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### The Value Creation Process

Based on its mission of "uplifting the world with 'memory," Kioxia Group contributes to society by providing infrastructure for data utilization together with its partners through the provision of products and services. Amid expectations for the continued expansion of demand for flash memory and SSDs driven by the spread of generative AI, we drive sustainable growth through our business activities and increase corporate value, based on a growth strategy that leverages our management capital and industry-leading strengths, which are the source of our competitiveness.

Kioxia Group's Mission

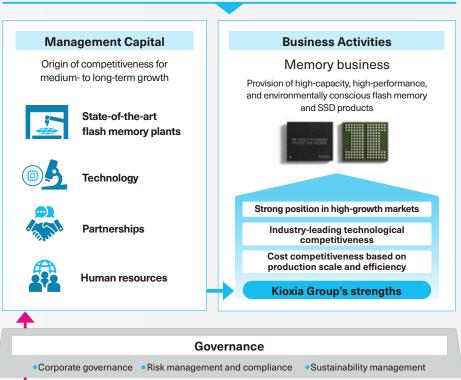
### **Uplifting the world with "memory"**

### Inputs **Business Activities Growth Strategy** Maintain technology leadership Develop and deliver products that meet diverse market needs, including generative Al Strategically invest and allocate resources

#### Market and **Social Environment**

Expansion of flash memory and SSD demand with the development of a digital society

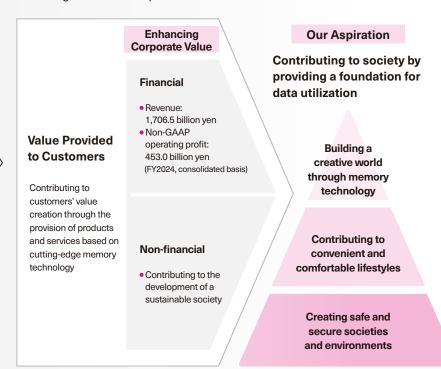
- Increase in total amount of digital data and expansion of product applications
- Spread of generative Al
- Increase in social issues such as climate change



#### **Social Value Created with Partners**

**Outputs/Outcomes** 

Expanding the potential of products and services through memory technology and creating value for society together with our partners



Sustainable growth

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### Market and Social Environment

- Expansion of flash memory market reflecting the development of a data-driven society and the spread of generative Al
- Social demand for progress in reducing electricity consumption and in initiatives toward a decarbonized society

### **Expansion of Flash Memory Market Reflecting** the Development of a Digital-Driven Society

#### **Trends in Global Data Generation**

As the global data economy expands, the total volume of digital data continues to grow. With the accelerating use of AI, IoT, and big data in recent years, the volume of data generated worldwide continues to rise, and is projected to reach 527.5 zettabytes (ZB) annually in 2029 (Fig. 1).

### **Flash Memory Demand Outlook**

Flash memory has continued to evolve through technological innovation and increasing storage capacity. It has been used in applications ranging from digital cameras to smartphones, PCs, and data centers. In recent years, with the advance of generative AI and the spread of technologies such as cloud computing and the IoT, its role has become even more important.

For example, at data centers, HDDs (magnetic disk drives) have long been used as storage devices. These are now being replaced by SSDs using flash memory, which offer superior read performance, greater resistance to shock and vibration, and lower power consumption in standby mode.

The main applications in the flash memory market are data centers, smartphones, and PCs. We believe the flash memory market will continue to grow through a virtuous cycle of increasing data volumes and innovation in flash memory technology.

With rising data volumes, demand for flash memory is expected to expand at a CAGR of approximately 20% from 2025 to 2029 (Fig. 2). Comparing overall data generation with flash memory demand, the proportion of data recorded on flash memory is approximately 0.5%.

Based on total data volume, the CAGR for flash memory demand by application from 2025 to 2029 is forecast at 26.0% for data centers, 20.2% for smartphones, and 15.2% for PCs (Fig. 2). Notably, the growth rate of demand for flash memory in data centers has been rising year by year due to the spread of generative Al.

Fig. 1: Global Data Generation (ZB)

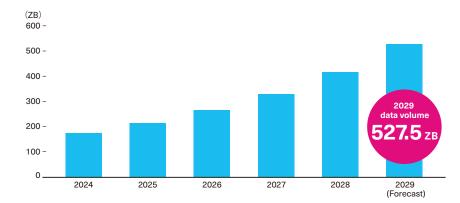
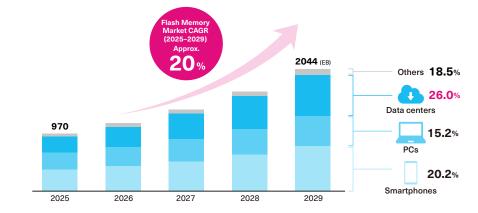


Fig. 2: Flash Memory Demand Outlook (EB)2



Note: An exabyte (EB) is 1018 bytes, and a zettabyte (ZB) is 1021 bytes, and are units that indicate the volume of data.

