

FY2023 ended March 31, 2024 Financial Results

Kioxia Holdings Corporation

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Financial Results Overview¹

(in billion yen)	FY23 Q3	FY23 Q4	QoQ	FY22	FY23	YoY
Revenue	262.0	322.1	+60.1	1,282.1	1,076.6	(205.5)
Operating Profit (Loss)	(65.0)	43.9	+108.9	(99.0)	(252.7)	(153.7)
<i>Margin</i>	(25)%	14%	+38pt	(8)%	(24)%	(16)pt
Net Income (Loss)	(64.9)	10.3	+75.2	(138.1)	(243.7)	(105.6)
<i>Margin</i>	(25)%	3%	+28pt	(11)%	(23)%	(12)pt

Additional details (included in above figures)

Depreciation and Amortization ²	83.3	81.6	(1.7)	418.2	346.1	(72.1)
PPA Impact ^{3, 4}	(0.4)	(0.3)	+0.1	(31.6)	(6.3)	+25.3
Income Tax Expense	(26.6)	6.9	33.5	(48.3)	(99.6)	(51.3)

¹ Based on the audited consolidated financial statements prepared under IFRS

² EBITDA is operating profit (loss) plus depreciation and amortization, which is indicative of our cash-based profitability. EBITDA for FY23 Q4 is calculated as follows: operating profit (loss) of 43.9 billion yen plus depreciation and amortization of 81.6 billion yen totaling 125.5 billion yen. EBITDA for FY23 is calculated as follows: operating profit (loss) of (252.7) billion yen plus depreciation and amortization of 346.1 billion yen totaling 93.4 billion yen.

³ Amount of financial impact of PPA on operating profit (loss) caused by the past business combinations.

⁴ Non-GAAP measures are indicative of core ongoing operating results. Non-GAAP operating profit (loss) for FY23 Q4 is calculated as follows: operating profit (loss) of 43.9 billion yen plus PPA impact of 0.3 billion yen totaling 44.2 billion yen. Non-GAAP net income (loss) for FY23 Q4 is calculated as follows: net income (loss) of 10.3 billion yen plus PPA impact of 0.3 billion yen minus a tax adjustment for a total of 10.5 billion yen. Non-GAAP operating profit (loss) for FY23 is calculated as follows: operating profit (loss) of (252.7) billion yen plus PPA impact of 6.3 billion yen minus insurance proceeds of 7.6 billion yen totaling (244.0) billion yen. Non-GAAP net income (loss) for FY23 is calculated as follows: net income (loss) of (243.7) billion yen plus PPA impact of 6.3 billion yen minus insurance proceeds of 7.6 billion yen minus a tax adjustment for a total of (244.6) billion yen.

Highlights (1/3)

FY2023 Overview

- Year on year, Kioxia FY2023 revenue decreased and profit (loss) worsened due to significant ASP declines in the first half of the year, partially offset by recovery trend as the supply-demand balance improved due to production adjustments by flash memory manufacturers in the second half of the year.

Recent Sales Trends

	FY23 Q3	FY23 Q4
Bit growth (QoQ) ¹	Flat	High-single-digit-% increase
ASP ¹ (JPY, QoQ)	Low-teens % increase	High-teens % increase

- Quarter on quarter, Kioxia revenue increased as ASPs continued to rise due to a further improvement in the supply-demand balance.
- Operating profit (loss) and net income (loss) returned to profit backed by ASP increases and resulting decrease of loss on valuation of inventory.
- ASP on a U.S. dollar basis rose around 20% in this quarter.

1. Bit basis

Highlights (2/3)

New Products and Technology

- Introduced latest generation UFS Ver. 4.0 embedded flash memory devices for better user experience on mobile applications
- Started initial production of the eighth-generation BiCS FLASH™ delivering a major leap in performance, density and cost effectiveness by applying CBA (CMOS directly Bonded to Array) technology

Highlights (3/3)

Industry/Market Trends and Outlook

- The supply-demand balance continues to improve and selling prices have been rising, due to growing demand and flash memory manufacturers controlling production in line with demand.
- Demand for PCs and smartphones is recovering by the normalization of customer inventories, and replacement demand is expected with the proliferation of on-device AI feature models, the memory content growth per unit, and the operating system updates.
- Demand for data center and enterprise SSDs is showing a recovery trend toward the second half of CY2024, and is expected to increase driven by high-density and high-capacity SSDs for AI applications.
- With growing demand for AI applications and memory content per unit, industry experts remain confident in the growth potential of the flash memory market and the underlying demand drivers in the long term horizon.
- Kioxia will continue optimizing production and operating expenses in line with market conditions.

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