

RENESAS ELECTRONICS CORPORATION
Consolidated Financial Results for the First Quarter Ended March 31, 2025
English translation from the original Japanese-language document



April 24, 2025

Company name	: Renesas Electronics Corporation
Stock exchanges on which the shares are listed	: Tokyo Stock Exchange, Prime Market
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(Amounts are rounded to the nearest million yen)

1. Consolidated financial results for the three months ended March 31, 2025

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

	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Total comprehensive income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended March 31, 2025	308,777	(12.2)	21,525	(72.3)	26,769	(70.8)	26,062	(67.4)	26,006	(67.4)	(179,335)	—
Three months ended March 31, 2024	351,790	(2.1)	77,836	(36.9)	91,752	(28.2)	80,038	(24.0)	79,866	(24.1)	240,929	101.6

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended March 31, 2025	14.48	14.30
Three months ended March 31, 2024	44.90	44.28

1.2 Consolidated financial position

	Total assets	Total equity	Equity attributable to owners	Ratio of equity attributable to owners
	Million yen	Million yen	Million yen	%
March 31, 2025	4,195,513	2,322,303	2,317,559	55.2
December 31, 2024	4,490,436	2,542,298	2,537,382	56.5

2. Cash dividends

	Cash dividends per share				
	At the end of first quarter	At the end of second quarter	At the end of third quarter	At the end of year	Total
Year ended December 31, 2024	Yen 0.00	Yen 0.00	Yen 0.00	Yen 28.00	Yen 28.00
Year ending December 31, 2025	0.00				
Year ending December 31, 2025 (forecast)		—	—	—	—

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

3. Forecast of consolidated results for the six months ending June 30, 2025 (% of change from the previous year)

	Non-GAAP revenue		Non-GAAP gross margin		Non-GAAP operating margin	
	Million yen	%	%	%pts	%	%pts
Six months ending June 30, 2025	603,277 to 618,277	(15.1) to (13.0)	55.9	(0.8)	26.1	(5.4)

Note 1: The Group reports its consolidated 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 three months ended March 31, 2025: No

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

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

(Note) For details, please refer to P.13 "(Changes in Accounting Estimates)" in the "2. Condensed Consolidated Financial Statements, 2.5 Notes to Condensed Consolidated Financial Statements."

4.3 Number of shares issued and outstanding (common stock)

1. Number of shares issued and outstanding (including treasury stock)
 - As of March 31, 2025: 1,870,614,885 shares
 - As of December 31, 2024: 1,870,614,885 shares
2. Number of treasury stock
 - As of March 31, 2025: 73,745,939 shares
 - As of December 31, 2024: 75,848,895 shares
3. Average number of shares issued and outstanding
 - Three months ended March 31, 2025: 1,796,022,895 shares
 - Three months ended March 31, 2024: 1,778,621,860 shares

(Note) Information regarding the implementation of audit procedures: These financial results are not subject to quarterly review procedures by the independent auditor.

Cautionary Statement

The Group will hold an earnings conference for institutional investors and analysts on April 24, 2025. The Group plans to post the materials which are provided at the meeting, on the Group's website on that day.

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

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1. Business Results

1.1 Analysis of Business Results

The Group discloses consolidated business results in terms of both its internal measures which management relies upon in making decisions (hereinafter “Non-GAAP”) and those under IFRS.

Non-GAAP revenue, Non-GAAP gross profit and Non-GAAP operating profit are revenue, gross profit and operating profit under IFRS (hereinafter “IFRS revenue,” “IFRS gross profit” and “IFRS operating profit”) after excluding or adjusting non-recurring items and other adjustments following a certain set of rules. The Group believes Non-GAAP measures provide useful information in understanding and evaluating the Group’s constant business results. Non-recurring items include depreciation of intangible assets recognized from acquisitions, other purchase price allocation (hereinafter “PPA”) adjustments and stock-based compensation as well as other non-recurring expenses and income the Group believes to be applicable.

The Group consists of “Automotive Business” and “Industrial/Infrastructure/IoT Business” and those are the Group’s reportable segments. For details, please refer to “(Business Segments)” in the “2. Condensed Consolidated Financial Statements, 2.5 Notes to Condensed Consolidated Financial Statements.”

