

First Quarter of FY2024

Financial Results (Three months ended June 30, 2024)

Kioxia Holdings Corporation

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Financial Results Overview¹

| (in billion yen) | FY23 Q4 | FY24 Q1 | |
|------------------|---------|---------|--------|
| | | | QoQ |
| Revenue | 322.1 | 428.5 | +106.4 |
| Operating Profit | 43.9 | 125.9 | +82.0 |
| <i>Margin</i> | 14% | 29% | +16pt |
| Net Income | 10.3 | 69.8 | +59.5 |
| <i>Margin</i> | 3% | 16% | +13pt |

Additional detail (included in above figures)

| | | | |
|--|-------|-------|-------|
| Depreciation and Amortization ² | 81.6 | 78.5 | (3.1) |
| PPA Impact ^{3, 4} | (0.3) | (0.3) | 0.0 |
| Income Tax Expense | 6.9 | 30.0 | +23.1 |

¹ Based on the reviewed consolidated financial statements prepared under IFRS

² EBITDA is operating profit plus depreciation and amortization, which is indicative of our cash-based profitability. EBITDA for FY24 Q1 is calculated as follows: operating profit of 125.9 billion yen plus depreciation and amortization of 78.5 billion yen totaling 204.4 billion yen.

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

⁴ Non-GAAP measures are indicative of core ongoing operating results. Non-GAAP operating profit for FY24 Q1 is calculated as follows: operating profit of 125.9 billion yen plus PPA impact of 0.3 billion yen totaling 126.2 billion yen. Non-GAAP net income for FY24 Q1 is calculated as follows: net income of 69.8 billion yen plus PPA impact of 0.3 billion yen minus a tax adjustment for a total of 70.0 billion yen.

Highlights (1/2)

Recent Sales Trends

| | FY23 Q4 | FY24 Q1 |
|-------------------------------|------------------------------|----------------------|
| Bit growth (QoQ) ¹ | High-single-digit % increase | Low-teens % increase |
| ASP ¹ (JPY, QoQ) | High-teens % increase | Around 20% increase |

1. Bit basis

- Kioxia FY24Q1 revenue reached a record high and operating profit increased due to a rise in ASPs from an improvement in the supply-demand balance, an increase in flash memory shipments by recovery in flash memory demand and depreciation of JPY.
- ASP on a U.S. dollar basis rose in the mid-teens % range in this quarter.

New Products and Technology

- Introduced industry's highest capacity 2Tb QLC flash memory with the latest BiCS FLASH™ technology, elevating storage devices to a new capacity point in multiple application segments including AI.
- Started mass production of the eighth-generation BiCS FLASH™ 1Tb TLC delivering a major leap in performance, density and cost effectiveness by applying CBA (CMOS directly Bonded to Array) technology in July.
- Completed the new flash memory manufacturing building (K2) in the Kitakami Plant, will start operation in the fall of 2025.

Highlights (2/2)

Industry/Market Trends and Outlook

- The supply-demand imbalance has been corrected due to the normalization of customer inventories and recovery in demand.
- While demand for PCs is recovering weakly, demand for smartphones is gradually recovering. Replacement demand is expected with the proliferation of on-device AI feature models, the memory content growth per unit, and operating system updates.
- Demand for data center and enterprise SSDs is growing due to normalization of customer inventories and AI demand. In addition to high-density and high-capacity SSDs for AI applications, demand for general server is also expected .
- 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 strive for efficient business operations by optimizing production in line with market conditions and managing operating expenses and manufacturing costs.

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