combinations

Business combinations that occurred during the year ended December 31, 2025 are as follows. Immaterial business combinations are not included in this disclosure.

(Panthronics AG)

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

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

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

	(In millions of yen)
	The year ended December 31, 2025
Beginning balance	1,582
Exchange differences	(16)
Ending balance	1,566

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

4. Borrowings

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

The Company made an early repayment on December 30, 2025, of borrowings totaling 240,000 million yen that had been executed on December 30, 2021, pursuant to a syndicated loan agreement entered into on December 23, 2021 (Loan amount: 96,000 million yen, Borrowing date: December 30, 2021, Repayment date: December 31, 2026, Participating financial institution: MUFG Bank, Ltd., Mizuho Bank, Ltd., Sumitomo Mitsui Trust Bank, Limited, Resona Bank, Limited, Aozora Bank, Ltd., Shinkin Central Bank, The Norinchukin Bank, and Bank of America, N.A., Tokyo Branch), and a JBIC loan agreement (Loan amount: 144,000 million yen, Borrowing date: December 30, 2021, Repayment date: December 31, 2026, Participating financial institution: Japan Bank for International Cooperation (JBIC)).

Additionally, the Company has breached certain financial covenants related to loan agreements for the six months ended June 30, 2025. However, the Company has obtained consent from the financial institutions not to exercise their right to demand immediate repayment due to this breach. For the six months ended December 31, 2025, no events occurred that would constitute a breach of financial covenants.

5. Disposal of treasury shares

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 18,568,722 shares of treasury stock for the year ended December 31, 2025. As a consequence, treasury shares decreased by 22,108 million yen for the year ended December 31, 2025.

As a result, the amount of treasury shares held was 70,012 million yen as of December 31, 2025.

6. Other Additional Information

(Loss resulting from signing Restructuring Support Agreement with Wolfspeed)

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

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

Additionally, in connection with this Restructuring Support Agreement, the Company recorded a loss of 236,600 million yen, including the impact of foreign exchange fluctuations for the year ended December 31, 2025. The loss is included under "Finance costs" in the Consolidated Statement of Profit or Loss.

Non-Consolidated Financial Statements

NON-CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

(The Year Ended December 31, 2025)

(In millions of yen)

	Shareholders' equity						
	Share capital	Capital surplus			Retained earnings	Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward		
Beginning balance of the period	153,209	143,209	125,190	268,399	1,013,808	(89,310)	1,346,106
Changes during period	—	—	—	—	—	—	—
Dividends of surplus	—	—	—	—	(50,320)	—	(50,320)
Net income	—	—	—	—	158,654	—	158,654
Purchase of treasury shares	—	—	—	—	—	(0)	(0)
Disposal of treasury shares	—	—	8,057	8,057	—	21,014	29,071
Net changes in items other than shareholders' equity	—	—	—	—	—	—	—
Total changes during period	—	—	8,057	8,057	108,335	21,014	137,406
Ending balance of the period	153,209	143,209	133,246	276,455	1,122,143	(68,295)	1,483,512

	Valuation and translation adjustments			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains (losses) on hedges	Total valuation and translation adjustments		
Beginning balance of the period	629	—	629	1,087	1,347,822
Changes during period	—	—	—	—	—
Dividends of surplus	—	—	—	—	(50,320)
Net income	—	—	—	—	158,654
Purchase of treasury shares	—	—	—	—	(0)
Disposal of treasury shares	—	—	—	—	29,071
Net changes in items other than shareholders' equity	(351)	(857)	(1,208)	(1,071)	(2,279)
Total changes during period	(351)	(857)	(1,208)	(1,071)	135,127
Ending balance of the period	278	(857)	(579)	16	1,482,949

NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS

All figures are rounded to the nearest 1 million yen.

Notes to Significant Accounting Policies

1. Valuation Methods for Assets

1) Securities

Shares of subsidiaries and affiliates:

These shares are carried at cost determined by the moving-average method.

Other securities:

Securities other than shares that do not have a market value :

Fair value method (with the entire amount of valuation differences inserted directly into net assets, and the cost of sales calculated using the moving average method).

Shares that do not have a market value:

Moving average cost method.

