

## **Renesas Announces Expected Loss Resulting from Signing Restructuring Support Agreement with Wolfspeed**

**TOKYO, Japan, June 23, 2025** — Renesas Electronics Corporation (TSE: 6723, "Renesas"), a premier supplier of advanced semiconductor solutions, today announced that it has entered into a Restructuring Support Agreement (the "Restructuring Support Agreement") with Wolfspeed, Inc. (NYSE: WOLF, "Wolfspeed") and its principal creditors for the financial restructuring of Wolfspeed. As a result, Renesas expects to record a loss as described below.

### **1. Details of Loss**

As [announced in July 2023](#), Renesas entered into the silicon carbide wafer supply agreement with Wolfspeed, and through Renesas' wholly owned subsidiary in the United States, it provided a deposit (the "Deposit") of US\$2 billion (approximately 292.0 billion yen) to Wolfspeed. In October 2024, Renesas and Wolfspeed amended their agreement and increased the outstanding principal amount of the Deposit to US\$2.062 billion (approximately 301.1 billion yen).

Subsequently, Wolfspeed has experienced financial challenges. On May 8, 2025, during its quarterly earnings call, Wolfspeed disclosed that to achieve its stated goal of strengthening its balance sheet, it may implement a transaction through an in-court solution. Due to Wolfspeed's contemplation of an in-court option, Wolfspeed included required going concern language in the footnotes to its financial statements for the quarterly period ended March 30, 2025.

In response to this situation, Renesas has been engaging in discussions with Wolfspeed and today entered into the Restructuring Support Agreement among Wolfspeed and its principal creditors, pursuant to which Renesas agreed to, among other things, convert the Deposit of US\$2.062 billion into convertible notes, common stock, and warrants issued by Wolfspeed as follows (the "Restructuring").

- (i) Wolfspeed convertible notes: US\$204 million (approximately 29.8 billion yen) in aggregate principal amount, convertible to Wolfspeed common stock, maturing in June 2031. These notes are convertible into 13.6% of Wolfspeed's total issued shares on a non-diluted basis at the time of the completion of the Restructuring. On a fully diluted basis, and prior to the exercise of the warrants to be granted to Renesas, this corresponds to 11.8%.
- (ii) Wolfspeed common stock: equivalent to 38.7% (17.9% on a fully diluted basis, prior to Renesas warrants exercise) of the total number of issued shares of Wolfspeed at the completion of the Restructuring.
- (iii) Wolfspeed warrants: equivalent to 5% (on a fully diluted basis) of the total number of issued shares of Wolfspeed at the completion of the Restructuring.

The Restructuring is expected to be consummated through proceedings under Chapter 11 of the U.S. Bankruptcy Code. It is expected that Wolfspeed will file a petition with the court to initiate such proceedings in the near future. The Restructuring is expected to become effective by the end of September 2025, subject to court approval of the restructuring plan. If the necessary regulatory approvals have not been obtained by the time the Restructuring takes effect, Renesas will hold rights to instruments with equivalent economic value to Wolfspeed's convertible notes, common stock, and warrants until those approvals are received.

In connection with the signing of the Restructuring Support Agreement, Renesas expects to record a loss on the deposited receivables related to the Deposit in its consolidated financial statements. Although the timing and amount of such loss have not been determined at this time, Renesas believes that there is a possibility of recording a loss of approximately 250 billion yen (converted at an average exchange rate of 150 yen to the dollar during the period) in the consolidated financial statements for the six months ending June 30, 2025. Please note that this amount is an estimate calculated by Renesas' internal analysis based on the currently available information and may increase or decrease due to various factors. The definitive timing and amount of the loss to be recorded will be determined in consultation with Renesas' auditor and will be announced once it is determined.

## 2. Future Outlook

Renesas discloses revenue, gross margin, and operating margin on a "Non-GAAP" basis and does not disclose a forecast for profit attributable to owners of parent. Therefore, there is no change to the [forecast for the six months ending June 30, 2025](#), announced on April 24, 2025.

(Note1) Unless otherwise indicated, yen equivalents in this material are calculated using the exchange rate as of June 20, 2025: 146 yen to the dollar.

(Note2) Non-GAAP figures are calculated by removing or adjusting non-recurring items and other adjustments from GAAP (IFRS basis) figures following a certain set of rules. Renesas believes non-GAAP measures provide useful information in understanding and evaluating its constant business results, and therefore, forecasts are provided on a non-GAAP basis. This adjustment and exclusion include the amortization of intangible assets recognized from acquisitions, other PPA (purchase price allocation) adjustments and stock-based compensation, as well as other non-recurring expenses and income Renesas believes to be applicable.

## About Renesas Electronics Corporation

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

## (FORWARD-LOOKING STATEMENTS)

The statements in this press release with respect to the plans, strategies and financial outlook of Renesas and its consolidated subsidiaries (collectively "we") are forward-looking statements involving risks and uncertainties. Such forward-looking statements do not represent any guarantee by management of future performance. In many cases, but not all, we use such words as "aim," "anticipate," "believe," "continue," "endeavor," "estimate," "expect," "initiative," "intend," "may," "plan," "potential," "probability," "project," "risk," "seek," "should," "strive," "target," "will" and similar expressions to identify forward-looking statements. You can also identify forward-looking statements by discussions of strategy, plans or intentions. These statements discuss future expectations, identify strategies, contain projections of our results of operations or financial condition, or state other forward-looking information based on our current expectations, assumptions, estimates and projections about our business and industry, our future business strategies and the environment in which we will

operate in the future. Known and unknown risks, uncertainties and other factors could cause our actual results, performance or achievements to differ materially from those contained or implied in any forward-looking statement, including, but not limited to, general economic conditions in our markets, which are primarily Japan, North America, Asia, and Europe; demand for, and competitive pricing pressure on, products and services in the marketplace; ability to continue to win acceptance of products and services in these highly competitive markets; fluctuations in currency exchange rates, particularly between the yen and the U.S. dollar; and risks and uncertainties associated with Wolfspeed's proceedings under Chapter 11 of the U.S. Bankruptcy Code, including Wolfspeed's ability to maintain relationships with suppliers, customers, employees and other third parties and regulatory authorities as a result of such proceedings, and other factors discussed in Wolfspeed's filings with the U.S. Securities and Exchange Commission. Among other factors, a downturn of the world economy; deteriorating financial conditions in world markets, or a deterioration in domestic and overseas stock markets, may cause actual results to differ from the projected results forecast. We undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.

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

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