

# Flash Memory Scales AI Inference

## Investor Day

KIOXIA Holdings Corporation

June 2, 2026

# Agenda

## 1. Kioxia's Growth Strategy in the AI Inference Era

### **Hiroo Ota**

President and CEO

## 2. Flash Memory Market and Resource Allocation

### **Junichiro Yaguchi**

Managing Executive Officer (CSO)

## 3. SSD Drives AI inferences

### **Masashi Yokotsuka**

Managing Executive Officer  
(Vice President of SSD Division)<sup>1</sup>

## 4. Advancing Technology Leadership with BiCS FLASH™ generation 10

### **Atsushi Inoue**

Executive Officer  
(Vice President of Memory Division)<sup>2</sup>

## 5. Financial Strategy to Support Our Growth

### **Yoshihiko Kawamura**

Executive Vice President and Executive  
Officer (CFO)

## 6. Q&A

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# Kioxia's Growth Strategy in the AI Inference Era

**Hiroo Ota**

President and CEO

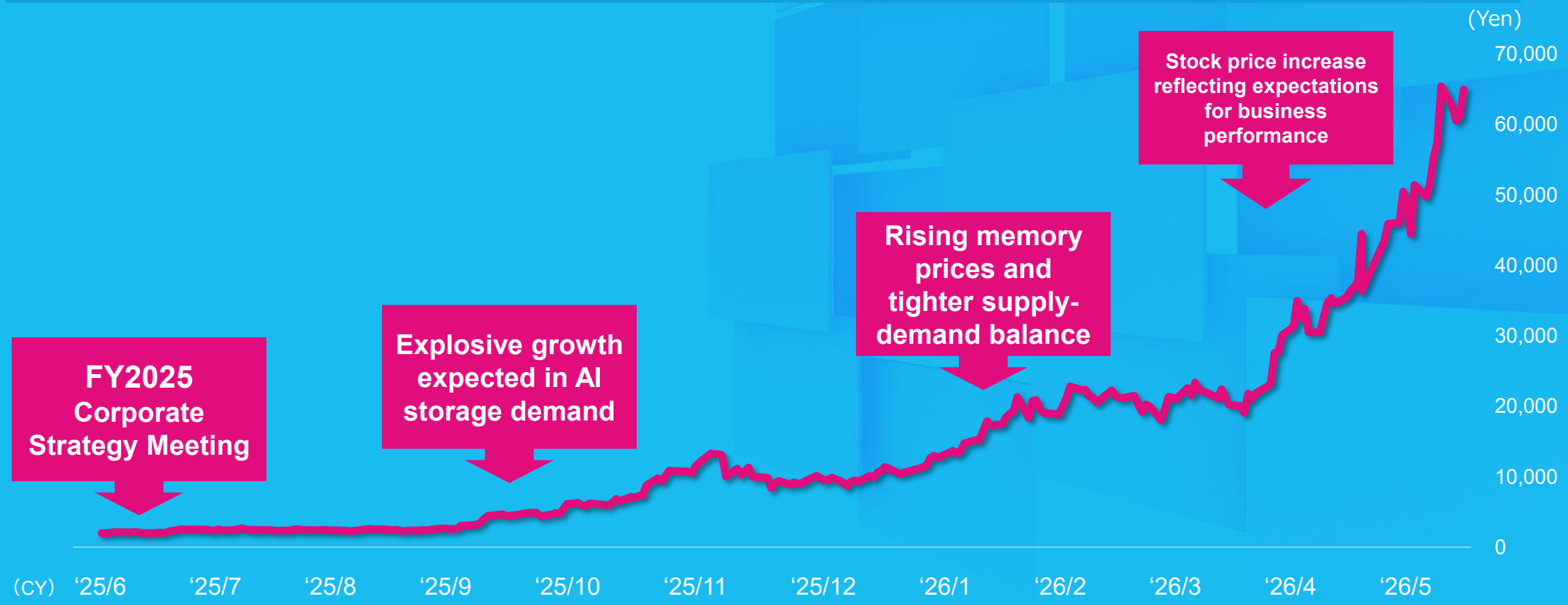
# Agenda

- **Expanding the Role of Flash Memory in AI Inference**
- **Focusing on the Data Center and Enterprise Markets**
- **Growth Investments to Further Enhance Corporate Value**

# Review of the Past Year

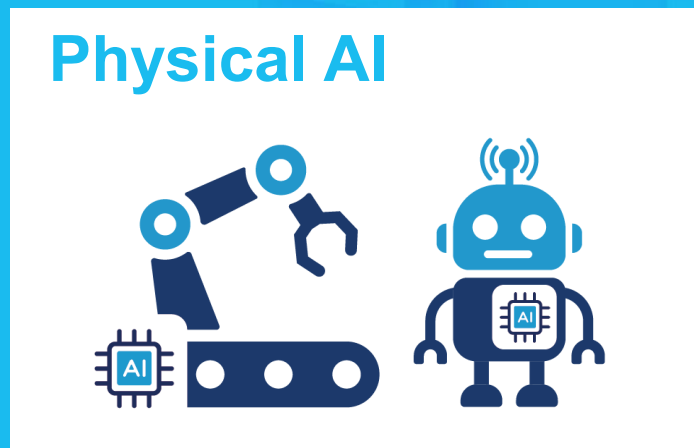
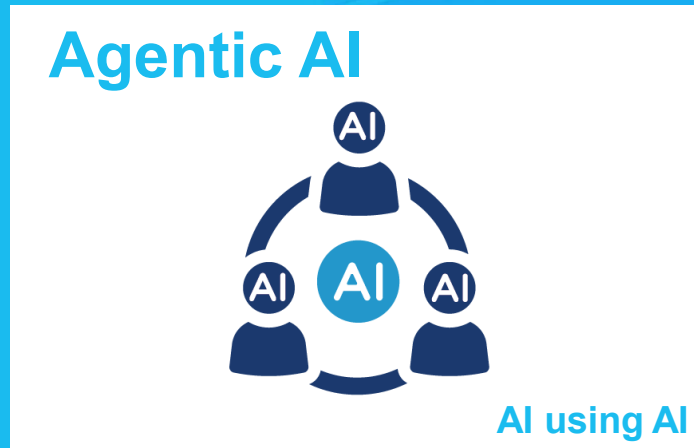
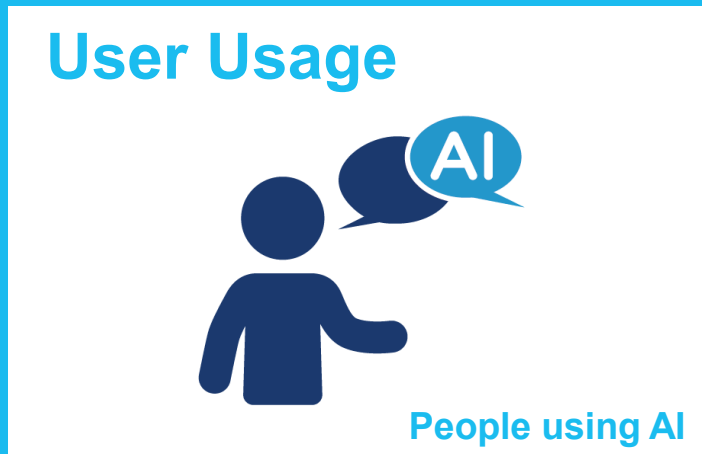
**Our corporate value increased to more than 30x, driven by expanding AI data center demand**

## Our stock price trend



# Rapid Growth in Inference Workloads

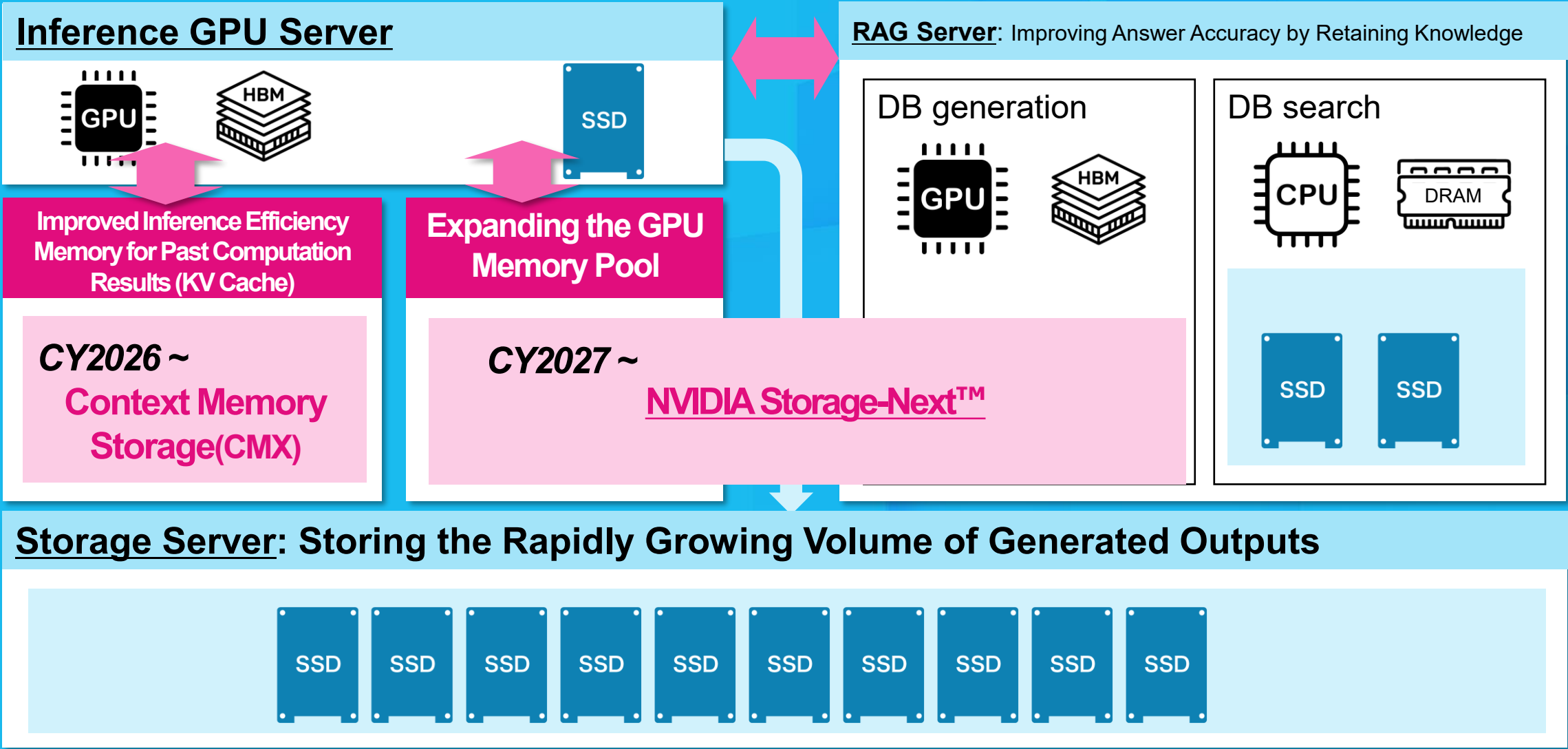
Agentic AI and Physical AI that autonomously solve tasks are driving inference workloads to increase exponentially