2) Derivatives

Derivative financial instruments are stated at the fair value.

3) Inventories

Inventories are stated at the lower of cost or market. The costs are stated as follows;

Finished goods:

Custom-made products:

Specific identification method

Mass products:

Average method

Work in process:

Custom-made products:

Specific identification method

Mass products:

Average method

Raw materials and supplies:

Average method as principal method

2. Depreciation and Amortization Method for Non-current assets

1) Property, plant and equipment other than leased assets

Depreciated by the straight-line method

2) Intangible assets

Amortized by the straight-line method

3) Leased assets

Leased assets under finance leases under which the ownership of the assets is transferred to the lessee

Depreciated in the same way as self-owned Non-current assets.

Leased assets under finance leases other than those under which ownership of the assets is transferred to the lessee

Amortized by the straight-line method over the lease term, assuming no residual value.

4) Long-term prepaid expenses

Amortized by straight-line method

3. Treatment of Deferred assets

Bond issuance costs are amortized over the period until the bonds are redeemed using the straight-line method.

4. Basis of Allowances and Provisions

1) Allowance for doubtful accounts

Allowance for doubtful accounts is provided based on past experiences for normal receivables and on an individual estimate of the collectability for receivables from companies in financial difficulty.

2) Provision for retirement benefits

Provision for retirement benefits or prepaid pension costs is recorded for employees' pension and severance payments based on the projected benefit obligation and the estimated fair value of plan assets as of the fiscal year-end.

Actuarial gains and losses are amortized on a straight-line basis over the employees' estimated average remaining service periods. The amortization starts from the following year of the gains and losses recognized.

Prior service costs are amortized on a straight-line basis over the employees' estimated average remaining service periods.

- 3) Provision for products warranties
The Company accrues product warranty liabilities for estimated future warranty costs using the individual estimates for the specific matters as well as historical ratio of warranty costs to net sales.
- 4) Provision for business restructuring
Provision for business restructuring is made for the amount of the estimated losses to be incurred in connection with business structure reconstructions and consolidation.
- 5) Provision for contingent loss
In relation to matters such as legal proceedings and litigations, a provision for the amount of expected losses and expenses is made when a provision is made at the reasonably estimated amount with a consideration of individual risks associated with each contingency.
- 6) Provision for share-based payments
In order to prepare for the delivery of the Company's shares to directors, executive officers and employees based on rules of share delivery, the Company records provision for share-based payments based on the estimated amount of share delivery obligations at the end of the current fiscal year.

5. Recognition criteria for revenue and expenses

The Company recognizes revenue based on the following five-step model.

- Step 1: Identify the contract with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when the entity satisfies a performance obligation

The Company engages in research, design, development, manufacturing, sales and services related to various kinds of semiconductors as a manufacturer specializing in semiconductors. Revenue is mainly recognized when the goods are delivered as the ownership of these goods has been transferred to the customer and the performance obligations are identified at the time of delivery.

Also, revenue is measured at the amount of the consideration received after deducting discounts, rebates and returns. Sales to specific distributors may be subject to the following various sales promotion programs.

Ship and debit is a program designed to assist specific distributors on their sales to end customers through pricing adjustments. Under this program, the selling prices will be adjusted when the specific distributors sell the products to the end customers. At the time the Company records sales to the specific distributors, it accrues for refund liabilities and deduct the same amounts from revenue based on the estimate of the variable consideration resulting from the possible application of the ship and debit program upon the future sales by the distributors. In addition, the related balance of accounts receivable-trade is transferred to long-term accounts receivable in order to reduce specific distributors' financial burden caused by a time lag, and will be reversed in the future based on the contract.

Stock rotation is a program whereby on a semiannual basis, specific distributors are allowed to return, for credit, inventories equal to a certain percentage of their purchases for the previous six months. The Company accrues for refund liabilities related to the stock rotation program on a quarterly basis and deduct the same amount from revenue.

6. Accounting Treatment for Retirement Benefits

Accounting treatment for actuarial gains and losses and prior service costs differ from those applied in the consolidated financial statements.