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<sup>1</sup> Source: IDC, Worldwide IDC Global DataSphere Forecast, 2025-2029, #US53363625

<sup>2</sup> Source: TechInsights Inc., NAND Market Report Q2, 2025

#### Market and Social Environment

#### Further Expansion in Flash Memory Demand Driven by Al

Generative Al is steadily gaining ground as a new engine of value creation in a range of industries. Processing massive amounts of information to output something of value requires high-capacity, high-performance, low power consumption storage that consistently provides optimal data access.

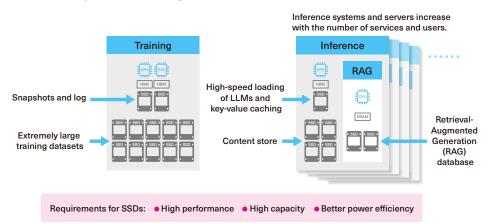
Al servers require faster processing speeds than conventional enterprise server systems, which is driving greater demand for high-capacity, high-performance SSDs.

Kioxia Group sees particularly strong growth potential in the market for inference systems. Generative AI operates in a flow where large language models are created in learning systems and then utilized by companies and other users in inference systems to generate results. As the number of users increases, the number of inference systems likewise grows.

Moreover, we are seeing the spread of Retrieval-Augmented Generation (RAG), a technology that enables companies implementing generative Al to build database systems that use their latest and proprietary data. Because RAG uses large volumes of data, its spread is also a factor driving greater demand for SSDs in Al servers.

In addition, as Al functions are increasingly embedded into PCs and smartphones, the flash memory capacity of devices (storage density per unit) is expected to increase.

#### SSD Demand Expected to Be Driven by Al Inference



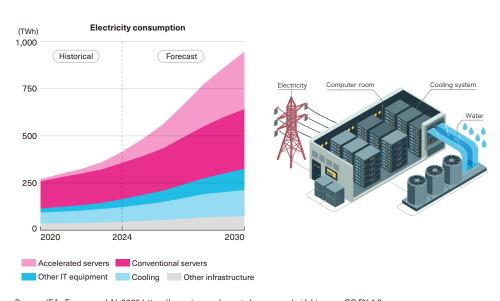
#### **Increase in Electricity Consumption by Data Centers**

The growth of our digital society and spread of generative AI are driving a global increase in the number of data centers. According to the *Energy and AI* report released by the International Energy Agency (IEA) in April 2025, electricity consumption by data centers is projected to double between 2024 and 2030 to approximately 945 TWh, slightly exceeding Japan's current total electricity consumption.

In particular, data centers used for generative Al perform processing and calculation of vast volumes of data, making the increase in their electricity consumption a significant social issue.

Kioxia Group is helping to address this issue by reducing the power consumption and increasing the capacity of the flash memory and SSDs used in server storage.

#### Global Data Center Electricity Consumption in the Base Case, 2020–2030 (Historical and Forecast)



Source: IEA, Energy and Al, 2025. https://www.iea.org/reports/energy-and-ai/, License: CC BY 4.0

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For nearly 40 years since the invention of NAND flash memory, we have cultivated industry-leading technological competitiveness. By supplying products from cost-competitive plants, we aim to achieve sustainable growth and enhance corporate value.

#### **Strong Position in High-Growth Markets**

Kioxia Group works with global industry leaders in smartphones, PCs, and data centers, and has built strong relationships with many customers. We also collaborate with leading server and data center firms in the development of new technologies and products for the AI market. Leveraging our global sales, technology, and support network, we capture business opportunities and expand our business.

Furthermore, by strengthening our relationships with suppliers of materials, manufacturing equipment, and other services, we are building a robust supply chain to ensure stable supplies of high-performance, high-quality products. We are also working to generate innovation through industry-academia collaboration with universities and other research institutions.

# Industry-Leading Technological Competitiveness

As a pioneer of the flash memory industry, Kioxia Group has led through the development of memory technology, responding to the changing needs of society and supporting the evolution of applications. We will continue to accelerate the development of competitive BiCS FLASH<sup>TM</sup> 3D flash memory that delivers high capacity, high performance and low power consumption.