Urgent Need to Improve Inference Processing Efficiency

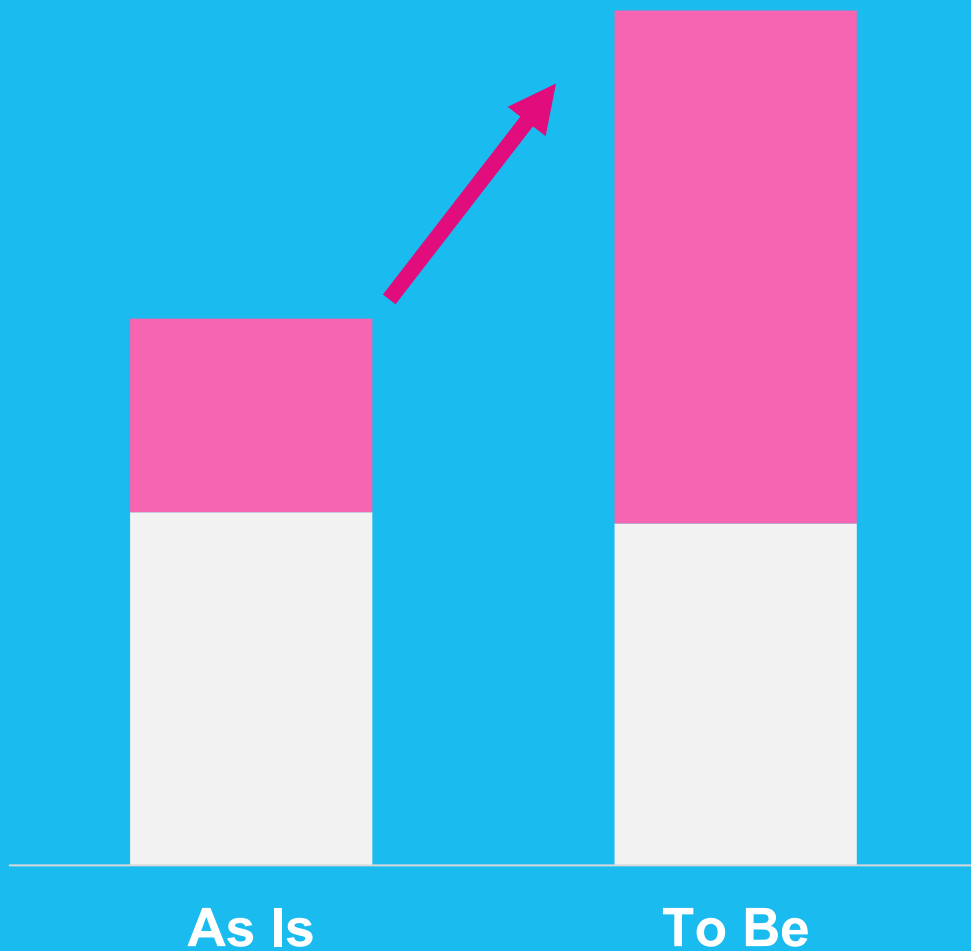
# NVIDIA's Proposed GPU-Connected Storage

## A concept to redefine SSDs as a memory extension layer for GPUs



# Focus on the Data Center & Enterprise Markets

## Kioxia Sales Portfolio Excluding SanDisk sales revenue



Revenue mix of products for the Data Center & Enterprise markets

Over **60%**

Driving profitability through strategic product-market fit for value-added products (e.g., Super High IOPS SSDs)

## Two consecutive years of record-high sales revenue and operating profit



**Significant improvement  
in profitability  
Q1 OP Margin: 74%<sup>1</sup>**



**Achieve  
net cash position  
in Q1 FY26**



**Growth investments  
including inorganic  
investments**



**Shareholder returns**

# Growth Investments to Enhance Corporate Value

## Advancing AI Memory Solutions from Multiple Angles

1

### Strengthening Core Operations

- ✓ Product and Technology Proposals for the AI Market
- ✓ Strengthening Supply Chain Resilience (Back-end Processes Key Components)

2

### Turning R&D Results into Businesses

- ✓ Horizontal Channel Flash Memory (HCF)
- ✓ 3D OCTRAM

3

### Inorganic Investments

- ✓ Capturing Adjacent Businesses as AI Evolves

Advancing AI Memory Solutions

## Promoting AI & Digital Transformation

- ✓ Centralized internal data governance and greater use of managed data
- ✓ Maximizing AI use in manufacturing and development

## Human Capital Investment

- ✓ Developing highly specialized talent to lead advanced technology innovation
- ✓ Attracting and cultivating a diverse workforce



**KIOXIA**

# **Uplifting the world with “memory”**

**A Core Company Powering AI Infrastructure**

# Flash Memory Market and Resource Allocation

**Junichiro Yaguchi**

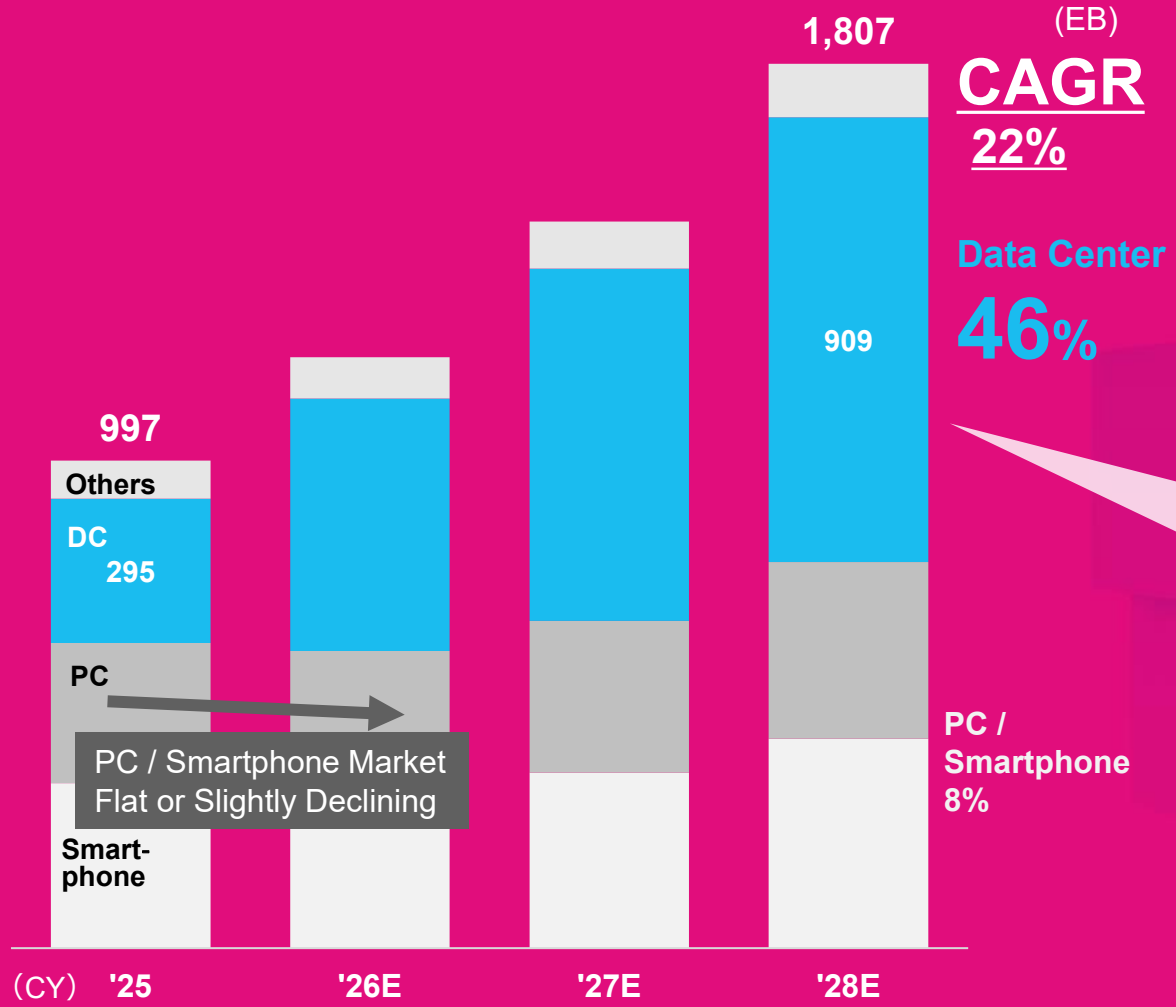
Managing Executive Officer (Chief Strategy Officer)

# Agenda

- **Strong Demand and Growth Opportunities Driven by AI Inference**
- **Resource Allocation Policy**