7. Hedge Accounting Method

- 1) Hedge accounting method
Hedging activities are accounted for under the deferred hedge method in principle. Currency swaps that meet the certain requirements for allocation, the allocation treatment is applied. Interest rate and Currency swaps that meet the certain requirements for the unified method (the special treatment and the allocation treatment), the unified method is applied.
- 2) Hedging instruments and hedged items
Hedging instruments: Forward exchange contracts, Currency options, Currency swaps, Interest rate and Currency swap
Hedged items: Forecasted transaction in foreign currency, Bonds in foreign currency, Borrowings in foreign currency
- 3) Hedging policy
Based on the Group's internal rules, the Company enters hedge transactions to reduce the foreign exchange risks associated with the hedged items.
- 4) Assessment of hedge effectiveness
The effectiveness of the hedging is evaluated by comparing the accumulated cash flow of the hedging instruments with that of the hedged items.
Since currency swaps meet the requirements for the allocation method, and interest rate and currency swaps meet the requirements for the unified method, the effectiveness evaluation is omitted.

8. Adoption of the Group Tax Sharing System

The Company adopts the group tax sharing system. Regarding the accounting treatment and disclosure of corporate tax, local corporate tax and tax effect accounting, the Company has applied "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (the Practical Solution No.42, August 12, 2021).

Notes to Accounting Estimates

Valuation of Shares of Subsidiaries and Affiliates

The book value of the shares of subsidiaries and affiliates in the non-consolidated financial statements at the end of the fiscal year is 2,684,001 million yen. In the valuation of shares of subsidiaries and affiliates, the Company compares the book value with the actual value, reflecting the expected future excess earning power at the time of acquisition, to assess whether there is a significant decrease in actual value. This valuation takes into account the same assumptions used in the goodwill impairment test in the preparation of the consolidated financial statements.

Note to Changes in Accounting Estimates

For the year ended December 31, 2025, the Company revised the useful lives of certain machinery and equipment to better reflect actual usage conditions, taking into account changes in the product lifecycle and other factors. This change is applied prospectively.

As a result, compared to the previous method, operating profit increased by 9,740 million yen and profit before tax increased by 9,740 million yen for the year ended December 31, 2025.

Notes to Balance Sheet

1. Assets Pledged as Collateral and Secured liabilities

(1) Assets pledged as collateral

	(In millions of yen)
Shares of subsidiaries and affiliates	920,544
Total	920,544

(2) Secured liabilities

	(In millions of yen)
Current portion of long-term borrowings	46,850
Long-term borrowings	355,360
Total	402,210

2. Accumulated Depreciation of Property, Plant and Equipment: 685,666 million yen

3. Accumulated Impairment Losses of Property, Plant and Equipment:

Accumulated impairment losses are included in accumulated depreciation of property, plant and equipment.

4. Guarantees:

	(In millions of yen)
Liabilities for Guarantee	
Dialog Semiconductor Limited	62,624
Renesas Electronics America Inc.	22,919
Renesas Semiconductor Manufacturing Co., Ltd.	20
Others	0
Total	85,563

5. Monetary Receivables from and Payables to Affiliated Companies:

	(In millions of yen)
Short-term receivable	161,687
Long-term receivable	3,307
Short-term payable	511,995
Long-term payable	121,496

Notes to Statement of Operations

1. Transactions with Affiliated Companies:

Amounts of operating transactions	(In millions of yen)
Net sales	549,231
Purchases	413,081
Amounts of non-operating transactions	19,769

Notes to Statement of Changes in Net Assets

Type and Number of Treasury Shares as of December 31, 2025

Common Stock 55,837,251 shares

Notes to Tax-Effect Accounting

Significant components of deferred tax assets were provision for share-based payments, loss on valuation of shares of subsidiaries and affiliates and others, in view of the possibility of recoverability, the company has posted a valuation allowance for 12,307 million yen.

In addition, significant components of deferred tax liabilities were prepaid pension costs, valuation difference of assets acquired by merger and others.