In addition, we will develop high-capacity, high-performance SSDs to meet the evolution of generative AI by combining the group's flash memory technology with software technologies such as firmware. Moreover, to address the diverse needs of the computers and storage systems of the future, we are promoting research and technology development across a wide range of fields, including new concepts for semiconductor memory.

#### Relevant Management Capital

Pa	artnerships	▶ p. 39
A H	uman Resources	▶ p. 41

#### **Relevant Management Capital**

<u> </u>	Technology	▶ p. 35
	Human Resources	▶ p. 41

# **Cost Competitiveness Based on Production Scale and Efficiency**

Kioxia Group has two plants: Yokkaichi Plant, which has one of the largest flash memory production volumes in the world, and Kitakami Plant, which is poised to respond to growth in demand going forward. Both plants operate as smart factories, utilizing Al and big data to achieve high productivity through advanced control of automated transport systems and production equipment. Moreover, close coordination with the Research and Technology Development Division enables a smooth transition from new product development to mass production. The combined flash memory production volume on a storage capacity basis of the two plants, including that of the manufacturing joint venture between Kioxia Group and Sandisk Group, accounts for one of the world's largest shares at 29%\* (FY2024). These economies of scale, combined with highly efficient capital investment, enable us to maintain strong cost competitiveness. We will continue to stay attuned to changes in the flash memory market, making agile capital investments in line with market trends and taking steps to strengthen our competitiveness.

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

#### **Relevant Management Capital**

State-of-the-Art Flash Memory Plants	▶ p. 31
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### **Growth Strategy**

Leveraging its strengths—strong positioning in high-growth markets, industry-leading technological competitiveness, and cost competitiveness based on production scale and efficiency—Kioxia Group will develop and deliver high-capacity, high-performance and low power consumption products to meet the growing needs of the flash memory market driven by the spread of generative Al. We will also make disciplined investments, allocate resources strategically, strengthen our financial position, and increase profitability.

#### **Resource Allocations for Growth**

#### **Research and Development**

We will continue to accelerate the development of competitive flash memory that delivers high capacity, high performance, and low power consumption, as well as high-capacity SSDs and high-performance SSDs for the Al market. In addition, we are pursuing research and development in a wide range of fields, including emerging memories, to meet the future needs of computers and storage systems.

Technology ▶ p. 35

R&D expenses: 8-9% of revenue

#### **Capital Expenditures**

We will continue to respond to growth in the flash memory market by making disciplined and agile capital expenditures at the Yokkaichi Plant and Kitakami Plant, aligned with market trends. Moreover, increasing production efficiency will enable us to maintain high cost competitiveness.

Capital expenditures: 20% or less of revenue

#### **Human Resource Recruitment**

Kioxia Group will recruit around 700 people each year,\* bringing in talent from a variety of backgrounds, mainly in research, technology development, and production, to respond to diversifying market needs and advancement of technology.

\* Kioxia Corporation and its group companies in Japan: Includes regular hiring (new graduates) and career hiring (experienced professionals)

Human resource recruitment: Approx. 700 people/year

#### **Long-Term Financial Model**

Kioxia Group believes that the flash memory market will continue to grow through a virtuous cycle of increasing data volumes and advances in flash memory technology. We have formulated a long-term financial model aimed at achieving sustainable business expansion and at using memory technology to pioneer a new era and transform the world.

Growth	
In line with expected NAND market growth <sup>1</sup>	SSE
<b>20</b> %	1

SSDs	Capital Expenditures
SSD market share <sup>1</sup>	Percentage of revenue
15% or higher	<b>20</b> % or less

Profitability		
Annual cost reduction per GB	Operating margin <sup>2</sup>	
Mid- <b>10</b> % range	Mid- <b>20</b> % range	

Financial Stability		
Net Debt / EBITDA <sup>3</sup>		
Medium-term	Long-term	
<1.0	Net cash position	

- 1 Storage capacity shipment basis (Based on market outlook as of November 2024)
- 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.

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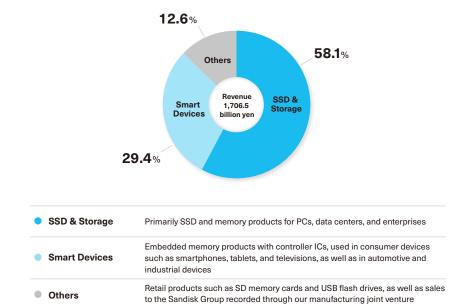
### **Business Activities**

Kioxia Group develops, manufactures, and sells flash memory and SSDs. Since inventing NAND flash memory in 1987, we have spent nearly 40 years leading the industry in making technological innovations that increase the capacity, enhance the performance, and reduce the power consumption of flash memory and SSDs. Our growth has kept pace with the advance of our digital society.

