Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

November 14, 2024

Consolidated Financial Results for the Nine Months Ended September 30, 2024 (Under IFRS)

Company name: Rigaku Holdings Corporation
Listing: Tokyo Stock Exchange
Securities code: 268A
URL: https://rigaku-holdings.com/english/
Representative: Jun Kawakami, President and CEO
Inquiries: Akihiko Miki, Chief Financial Officer
Telephone: +81-3-5312-7079

Scheduled date to commence dividend payments: –
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for securities analysts and institutional investors)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the nine months ended September 30, 2024 (from January 1, 2024 to September 30, 2024)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2024	62,580	11.5	11,849	7.7	11,544	8.0	8,990	19.5
September 30, 2023	56,123	–	11,003	–	10,690	–	7,525	–

	Profit attributable to owners of parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
Nine months ended	Millions of yen	%	Millions of yen	%	Yen	Yen
September 30, 2024	8,990	19.5	9,083	(12.1)	39.91	39.91
September 30, 2023	7,525	–	10,330	–	33.43	33.43

Notes:
1. Year-on-year changes for the nine months ended September 30, 2023 are not presented since Rigaku Holdings Corporation (the "Company") did not prepare quarterly consolidated financial statements for the period.
2. Share acquisition rights were not reflected in the calculation of diluted earnings per share for the nine months ended September 2023 and 2024 as shares of the Company were unlisted as of September 30, 2024. Although share acquisition rights existed at that time, the vesting conditions for share acquisition rights included listing of shares of the Company.
3. The Company conducted a 200-for-1 stock split of ordinary shares effective July 11, 2024. "Basic earnings per share" and "Diluted earnings per share" were calculated assuming that the stock split had been conducted at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets
As of	Millions of yen	Millions of yen	Millions of yen	%
September 30, 2024	166,075	74,427	74,427	44.8
December 31, 2023	163,120	65,349	65,349	40.1

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2023	–	0.00	–	–	0.00
Fiscal year ending December 31, 2024	–	0.00	–		

Notes: The Company conducted a 200-for-1 stock split of ordinary shares effective July 11, 2024.

* Notes

(1) Significant changes in the scope of consolidation during the period: None

(2) Changes in accounting policies and changes in accounting estimates

(i) Changes in accounting policies required by IFRS: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(3) Number of issued shares (ordinary shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2024	225,268,600 shares
As of December 31, 2023	225,268,600 shares

(ii) Number of treasury shares at the end of the period

As of September 30, 2024	19,600 shares
As of December 31, 2023	0 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended September 30, 2024	225,261,947 shares
Nine months ended September 30, 2023	225,071,802 shares

Note: The Company conducted a 200-for-1 stock split of ordinary shares, effective July 11, 2024. “Total number of issued shares at the end of the period,” “Number of treasury shares at the end of the period,” and “Average number of shares outstanding during the period “ were calculated assuming that the stock split had been conducted at the beginning of the previous fiscal year.

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes (voluntary)

(Financial results briefing)
The Company will hold a financial results briefing for securities analysts and institutional investors on November 14, 2024. The supplementary material on financial results to be distributed at the briefing are scheduled to be posted on the Company’s website on the same day.

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1. Overview of Operating Results, etc.

(1) Operating Results

During the nine months ended September 30, 2024, the Japanese economy saw improvements in the employment and income environment as well as a normalization of economic activity, leading to higher wages and rising prices. However, the recovery was only gradual, lacking strength due to factors such as inflation suppressing growth in real wages. In the United States, moderate growth was maintained amid falling inflation and monetary easing, while in Europe, the economy slowed due to inflation. The Chinese economy continued to be affected by the real estate slump, resulting in sluggish domestic demand. In addition, geopolitical risks remained high with an unstable political environment mainly due to the prolonged Russian invasion of Ukraine and the worsening situation in the Middle East, particularly in Palestine. The monetary easing in the United States narrowed the interest rate gap with Japan, and the yen was temporarily appreciated, but it weakened again. Against the backdrop of these fluctuations in exchange rates, the economic outlook has remained uncertain.