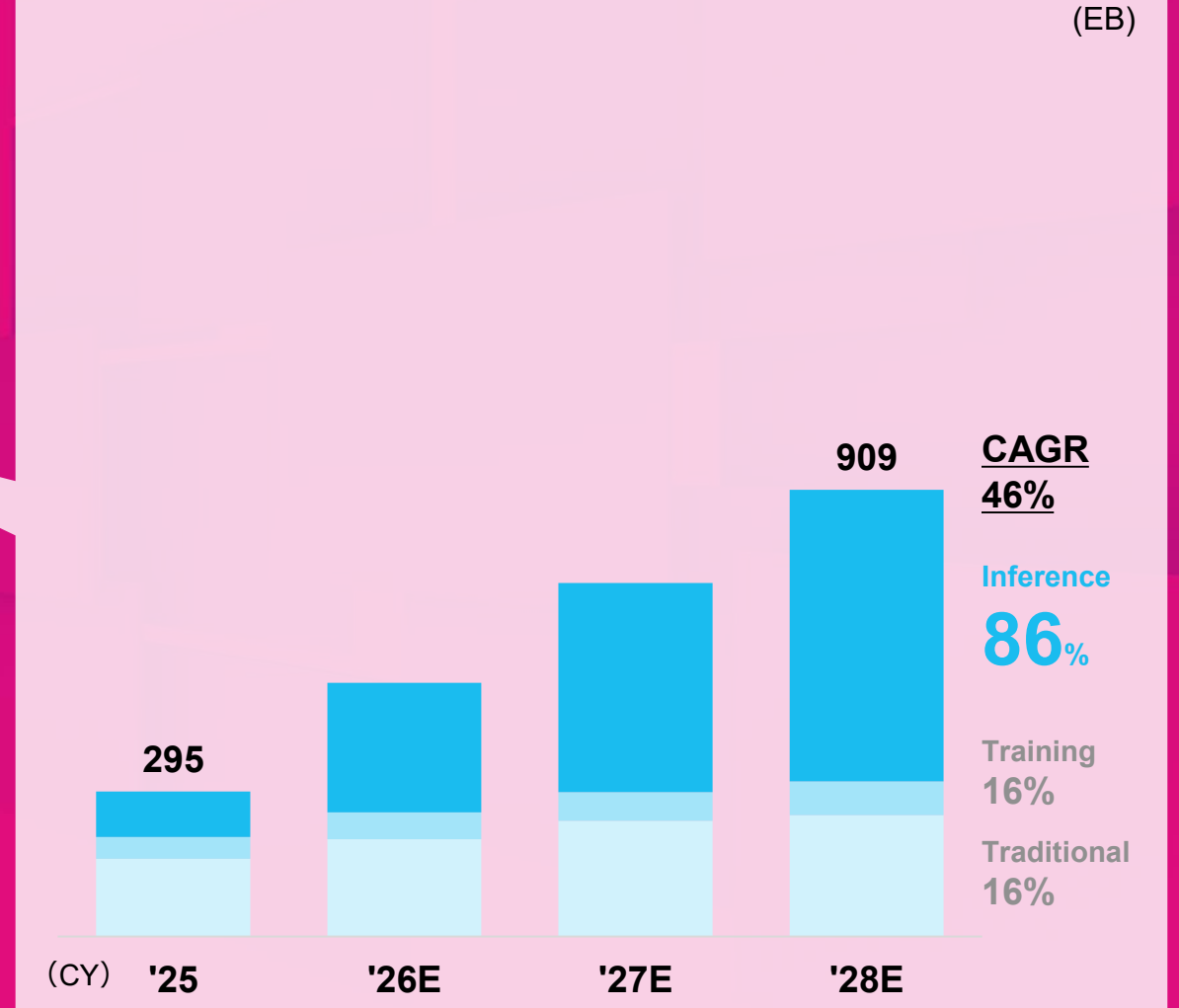
# Flash Memory Market

## Flash Memory Market (EB)



Source: Tech Insights NAND Market Report Q2 2026

## Flash Memory Market for Data Centers

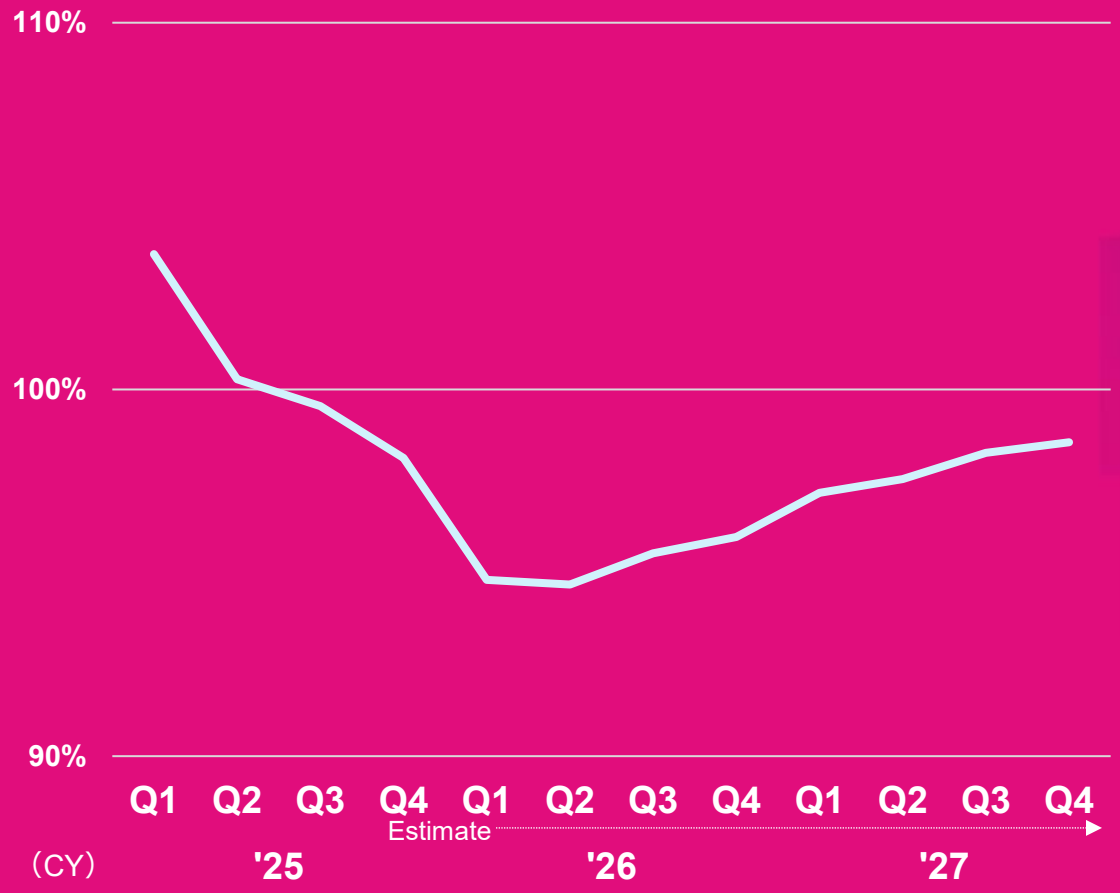


Source: Tech Insights NAND Market Report Q2 2026

# Supply-Demand Balance and Revenue Market Forecast

## Supply-Demand Balance

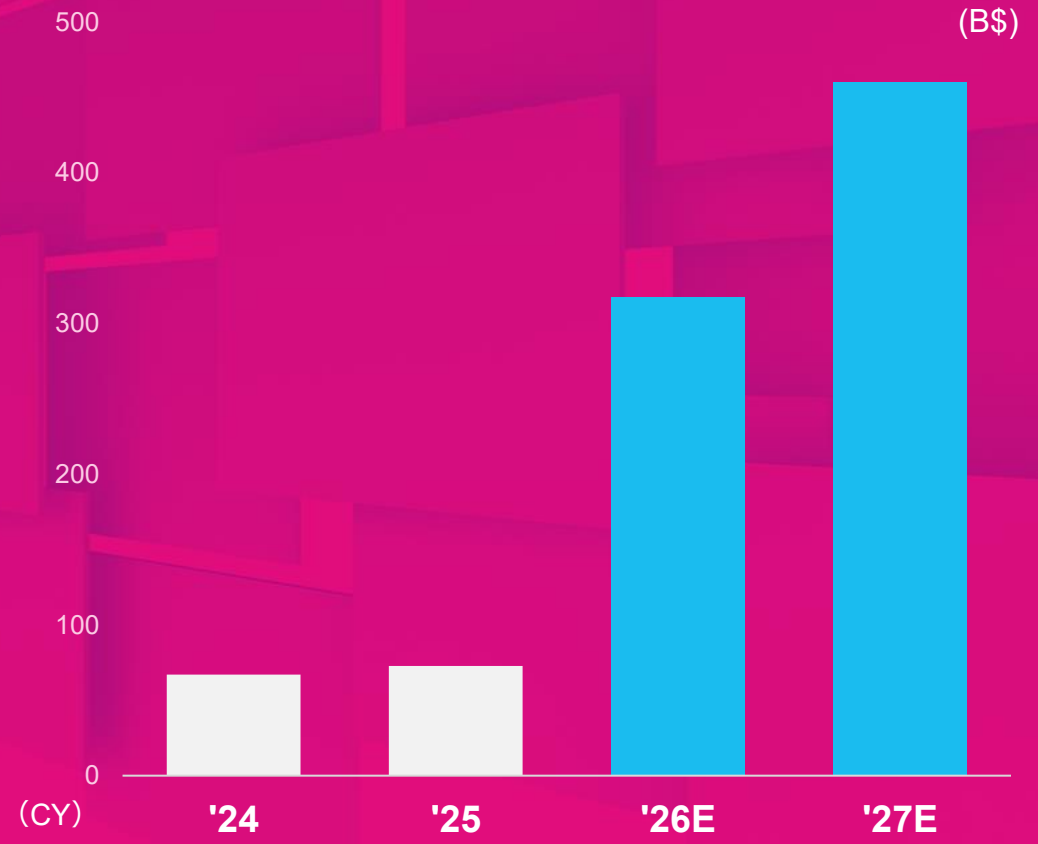
Tight Supply-Demand to Persist Throughout FY27



Source: Tech Insights NAND Market Report Q2 2026

## Flash Memory Market by Revenue Base

Rapid Market Expansion Driven by Rising ASPs

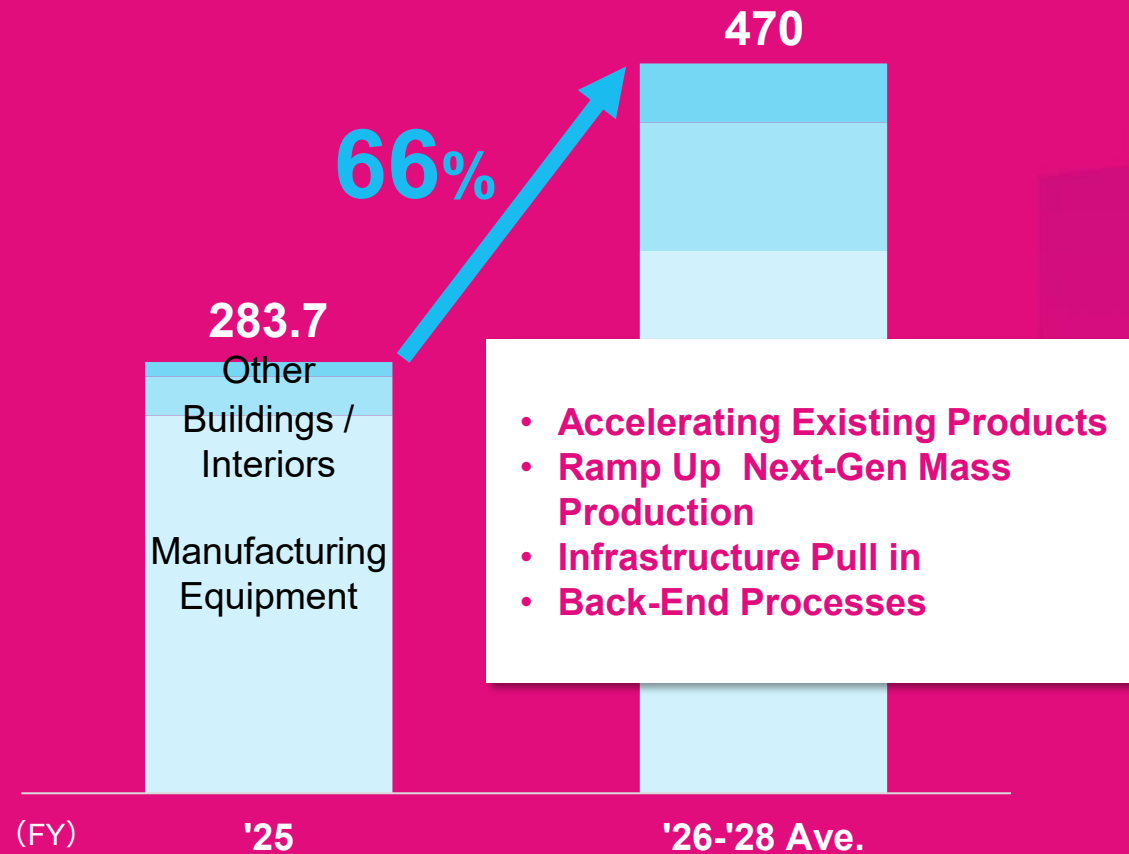


Source: Tech Insights NAND Market Report Q2 2026

# Production Strategy 1

## Capital Investment Plan

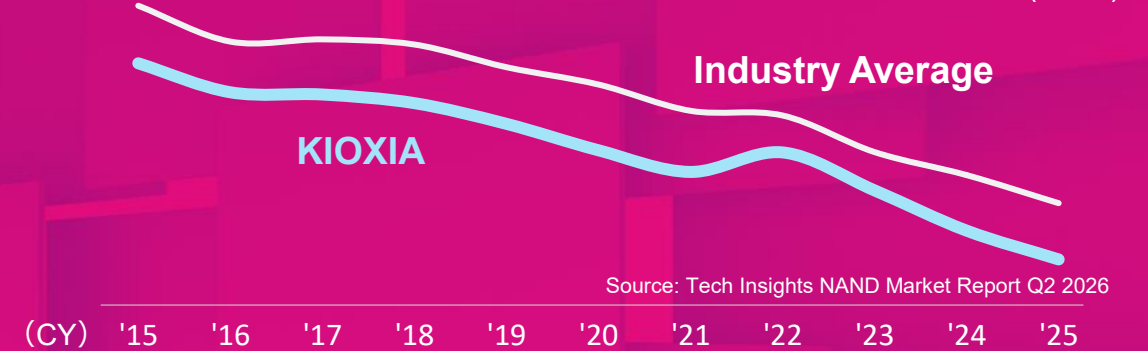
Planned Annual Capex: Approx. JPY 470 billion  
(billion yen)



## Investment Efficiency Trend

### High Investment Efficiency

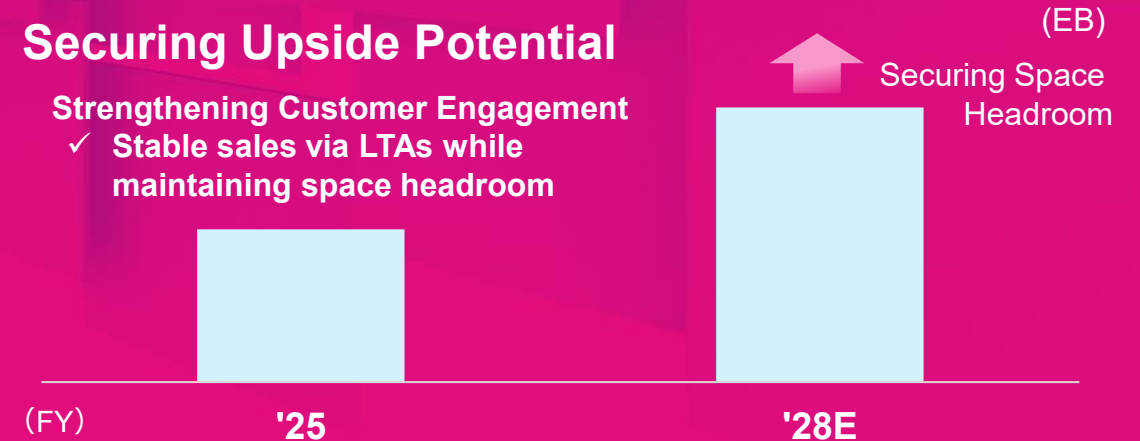
5-Year Cumulative Capex / Annual GB Output (\$/GB)



## Front-End Capacity Plan

### Securing Upside Potential

Strengthening Customer Engagement  
✓ Stable sales via LTAs while maintaining space headroom



# Production Strategy 2

## Front-End Cost per Gigabyte

### Front-End GB Cost Reduction via Node Transition

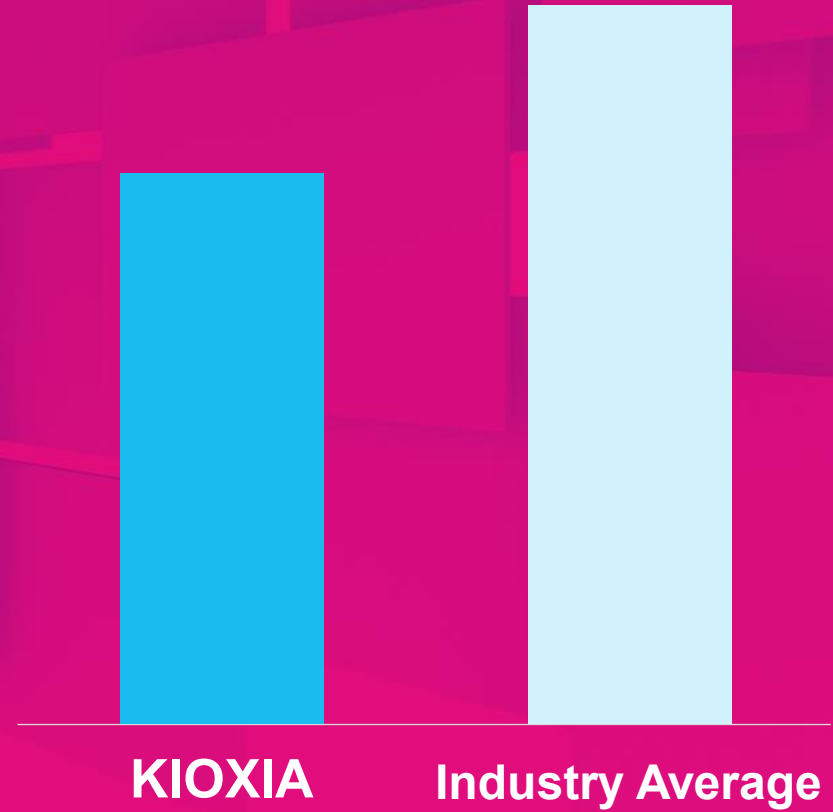


Maximizing Bit Density Beyond Layer Stacking:  
Integrating 2D Shrinkage and Optimal Layer Counts