Our products are used in a variety of applications, with revenue classified into three categories by application. "SSD & Storage" primarily comprises SSD and memory products for PCs, data centers, and enterprises. "Smart Devices" comprises embedded memory products with controller ICs, used in consumer devices such as smartphones, tablets, and televisions, as well as in automotive and industrial devices. "Others" comprises retail products such as SD memory cards and USB flash drives, as well as sales to the Sandisk Group recorded through our manufacturing joint venture. In FY2024, revenue grew due to a recovery in demand, with particularly strong growth in high-capacity SSDs for data centers and enterprises driven by the spread of generative AI. As a result, SSD & Storage revenue nearly doubled year on year, accounting for 58.1% of total revenue.

shares in the data center, smartphone, and PC sectors. We are also collaborating with server and GPU manufacturers to further expand our business. The Research and Technology Development Division, Manufacturing Division, and Sales and Marketing Division coordinate closely to respond swiftly to market needs by providing optimal products. We will continue to develop new products incorporating technologies such as CBA technology (p. 21) to meet increasingly sophisticated and diverse needs.

#### Breakdown of Revenue by Application (FY2024)



Kioxia Group has built robust partnerships with leading companies across markets, and has a track record of business relationships with major global customers holding significant market

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#### **Business Activities**

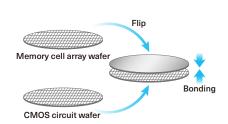
# **Development of High-Capacity, High-Performance 3D Flash Memory**

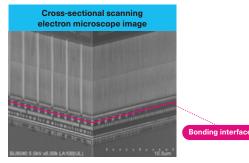
Four technologies enable high-capacity 3D flash memory: vertical memory cell stacking, lateral shrinking of memory cells, multi-level cell technology,\* which logically increases the amount of data that can be stored, and the introduction of new architectures. By using a combination of all of these technologies, not just vertical scaling, Kioxia Group is increasing bit density (the amount of information stored per unit area) and promoting the development of cost-competitive high-capacity products.

\* A technology that increases the amount of data stored in a single memory cell. Depending on the number of bits per cell, memory is classified as SLC (Single-Level Cell: 1 bit/cell), MLC (Multi-Level Cell: 2 bits/cell), TLC (Triple-Level Cell: 3 bits/cell), or QLC (Quad-Level Cell: 4 bits/cell)

We introduced CBA (CMOS directly Bonded to Array) technology starting with the 8th generation BiCS FLASH<sup>TM</sup>. CBA technology is a new architecture for 3D flash memory. It involves separately manufacturing the CMOS circuit wafer and memory cell array wafer under their respective optimal processes and temperature conditions, then bonding the wafers together. This approach achieves high performance while reducing the surface area of the chip, thereby increasing bit density and enabling the delivery of a cost-competitive product.

#### CMOS directly Bonded to Array (CBA) Technology





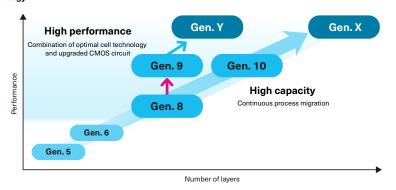
#### 8th Generation BiCS FLASH™ Products

In July 2024, Kioxia Group started mass production of its 8th generation BiCS FLASH™ 1 terabit (Tb) TLC products, which incorporate CBA technology, at its Yokkaichi Plant. The 8th generation emphasizes read/write performance, and is being deployed in applications requiring high performance, such as client SSDs and mobile devices, with production continuing to expand. Also in July 2024, we started shipping samples of high-capacity 2 Tb QLC products, which enable higher-capacity deployment in various applications, including AI, and help meet expanding data demand. They are also used in the KIOXIA LC9 Series, a high-capacity 245.76 terabytes (TB) enterprise SSD for generative AI (p. 22), with sample shipments starting in July 2025.

### **Future Development: Dual-Axis Strategy**

Kioxia Group is pursuing a Dual-Axis Strategy: one axis focuses on increasing the number of layers to deliver a line of high-capacity, high-performance products, while the other leverages CBA technology to achieve high performance with lower per-layer investment. Through these two approaches, we will provide competitive products that meet increasingly sophisticated and diverse needs.