Under these circumstances, sales to development and mass production lines of advanced logic semiconductor manufacturers were strong. Shipments for orders received under the 2023 supplemental budget in the Chinese market continued in the current fiscal year. In the first half of last fiscal year, production and shipments were held up due to delays in component procurement caused by the COVID-19 pandemic, but the situation eased. In addition, although the yen was temporarily appreciated, it weakened over the course of the year, which also contributed to our business performance.

As a result, for the nine months ended September 30, 2024, the Company recorded revenue of ¥62,580 million yen (up 11.5% year on year), operating profit of 11,849 million yen (up 7.7% year on year), and profit attributable to owners of parent of 8,990 million yen (up 19.5% year on year).

For segment information, this is omitted because the Group has a single segment of manufacturing and sale of scientific instruments.

(2) Financial Position

1) Assets, liabilities, and equity

Total assets as of September 30, 2024 increased by ¥2,954 million from the end of the previous fiscal year to ¥166,075 million. The factors include an increase of ¥3,031 million in inventories mainly due to an increase in inventory in line with stronger sales, a decrease of ¥1,834 million in trade and other receivables primarily due to the collection of trade receivables, and an increase of ¥1,307 million in property, plant and equipment mainly due to capital investment for the extension of the Yamanashi Plant.

Total liabilities as of September 30, 2024 decreased by ¥6,123 million from the end of the previous fiscal year to ¥91,648 million. The factors include a net decrease of ¥2,616 million in borrowings in non-current liabilities due to the repayment of ¥4,000 million in borrowings and new borrowings of ¥1,384 million for the extension of the Yamanashi Plant, a decrease of ¥1,450 million in income taxes payable due to the payment of income taxes, and a decrease of ¥1,263 million in trade and other payables due to a decrease in electronically recorded obligations–operating.

Total equity as of September 30, 2024 increased by ¥9,077 million from the end of the previous fiscal year to ¥74,427 million primarily due to an increase in retained earnings. As a result, the ratio of equity attributable to owners of parent to total assets as of September 30, 2024 came in at 44.8%, up 4.7 percentage points from the end of the previous fiscal year.

2) Cash flows

(Cash flows from operating activities)

Net cash provided by operating activities during the nine months ended September 30, 2024 was ¥8,213 million

(net cash provided of ¥5,471 million in the same period of the previous fiscal year). This was mainly attributable to profit before tax of ¥11,544 million (¥10,690 million in the same period of the previous year), which was partly offset by income taxes paid of ¥4,710 million (¥3,915 million in the same period of the previous year).

(Cash flows from investing activities)
Net cash used in investing activities during the nine months ended September 30, 2024 was ¥3,341 million (net cash used of ¥1,570 million in the same period of the previous fiscal year). This was mainly attributable to purchase of property, plant and equipment of ¥3,178 million (¥1,841 million in the same period of the previous year) and purchase of intangible assets of ¥441 million (¥28 million in the same period of the previous year), which was partly offset by proceeds from cancellation of insurance fund of ¥282 million (¥280 million in the same period of the previous year).

(Cash flows from financing activities)
Net cash used in financing activities during the nine months ended September 30, 2024 was ¥3,485 million (net cash used of ¥3,715 million in the same period of the previous fiscal year). This was mainly attributable to repayments of long-term borrowings of ¥4,000 million (¥3,333 million in the same period of the previous year) and repayments of lease liabilities of ¥864 million (¥530 million in the same period of the previous year), which was partly offset by proceeds from long-term borrowings of ¥1,384 million (none in the same period of the previous year).

2. Condensed Quarterly Consolidated Financial Statements and Primary Notes

(1) Condensed Quarterly Consolidated Statements of Financial Position

(Millions of yen)

	As of December 31, 2023	As of September 30, 2024
Assets		
Current assets		
Cash and cash equivalents	20,521	21,735
Trade and other receivables	18,907	17,072
Inventories	20,195	23,226
Other current assets	1,407	1,578
Total current assets	61,030	63,613
Non-current assets		
Property, plant and equipment	15,265	16,573
Right-of-use assets	5,364	4,923
Goodwill	51,655	51,674
Intangible assets	28,384	27,925
Other financial assets	535	269
Deferred tax assets	876	1,093
Other non-current assets	7	1
Total non-current assets	102,089	102,461
Total assets	163,120	166,075