Note : For Non-GAAP disclosure, the Group refers to the rules specified by the U.S. Securities and Exchange Commission but does not fully comply with such rules.

1) Summary of Consolidated Financial Results for the Three Months ended March 31, 2025 (Non-GAAP basis)

	Three months ended March 31, 2024 (January 1 – March 31, 2024)	Three months ended March 31, 2025 (January 1 – March 31, 2025)	Increase (Decrease)	
	Billion yen	Billion yen	Billion yen	% Change
Non-GAAP revenue	351.8	308.8	(43.0)	(12.2%)
Automotive	178.2	155.3	(22.9)	(12.8%)
Industrial/Infrastructure/IoT	171.6	150.8	(20.8)	(12.1%)
Non-GAAP gross profit	199.3	175.2	(24.1)	(12.1%)
Non-GAAP gross margin	56.7%	56.7%	0.1pt	—
Automotive	93.4	81.1	(12.3)	(13.1%)
Industrial/Infrastructure/IoT	52.4%	52.2%	(0.2pt)	—
Automotive	105.6	93.3	(12.3)	(11.7%)
Industrial/Infrastructure/IoT	61.6%	61.9%	0.3pt	—
Non-GAAP operating profit	113.5	83.8	(29.7)	(26.2%)
Non-GAAP operating margin	32.3%	27.1%	(5.1pts)	—
Automotive	57.4	46.2	(11.2)	(19.5%)
Industrial/Infrastructure/IoT	32.2%	29.7%	(2.5pts)	—
Automotive	55.8	32.2	(23.6)	(42.3%)
Industrial/Infrastructure/IoT	32.5%	21.4%	(11.2pts)	—

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

The financial results for the three months ended March 31, 2025 are as follows:

<Non-GAAP revenue>

Consolidated Non-GAAP revenue for the three months ended March 31, 2025 was 308.8 billion yen, a 43.0 billion yen (12.2%) decrease year on year. This was mainly attributable to a decrease in revenue from both the Automotive and Industrial, Infrastructure, and IoT Business, reflecting softened market conditions and inventory adjustments in the distribution channel.

<Non-GAAP gross profit (margin)>

Non-GAAP gross profit for the three months ended March 31, 2025 was 175.2 billion yen, a 24.1 billion yen (12.1%) decrease year on year. This was due to the above-mentioned decrease in sales revenue. Non-GAAP gross margin for the three months ended March 31, 2025 was 56.7%, an increase by 0.1 point year on year.

<Non-GAAP operating profit (margin)>

Non-GAAP operating profit for the three months ended March 31, 2025 was 83.8 billion yen, a 29.7 billion yen (26.2%) decrease year on year. This was mainly due to the above-mentioned decrease in gross profit and increase in operating expenses. As a result, Non-GAAP operating margin for the three months ended March 31, 2025 was 27.1%, a decrease by 5.1 points year on year.

The revenue breakdown of the business segments for the three months ended March 31, 2025 is as follows:

Automotive Business

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

Non-GAAP revenue of the Automotive Business for the three months ended March 31, 2025 was 155.3 billion yen, a 22.9 billion yen (12.8%) decrease year on year. As mentioned above, this was due to inventory adjustments in the distribution channel.

Non-GAAP gross profit of the Automotive Business for the three months ended March 31, 2025 was 81.1 billion yen, a 12.3 billion yen (13.1%) decrease year on year. This was mainly due to a decrease in revenue.

Non-GAAP operating profit of the Automotive Business for the three months ended March 31, 2025 was 46.2 billion yen, an 11.2 billion yen (19.5%) decrease year on year. This was attributable to a decrease in gross profit as mentioned above.

Industrial/Infrastructure/IoT Business

The Industrial/Infrastructure/IoT Business includes the categories “Industrial,” “Infrastructure” and “IoT” which support a smart society. The Group mainly supplies MCUs, SoCs, analog semiconductor devices and power semiconductor devices in each of these categories.