#### **Dual-Axis Strategy**



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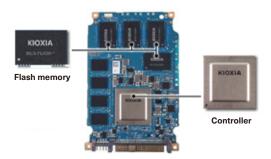
### **SSD Product Development**

Solid State Drives (SSDs) are storage devices that use flash memory to store data. They feature resistance to vibration and shock, are lightweight, and boast low power consumption. In SSDs, software technologies such as SSD control IC and firmware play a vital role in managing data. Kioxia Group's SSD products combine BiCS FLASH<sup>TM</sup> with in-house-developed SSD control ICs and firmware. Our strength lies in combining the latest flash memory and SSD technology to deliver products that meet a broad range of needs in applications such as PCs, enterprise servers, and cloud data centers.

We are focusing on products compatible with the high-speed PCle® 5.0 interface and will provide advanced SSDs to support increasingly sophisticated and diverse market needs and trends driven by the spread of generative Al.

In response to future AI demand, we are also advancing the development of new storage solutions, such as a Super High IOPS SSD that achieves over 10 million IOPS (input/output operations per second) by combining high-speed, low-latency XL-FLASH 3D flash memory with a new controller, and a high-capacity QLC SSD that offers advantages over nearline HDDs in terms of total cost of ownership (TCO).

#### Inside a KIOXIA SSD



#### **High-Performance SSDs**

#### **KIOXIA CM9 Series**

The KIOXIA CM9 Series is designed to handle workloads such as AI, machine learning, and high-performance computing. It supports the PCle<sup>®</sup> 5.0 interface and uses the latest 8th generation BiCS FLASH™ TLC to deliver even higher performance and power efficiency.



Compatible with the PCIe® 5.0 interface, the KIOXIA XD8 Series is designed for large-scale data centers supporting cloud services and similar applications. Featuring the E1.S Enterprise and Datacenter Standard Form Factor (EDSFF), the series delivers superior performance and thermal management to enable higher system density and efficiency.





#### **High-Capacity SSDs**

#### **KIOXIA LC9 Series**

The KIOXIA LC9 Series meets the needs for efficiently storing large-scale training and inference datasets for generative AI, as well as the data generated through those processes. The lineup includes a high-capacity 245.76 TB product that features 32-die stack of the latest 8th generation BiCS FLASH™ 2 Tb QLC 3D flash memory in each semiconductor package.

Note: PCIe is a registered trademark of PCI-SIG.



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### **Message from the Executive Vice President**



# Leading Flash Memory & SSD Innovation in the Al Era

The storage market served by the Kioxia Group continues to expand in line with the rapid growth of the digital economy. In particular, the rise of generative AI is driving strong demand across multiple sectors, including AI servers and edge devices. Large language models (LLMs) are increasingly being used in AI server applications for the development of inference systems deployed by enterprises and other users, as well as for training. This is creating growing demand for high-capacity, high-performance, energy-efficient storage solutions. Edge devices such as smartphones and PCs are increasingly incorporating sophisticated AI capabilities, further boosting demand for expanded storage.

In FY2024, Kioxia Group achieved a major milestone with the mass production of 8th generation BiCS FLASH™ 1 Tb TLC products featuring CBA technology (p. 21). We also began sample shipments of 8th generation 2 Tb QLC products and launched the high-capacity KIOXIA LC9 Series enterprise SSD. This product leverages our advanced flash memory capabilities and utilizes our in-house developed SSD controller technology, demonstrating the full strength of our integrated approach to storage innovation.

Looking ahead, we will continue to meet the evolving demands of advanced applications, seeking to improve our cost performance by maximizing the use of existing manufacturing

facilities. One area of focus will be high-capacity, high-performance products that address the needs of the enterprise and data center SSD markets. Simultaneously, we plan to develop products with fewer memory layers that still deliver high performance, catering to low- to mid-capacity applications, including edge devices. Pursuing this dual-axis strategy with these products will allow us to respond effectively to a diverse range of market requirements. Furthermore, in the SSD segment, we will continue to expand our lineup of AI server-optimized solutions supporting high-speed PCIe® 5.0 interfaces, further strengthening our position in the storage market.

In parallel, we are exploring the development of new memory devices and other solutions to meet the growing demand for high-speed, high-performance AI storage. This includes venturing into emerging areas such as XL-FLASH storage-class memory and developing the new Super High IOPS SSD, which is capable of dramatically faster input/output operations. With these competitive and innovative products, we aim to make a significant contribution to the growth and evolution of the AI-driven storage and memory market.

In a competitive market that continues to demand speed and innovation, Kioxia Group aims to stay one step ahead.