Reduction of **10**% range annually

## Cost per Gigabyte (CY25)

### Cost Competitiveness via Efficient Capital Investment

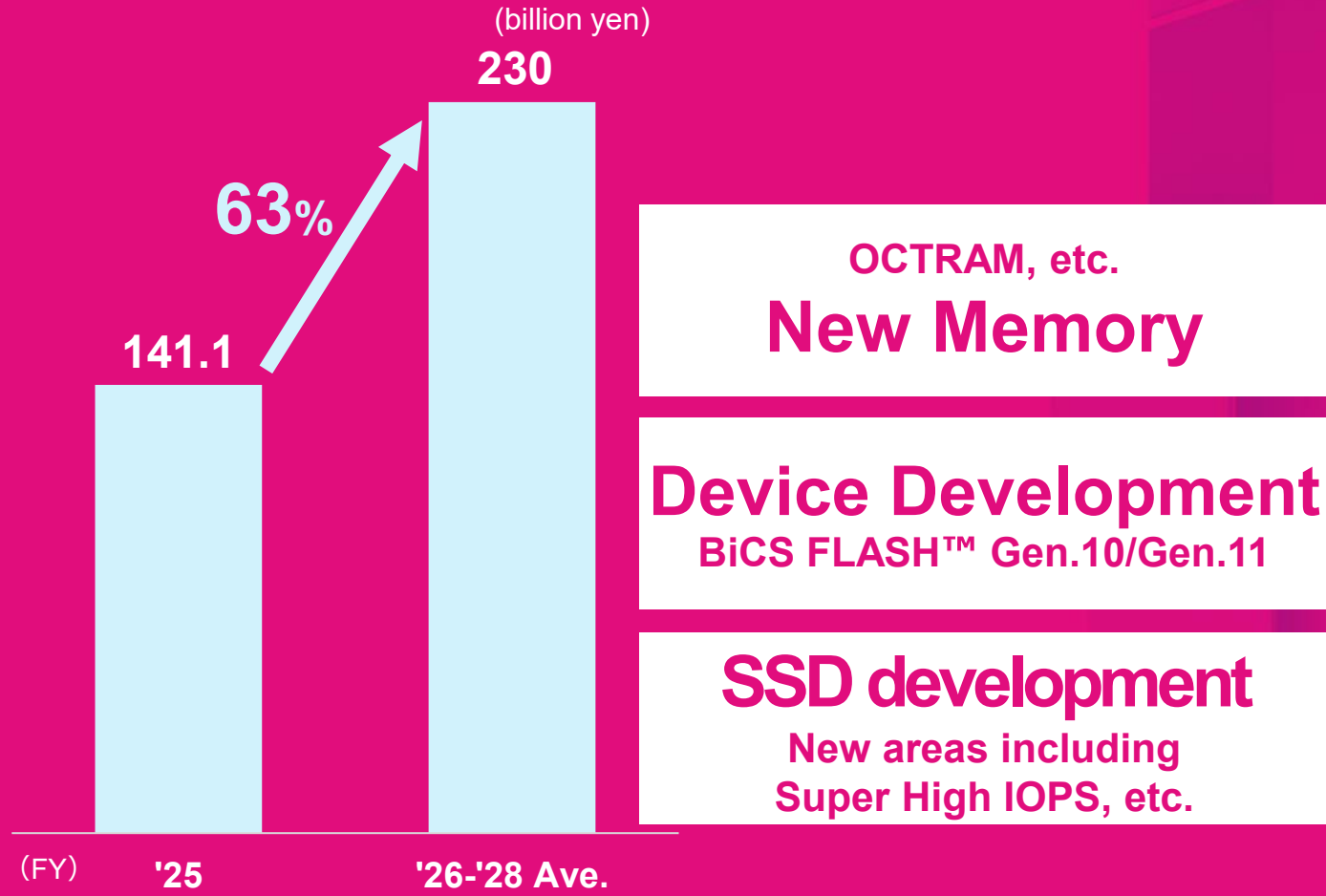


Source: Tech Insights NAND Market Report Q2 2026

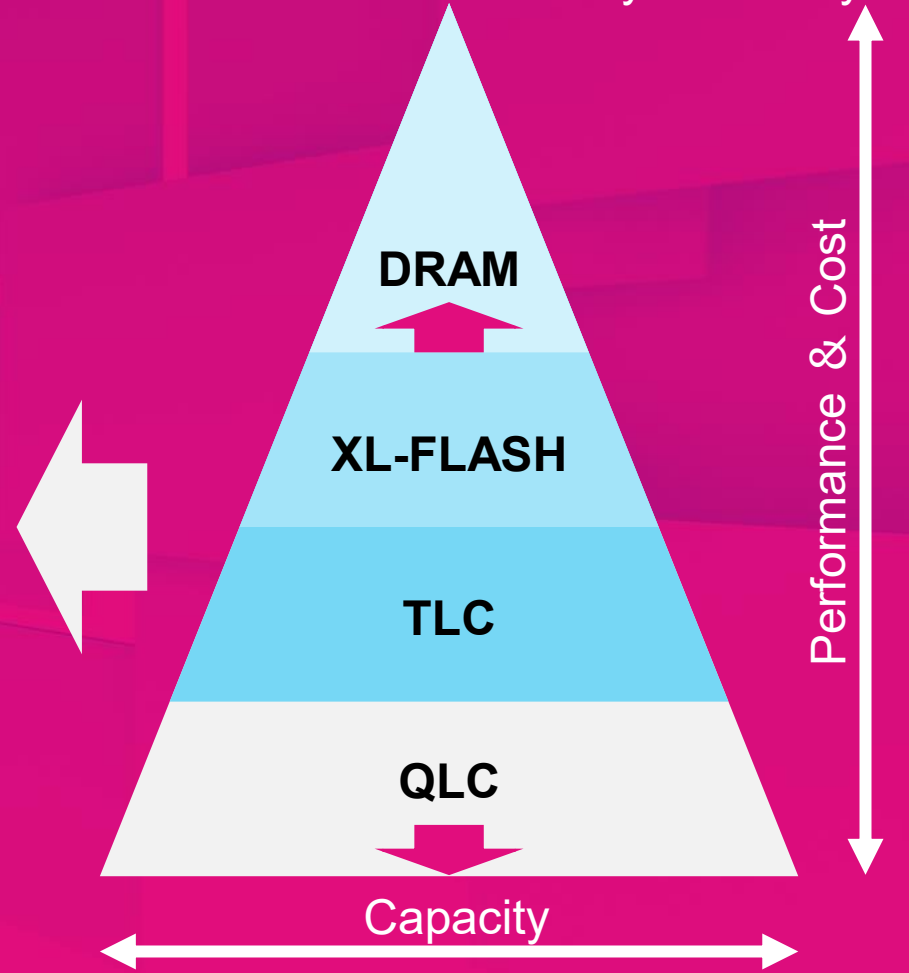
# R&D Strategy

## R&D Expenses

Annual R&D investment: JPY 230 billion



Aligning R&D Pace with the AI-Driven Evolution of the Memory Hierarchy



# **SSD Drives AI Inference**

**Masashi Yokotsuka**

**Managing Executive Officer (Vice President of SSD Division)**

- **Achievements from FY2025**
- **Challenges Faced by Growing Inference Systems**
- **New Uses of SSD Created by Inference AI Systems**
- **Our Latest SSD Lineup to Solve Scaling Challenges in AI**

## Ultra Large Capacity SSD KIOXIA LC9 Series



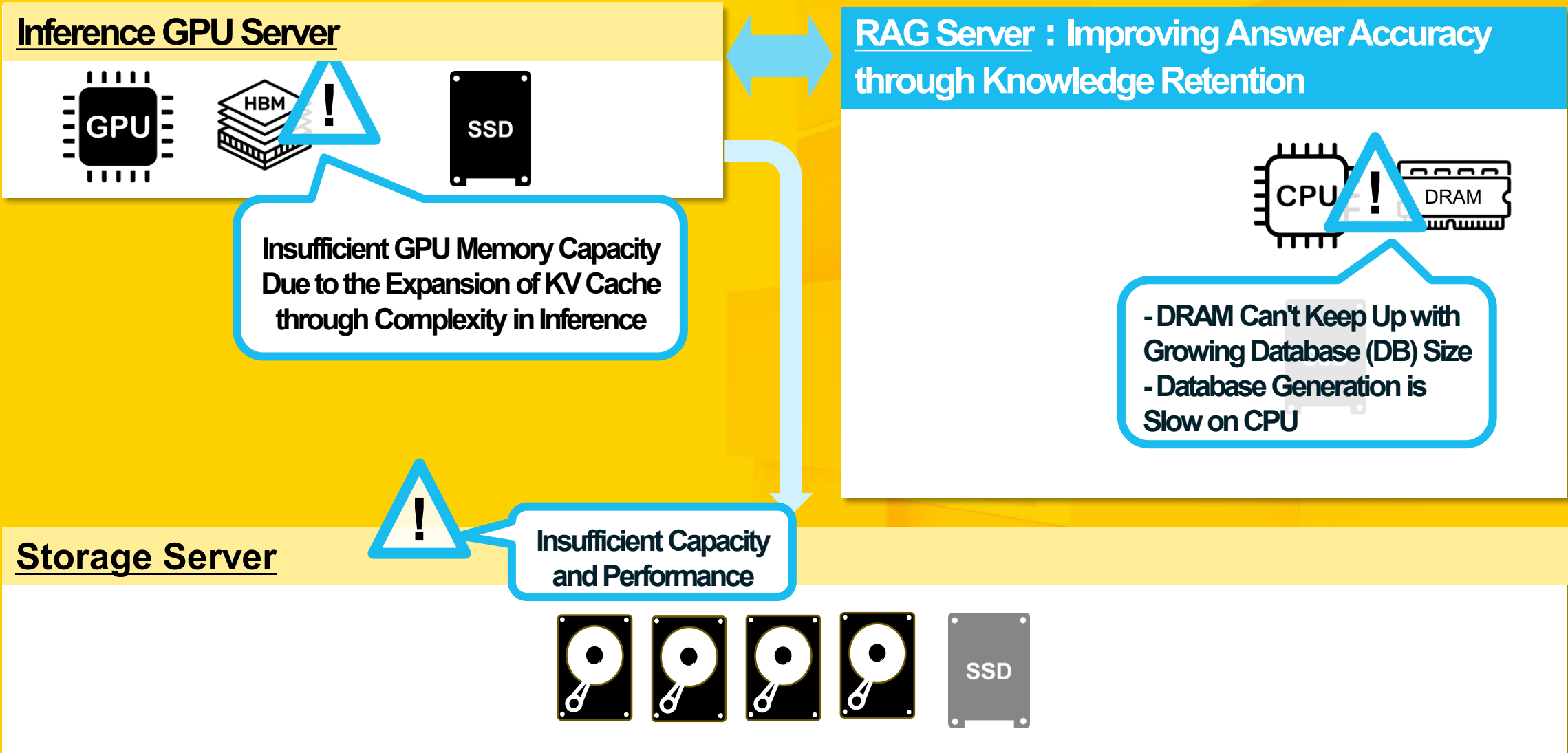
**Powering Generative AI with  
Ultra High-Capacity SSDs**

