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Message from the President and Chief Executive Officer

Capturing Growth Opportunities in the Era of AI to Continuously Create Value Through the Power of Memory

Hiroo Ota
Representative Director
President and Chief Executive Officer
Kioxia Holdings Corporation



Seize the Moment: Turning Change into the Catalyst for Growth

I assumed the role of President and Chief Executive Officer in April 2026. Since joining Toshiba, Kioxia's predecessor, in 1985, I have built my career in applied technology, within the semiconductor memory division. Since 2001, my focus has been on market development for our NAND business. By standing at the forefront of technology marketing and engaging in direct dialogue with our customers, I have dedicated myself to driving our business expansion.

As President, my primary focus is to continuously put into practice the Kioxia Group's mission of "uplifting the world with 'memory.'" We aim to enhance our corporate value by helping advance our AI-driven digital society and resolve increasingly complex and sophisticated social issues through our technological innovations.

The flash memory market has always been defined by rapid technological progress and dynamic changes in market conditions and the competitive landscape. To succeed, we must accurately anticipate these changes and translate them into decisive action. A guiding principle for me is to "seize the moment." We must never let an inflection point pass us by. By swiftly identifying customer challenges and market trends, and rallying our technology, product, manufacturing, and sales capabilities, we transform shifts into tangible value. It is the accumulation of these relentless efforts that has supported the growth of our Group.

Message from the President and Chief Executive Officer

Becoming a Go-to Memory Storage Company

The applications for NAND flash memory have expanded across smartphones, PCs, automotive systems, and data centers, supporting our digital society, and making everyday life more convenient and enriching. As AI evolves from generative and agentic models to physical AI, the demand for memory storage capable of rapidly and efficiently processing massive volumes of data is growing exponentially.

Our roots trace back to NAND flash memory, invented by our predecessor, Toshiba, in 1987. Since then, we have proudly led the market, driven by our core strengths: technology development capabilities, manufacturing scale, and strong customer engagement. Moving forward, we will sharpen these competitive advantages, anticipate evolving market needs, and expand the potential of the memory solutions that empower more effective data utilization. Our ambition is clear: to make Kioxia the go-to memory storage company for customers and partners.



Capturing AI Demand to Drive Business Growth

Our financial performance in fiscal 2025 achieved record-high revenue and profit. This success was driven by growing demand for memory solutions fueled by data centers, particularly for generative AI applications, alongside favorable pricing and increased shipment volumes.

As AI transitions from training to inference, we are entering an era where data is utilized in real-time across a broad range of scenarios. Hyperscaler investments in AI data centers remain robust, and demand for enterprise and data center SSDs is poised for continued growth. At the same time, foundational markets like smartphones and PCs remain vital. Rather than over-indexing on specific applications, we will take a holistic view of market trends, ensure stable yet agile production, and meet the soaring demand for AI infrastructure.

Driving Competitiveness Through Technology, Scale, and Customer Engagement

The foundation of Kioxia Group's competitiveness rests on three pillars: our technology development capabilities, manufacturing scale, and customer engagement. As a provider of flash memory and SSDs, technology development is our most critical driver. We are committed to continuously pioneering cutting-edge technologies and products that deliver superior value to our customers and the market.

While we operate on a global scale, our major production bases remain in Japan. Our manufacturing foundation—anchored by the Yokkaichi Plant and the Kitakami Plant—combined with robust partnerships with leading global companies, constitutes a compelling operational strength. Looking ahead, we will deepen collaboration across our Memory and SSD Divisions, integrating Research and Development, Manufacturing, and Sales. By strengthening this end-to-end system, we can swiftly deliver products that anticipate and meet dynamic market needs.

As AI evolves, so do data center architectures. To rapidly and efficiently process massive data sets, storage performance must continuously advance. In lockstep with our partners, Kioxia Group will refine the storage technologies enabling this AI paradigm shift and strategically execute growth investments. We are positioned to capture future market opportunities and deliver highly competitive solutions.