Non-GAAP revenue of the Industrial/Infrastructure/IoT Business for the three months ended March 31, 2025 was 150.8 billion yen, a 20.8 billion yen (12.1%) decrease year on year. This was due to the softening of demand mainly in Industrial market.

Non-GAAP gross profit of the Industrial/Infrastructure/IoT Business for the three months ended March 31, 2025 was 93.3 billion yen, a 12.3 billion yen (11.7%) decrease year on year. This was mainly due to a decrease in revenue.

Non-GAAP operating profit of the Industrial/Infrastructure/IoT Business for the three months ended March 31, 2025 was 32.2 billion yen, a 23.6 billion yen (42.3%) decrease year on year, mainly due to a decrease in gross profit and increase in operating expenses.

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

(Billion yen)

	Three months ended March 31, 2024 (January 1 – March 31, 2024)	Three months ended March 31, 2025 (January 1 – March 31, 2025)
Non-GAAP gross profit	199.3	175.2
Non-GAAP gross margin	56.7%	56.7%
Amortization of purchased intangible assets and depreciation of property, plant and equipment	(0.3)	(0.2)
Stock-based compensation	(0.5)	(0.8)
Other reconciliation items in non-recurring expenses and adjustments (Note)	(1.1)	(1.3)
IFRS gross profit	197.5	172.9
IFRS gross margin	56.1%	56.0%
Non-GAAP operating profit	113.5	83.8
Non-GAAP operating margin	32.3%	27.1%
Amortization of purchased intangible assets and depreciation of property, plant and equipment	(27.6)	(34.5)
Stock-based compensation	(5.6)	(9.7)
Other reconciliation items in non-recurring expenses and adjustments (Note)	(2.5)	(18.1)
IFRS operating profit	77.8	21.5
IFRS operating margin	22.1%	7.0%

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

3) Summary of Consolidated Financial Results for the Three months ended March 31, 2025 (IFRS basis)

	Three months ended March 31, 2024 (January 1 – March 31, 2024)	Three months ended March 31, 2025 (January 1 – March 31, 2025)	Increase (Decrease)	
	Billion yen	Billion yen	Billion yen	% Change
Revenue	351.8	308.8	(43.0)	(12.2%)
Gross profit	197.5	172.9	(24.6)	(12.5%)
Gross margin	56.1%	56.0%	(0.1 pt)	—
Operating profit	77.8	21.5	(56.3)	(72.3%)
Operating margin	22.1%	7.0%	(15.2 pts)	—

1.2 Consolidated Financial Condition

Assets, Liabilities and Shareholders' Equity

(Billion yen)

	As of December 31, 2024	As of March 31, 2025	Increase (Decrease)
Total assets	4,490.4	4,195.5	(294.9)
Total equity	2,542.3	2,322.3	(220.0)
Equity attributable to owners of parent	2,537.4	2,317.6	(219.8)
Equity ratio attributable to owners of parent (%)	56.5	55.2	(1.3)
Interest-bearing liabilities	1,422.8	1,377.9	(44.9)
Debt to equity ratio	0.56	0.59	0.03

Total assets as of March 31, 2025 amounted to 4,195.5 billion yen, a 294.9 billion yen decrease from December 31, 2024. This was mainly due to a decrease in cash and cash equivalents resulting from repayments of borrowings to major financial institutions and dividend payments, as well as a decrease in goodwill and intangible assets due to fluctuations in foreign exchange rates. Total equity was 2,322.3 billion yen, a 220.0 billion yen decrease from December 31, 2024. This was mainly due to a decrease in components of other equity, such as exchange differences on translation of foreign operations due to fluctuations in foreign exchange rates.

Equity attributable to owners of the parent as of March 31, 2025 amounted to 2,317.6 billion yen, a 219.8 billion yen decrease from December 31, 2024, and the equity ratio attributable to owners of the parent was 55.2% as of March 31, 2025. In addition, interest-bearing liabilities as of March 31, 2025 amounted to 1,377.9 billion yen, a 44.9 billion yen decrease from December 31, 2024, mainly due to a decrease in borrowings. Consequently, the Debt to equity ratio was 0.59 as of March 31, 2025.

