

2

Messages from Senior Management

- 7 Message from the President and CEO
- 10 Message from the Executive Chairman
- 12 Message from the Chief Financial Officer

1 About Kioxia Group

2 Messages from Senior Management

3 Kioxia Group's Value Creation Initiatives

4 Management Capital

5 Governance

6 Data Section

Message from the President and CEO



Meeting Stakeholder Expectations through Dialogue and the Kioxia Group Mission: Uplifting the World with “Memory”

Nobuo Hayasaka

President and CEO
Kioxia Holdings Corporation

A New Beginning as a Publicly Listed Company

The foundation of our business lies in NAND flash memory, which was developed by our predecessor, Toshiba, in 1987. Since then, Kioxia has pioneered numerous world firsts, including the development of 3D flash memory—BiCS FLASH™—announced in 2007, which unlocked new innovation for the advancement of the digital society.

In 2018 we became independent from the Toshiba Group, and in 2019 we rebranded as Kioxia. Our continued growth culminated in our listing on the Tokyo Stock Exchange Prime Market in December 2024. This milestone is a significant achievement for our Group. As a leader, I felt immense pride celebrating this accomplishment with our employees.

1 About Kioxia Group

2 Messages from Senior Management

> Message from the President and CEO

Message from the Executive Chairman

Message from the Chief Financial Officer

3 Kioxia Group's Value Creation Initiatives

4 Management Capital

5 Governance

6 Data Section

Message from the President and CEO

While our listing marks a new beginning as a publicly traded company, I am keenly aware of the heightened expectations of our stakeholders. We are firmly committed to meeting these expectations through continuous growth and enhancement of our corporate value.



Fiscal 2024 Performance and Future Outlook

In fiscal 2024 we achieved record highs in revenue, non-GAAP operating profit, and non-GAAP net income since becoming independent from Toshiba in 2018, driven by recovered demand and growing sales of data center and enterprise SSDs.

While our performance was solid in 2020 due to a surge in PC and smartphone demand driven by the pandemic, the market downturn from 2022 to 2023 brought unprecedented challenges.

In response, we took swift action, leading the industry in adjusting production and reducing costs, while consolidating our R&D functions to strengthen our technology development for the future. Then, in fiscal 2024, as demand rebounded amid the rapid rise of generative AI, we improved our performance significantly, supported by strong growth in data center and enterprise SSD sales.

We expect generative AI to be a key driver of future growth in flash memory. As generative AI becomes more widely adopted in smartphones, PCs, and data centers, we anticipate sharp rises in demand for high-capacity, high-speed, and low power consumption flash memory and SSDs. Industry research forecasts 26% annual growth in flash memory demand for data centers, including significant growth focused on AI inference servers. By 2029, AI servers are predicted to account for more than 40% of flash memory demand.*

To seize these promising opportunities, we will focus on developing highly competitive products, enhancing our production capabilities, and making timely and strategic investments to ensure growth.

The Foundations of Our Competitiveness

Our Group's long-term competitiveness and growth are underpinned by three core strengths: technology, scale, and partnerships. Furthermore, all of these strengths are supported by the exceptional quality of our workforce.

First, technology: Since the invention of NAND flash memory, we have led the industry in further breakthroughs. We have driven progress with developments such as our BiCS FLASH™ 3D flash memory, introduction of CBA (CMOS directly Bonded to Array) technology (p. 21), and development of emerging memory and storage technologies (p. 37). We are steadfastly committed to strengthening our position as a technology leader.

Second, scale: Through close collaboration between our advanced Yokkaichi and Kitakami plants, as well as our joint venture with Sandisk now spanning some 25 years, we produce approximately 30% of the world's flash memory.

*Source: TechInsights Inc., NAND Market Report Q2 2025

1 About Kioxia Group

2 Messages from Senior Management

> Message from the President and CEO

Message from the Executive Chairman

Message from the Chief Financial Officer

3 Kioxia Group's Value Creation Initiatives

4 Management Capital

5 Governance

6 Data Section

Message from the President and CEO

Third, partnerships: We have cultivated strong relationships with global leaders in smartphones, PCs, servers, and semiconductor equipment and materials suppliers—a critical competitive strength for our Group.

In addition, we support these strengths with our diverse workforce of highly skilled professionals in R&D, manufacturing, sales, and marketing. Recruiting and developing top talent are key priorities. As a business leader, I have always emphasized recruitment and employee development, and I am committed to maintaining open communication with our employees and cultivating future generations of talent to ensure our long-term growth.