Message from the President and Chief Executive Officer

Accelerating Value Creation Through Our People and Teamwork

For Kioxia Group to secure sustainable growth, the people who drive our technology development, manufacturing, and customer engagement are our most invaluable asset. We are united by a strong team spirit inherited from our predecessors. Our history proves that close collaboration across these core functions is what built us into an industry leader. As the business environment accelerates, we also recognize that increasing our speed-to-market—from initial development to final delivery—is a critical imperative.

One of my most important duties as CEO is to strengthen the teamwork we have cultivated, ensuring our entire organization is aligned around a shared vision and embraces challenges, even in a continuously evolving environment. To maximize our organizational strength, every employee must strive to deliver value for their colleagues, continuously reinforcing a culture of mutual trust.

I constantly encourage our teams to keep their “antenna high”—staying attuned to the evolving needs of our customers and society. Fostering a mindset that takes ownership of technological evolution, market shifts, and social issues, while driving cross-departmental collaboration, is the catalyst that turns change into growth.

I firmly believe that aligning the individual ambitions of our employees with tangible business results—and further strengthening our collective teamwork—will be a driving force behind the Kioxia Group’s value creation in the AI era.

Contributing to a Sustainable Digital Society

As a semiconductor memory provider, we aim to advance a sustainable society through our products and technologies. While the increasing capacity and performance of our flash memory and SSDs support growth across various industries, the rising power consumption of data centers has become a significant global challenge. Kioxia Group views the energy efficiency of our products as a critical priority, and we will aggressively pursue technological developments that contribute to energy conservation.

Addressing climate change is also a top management priority. Kioxia Group has committed to achieving net-zero greenhouse gas emissions by fiscal 2050. We are actively reducing our environmental footprint by implementing emission reduction measures in our manufacturing processes, advancing energy conservation, and adopting renewable energy sources. Furthermore, by building a robust supply chain with our partners and maintaining a resilient production system, we will achieve both sustainable business growth and meaningful societal impact.



Enhancing Corporate Value Through Transparent Management and Dialogue

To realize sustainable growth and enhance our corporate value, effective and transparent governance is an indispensable foundation. Our management team is committed to maintaining open and diligent communication, while executing our strategies with agility and speed. We deeply value dialogue with our stakeholders—including shareholders, investors, customers, business partners, and local communities—and we will actively incorporate their insights into our management decisions.

This Integrated Report is a vital tool for sharing our approach to value creation, our strategic vision, and our ongoing initiatives, while also serving as a bridge to deepen our dialogue with our stakeholders, including you. The Kioxia Group views the paradigm shifts of the AI era not as challenges, but as profound opportunities for growth. Through the power of memory, we will continue to make society more convenient, enriching, and uplifting. We remain dedicated to transforming ourselves, exceeding stakeholder expectations, and maintaining our position as a highly trusted company.

Message from the Executive Chairman



Pioneering the AI Frontier: Kioxia's Heritage of Innovation and Sustainable Growth

Stacy J. Smith
Director
Executive Chairman
Kioxia Holdings Corporation

Reimagining Memory for the AI Age

Today, our society stands at the threshold of a period of profound transformation. At the heart of advances in artificial intelligence lies semiconductor technology. Semiconductors are no longer merely electronic components; they have become critical infrastructure that underpins economic growth, industrial innovation, and societal progress.

Looking ahead, the widespread adoption of AI inference will drive unprecedented growth in computing power and data volumes, further increasing demand for high-performance semiconductor solutions that balance performance with power consumption. At the same time, our industry is expected to contribute to a more sustainable future by reducing environmental impact across the value chain. Kioxia supports this goal through multiple avenues, including energy-efficient manufacturing, optimized production processes, and flash memory technologies engineered for lower power consumption. At hyperscale, these innovations can significantly enhance the energy efficiency of AI infrastructure, enabling more sustainable operations for our customers.

AI is only as powerful as the data behind it. Handling data at scale requires advanced memory solutions. Flash memory is the indispensable foundation of the AI age, enabling the storage, accessibility, and intelligence that will shape our future for decades to come.

Message from the Executive Chairman

At the heart of the AI evolution, the memory hierarchy itself is being fundamentally redefined. Flash memory is evolving beyond its traditional role as a data storage medium to become a critical enabler of system performance, optimizing data movement and off-loading computational burdens across AI infrastructure.