Cash Flows

(Billion yen)

	Three months ended March 31, 2024 (Jan 1 – Mar 31, 2024)	Three months ended March 31, 2025 (Jan 1 – Mar 31, 2025)
Net cash provided by (used in) operating activities	62.4	95.7
Net cash provided by (used in) investing activities	(110.2)	(38.9)
Free cash flows (Note)	(47.8)	56.9
Net cash provided by (used in) financing activities	(200.2)	(90.3)
Cash and cash equivalents at the beginning of period	434.7	229.2
Cash and cash equivalents at the end of period	231.8	177.6

(Note) As defined as a total of net cash flows provided by (used in) operating and investing activities.

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

Net cash provided by operating activities for the three months ended March 31, 2025 was 95.7 billion yen. This was mainly due to a recording of 26.8 billion yen in profit before tax as well as adjustments in non-cash items such as depreciation.

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

Net cash used in investing activities for the three months ended March 31, 2025 was 38.9 billion yen. This was mainly due to the purchase of property, plant, and equipment as well as intangible assets.

The foregoing resulted in positive free cash flows of 56.9 billion yen for the three months ended March 31, 2025.

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

Net cash used in financing activities for the three months ended March 31, 2025 was 90.3 billion yen. This was mainly due to the repayment of borrowings to major financial institutions and the payment of dividends.

2. Condensed Consolidated Financial Statements

2.1 Condensed Consolidated Statement of Financial Position

(In millions of yen)

	As of December 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and cash equivalents	229,249	177,601
Trade and other receivables	167,113	151,632
Inventories	176,544	175,610
Other current financial assets	9,236	716
Income taxes receivable	12,454	13,575
Other current assets	22,730	19,254
Total current assets	617,326	538,388
Non-current assets		
Property, plant and equipment	341,447	347,853
Goodwill	2,256,169	2,134,469
Intangible assets	724,768	653,649
Investments accounted for using the equity method	328	256
Other non-current financial assets	450,702	425,875
Deferred tax assets	47,107	45,794
Other non-current assets	52,589	49,229
Total non-current assets	3,873,110	3,657,125
Total assets	4,490,436	4,195,513

(In millions of yen)

	As of December 31, 2024	As of March 31, 2025
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	231,029	213,305
Bonds and borrowings	144,137	143,603
Other current financial liabilities	8,071	12,871
Income taxes payable	5,930	10,879
Provisions	11,273	14,078
Other current liabilities	90,998	86,477
Total current liabilities	491,438	481,213
Non-current liabilities		
Trade and other payables	22,938	20,244
Bonds and borrowings	1,256,535	1,212,866
Other non-current financial liabilities	15,616	15,186
Income taxes payable	6,537	5,109
Retirement benefit liability	23,564	23,030
Provisions	3,066	3,173
Deferred tax liabilities	117,151	101,719
Other non-current liabilities	11,293	10,670
Total non-current liabilities	1,456,700	1,391,997
Total liabilities	1,948,138	1,873,210
Equity		
Share capital	153,209	153,209
Capital surplus	289,377	297,356
Retained earnings	1,308,948	1,284,279
Treasury shares	(92,120)	(89,617)
Other components of equity	877,968	672,332
Total equity attributable to owners of parent	2,537,382	2,317,559
Non-controlling interests	4,916	4,744
Total equity	2,542,298	2,322,303
Total liabilities and equity	4,490,436	4,195,513

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

Condensed Consolidated Statement of Profit or Loss

(Three months ended March 31, 2024 and March 31, 2025)

	(In millions of yen)	
	Three months ended March 31, 2024	Three months ended March 31, 2025
Revenue	351,790	308,777
Cost of sales	(154,327)	(135,915)
Gross profit	197,463	172,862
Selling, general and administrative expenses	(119,869)	(135,318)
Other income	2,524	551
Other expenses	(2,282)	(16,570)
Operating profit	77,836	21,525
Finance income	18,050	9,879
Finance costs	(4,134)	(4,557)
Share of loss of investments accounted for using equity method	—	(78)
Profit before tax	91,752	26,769
Income tax expense	(11,714)	(707)
Profit	80,038	26,062
Profit attributable to		
Owners of parent	79,866	26,006
Non-controlling interests	172	56
Profit	80,038	26,062
Earnings per share		
Basic earnings per share (yen)	44.90	14.48
Diluted earnings per share (yen)	44.28	14.30

