

Second Quarter of FY2024

Financial Results (Three months ended September 30, 2024)

Kioxia Holdings Corporation

November 8, 2024

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Financial Results Overview¹

(in billion yen)	FY24 Q1	FY24 Q2	QoQ
Revenue	428.5	480.9	+52.4
Operating Profit	125.9	166.0	+40.2
<i>Margin</i>	29%	35%	+5pt
Net Income	69.8	106.2	+36.5
<i>Margin</i>	16%	22%	+6pt

Additional details (included in above figures)

Depreciation and Amortization ²	78.5	79.2	+0.7
PPA Impact ^{3, 4}	(0.3)	(0.3)	+0.0
Income Tax Expense	30.0	43.0	+13.0

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 Q2 is calculated as follows: operating profit of 166.0 billion yen plus depreciation and amortization of 79.2 billion yen totaling 245.2 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 Q2 is calculated as follows: operating profit of 166.0 billion yen plus PPA impact of 0.3 billion yen totaling 166.3 billion yen. Non-GAAP net income for FY24 Q2 is calculated as follows: net income of 106.2 billion yen plus PPA impact of 0.3 billion yen minus a tax adjustment for a total of 106.4 billion yen.

Highlights (1/2)

Recent Sales Trends

	FY24 Q1	FY24 Q2
Bit growth (QoQ) ¹	Low-teens % increase	Around 10% increase
ASP ¹ (JPY, QoQ)	Around 20% increase	Mid-single digit % increase

1. Bit basis

- Kioxia FY24Q2 revenue and operating profit both reached a record high due to a rise in ASPs from an improvement in the supply-demand balance and an increase in flash memory shipments mainly in enterprise SSDs.
- ASP on a U.S. dollar basis rose in the mid-single digit % range this quarter.

New Products and Technology

- Begun mass production of the industry's first Universal Flash Storage (UFS) Ver. 4.0 embedded flash memory devices with QLC technology.
- Introduced NVMe EDSFF (Enterprise and Datacenter Standard Form Factor) E1.S SSDs, compliant with PCIe® 5.0.
- Three research papers regarding emerging memory technology accepted for presentation at IEDM 2024 to be held in December

Highlights (2/2)

Industry/Market Trends and Outlook

- With the rising demand for data centers and enterprise high-capacity storage for AI, as well as expectations for the proliferation of AI PCs/smartphones and AI-related services, industry experts remain confident in the growth potential of the flash memory market in the long term horizon.
- Although the recovery of demand in PCs and smartphones has weakened in the short term due to high customer inventories and seasonality, demand is expected to increase with further proliferation of AI capabilities, memory content growth per unit, and PC operating system updates.
- Demand for enterprise and data center SSDs is growing due to AI demand. In addition to strong demand for high-capacity SSDs for AI applications, demand for general servers is also expected to grow.
- The supply-demand balance in the flash memory market is expected to remain stable as memory industries continues to invest in disciplined capital spending in line with demand growth.
- 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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