In the era of AI inference, data is becoming essential infrastructure for society, and flash memory provides the foundation needed to store and use it efficiently. As data volume continues to grow rapidly, meeting this unprecedented demand for AI infrastructure requires partners who can combine cutting-edge technology with unmatched manufacturing scale and supply chain reliability.

Innovating for the Future

Since inventing NAND flash memory in 1987, Kioxia has continued to innovate with a long-term vision and an unwavering commitment to creating value for society through technology. Our breakthrough in flash memory has helped transform industries, enabling the rise and evolution of smartphones, mobile computing, enterprise systems, and hyperscale data centers. This legacy is built on a proven track record of relentlessly improving our flash memory technologies—a foundation that enables us to sustain our technological leadership today and well into the future. We advance this leadership through industry-defining advancements applied to BiCS FLASH™ technology, including groundbreaking new architectures such as CBA (CMOS Bonded to Array) technology, as well as next-generation SSD solutions.

While our history of delivering many world firsts reflects our technological leadership, it is only one of our strengths. Over the decades, we have reinforced this foundation with unmatched manufacturing scale, a deep commitment to customer-centricity and the exceptional talent of our dedicated employees around the world.

These strengths have enabled us to navigate industry cycles while continuing to invest in advanced technologies, manufacturing capabilities, and human talent. We believe that maintaining a long-term view and investing consistently through both favorable and challenging market conditions are essential to sustaining innovation and strengthening competitiveness.

Today, the rapid adoption of AI for inference is transforming industries and accelerating the growth of data at an unprecedented scale. As a result, high-capacity, high-performance, and energy-efficient memory and storage solutions are becoming increasingly critical to the digital economy. We believe flash memory will play an even more central role in the AI era, not only as a storage technology but also as a key enabler of system performance, efficiency, and innovation.

Building on our heritage of innovation, Kioxia will continue working closely with customers and partners to address the evolving needs of society. By leveraging our technology leadership, manufacturing scale, strategic partnerships, and talented workforce, we aim to drive sustainable growth, contribute to the advancement of our digital society, and deliver long-term value for shareholders and stakeholders.

New Leadership Driving Our Shared Future

The formation of our new management team represents an important step in Kioxia's evolution and prepares us for the next stage of growth. What gives me great confidence is the depth of experience and diversity of perspectives this team brings.

President Ota has built his career across technology development, business leadership, and corporate management, gaining a comprehensive understanding of both our industry and our customers' needs. His leadership, combined with the expertise of the broader management team, provides a strong foundation for driving innovation, strengthening competitiveness, and delivering sustainable growth.

Kioxia has always been defined by a pioneering spirit. Since the invention of NAND flash memory, we have continuously pushed the boundaries of innovation and contributed to the advancement of the digital society. Today, we stand at the dawn of another transformational era. The rapid adoption of AI is reshaping industries, accelerating data creation, and increasing the strategic importance of flash memory.

In this new environment, our ambition is clear: to make Kioxia the go-to memory storage company for customers and partners. Achieving this vision requires technological leadership, unmatched manufacturing scale and supply chain reliability, as well as excellence in product quality, customer trust, and speed of execution. Fundamentally, our goal is to create long-term value by delivering innovative, energy-efficient technologies that address society's evolving data needs and enable a sustainable future where technological progress and environmental responsibility go hand in hand.

With a highly capable management team, a world-class technology portfolio, unmatched manufacturing scale, and a clear strategic direction, I am confident that Kioxia is well positioned to capture the opportunities of the AI era and deliver sustainable growth for our shareholders for decades to come.

Message from the Chief Financial Officer



The Solid Financial Foundations That Will Deliver Sustainable Growth and Profit to Enhance Shareholder Value

Yoshihiko Kawamura
Executive Vice President and Executive Officer
Chief Financial Officer
Kioxia Holdings Corporation

Financial Strategies That Drive Sustainable Growth and Corporate Value

I assumed the role of Chief Financial Officer in April 2026. My aim is to formulate financial strategies that will maximize the value of the Kioxia Group as a whole and ensure sustainable growth. Instead of focusing solely on the short-term, I devise medium- to long-term strategies that leverage our unique business strengths. Linking these perspectives enhances our ability to execute these strategies.