Condensed Consolidated Statement of Comprehensive Income
(Three months ended March 31, 2024 and March 31, 2025)

	(In millions of yen)	
	Three months ended March 31, 2024	Three months ended March 31, 2025
Profit	80,038	26,062
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	(78)	14
Equity instruments measured at fair value through other comprehensive income	(2,114)	133
Total of items that will not be reclassified to profit or loss	(2,192)	147
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	172,042	(207,089)
Cash flow hedges	(8,457)	1,335
Cost of hedges	(502)	210
Total of items that may be reclassified subsequently to profit or loss	163,083	(205,544)
Total other comprehensive income	160,891	(205,397)
Total comprehensive income	240,929	(179,335)
Comprehensive income attributable to		
Owners of parent	240,618	(179,172)
Non-controlling interests	311	(163)
Total comprehensive income	240,929	(179,335)

2.3 Condensed Consolidated Statement of Changes in Equity

(Three months ended March 31, 2024)

(In millions of yen)

	Equity attributable to owners of parent						
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity		
					Share acquisition rights	Remeasurements of defined benefit plans	Equity instruments measured at fair value through other comprehensive income
Balance as of January 1, 2024	153,209	359,398	1,157,236	(217,691)	3,106	—	(2,311)
Profit	—	—	79,866	—	—	—	—
Other comprehensive income	—	—	—	—	—	(78)	(2,114)
Total comprehensive income	—	—	79,866	—	—	(78)	(2,114)
Purchase and disposal of treasury shares	—	627	—	3,147	—	—	—
Cancellation of treasury shares	—	(104,529)	—	104,529	—	—	—
Dividends of surplus	—	—	(49,758)	—	—	—	—
Share-based payment transactions	—	2,629	—	—	(811)	—	—
Transfer to retained earnings	—	1,360	(2,090)	—	—	78	652
Total transactions with owners	—	(99,913)	(51,848)	107,676	(811)	78	652
Balance as of March 31, 2024	153,209	259,485	1,185,254	(110,015)	2,295	—	(3,773)

	Equity attributable to owners of parent					Non-controlling interests	Total equity
	Other components of equity				Total equity attributable to owners of parent		
	Exchange differences on translation of foreign operations	Cash flow hedges	Cost of hedges	Total			
Balance as of January 1, 2024	564,215	(19,379)	3,770	549,401	2,001,553	4,035	2,005,588
Profit	—	—	—	—	79,866	172	80,038
Other comprehensive income	171,903	(8,457)	(502)	160,752	160,752	139	160,891
Total comprehensive income	171,903	(8,457)	(502)	160,752	240,618	311	240,929
Purchase and disposal of treasury shares	—	—	—	—	3,774	—	3,774
Cancellation of treasury shares	—	—	—	—	—	—	—
Dividends of surplus	—	—	—	—	(49,758)	(8)	(49,766)
Share-based payment transactions	—	—	—	(811)	1,818	—	1,818
Transfer to retained earnings	—	—	—	730	—	—	—
Total transactions with owners	—	—	—	(81)	(44,166)	(8)	(44,174)
Balance as of March 31, 2024	736,118	(27,836)	3,268	710,072	2,198,005	4,338	2,202,343

(Three months ended March 31, 2025)

(In millions of yen)

	Equity attributable to owners of parent						
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity		
					Share acquisition rights	Remeasurements of defined benefit plans	Equity instruments measured at fair value through other comprehensive income
Balance as of January 1, 2025	153,209	289,377	1,308,948	(92,120)	1,087	—	(3,489)
Profit	—	—	26,006	—	—	—	—
Other comprehensive income	—	—	—	—	—	14	133
Total comprehensive income	—	—	26,006	—	—	14	133
Purchase and disposal of treasury shares	—	859	—	2,503	—	—	—
Dividends of surplus	—	—	(50,320)	—	—	—	—
Share-based payment transactions	—	6,751	—	—	(444)	—	—
Transfer to retained earnings	—	369	(355)	—	—	(14)	—
Total transactions with owners	—	7,979	(50,675)	2,503	(444)	(14)	—
Balance as of March 31, 2025	153,209	297,356	1,284,279	(89,617)	643	—	(3,356)