Going forward, we are determined to build on our strengths in technology, scale, and partnerships by fostering collaboration among people with diverse skills and backgrounds, ultimately to create a virtuous cycle of sustainable growth.

Realizing Our Mission

The Kioxia mission of “uplifting the world with ‘memory’” reflects our profound belief in the transformative power of data. The digital era has seen continuous growth in data generation and processing, driven by innovations in fields such as digital cameras, smartphones, and internet services. Our flash memory and SSD products have played integral roles in this evolution, and our flash memory technology has advanced alongside the progress of digital society. We take great pride in these contributions.

A primary key to our success was our ability to correctly position Kioxia by anticipating a shift from simply storing data to using it in highly innovative ways, including through futuristic technologies such as generative AI that are now a reality.

As AI adoption accelerates, Kioxia is determined to provide a foundation for advanced, diverse data utilization, which we believe will contribute to a more sustainable world. For example, as the demand for data centers surges, energy consumption is becoming an increasingly critical challenge. By developing low power consumption products, we will address this environmental



concern. In addition, through memory innovation, we want to support a more sustainable world, make everyday life more convenient, and create a future filled with uplifting experiences.

To Our Stakeholders

As a technology leader in memory, we are committed to strengthening our engagement with stakeholders and incorporating their feedback into our business, ultimately for enhanced corporate value and further growth. This year marks the launch of our Integrated Report, which we intend to use as a key tool for transparent communication.

We hope you will take this opportunity to learn more about our efforts and embrace our vision of “uplifting the world with ‘memory.’” We look forward to your continued interest and support of Kioxia’s efforts to drive innovation and create value for the global community.

1 About Kioxia Group

2 Messages from Senior Management

> **Message from the President and CEO**

Message from the Executive Chairman

Message from the Chief Financial Officer

3 Kioxia Group's Value Creation Initiatives

4 Management Capital

5 Governance

6 Data Section

Message from the Executive Chairman



Kioxia's Next Chapter— Driving Innovation, Delivering Value, and Leading Data's Evolution in the AI Era

Stacy J. Smith

Executive Chairman
Kioxia Holdings Corporation

Reflecting on the past year and looking toward the future, I am proud of what we have achieved and excited by the many opportunities ahead. At our core, Kioxia is committed to advancing memory technologies that drive the modern data-centric era—empowering innovation, supporting sustainability, and delivering long-term value to all our stakeholders.

From our origins as part of the renowned Toshiba Group to our evolution into an independent company, Kioxia has undergone a remarkable transformation. I joined in the earliest days of this journey, witnessing firsthand the extraordinary dedication of our team as we established the foundation as a successful standalone company.

Our focus and execution on our competitive advantages have allowed us to navigate through various cycles in the semiconductor market, emerging as a resilient, forward-focused organization capable of thriving in a dynamic global landscape.

Value Creation Is at Our Core

Kioxia has empowered the digital transformation that is reshaping the world. Since the invention of NAND flash memory in 1987, our foundational technology has been instrumental in advancing the digital era. Leveraging our technology stack to retain and process exponentially larger

1 About Kioxia Group

2 Messages from Senior Management

Message from the President and CEO

➤ **Message from the Executive Chairman**

Message from the Chief Financial Officer

3 Kioxia Group's Value Creation Initiatives

4 Management Capital

5 Governance

6 Data Section

Message from the Executive Chairman

volumes of data, Kioxia has driven innovation across multiple industry sectors of the digital economy including consumer electronics, cloud computing and data centers, and other industrial applications.

We are entering another transformative era with the rise of AI. As the demand for high-performance data solutions continues to grow significantly, flash memory has become an essential element in enabling large-scale data utilization. GPUs and DRAM play critical roles in training AI models, while flash memory provides the high-capacity, high-speed storage infrastructure required for inference at scale.

Our cutting-edge innovation is focused on leading at key technology inflection points, ensuring we deliver highly competitive products to the world as quickly as possible. From our BiCS FLASH™—an advanced 3D flash memory technology that delivers breakthrough capacity and performance—to our most recent R&D advancements, including next-generation NAND products and SSD solutions tailored to the needs of generative AI, Kioxia drives progress at the forefront of the industry.