(Millions of yen)

	As of December 31, 2023	As of September 30, 2024
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	9,752	8,489
Borrowings	4,000	4,000
Lease liabilities	832	751
Income taxes payable	2,183	733
Contract liabilities	7,769	8,291
Other financial liabilities	514	137
Employee benefits accruals	3,205	3,714
Provisions	849	824
Other current liabilities	1,082	1,525
Total current liabilities	30,190	28,467
Non-current liabilities		
Borrowings	52,667	50,051
Lease liabilities	4,576	4,264
Contract liabilities	418	447
Employee benefits	1,249	237
Deferred tax liabilities	8,633	8,143
Other non-current liabilities	36	36
Total non-current liabilities	67,580	63,180
Total liabilities	97,771	91,648
Equity		
Share capital	473	473
Capital surplus	55,537	49,305
Retained earnings	5,877	21,100
Treasury shares	–	(4)
Other components of equity	3,460	3,552
Total equity attributable to owners of parent	65,349	74,427
Total equity	65,349	74,427
Total liabilities and equity	163,120	166,075

(2) Condensed Quarterly Consolidated Statements of Profit or Loss and Condensed Quarterly Consolidated Statements of Comprehensive Income

Condensed Quarterly Consolidated Statements of Profit or Loss

(Millions of yen)

	Nine months ended September 30, 2023	Nine months ended September 30, 2024
Revenue	56,123	62,580
Cost of sales	(22,376)	(24,318)
Gross profit	33,746	38,262
Selling, general and administrative expenses	(22,671)	(26,329)
Other income	179	121
Other expenses	(250)	(204)
Operating profit	11,003	11,849
Finance income	146	259
Finance costs	(458)	(564)
Profit before tax	10,690	11,544
Income tax expense	(3,165)	(2,553)
Profit	7,525	8,990
Profit attributable to:		
Owners of parent	7,525	8,990
Profit	7,525	8,990
Earnings per share		
Basic earnings per share (Yen)	33.43	39.91
Diluted earnings per share (Yen)	33.43	39.91

Condensed Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

	Nine months ended September 30, 2023	Nine months ended September 30, 2024
Profit	7,525	8,990
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	58	(1)
Total	58	(1)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	2,746	93
Total	2,746	93
Total other comprehensive income	2,804	92
Comprehensive income	10,330	9,083
Comprehensive income attributable to		
Owners of parent	10,330	9,083
Comprehensive income	10,330	9,083

(3) Condensed Quarterly Consolidated Statements of Changes in Equity

For the Nine Months Ended September 30, 2023 (From January 1, 2023 to September 30, 2023)

(Millions of yen)

	Equity attributable to owners of parent							Total	Total equity
				Other components of equity					
	Share capital	Capital surplus	Retained earnings	Financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	Share acquisition rights	Total		
Balance at beginning of period	399	55,464	(5,031)	86	2,114	15	2,216	53,049	53,049
Profit	–	–	7,525	–	–	–	–	7,525	7,525
Other comprehensive income	–	–	–	58	2,746	–	2,804	2,804	2,804
Comprehensive income	–	–	7,525	58	2,746	–	2,804	10,330	10,330
Issuance of new shares	73	73	–	–	–	–	–	147	147
Issuance of share acquisition rights	–	–	–	–	–	2	2	2	2
Purchase of share acquisition rights	–	–	–	–	–	(0)	(0)	(0)	(0)
Transfer to retained earnings	–	–	4	(4)	–	–	(4)	–	–
Total transactions with owners	73	73	4	(4)	–	1	(3)	148	148
Balance at end of period	473	55,537	2,498	140	4,860	16	5,017	63,527	63,527

For the Nine Months Ended September 30, 2024 (From January 1, 2024 to September 30, 2024)

(Millions of yen)