	Equity attributable to owners of parent					Non-controlling interests	Total equity
	Other components of equity				Total equity attributable to owners of parent		
	Exchange differences on translation of foreign operations	Cash flow hedges	Cost of hedges	Total			
Balance as of January 1, 2025	884,005	(3,652)	17	877,968	2,537,382	4,916	2,542,298
Profit	—	—	—	—	26,006	56	26,062
Other comprehensive income	(206,870)	1,335	210	(205,178)	(205,178)	(219)	(205,397)
Total comprehensive income	(206,870)	1,335	210	(205,178)	(179,172)	(163)	(179,335)
Purchase and disposal of treasury shares	—	—	—	—	3,362	—	3,362
Dividends of surplus	—	—	—	—	(50,320)	(9)	(50,329)
Share-based payment transactions	—	—	—	(444)	6,307	—	6,307
Transfer to retained earnings	—	—	—	(14)	—	—	—
Total transactions with owners	—	—	—	(458)	(40,651)	(9)	(40,660)
Balance as of March 31, 2025	677,135	(2,317)	227	672,332	2,317,559	4,744	2,322,303

2.4 Condensed Consolidated Statement of Cash Flows

(In millions of yen)

	Three months ended March 31, 2024	Three months ended March 31, 2025
Cash flows from operating activities		
Profit before tax	91,752	26,769
Depreciation and amortization	47,854	54,264
Impairment losses	949	7,213
Finance income and finance costs	(3,732)	(4,046)
Share-based payment expenses	5,633	9,671
Foreign exchange loss (gain)	(9,001)	(5,745)
Loss (gain) on sales of property, plant and equipment, and intangible assets	(70)	43
Decrease (increase) in inventories	(4,489)	(2,897)
Decrease (increase) in trade and other receivables	(7,912)	9,563
Decrease (increase) in other financial assets	(4,114)	13,333
Increase (decrease) in trade and other payables	1,164	(13,850)
Increase (decrease) in retirement benefit liability	(405)	(228)
Increase (decrease) in provisions	(1,448)	3,626
Increase (decrease) in other current liabilities	(14,979)	(5,032)
Increase (decrease) in other financial liabilities	(358)	4,913
Other	(2,058)	3,675
Subtotal	98,786	101,272
Interest received	6,361	2,502
Dividends received	270	13
Income taxes paid	(43,013)	(8,065)
Net cash flows from operating activities	62,404	95,722
Cash flows from investing activities		
Purchase of property, plant and equipment	(25,244)	(26,635)
Proceeds from sales of property, plant and equipment	262	20
Purchase of intangible assets	(7,648)	(9,172)
Purchase of other financial assets	(688)	(1,225)
Proceeds from sales of other financial assets	461	632
Payments for acquisitions of subsidiaries	—	(2,781)
Proceeds from government grant income	844	1,134
Payments for long-term loans receivable	(75,330)	—
Other	(2,873)	(837)
Net cash flows from investing activities	(110,216)	(38,864)
Cash flows from financing activities		
Proceeds from short-term borrowings	30,000	—
Repayments of long-term borrowings	(182,009)	(35,685)
Dividends paid	(47,207)	(48,850)
Repayments of lease liabilities	(665)	(2,483)
Interest paid	(323)	(3,269)
Net cash flows from financing activities	(200,204)	(90,287)
Effect of exchange rate changes on cash and cash equivalents	45,175	(18,219)
Net increase (decrease) in cash and cash equivalents	(202,841)	(51,648)
Cash and cash equivalents at beginning of the period	434,681	229,249
Cash and cash equivalents at end of the period	231,840	177,601

2.5 Notes to Condensed Consolidated Financial Statements

(Notes about Going Concern Assumption)
Not applicable

(Basis for Preparation)

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

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

(2) Basis of measurement

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

(3) Functional currency and presentation currency

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

(Changes in Accounting Estimates)

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

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

As a result, compared to the previous method, operating profit and profit before tax for the three months ended March 31, 2025, increased by 3,850 million yen respectively.