Leading through Competitive Strengths

Kioxia's ability to create enduring value stems from a set of distinct competitive strengths that differentiates us in a rapidly evolving landscape. These strengths reflect our leading technological expertise, incredible manufacturing scale, long-standing customer partnerships, and commitment to nurturing and attracting exceptional talent. These capabilities drive value for all of our stakeholders:

- **Technology Leadership:** As the inventors of NAND flash memory and pioneers of 3D stacking, we remain at the forefront of innovation in the sector with the latest advancements in BiCS FLASH™ technology, which delivers industry-leading capacity, faster speeds, and enhanced energy efficiency. Our latest 3D flash memory enables breakthroughs in high-capacity storage solutions tailored to the needs of AI, generative applications, and advanced computing. Our relentless pursuit of excellence has positioned Kioxia as a trusted and indispensable technology partner across industries.
- **Manufacturing Scale:** Through our joint venture with Sandisk and incredible scale in NAND manufacturing, we are one of the largest producers globally, accounting for approximately 30% of total flash memory production. This scale provides a critical cost advantage, ensures supply chain stability, and enables vertical integration, which strengthens our ability to develop tailored solutions for customers. Additionally, our manufacturing scale supports preferred partnerships with major global technology leaders, positioning us as a trusted supplier of high-capacity, high-

performance memory solutions. Importantly, this scale advantage also allows us to reinvest in cutting-edge advancements, such as next-generation NAND technologies and energy-efficient manufacturing processes, ensuring we remain a leader in the rapidly evolving semiconductor landscape.

- **Customer-Centricity:** We work closely with customers to co-develop tailored solutions, making us a trusted partner in addressing the growing demand for customized storage solutions like SSDs.
- **Talent Excellence:** None of our achievements would be possible without our people. Attracting and fostering global talent remains a top priority as we strive to sustain our leadership in a competitive marketplace.

Aspirations as a Public Company

In December 2024, we reached another defining milestone by completing our Initial Public Offering on the Tokyo Stock Exchange.

Our IPO not only marked a historic achievement but also opened new opportunities for Kioxia. As a public company, we have gained greater access to capital, strengthened execution capabilities, and enhanced governance structures, ensuring we operate with transparency, accountability, and precision. This transition has sharpened our focus on creating sustainable growth and long-term value for all stakeholders.

Looking ahead, Kioxia is committed to continuing to lead in a dynamic environment—navigating complexity, driving innovation, and shaping the future of the digital age.

Our mission remains steadfast: to create lasting value for employees, customers, investors, and the communities we serve. For employees, this means fostering a culture of excellence, collaboration, and innovation. For customers, it's about delivering technologies that solve their most pressing challenges. For investors, it's about ensuring responsible and transparent growth. And for our global communities, it's about making meaningful contributions to a sustainable future.

I am deeply optimistic about Kioxia's potential. I want to express my heartfelt gratitude to those who have been part of our journey—our employees, customers, and investors—for their trust, dedication, and belief in our vision. Together, we are building a company that leads with technology, operates with integrity, and creates value that endures.

We are grateful for your continued support and look forward to sharing our progress in the years to come.

1 About Kioxia Group

2 Messages from Senior Management

Message from the President and CEO

➤ **Message from the Executive Chairman**

Message from the Chief Financial Officer

3 Kioxia Group's Value Creation Initiatives

4 Management Capital

5 Governance

6 Data Section

Message from the Chief Financial Officer

Building Trust through a Flexible Financial Strategy that Delivers Lasting Value

Hideki Hanazawa

Senior Managing Executive Officer
(Chief Financial Officer)
Kioxia Holdings Corporation

Record Revenues and Non-GAAP Operating Profit Achieved in First Full-Year Results Since Our Independence from the Toshiba Group

We achieved listing on the Tokyo Stock Exchange in December of 2024. This milestone year also marked our first shareholders' meeting as a public company. In addition to the shareholders' meeting, we also had other opportunities to communicate our management policies throughout the year. Through earnings briefings for the third quarter and full year, we had valuable opportunities to update stakeholders on our performance and outlook. Demonstrating both our recovery from the downturn and our path toward future growth allowed us to secure a deeper understanding from stakeholders, which was both reassuring and encouraging. For the fiscal year ended March 2025, consolidated revenues reached 1,706.5 billion yen and non-GAAP operating profit was 453.0 billion yen—the highest since our independence from the Toshiba Group in 2018.