## Software for Improving Inference Accuracy and Speed KIOXIA AiSAQ™

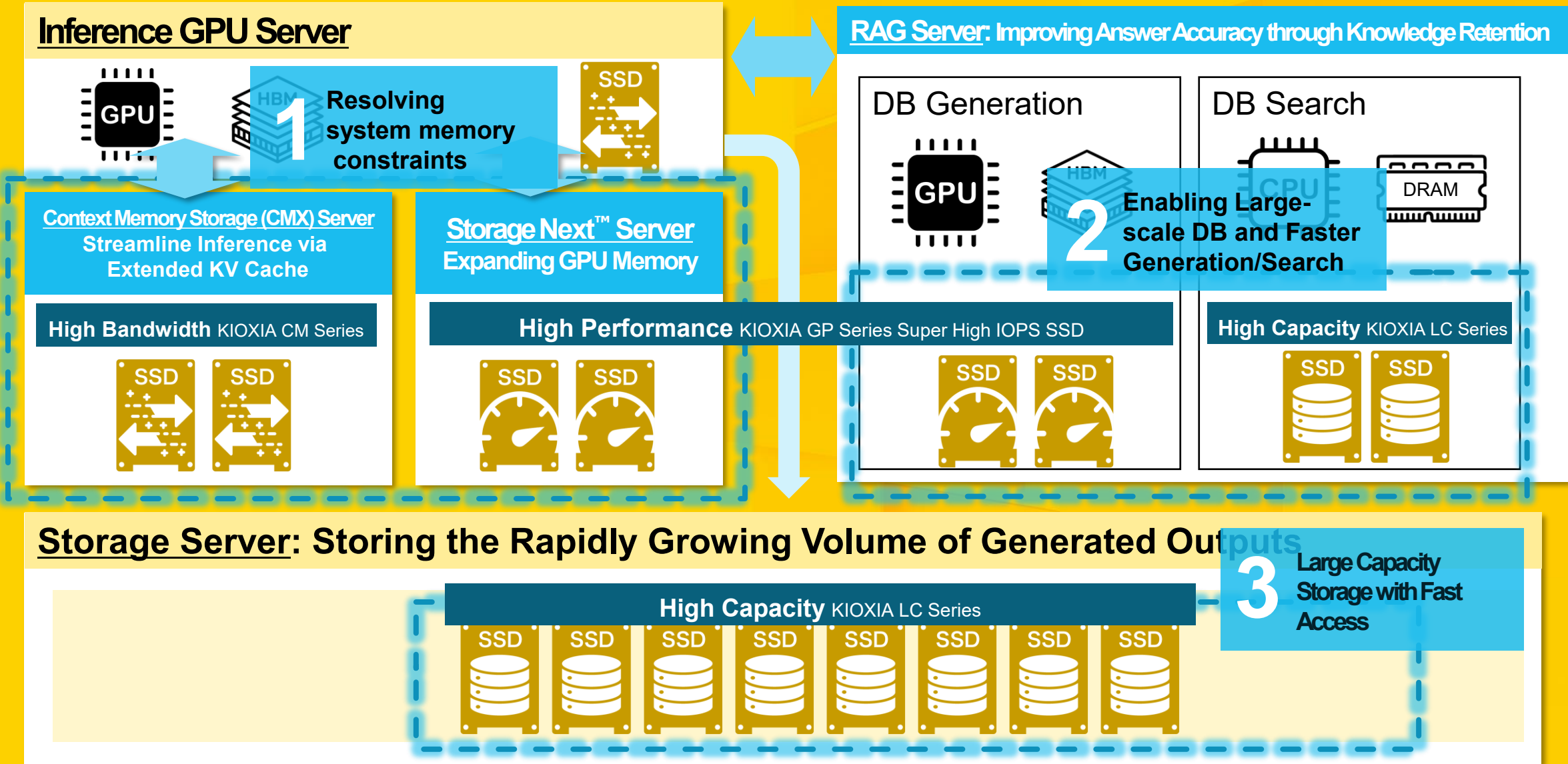


**Enhancing RAG Accuracy: Constructing Large-Scale  
Vector Databases  
on SSDs for Rapid Searches**  
**Accelerating indexing with GPUs through Integration  
with NVIDIA cuVS.  
Quick deployment**  
**using the open-source vector database Milvus**

# Challenges Faced by Growing Inference Systems



# The New Uses for SSDs Created by the Latest Inference AI Systems



## NVIDIA CMX Server Compatible



- Optimized for KV cache workloads
- High power efficiency enabled by an in-house controller
- Support for the latest PCIe generation and compliance with current standards (NVMe, OCP)
- Compatibility with liquid-cooling systems

# Compatible with NVIDIA Storage-Next™ Super High IOPS SSD



- Breakthrough performance from a dedicated SoC combined with XL-FLASH™
- 100M+ IOPS, ultra-fast and low-latency performance to accelerate Next-Gen AI
- Flash memory complements HBM for high performance and cost efficiency

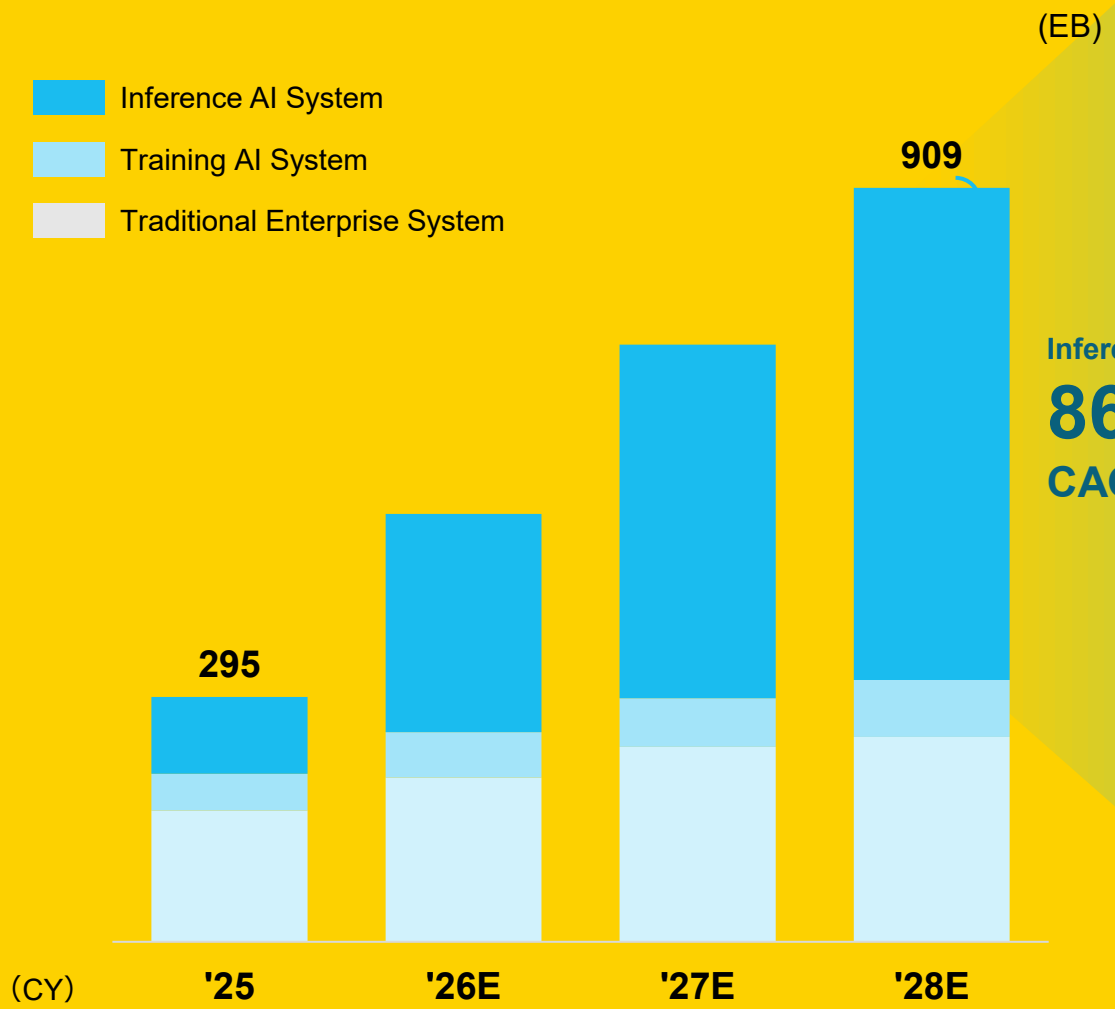


## Achieving Next Gen AI Platform

- Industry-leading capacity using BiCS FLASH™ generation 8, 2Tb QLC
- 32-die stacking in a compact NAND package through advanced design and integration
- 245TB ultra-high capacity in a standard E3.L form factor, optimizing TCO
- Now in mass production

# KIOXIA's SSD Lineup Supporting the Growth of Inference AI Systems

## Flash Memory Market For Data Centers



Source: Tech Insights NAND Market Report Q2 2026



**KIOXIA CM Series**  
High Bandwidth SSD  
with TLC Flash Memory



**KIOXIA GP Series**  
High Performance SSD  
with XL-Flash™  
Super High IOPS SSD



**KIOXIA LC Series**  
High Capacity SSD  
with QLC Flash Memory

# **Advancing Technology Leadership with BiCS FLASH™ generation 10**

**Atsushi Inoue**

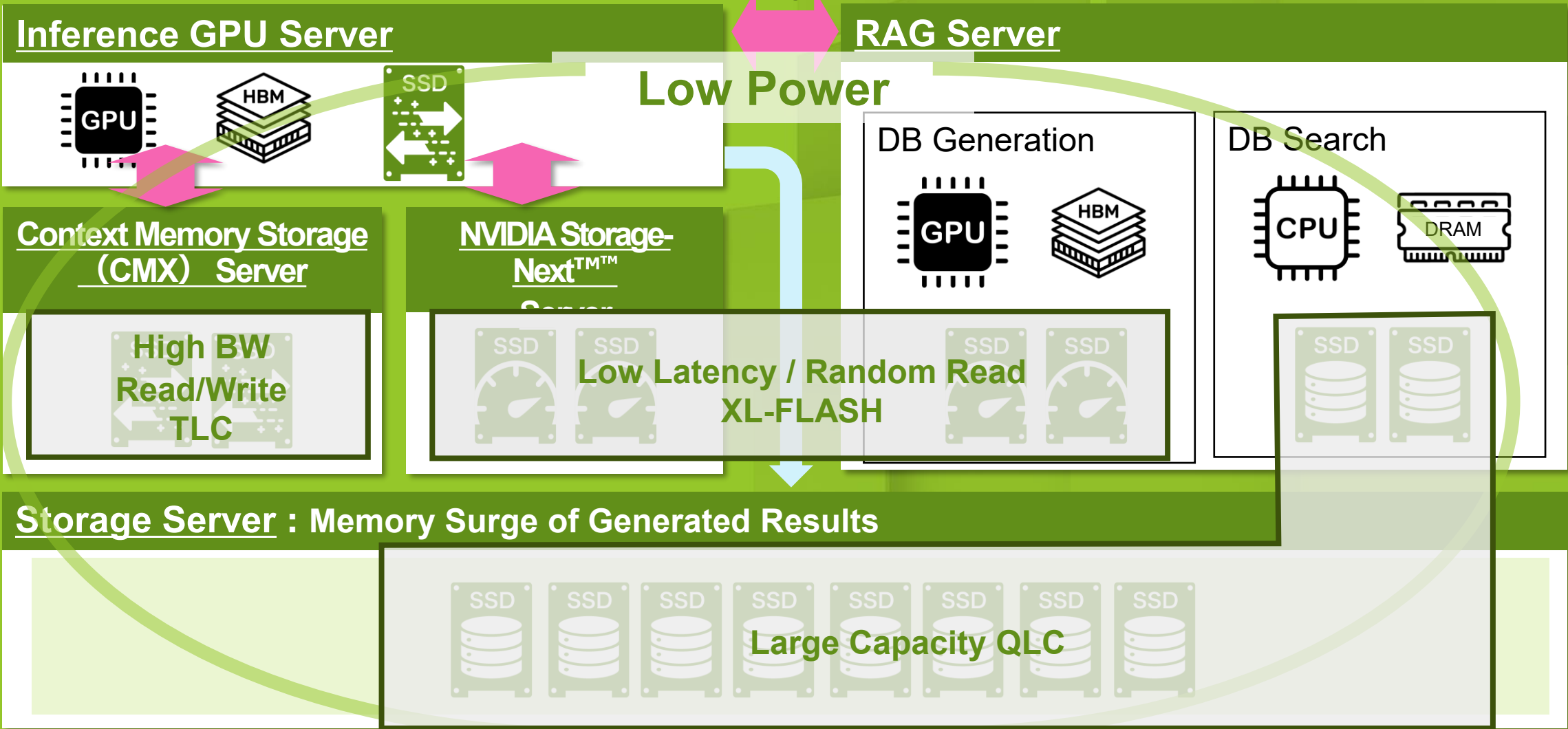
Executive Officer (Vice President of Memory Division)