(Basis of Condensed Consolidated Financial Statements)

(1) Scope of consolidation

One company has been newly included in the scope of consolidation due to an acquisition for the three months ended March 31, 2025.

(2) Scope of Application of equity method

No change in the scope of application of equity method for the three months ended March 31, 2025.

(Material Accounting Policies)

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

In addition, income taxes for the three months ended March 31, 2025 are calculated using the estimated annual effective tax rate.

(Business Segments)

(1) Overview of reportable segments

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

The Group mainly consists of "Automotive Business" and "Industrial/Infrastructure/IoT Business" and those are the Group's reportable segments. The Automotive Business includes the product categories "Automotive control," comprising semiconductor devices for controlling automobile engines and bodies, and "Automotive information," comprising 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, SoC, analog semiconductor devices and power semiconductor devices in each of these categories. Additionally, commissioned development and manufacturing from the Group's design and manufacturing subsidiaries are categorized as "Other."

(2) Information on reportable segments

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

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

Information on reportable segments is as follows.

(Three months ended March 31, 2024)

(In millions of yen)

	Reportable Segments		Other	Adjustments 1	Total	Adjustments 2	Consolidation basis
	Automotive	Industrial/ Infrastructure/ IoT					
Revenue from external customers	178,154	171,575	2,061	—	351,790	—	351,790
Segment gross profit	93,365	105,610	361	—	199,336	(1,873)	197,463
Segment operating profit	57,352	55,803	361	—	113,516	(35,680)	77,836
Finance income							18,050
Finance costs							(4,134)
Profit before tax							91,752
(Other items)							
Depreciation and amortization	11,232	9,049	—	—	20,281	27,573	47,854

(Three months ended March 31, 2025)

(In millions of yen)

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

(3) Information on products and services

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

(4) Information on regions and countries

The breakdown of revenue from external customers by region is as follows.

(In millions of yen)

	Three months ended March 31, 2024	Three months ended March 31, 2025
China	85,099	95,137
Asia (Excluding Japan and China)	81,769	67,306
Japan	80,764	63,458
Europe	61,771	48,421
North America	41,735	34,009
Others	652	446
Total	351,790	308,777

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

(Business Combinations)

Business combinations that occurred during the three months ended March 31, 2024 and the three months ended March 31, 2025 are as follows. Immaterial business combinations are not included in this disclosure.

Three months ended March 31, 2024

(Steradian Semiconductors Private Limited)

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

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

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

	(In millions of yen)
	Three months ended March 31, 2024
Beginning balance	586
Changes in fair value	(606)
Exchange differences	20
Ending balance	—

Of the amount of change in fair value related to contingent consideration, the fluctuated amount due to the time value of money is recorded in "Finance costs," and the fluctuated amount due to factors other than the time value of money is recorded in "Other income" or "Other expenses." For the three months ended March 31, 2024, "Other income" of 606 million yen was recorded for the change of fair value.

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

Three months ended March 31, 2025

(Panthronics AG)

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

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

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

	(In millions of yen)	
	Three months ended March 31, 2024	Three months ended March 31, 2025
Beginning balance	2,711	1,582
Exchange differences	86	(87)
Ending balance	2,797	1,495

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

(Trade and Other Receivables)

The components of trade and other receivables are as follows.

(In millions of yen)

	As of December 31, 2024	As of March 31, 2025
Notes and trade receivables	152,381	140,846
Other receivables	16,311	12,147
Loss allowance	(1,579)	(1,361)
Total	167,113	151,632

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

(Trade and Other Payables)

The components of trade and other payables are as follows.

(In millions of yen)

	As of December 31, 2024	As of March 31, 2025
Trade payables	82,942	79,116
Other payables	86,697	82,112
Electronically recorded obligations	15,092	12,023
Refund liabilities	69,236	60,298
Total	253,967	233,549
Current liabilities	231,029	213,305
Non-current liabilities	22,938	20,244

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

(Bonds and Borrowings)

a. Bonds

Three months ended March 31, 2024

Not applicable.