	Equity attributable to owners of parent								Total	Total equity
					Other components of equity					
	Share capital	Capital surplus	Retained earnings	Treasury shares	Financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	Share acquisition rights	Total		
Balance at beginning of period	473	55,537	5,877	–	(347)	3,791	16	3,460	65,349	65,349
Profit	–	–	8,990	–	–	–	–	–	8,990	8,990
Other comprehensive income	–	–	–	–	(1)	93	–	92	92	92
Comprehensive income	–	–	8,990	–	(1)	93	–	92	9,083	9,083
Purchase of share acquisition rights	–	–	–	–	–	–	(0)	(0)	(0)	(0)
Purchase of treasury shares	–	–	–	(4)	–	–	–	–	(4)	(4)
Deficit disposition	–	(6,232)	6,232	–	–	–	–	–	–	–
Total transactions with owners	–	(6,232)	6,232	(4)	–	–	(0)	(0)	(5)	(5)
Balance at end of period	473	49,305	21,100	(4)	(348)	3,885	16	3,552	74,427	74,427

(4) Condensed Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Nine months ended September 30, 2023	Nine months ended September 30, 2024
Cash flows from operating activities		
Profit before tax	10,690	11,544
Depreciation and amortization	3,193	3,638
Interest and dividend income	(124)	(256)
Interest expenses	441	509
Foreign exchange loss (gain)	45	110
Arrangement fee	–	33
Finance income and finance costs	(4)	17
Loss (gain) on sale and retirement of property, plant and equipment, and intangible assets	3	2
Decrease (increase) in inventories	(5,083)	(3,068)
Decrease (increase) in trade and other receivables	(1,061)	1,872
Increase (decrease) in trade and other payables	(407)	(1,304)
Increase (decrease) in contract liabilities	1,586	558
Increase (decrease) in provisions	(19)	(24)
Other	588	(281)
Subtotal	9,848	13,353
Interest received	124	256
Dividends received	0	0
Interest paid	(585)	(652)
Arrangement fee paid	–	(33)
Income taxes paid	(3,915)	(4,710)
Net cash provided by (used in) operating activities	5,471	8,213
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,841)	(3,178)
Proceeds from sale of property, plant and equipment	36	3
Purchase of intangible assets	(28)	(441)
Collection of loans receivable	0	–
Proceeds from sale of investment securities	11	–
Payments of leasehold and guarantee deposits	(60)	(20)
Proceeds from refund of leasehold and guarantee deposits	30	13
Proceeds from cancellation of insurance fund	280	282
Other	1	(0)
Net cash provided by (used in) investing activities	(1,570)	(3,341)

(Millions of yen)

	Nine months ended September 30, 2023	Nine months ended September 30, 2024
Cash flows from financing activities		
Proceeds from long-term borrowings	–	1,384
Repayments of long-term borrowings	(3,333)	(4,000)
Proceeds from issuance of shares	147	–
Proceeds from issuance of share acquisition rights	1	–
Purchase of subscription rights to shares	–	(0)
Purchase of treasury shares	–	(4)
Repayments of lease liabilities	(530)	(864)
Net cash provided by (used in) financing activities	(3,715)	(3,485)
Effect of exchange rate changes on cash and cash equivalents	1,142	(172)
Net increase (decrease) in cash and cash equivalents	1,328	1,214
Cash and cash equivalents at beginning of period	14,431	20,521
Cash and cash equivalents at end of period	15,759	21,735

(5) Notes to Condensed Quarterly Consolidated Financial Statements

(Segment information, etc.)

This information is omitted because the Group has a single segment of manufacturing and sale of scientific instruments.

(Notes on going concern assumption)

Not applicable.

Independent Auditor's Interim Review Report on Quarterly Consolidated Financial Statements
(English Translation*)

November 14, 2024

To the Board of Directors of Rigaku Holdings Corporation

PricewaterhouseCoopers Japan LLC
Tokyo office

Takeshi Shioya, CPA
Designated limited liability Partner
Engagement Partner

Takashi Sasaki, CPA
Designated limited liability Partner
Engagement Partner

Auditor's Conclusion

We have reviewed the condensed quarterly consolidated financial statements of Rigaku Holdings Corporation (the "Company") and its consolidated subsidiaries (collectively referred to as the "Group"), provided in the materials attached to the Consolidated Financial Results, which comprise the condensed quarterly consolidated balance sheet, condensed quarterly consolidated statements of income and comprehensive income, the condensed quarterly consolidated statements of changes in equity and cash flows, and notes to the condensed quarterly consolidated financial statements, for the third quarter from July 1, 2024 to September 30, 2024 and the nine-month period from January 1, 2024 to September 30, 2024 of the consolidated fiscal year from January 1, 2024 to December 31, 2024.