# Agenda

- **The Evolution of AI Inference Systems and the Dual-Axis Strategy for Response**
- **Technological Leadership of BiCS FLASH™ generation 10**
- **Development Status of BiCS FLASH™ generation 10**

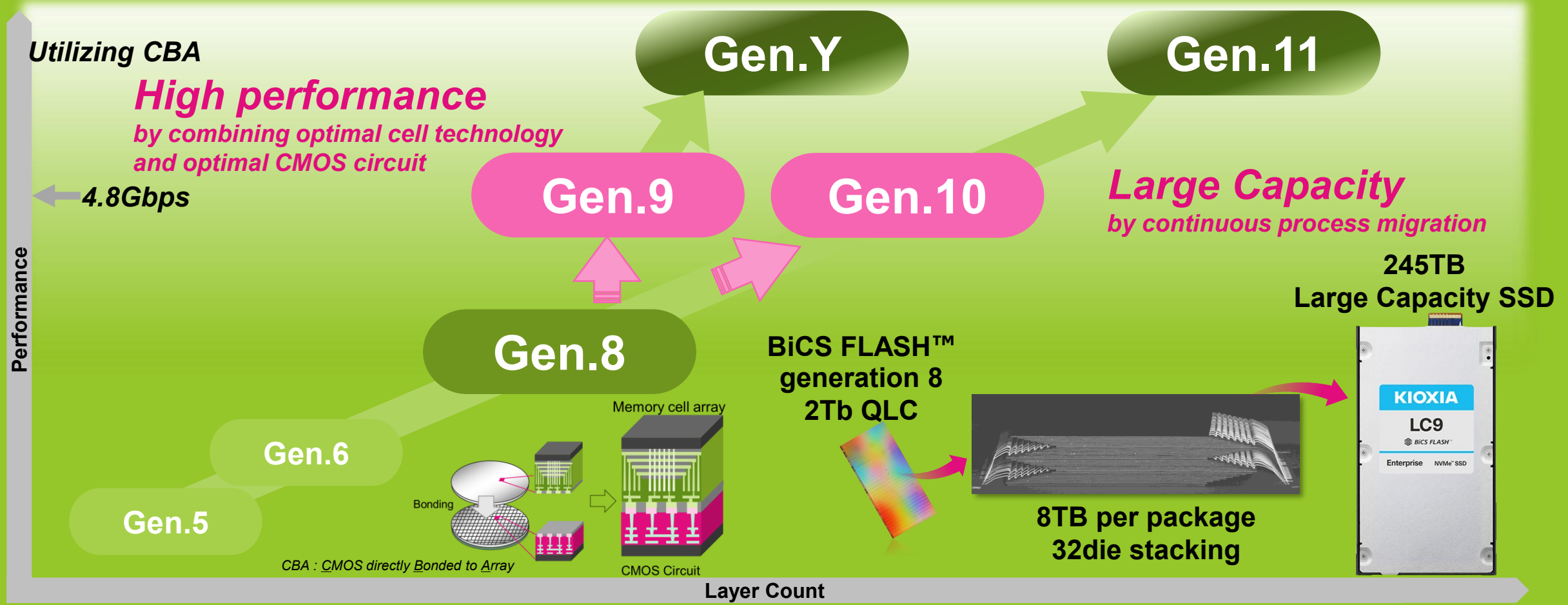
# Expansion of AI Inference Systems and Demands on SSD/NAND

As AI inference systems evolve and the requirements for SSDs diversify, Kioxia continues to develop low-power memory products optimized for individual applications



# BiCS FLASH™ Road Map

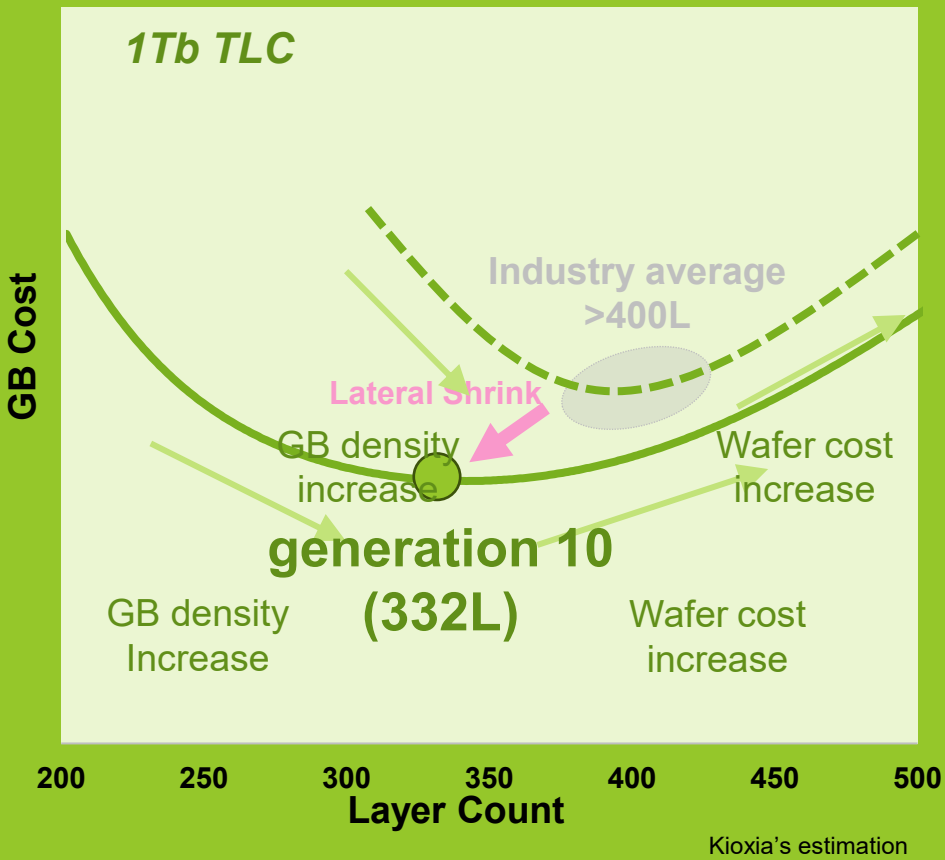
Kioxia will further advance its dual-axis strategy by leveraging CBA technology  
Through optimized Capex, Kioxia will maximize GB output to meet diverse market demands



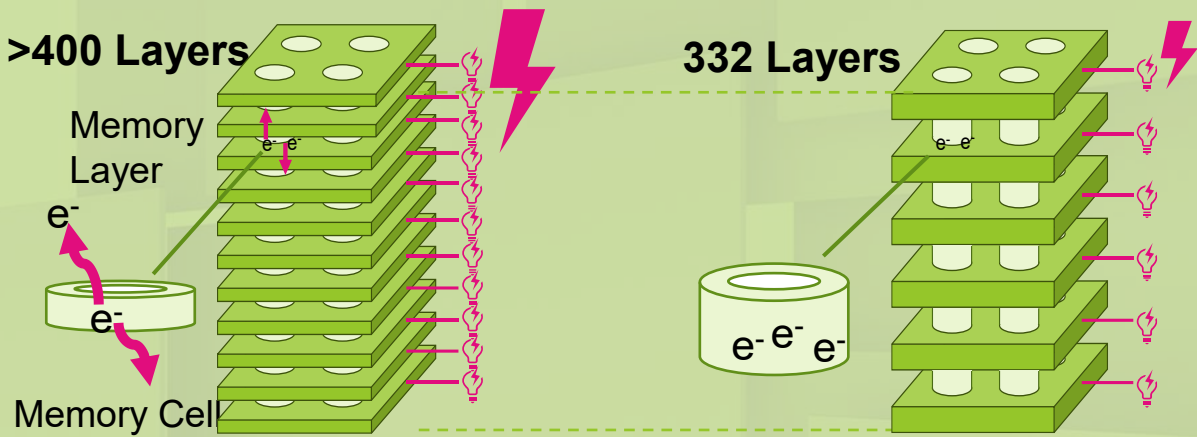
# BiCS FLASH™ generation 10: Technological Leadership (Layer Count)

Kioxia achieves cost competitiveness and improved power consumption by optimizing the layer count to balance chip size, investment costs, and power efficiency

GB cost vs. Layer Count in BiCS FLASH™ generation 10



## Advantages of Choosing 332 Layers



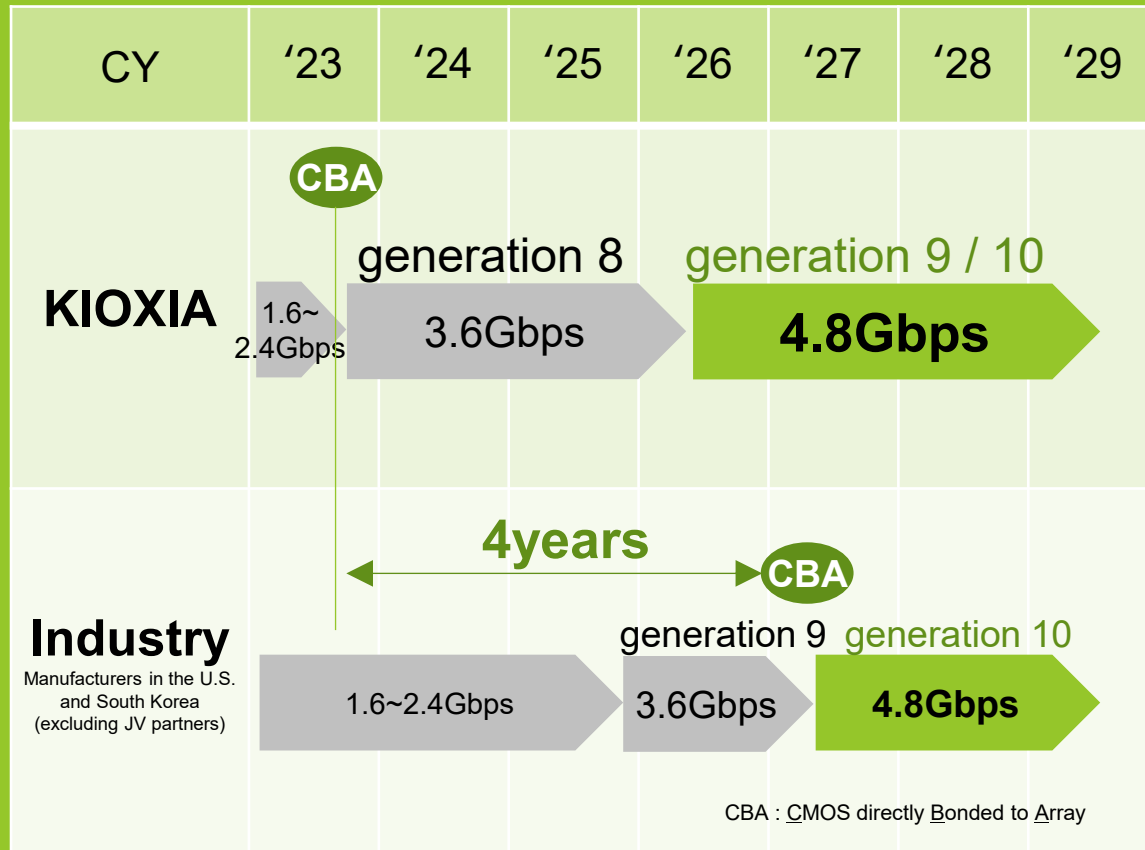
	Layer Count	GB Cost	Power Efficiency	Cell Reliability
<b>332L vs &gt;400L</b>	About <23%	About <10%	About >10%	About >35%