Three months ended March 31, 2025

Not applicable.

b. Borrowings

Three months ended March 31, 2024

In March 2024, the Company has executed a short-term borrowing of 30,000 million yen from MUFG Bank, Ltd., Mizuho Bank, Ltd., and Sumitomo Mitsui Trust Bank, Limited. under a commitment line agreement dated January 15, 2019.

Three months ended March 31, 2025

Not applicable.

(Equity and Other Equity Items)

Three months ended March 31, 2024

Based on the resolution at the Board of Directors' meeting held on February 8, 2024, the Company conducted a retirement of 87,839,138 shares on February 29, 2024. In addition, the number of treasury shares decreased by 2,644,824 shares, due to disposals of treasury shares based on the exercise of stock options, the vesting of Restricted Stock Unit (RSU) and Performance Share Unit (PSU) for the three months ended March 31, 2024.

As a result, treasury shares decreased by 107,676 million yen. The amount of treasury shares held was 110,015 million yen as of March 31, 2024.

Three months ended March 31, 2025

The Company disposed of treasury shares through the exercise of stock options and the vesting of Restricted Stock Unit (RSU) and Performance Share Unit (PSU), resulting in a decrease of 2,102,956 shares of treasury stock for the three months ended March 31, 2025. As a consequence, treasury shares decreased by 2,503 million yen for the three months ended March 31, 2025.

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

(Dividends)

(1) Dividend payment amounts

Three months ended March 31, 2024

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

Three months ended March 31, 2025

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

(2) Among dividends with a record date that falls under the three months ended March 31, 2025, for those with an effective date is after March 31, 2025

Three months ended March 31, 2024

Not applicable.

Three months ended March 31, 2025

Not applicable.

(Revenue)

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

(Selling, General and Administrative Expenses)

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

(In millions of yen)

	Three months ended March 31, 2024	Three months ended March 31, 2025
Research and development expenses	59,964	58,682
Depreciation and amortization	29,164	36,390
Personnel expenses	20,774	28,207
Retirement benefit expenses	1,114	868
Other	8,853	11,171
Total	119,869	135,318

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

(Other Income)

The components of other income are as follows.

(In millions of yen)

	Three months ended March 31, 2024	Three months ended March 31, 2025
Government grant income	395	266
Reversal of allowance for doubtful accounts	31	114
Reversal of impairment losses	1,077	—
Fair value remeasurements on contingent considerations (Note)	606	—
Other	415	171
Total	2,524	551

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

(Other Expenses)

The components of other expenses are as follows.

(In millions of yen)

	Three months ended March 31, 2024	Three months ended March 31, 2025
Impairment losses	949	7,213
Business restructuring expenses	783	4,043
Loss on disposal of fixed assets	300	2,477
Other	250	2,837
Total	2,282	16,570

(Subsequent Events)

(Grant of share-based payments)

The Company introduced Restricted Stock Unit (RSU) and Performance Share Unit (PSU) from April 2021.

The Company resolved the granting of the RSU and PSU for Directors, Corporate Officers, and employees of the Company and the subsidiaries at the Board of Directors held on April 7, 2025.

Date of grant of RSU and PSU		April 7, 2025
Category and number of grantees		Outside Directors 5 Director and Corporate Officer 1 Corporate Officers 9 Employees of the Company and the subsidiaries 11,395
Vesting conditions	RSU	To be vested based on time (One third each will be vested after 1 year, 2 years and 3 years from the date of grant, except that all units will be vested after 1 year from the grant date for the Outside Directors)
	PSU	To be vested based on performance (According to the performance achieved, all units will be vested after 3 years from the grant date)
Number of units	RSU	17,589,000
	PSU	2,849,100
	Total	20,438,100

(Note) 1. Our common stock (1 unit = 1 share) is delivered based on the number of units at the time of vesting the rights.

There is no payment from Directors, Corporate Officers and employees at the time of delivering the stocks.

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

About Renesas Electronics Corporation

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

(FORWARD-LOOKING STATEMENTS)

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

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