Swift Response to Downturn Proves Effective

After an extraordinary surge in demand for semiconductor memory—driven by remote work, online learning, and the expansion of 5G infrastructure during the pandemic—the post-COVID market experienced a sharp contraction from late 2022 through the second half of 2023. Demand dropped rapidly, excess inventory accumulated, and the supply-demand balance was severely disrupted, leading to a significant downturn for our Group in particular and the semiconductor memory industry as a whole. This was an exceptionally challenging period, marked by severe headwinds that tested us on both financial and operational fronts.

1 About Kioxia Group

2 Messages from Senior Management

Message from the President and CEO

Message from the Executive Chairman

> **Message from the Chief Financial Officer**

3 Kioxia Group's Value Creation Initiatives

4 Management Capital

5 Governance

6 Data Section

Message from the Chief Financial Officer

Our swift response to this unprecedented downturn played a crucial role in our recovery. We acted more quickly than our peers by reducing production to optimize inventory and by implementing cost controls, while continuing to invest in competitive products that would ensure future growth. As a result, we not only recovered from the downturn but also successfully captured the new wave of demand for AI-related applications, returning to profitability.

Adapting to Market Changes by Navigating the Silicon Cycle

We view the semiconductor “silicon cycle” not as a series of booms and busts, but as fluctuations in supply and demand within a market that is expanding over the long term. The growth rate of the NAND market is not constant, nor does supply increase at a fixed pace, leading at times to supply temporarily exceeding or falling short of demand. While such imbalances create cyclical movements, the market has shown consistent expansion over time.

The recent downturn was an extraordinary and highly unusual case, and we do not expect similar conditions to recur very often. That said, we will remain vigilant, thoroughly assess the supply-demand dynamics underlying market trends, and continue to deliver products—such as those supporting generative AI—in a timely manner.

Balancing Business Growth with Financial Discipline to Enhance Corporate Value

Our capital allocation strategy is guided by our “Long-term Financial Model,” balancing business growth with financial discipline. In line with the growth of the flash memory market, we aim to expand our operating profit by maintaining and strengthening competitiveness, while maximizing cashflow through tax incentives and working capital efficiency. At the same time, we will maintain disciplined capital expenditure below 20% of revenues and make targeted investments in R&D and talent. We will also focus on strengthening hiring, particularly in development and production.

Through disciplined investment management and ongoing cost reductions, we will generate free cashflow, strengthen our financial foundation, improve the productivity of our factories and facilities, and deliver high-performance, competitive products to the market, thereby enhancing our return on invested capital (ROIC). Our medium-term target is to maintain a leverage ratio below 1x, and in the long term, to achieve a net cash position. In doing so, we will realize both

sustainable growth and sound financial management, enhancing corporate value and delivering returns to our shareholders.

Long-Term Financial Model				
Growth	In line with expected NAND market growth ¹	20%		
Profitability	Annual cost reduction per GB	Mid-10% range	Operating margin ²	Mid-20% range
Financial Stability	Net Debt / EBITDA ³	Medium-term < 1.0	Long-term	Net cash position

1 Storage capacity shipment basis (Based on market outlook as of November 2024)
2 Non-GAAP basis
3 On an LTM non-GAAP basis. LTM non-GAAP EBITDA is defined as non-GAAP operating profit plus depreciation, summed over the most recent four quarters.

Fostering Deeper Understanding through Enhanced Disclosure and Dialogue

Given the fast-changing industry environment, we are committed to providing timely and transparent disclosures. By clarifying both the enduring aspects of our business and the shifting market conditions, we aim to deepen stakeholders' understanding of the Kioxia Group. As the inventor of NAND flash memory, our technological strength is well recognized, and we sense strong expectations for our continued growth, particularly in light of the expanding AI market. To meet these expectations, we will share not only performance data but also our insights into industry trends and how we intend to lead these. By enhancing both our disclosure and the quality of our dialogue with stakeholders, we will continue to pursue sustained improvements in corporate value over the medium to long term.

In closing, we remain committed to strengthening stakeholder trust, maintaining financial discipline, and delivering sustainable growth, thereby enhancing the long-term value of the Kioxia Group.

1	About Kioxia Group
2	Messages from Senior Management
	Message from the President and CEO
	Message from the Executive Chairman
	> Message from the Chief Financial Officer
3	Kioxia Group's Value Creation Initiatives
4	Management Capital
5	Governance
6	Data Section