Kioxia's estimation

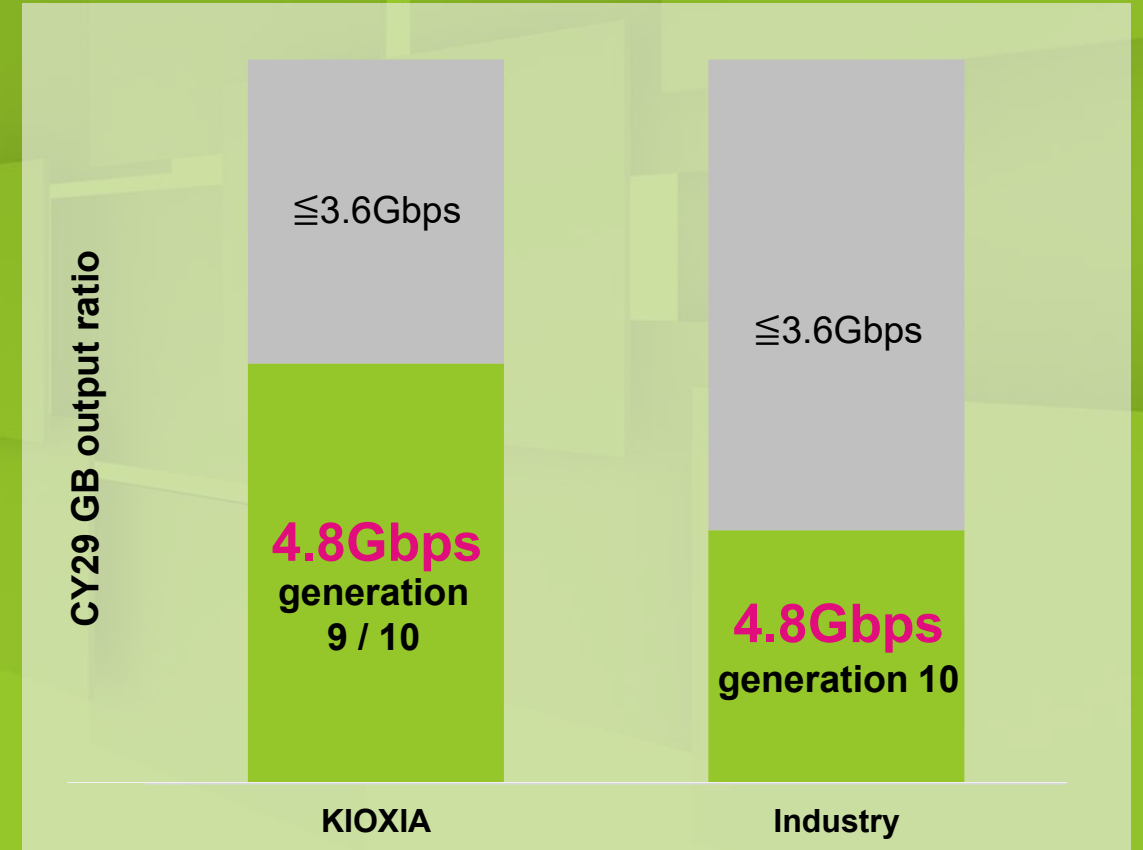
# BiCS FLASH™ generation 10: Technological Leadership (CBA)

By early adoption of CBA technology, Kioxia will be able to supply high-performance products superior to those rest of the industry in the future

Over 4 years ahead of the industry standard in CBA adoption



Kioxia's estimation







Kioxia's estimation

# BiCS FLASH™ generation 10: Development Status

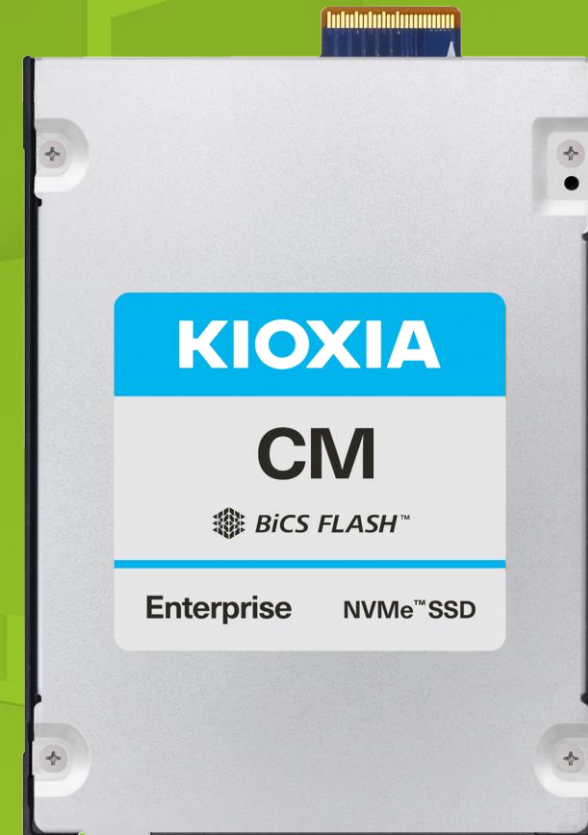
Development of the BiCS FLASH™ is on track



Sample Shipments  
Targeted for Summer 2026

Bit Density		<b>+59%</b>
Interface Speed		<b>+33%</b>
Read Throughput Write Throughput		<b>&gt;15% better</b> <b>&gt;30% better</b>
Read Power Efficiency Write Power Efficiency		<b>&gt;40% better</b> <b>&gt;30% better</b>

Percentage improvements compared to BiCS FLASH™ generation 8



High Bandwidth TLC-SSD  
supporting PCIe® Gen.6

# **Financial Strategy to Support Our Growth**

**Yoshihiko Kawamura, Chief Financial Officer**

# Agenda

- **Elevating Our Quality of Profit**
- **Structural Business Transformation**
- **Achieving Best-in-Class Capital Efficiency**
- **Maximizing Cash Generation and Strengthening Financial Position**
- **Capital Allocation and Shareholder Return Frameworks**

# Elevating Our Quality of Profit

Capturing demand in the data center market to build a structurally stable revenue model  
Enhancing the quality of earnings through Capex, R&D and Human capital investments in high-growth, high-margin sectors

## Market



- ✓ Strategic shift from consumer to data infrastructure
- ✓ Build revenue stability through multi-year LTAs

**Portfolio**  
Ratio of Data Center Revenue  
Over **60%**(by FY28)

## Technology Leadership



- ✓ Deliver high value-added products (Super High IOPS SSD, etc.) for AI systems
- ✓ Expand high-capacity QLC and high-performance products (4.8Gbps)

**R&D**  
Focused on advanced development  
Over **+60%** (vs.FY25)

## Cost Competitiveness

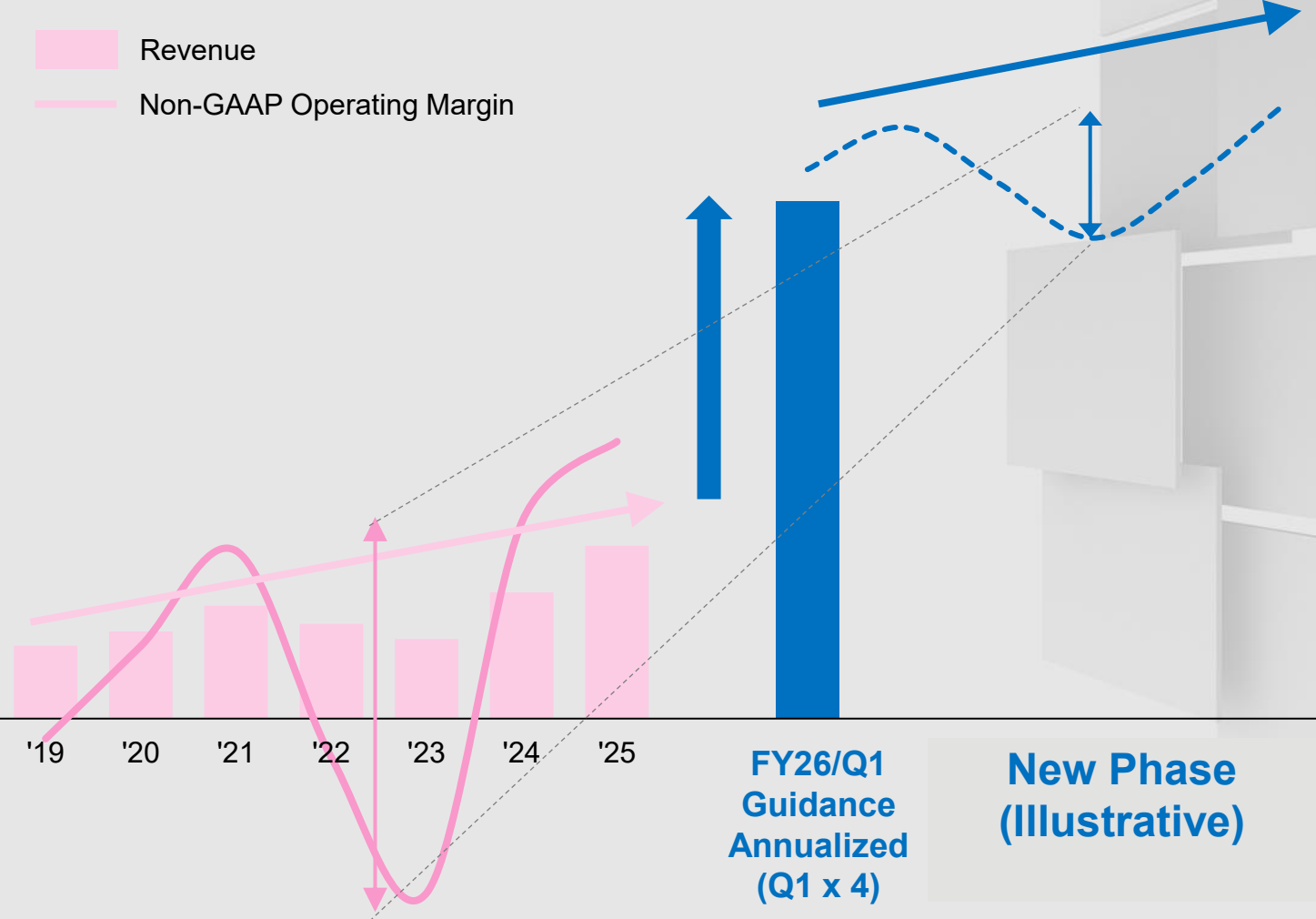


- ✓ Accelerate migration to next-generation products for competitive cost

**Migration**  
Ratio of BiCS FLASH™ Generation 8.  
Over **80%**<sup>1</sup> (end of FY26)

# Structural Business Transformation: Shifting Stable, High-Margin Growth

Structurally higher revenue and margin trajectory  
Reducing earnings volatility



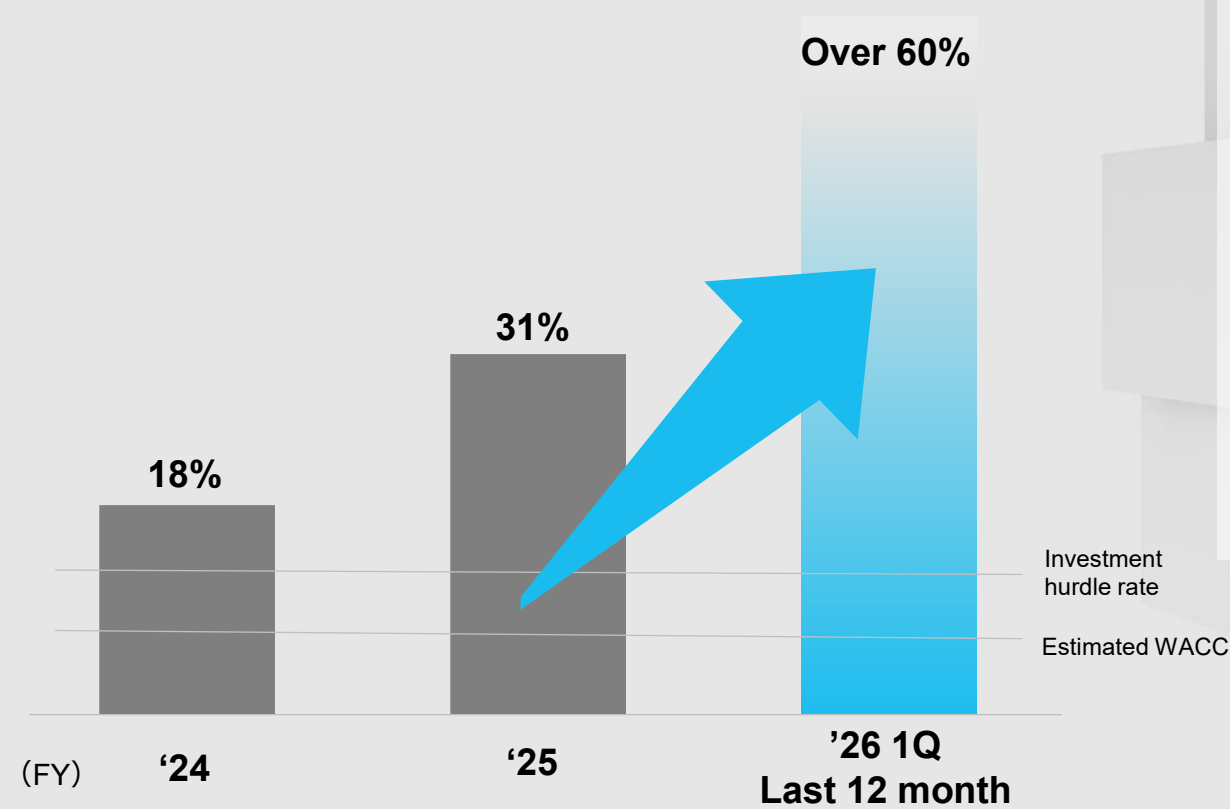
## Drivers for Transformation

<b>Market</b>	From consumer-driven cyclical to <b>AI infrastructure-led stable growth</b>
<b>Business Model</b>	From 1-year LTAs to <b>Multi-year LTAs</b> to enable revenue visibility and stability
<b>Technology Leadership</b>	<b>Maintain NAND technology leaderships (e.g., CBA)</b> <b>Launch High-Value SSD Products focusing on AI Infra</b>
<b>Cost and capital efficiency</b>	<b>Maintain industry-leading cost and capital efficiency through technology advantages and operational scale</b>