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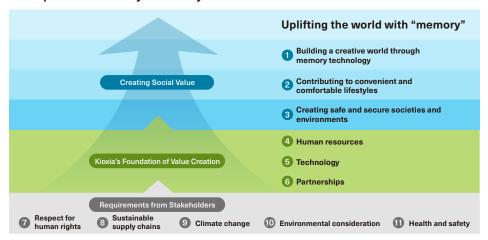
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# Sustainability Materiality: Priority Areas for Kioxia Group's Medium- to Long-term Growth

### **Overview of Sustainability Materiality**

We have identified the non-financial capital important for Kioxia Group operations over the medium to long term and determined the priority areas (Sustainability Materiality) for advancing the Group's sustainable development with society. Our Sustainability Materiality comprises three domains that we recognize as being of particular importance: "requirements from stakeholders," which refers to social requirements; "foundation of value creation," which is the Group's driving force; and "creating social value," which defines the value that the Group will create for society over the medium to long term through memory technologies, based on our mission. These domains comprise 11 elements. We have set 30 KPIs corresponding to these elements to enhance our activities.

#### **Concept of Sustainability Materiality**



### **Establishment and Identification Process**

The Group has established its Sustainability Materiality in order to enhance its sustainability management and clearly set out its policies, based on the recognition that the role that it must play in the sustainable development of society is growing as our digital society advances.

In determining its Sustainability Materiality, the Group has 1) referred to the *International Integrated Reporting Framework* of the IFRS Foundation, the *Guidance for Collaborative Value* 

Creation of the Ministry of Economy, Trade and Industry, the *GRI Standards* of the Global Reporting Initiative, and ISO 26000 (the international standard on corporate social responsibility), among other materials, 2) examined stakeholder concerns and their importance to the Group, 3) selected candidate material themes through interviews with the management team and verification by external experts, and 4) finalized the selection through deliberations by the Group's Sustainability Committee and Sustainability Strategy Meeting. The material themes that the Group has identified are reported to the Board of Directors as part of the non-financial medium-term management plan. The board deliberates on these reports to increase the effectiveness of the Group's efforts.

#### **Main KPIs**

We are focusing on environmental impact reduction, including climate change countermeasures, and on promoting the career advancement of female employees, areas in which stakeholder expectations and importance to the Group are high.

KPI	Outline	Targets
Reduction in greenhouse gas (GHG) emissions	Kioxia Group will contribute to the realization of a decarbonized society by reducing GHG emissions and promoting the use of renewable energy in its business activities. Furthermore, we have adopted the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).	Net-zero greenhouse gas emissions (Scopes 1 and 2) by FY2050 100% renewable energy usage ratio by FY2040
Contribution to the environment through products	Kioxia Group strives to reduce environmental impacts at every stage of the product lifecycle.	50% reduction in energy consumption by products per 1GB of data processing <sup>1</sup> (by FY2025, compared with FY2017)
Promoting the career advancement of female employees	Among our diversity initiatives, we regard the active participation of female employees as a particularly important theme and are pursuing it proactively.	Double the number of female managers by FY2025, compared with FY2019 <sup>2</sup> Women comprise at least 45% of new graduate hires for administrative positions, and at least 15% for technical positions (every fiscal year). <sup>2</sup> As of June 2025, the target ratios for female managers and female new graduate hires (administrative positions) have been reached.

<sup>1</sup> Relative value per product capacity (annual) during manufacture, compared with FY2017

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<sup>2</sup> Kioxia Corporation

Sustainability Materiality

### Message from the Executive Vice President



# **Building on Our Legacy, Creating Social Value through Business Growth**

# Sustainability Materiality Embedded in Our Business Activities

The semiconductor memory we provide is an essential component of today's digital world, and the scope of Kioxia Group's contributions in this field continues to expand. To progress our sustainability initiatives and ensure we continue to make our contribution to society, we have identified what we call our Sustainability Materiality—priority issues related to sustainability that have the potential to impact both the Kioxia Group and our stakeholders.

Recognizing that actions to address these must be closely tied into our business operations, we've engaged senior executives and employees from our R&D, sales, and manufacturing divisions to formulate our most critical challenges. The success of this approach has reaffirmed to us the importance of environmental stewardship, talent development, respect for human rights, sustainable supply chains, and strong partnerships—all foundations of our business.