Based on our interim review, nothing has come to our attention that causes us to believe that the condensed quarterly consolidated financial statements are not prepared, in all material respects, in accordance with Article 5, Paragraph 2 of Standards for Preparation of Quarterly Financial Statements, etc. of Tokyo Stock Exchange, Inc. ("the Standards") (under the provision of Article 5, Paragraph 5 of the Standards).

Basis for Conclusion

We conducted our review in accordance with interim review standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Interim Review of the Condensed Quarterly Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our review of the condensed quarterly consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that we have obtained the evidence to provide a basis for our conclusion.

Responsibilities of Management and Audit and Supervisory Board for the Condensed Quarterly Consolidated Financial Statements

Management is responsible for the preparation of the condensed quarterly consolidated financial statements in accordance with Article 5, Paragraph 2 of Standards for Preparation of Quarterly Financial Statements, etc. of Tokyo Stock Exchange, Inc. ("the Standards") (under the provision of Article 5, Paragraph 5 of the Standards), and for such internal control as management determines is necessary to enable the preparation of the condensed quarterly consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the condensed quarterly consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as applicable, matters related to going concern in accordance with Article 5, Paragraph 2 of Standards for Preparation of Quarterly

Financial Statements, etc. of Tokyo Stock Exchange, Inc. (“the Standards”) (under the provision of Article 5, Paragraph 5 of the Standards).

Audit and Supervisory Board are responsible for overseeing the directors’ execution of their duties in designing and operating the Group’s financial reporting process.

Auditor’s Responsibilities for the Interim Review of the Condensed Quarterly Consolidated Financial Statements

Our objective is to express a conclusion on these condensed quarterly consolidated financial statements in our independent auditor’s interim review report based on our review.

As part of a review in accordance with interim review standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the interim review. We also:

- Make inquiries, primarily of management and persons responsible for financial and accounting matters, and apply analytical and other interim review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in Japan.
- Conclude on whether anything has come to our attention that causes us to believe that matters related to going concern are not prepared in the condensed quarterly consolidated financial statements in accordance with Article 5, Paragraph 2 of Standards for Preparation of Quarterly Financial Statements, etc. of Tokyo Stock Exchange, Inc. (“the Standards”) (under the provision of Article 5, Paragraph 5 of the Standards), based on the evidence obtained, if, in the auditor’s judgment, there exists a material uncertainty related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s interim review report to the related disclosures in the condensed quarterly consolidated financial statements or, if such disclosures are inadequate, to express a qualified or adverse conclusion. Our conclusions are based on the evidence obtained up to the date of our auditor’s interim review report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether anything has come to our attention that causes us to believe that the presentation and disclosures of the condensed quarterly consolidated financial statements are not prepared in accordance with Article 5, Paragraph 2 of Standards for Preparation of Quarterly Financial Statements, etc. of Tokyo Stock Exchange, Inc. (“the Standards”) (under the provision of Article 5, Paragraph 5 of the Standards).
- Obtain evidence regarding the financial information of the Group as a basis for expressing a conclusion on the condensed quarterly consolidated financial statements. We are responsible for the direction, supervision and review of the interim review of the condensed quarterly consolidated financial statements. We remain solely responsible for our review conclusion.

We communicate with Audit and Supervisory Board regarding, among other matters, the planned scope and timing of the interim review and significant review findings.

We also provide Audit and Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

* Notes to the Readers of Independent Auditor’s Interim Review Report
This is an English translation of the Independent Auditor’s Interim Review Report for the conveniences of the reader. The original was prepared in Japanese. All possible care has been taken to ensure that the translation is an accurate representation of the original, however, in all matters of interpretation of information, views or opinions, the original language version of the report takes precedence over the translated version.

(Notes) 1. The original of the Independent Auditor's Interim Review Report above is kept separately by the Company (the company of the Consolidated Financial Results).
2. XBRL data and HTML data are not included in the scope of the interim review.