# Achieving Best-in-Class Capital Efficiency

Improve asset efficiency through strict investment criteria and structurally shift to a high ROIC model

ROIC



**Target best-in-class ROIC among manufacturing companies**

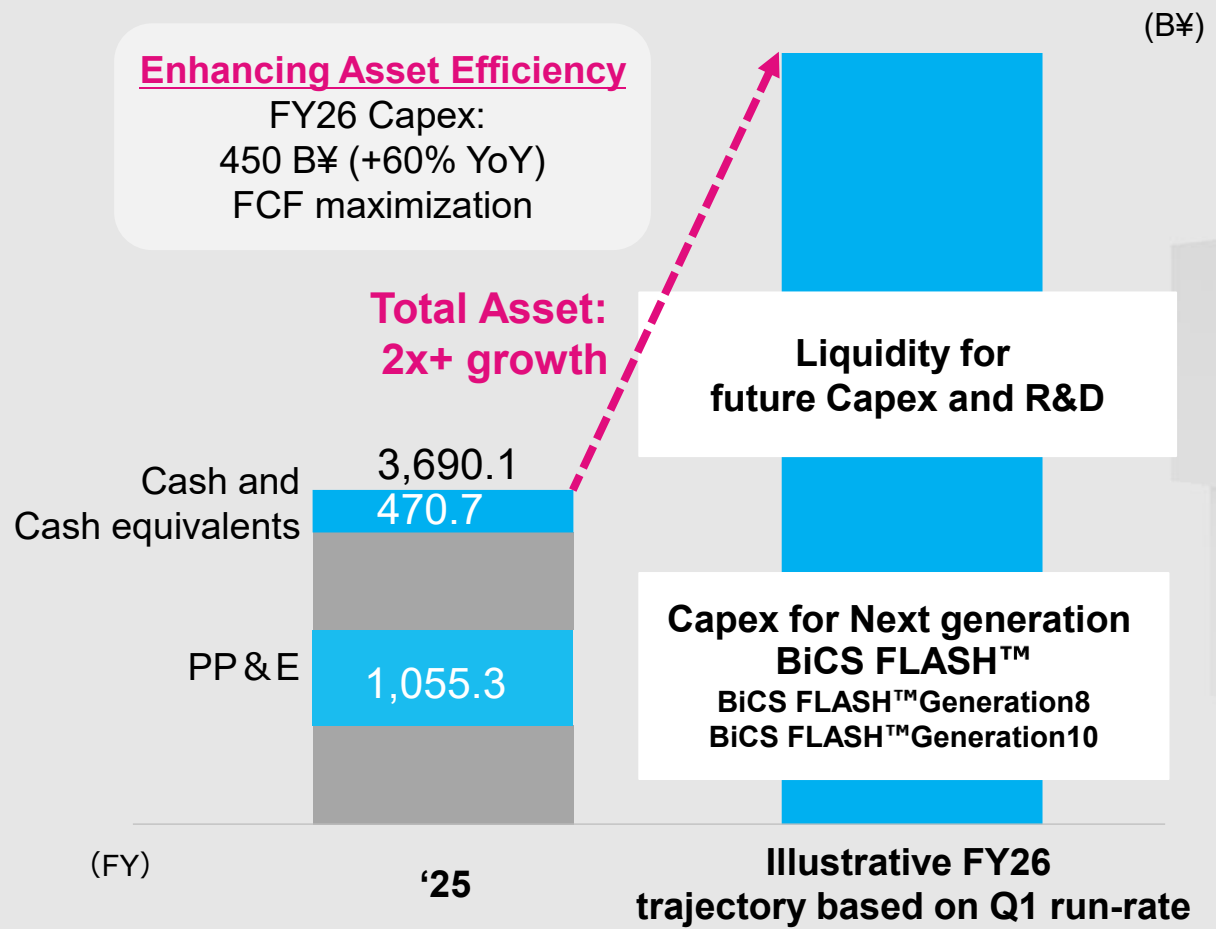
- ✓ Concentrate Capex, R&D and Human Capital investments in high-growth, high-margin sectors
- ✓ Strict investment discipline: fund only projects exceeding hurdle rate

**Significant improvement  
in EPS and FCF per share**

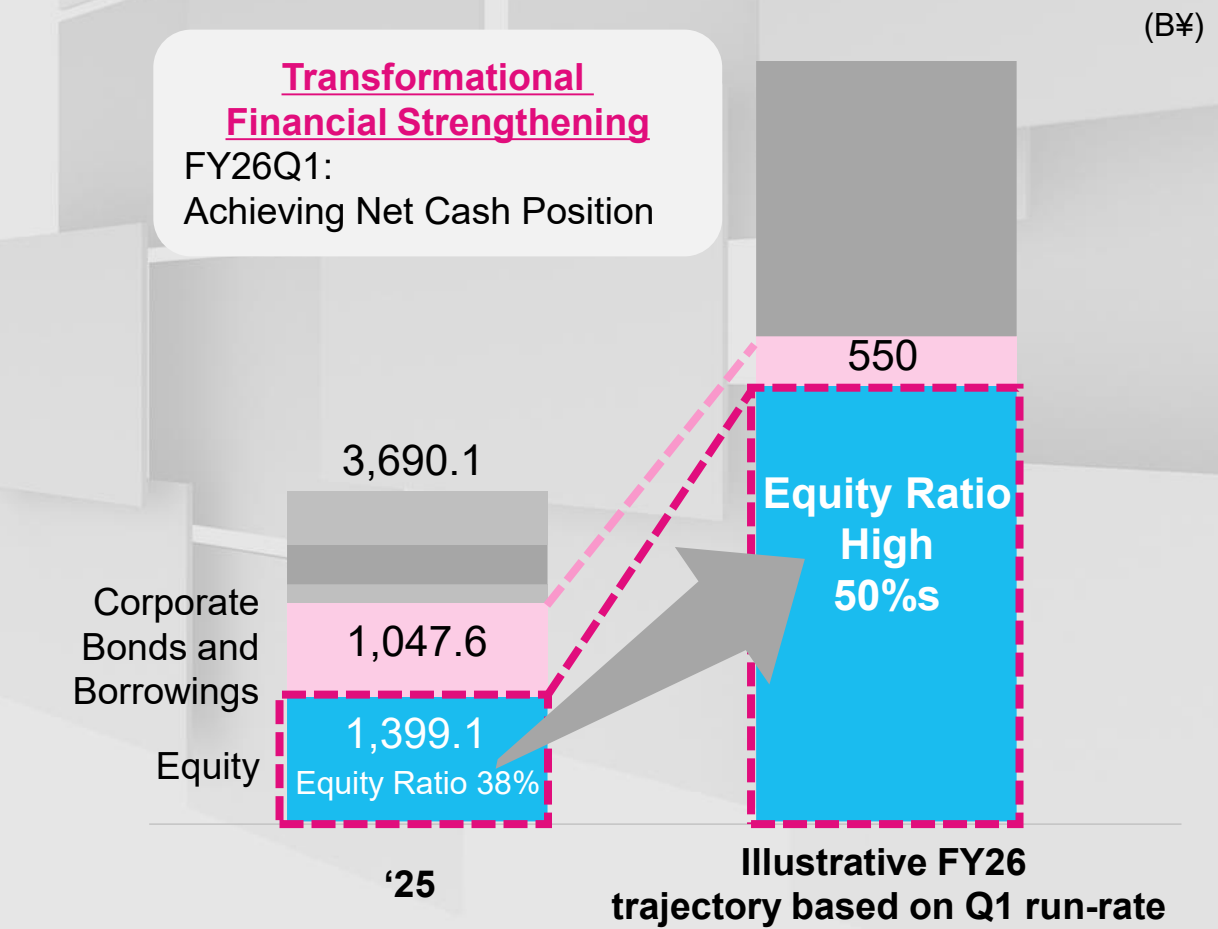
# Maximizing Cash Generation and Strengthening Financial Position

Balancing growth investments with financial strength to drive sustainable value creation

## Assets

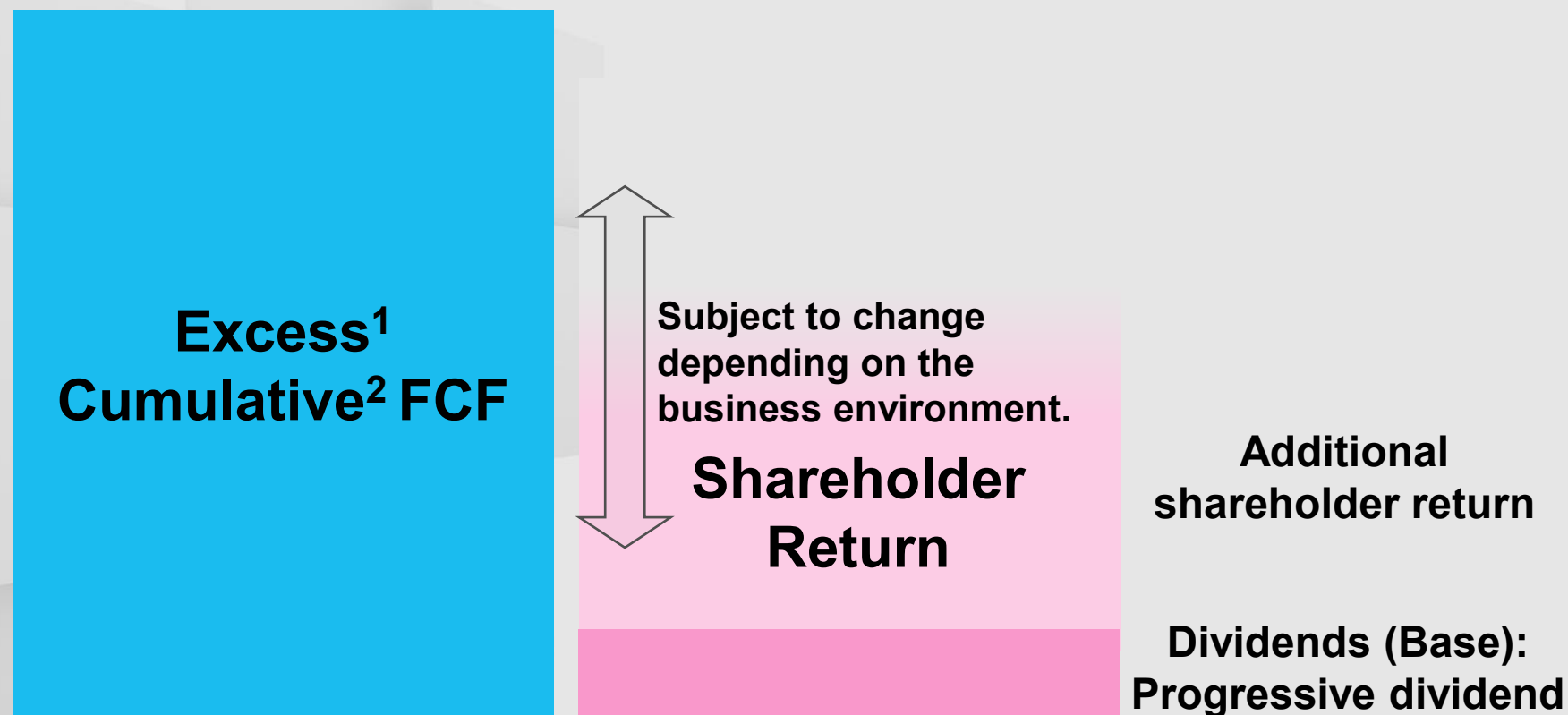


## Liabilities and Equity



# Capital Allocation and Shareholder Return Framework

## Disciplined Capital Allocation to Enhance Corporate Value



1 Allocation Priority to Enhance Corporate Value

- Maintain sufficient liquidity for strategic Capex , R&D and Human Capital Investment
- Strengthening Financial position
- Reserve for operational needs and scheduled obligations

2 We will consider shareholder returns based on cumulative free cash flow over multiple years.

**KIOXIA**