To ensure these priorities are acted upon, we have set up task forces to drive initiatives through both the PDCA cycle¹ and the OODA loop²—the latter an agile decision-making process well-suited to rapidly changing environments. We have also fostered a workplace culture that empowers each of our sites to act proactively toward common goals. These efforts have led to tangible achievements, including recognition as a Corporation Excelling in Health and Productivity Management³ and the attainment of RBA (Responsible Business Alliance)⁴

Platinum status at our Yokkaichi and Kitakami plants, as well as at Solid State Storage Technology Corporation in Taiwan.

# **Expanding Our Impact across** the Entire Value Chain

Since the establishment of our Yokkaichi Plant in 1992, we have proactively invested in environmentally-conscious facilities and implemented sustainable manufacturing processes. These activities constitute the foundation of our current sustainability initiatives, and their continued success relies on the understanding and collaboration of our customers and partners.

We have communicated to our customers our efforts to reduce  $CO_2$  emissions and improve the energy efficiency of our products during use, emphasizing the added value our products and services deliver. We also communicate openly with our partners to foster mutual understanding, sharing with them the societal impact of our business and progressing initiatives such as the protection of human rights.

Looking ahead, we will continue to build on our progress, striving for growth and the creation of social value not only within the Kioxia Group but across our entire value chain.

- Plan-Do-Check-Act: an iterative design and management method used in business for the control and continual improvement of processes and products.
- A decision-making framework comprising four stages—Observe, Orient, Decide, and Act.
- A Japanese government-backed recognition of corporations demonstrating exceptional practices in promoting employee health and productivity.
- A global nonprofit organization dedicated to supporting the rights and well-being of workers and communities in supply chains. Kioxia Holdings joined in 2021.

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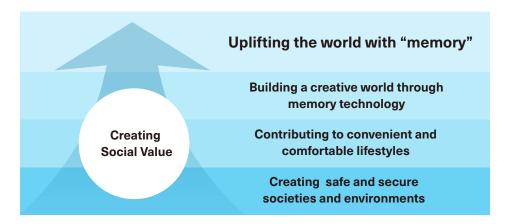
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### **Creating Social Value**

### **Basic Philosophy**

We will contribute new value to society by providing a foundation for data utilization.

Under its mission of "uplifting the world with 'memory," Kioxia Group creates value for society together with its partners through products, services, and technologies, while supporting the advance of a digital society. By continuing to develop flash memory and SSDs with higher capacity, higher performance, and lower power consumption, and by engaging in the development of cutting-edge technologies, we will help make life more convenient and comfortable for more people, providing new approaches for addressing increasingly diverse social issues, and contributing to the creation of safe and secure societies and environments. Moreover, we will provide a foundation for data utilization to help build a more creative and inspiring world through "memory," with the aim of creating new value for society.



"Creating Social Value" refers to the areas in which we contribute to society with our partners through our products, services, and technologies, as described in "Sustainability Materiality: Priority Areas for Kioxia Group's Medium- to Long-term Growth" (p. 24).

### **Process for Creating Social Value through Kioxia Group's Business Activities**

One way Kioxia Group creates social value is by supplying products that meet customers' diverse and sophisticated needs, helping to improve the quality of their products and services and supporting the creation and growth of their businesses. These outcomes support end-user convenience and potential from various aspects, helping to deliver the benefits of a digital society to even more people. In this way, our products contribute to the creation of value for society, ultimately leading to the realization of our mission of "uplifting the world with 'memory."

#### **Example of How Kioxia Group's Business Activities Create Social Value**

Business activities	Outputs	Value provided to customers	Creation of value for society
<ul> <li>Research and technology development</li> <li>Manufacturing</li> <li>Sales and marketing</li> </ul>	Flash memory and SSD products with high capacity, high performance, and low power consumption	<ul> <li>Increased performance of products and services</li> <li>Growth in generative Al utilization</li> <li>Products optimized for each user</li> <li>Enhanced reliability of products and services</li> <li>Stable provision of products and services</li> <li>Expanded scope of automation utilization</li> <li>Reduced environmental impact (lower power consumption)</li> <li>Products offering added environmental value</li> </ul>	Expansion of potential for end users     Further advance of a digital society     Realization of a sustainable society  Building a creative world through memory technology  Contributing to convenient and comfortable lifestyles  Creating safe and secure societies and environments  Building a creative world through memory technology  Uplifting the world with "memory"

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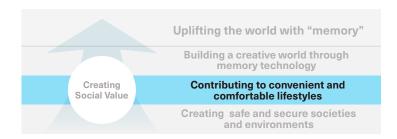
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technological

evolution

### **Contributing to Convenient and Comfortable Lifestyles**



· Invented NAND flash memory

#### Kioxia Group's Contribution to the Advance of a Digital Society

Kioxia Group's semiconductor memory technologies, typified by the NAND flash memory it invented in 1987, have contributed to the creation of a foundation for the advance of a digital society. Flash memory has become indispensable, both for the many electronic devices and for cloud computing, which support our daily lives. Our products and technologies are helping people realize convenient and comfortable lifestyles.