Notes to Transactions with Related Parties

Subsidiaries, affiliates and others:

(In millions of yen)

Attribute	Company name	Ratio of Share-Holding (Owned)	Relation with related parties	Contents of transaction	Amounts of transaction	Account	Balance as of December 31, 2025
Subsidiary	Renesas Semiconductor Manufacturing Co., Ltd.	(Own) Direct 100.0 %	Purchases of parts of our products	Purchases of products (*1)	99,533	Accounts payable-trade	9,427
Subsidiary	Renesas Electronics America Inc.	(Own) Direct 100.0 %	Sales of our products, Manufacturing and development	Paid capital reduction (*2)	45,972	—	—
Subsidiary	Renesas Electronics Europe GmbH	(Own) Direct 100.0 %	Sales of our products, Consignment of design and development	Sales of products (*1)	144,137	Accounts receivable-trade	19,462
Subsidiary	Renesas Electronics Hong Kong Limited	(Own) Direct 100.0 %	Sales of our products	Sales of products (*1) Money deposited (*3)	156,958 —	Accounts receivable-trade Deposits received	25,062 39,657
Subsidiary	Renesas Electronics (Shanghai) Co., Ltd.	(Own) Direct 100.0 %	Sales of our products	Money deposited (*3)	—	Deposits received	38,152
Subsidiary	Renesas Electronics Singapore Pte. Ltd.	(Own) Direct 100.0 %	Sales of our products	Money deposited (*3)	—	Deposits received	44,764
Subsidiary	Dialog Semiconductor Limited	(Own) Direct 100.0 %	Sales of our products, Manufacturing and development	Money deposited (*3) Liabilities for guarantee (*4)	— 62,624	Deposits received —	154,649 —
Subsidiary	Renesas International Operations Sdn. Bhd.	(Own) Indirect 100.0 %	Management of parts of consignment business of our Group companies	Purchases of products (*1)	133,080	Accounts payable-trade	19,538
Subsidiary	Renesas Electronics Germany GmbH	(Own) Indirect 100.0 %	Sales of our products, Manufacturing and development	Money deposited (*3)	—	Deposits received	41,474
Subsidiary	Renesas Electronics Australia Pty Ltd	(Own) Direct 100.0 %	Holding company of our Group companies	Acceptance of collateral provided for the Company's borrowings (*5)	466,168	—	—

Terms and conditions of transactions and policies on deciding terms and conditions

(*1) Price and other transaction conditions were determined based on a price negotiation.

(*2) Amounts related to the paid capital reduction conducted by Renesas Electronics America Inc.

(*3) The Group operates a cash management system. As the transactions are conducted on a recurring basis, the disclosure of transaction amounts has been omitted. The terms and conditions of fund lending and borrowing are determined with reference to prevailing market interest rates.

(*4) Liabilities for guarantee are conducted in regard to consignment manufacturing of subsidiaries and general fund operation.

(*5) The Company has received a pledge of shares of subsidiaries owned by the counterparty as collateral for the Company's borrowings (466,168 million yen as of December 31, 2025).

Notes to Per Share Information

Net assets per share: 817.14 yen

Net income per share: 87.72 yen

Notes to Revenue Recognition

Basic information for understanding revenue

Please refer to "Notes to Significant Accounting Policies 5. Recognition criteria for revenue and expenses."

Other Notes

1. Borrowings

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

The Company made an early repayment on December 30, 2025, of borrowings totaling 240,000 million yen that had been executed on December 30, 2021, pursuant to a syndicated loan agreement entered into on December 23, 2021 (Loan amount: 96,000 million yen, Borrowing date: December 30, 2021, Repayment date: December 31, 2026, Participating financial institution: MUFG Bank, Ltd., Mizuho Bank, Ltd., Sumitomo Mitsui Trust Bank, Limited, Resona Bank, Limited, Aozora Bank, Ltd., Shinkin Central Bank, The Norinchukin Bank, and Bank of America, N.A., Tokyo Branch), and a JBIC loan agreement (Loan amount: 144,000 million yen, Borrowing date: December 30, 2021, Repayment date: December 31, 2026, Participating financial institution: Japan Bank for International Cooperation (JBIC)).

Additionally, the Company has breached certain financial covenants related to loan agreements for the six months ended June 30, 2025. However, the Company has obtained consent from the financial institutions not to exercise their right to demand immediate repayment due to this breach. For the six months ended December 31, 2025, no events occurred that would constitute a breach of financial covenants.