#### Responding to Further Increases in Data Demand 2020s Accelerating shift to smart devices Given the expanding demands expected to accompany the advance of generative AI, we aim to drive · Growth in applications for **Expanding amount** innovation in line with the times and to provide products and services that sustainably meet the generative AI in line with its spread of data generated needs of customers and society. and used 2010s Spread of IoT devices 2000s · Spread of electronic devices • Emergence of information security issues **Exponential growth** 1990s in data volumes Popularization of the internet 1980s Spread of electronic devices such as laptop PCs **Increasing digitalization** of society • Start of mobile telephone services • Merging of physical and digital spaces Kioxia's 1987 2001 2007 2015 2025

· Announced development

of 3D flash memory technology

Commercialized

NVMe™ SSDs

Announced 10th generation BiCS FLASH™

Commercialized client SSDs

· Introduced multi-level cell

technology

#### **Creating Social Value**

### **Creating Safe and Secure Societies and Environments**



# Creating New Approaches through "Memory" Technology to Contribute to Safe and Secure Lifestyles

In order for people to lead convenient and comfortable lives, it is essential to create a foundation for safe and secure societies and environments.

As various social issues become increasingly complex and serious, Kioxia Group is providing new approaches through "memory" technology to help address these challenges and support the foundation of daily life.

#### **Supporting a Sustainable Digital Society**



#### **Needs of Customers and Society**

Flash memory and SSDs are now being used in every aspect of life, and demand for higher capacities and speeds continues to increase. Meanwhile, the spread of digital products and services has raised expectations for reductions in power consumption and  $CO_2$  emissions.

#### **Kioxia Group's Approach**

Kioxia Group strives to reduce environmental impact at every stage of the product lifecycle. By providing society with energy-efficient memory and SSD products, we contribute to reducing energy consumption per unit of data processing during the use of digital products and services.

# Supporting Convenience for a Motorized Society



#### **Needs of Customers and Society**

With the advances in 5G, IoT and AI technologies, connectivity has extended to automobiles, which now make use of a wide range of data. Demand for data storage in vehicles continues to expand with the increase in complexity and sophistication of automotive equipment.

#### **Kioxia Group's Approach**

We will help improve automobile convenience and safety with high-performance, high-capacity automotive UFS and e-MMC memory products that meet the sophisticated demands of in-vehicle use, such as reliability under a wide range of environmental conditions.

# Supporting Security in an Increasingly Complex Information Society



#### Needs of Customers and Society

While advances in digital technology and popularization of the internet have made daily life and business more convenient, they have also increased the prevalence of information security issues.

#### Kioxia Group's Approach

We are addressing the need for the protection of personal data and business data through products such as enterprise-, data center- and client SSDs.

Note: Optional security feature-compliant drives are not available in all countries due to export and local regulations.

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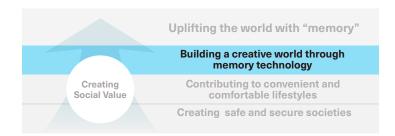
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#### **Creating Social Value**

### **Building a Creative World through Memory Technology**



Together with our partners, we are using memory technology to contribute to the realization of a world in which people can lead fulfilling lives with uplifting experiences.

After helping to realize safe, secure, convenient and comfortable lifestyles, we aim to create a world where many people can experience an uplifting culture through memory technology.

Kioxia Group will continue striving to build a creative world through its memory technology in collaboration with partners to enable diverse and uplifting experiences, as well as creative expression and communication that transcend time and space.

# Supporting the Development of Generative Al and Opening Up New Possibilities for Data Utilization

The development of generative AI promises not only to accelerate progress in people's lives and in industry, but also to foster greater creative activity. Kioxia Group will contribute both to the foundation of tomorrow's information society and to supporting new value creation by people.





# Generating Innovation Together with Partners in Advanced Technology

Through memory technology, Kioxia Group will generate innovation in collaboration with R&D partners in various cutting-edge fields, such as space development and neuroscience.





Kioxia Group will continue striving to build a creative world through its memory technology in collaboration with partners to enable diverse and uplifting experiences, as well as creative expression and communication that transcend time and space.

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