Consecutive Years of Record Financial Performance Leveraging AI Demand as a Core Growth Driver to Exceed Capital Market Expectations

In fiscal 2025, our consolidated revenue was 2,337.6 billion yen, with non-GAAP operating profit of 876.2 billion yen, the second consecutive year of record highs for both metrics. Growing demand from the AI inference market has significantly boosted our financial performance and is driving expectations for further growth.

Following our strong performance, expectations for our growth continue to rise. There is keen interest among investors and analysts in the potential contribution of long-term agreements (LTAs) with our customers, in the competitiveness of our technology and products with BiCS FLASH™ at the core, in our financial strategy, and in shareholder returns. We will be sure to clearly communicate this potential to the markets and ensure it is firmly reflected in our management strategy.

Strategic Portfolio Transformation and Accelerated Investment Execution Concentrating on High-Growth Areas Helps Ensure High-Quality Profit

Within the growing flash memory market, demand is shifting from the consumer sector to the industrial and enterprise sectors. Driven by investment in hyperscale infrastructure, demand for AI and data centers remains exceptionally robust. Few companies globally can provide a stable supply of flash memory, so we anticipate this positive trend will continue through 2027.

Kioxia Group is seizing the opportunities this structural shift provides. We are shifting our portfolio mix, aiming for data center and enterprise business to account for at least 60% of our total sales. We will maintain our focus on the smartphone and PC sectors—our bedrock—while making inroads into the edge AI market. Furthermore, we will leverage LTAs to increase the predictability of our revenues and stabilize our profits.

Message from the Chief Financial Officer

While market cycles will persist, we believe the AI-driven flash memory growth curve will flatten significantly, making cyclical troughs much shallower. This stabilization will allow us to make capital investment and invest in R&D and the human capital we need to exploit profitable high-growth business areas.

Beyond mere growth, Kioxia Group is pursuing the kinds of high-quality profit that lead to sustainable growth by deploying technology when launching new products, and by leveraging the potential of new markets. Our 10th-generation BiCS FLASH™, which began sample shipments from the Kitakami Plant Fab2 this past July, exemplifies this commitment. Designed to address AI demand with high capacity, high performance, and low power consumption, it demonstrates how we translate our technological advantages into competitive product strength. Our products' technological superiority directly boosts our competitiveness; we therefore plan to invest 230 billion yen annually in R&D, an increase of over 60% from fiscal 2025, in order to maintain our technological leadership.

A company can continue to grow in any environment as long as its talent pool is deep. We will accelerate investment in our human capital, focusing on the recruitment of a diverse range of skills and the specialists who underpin our technological development.

Enhancing profitability quality through capital expenditure, R&D, and human capital investments that support high-growth, high-margin sectors

Market	Technology Leadership	Capital Expenditure	Cost Competitiveness
Portfolio Percentage of overall revenue generated by our data center business: **over 60%** (~FY28)	**R&D** focused on advanced development **Over 60%** (vs. FY25)	**Efficient Capital Expenditure** **470** **billion yen/year** (FY26–FY28 Average)	**Migration** Percentage of overall product base accounted for by BiCS FLASH™ Generation 8: **over 80%** (end of FY26, production GB base)

Capital Strategy for Accelerating Growth

Enhancing Return on Invested Capital (ROIC) and Maximizing Free Cash Flow

We devise our investment strategy by formulating our long-term vision and working back from that. We will continue to observe strict investment criteria as we transition to a structurally high-ROIC model, aiming for industry-leading levels of capital efficiency.

As a listed company that engages with the capital markets, we prioritize the maximization of free cash flow, a key indicator of profitability and an important basis when deciding which investments and financing methods are most strategically aligned. We will enhance our earning power and prioritize investments that generate growth, while strengthening our finances and boosting shareholder returns. This will allow us to capture growing markets and sustainably enhance our corporate value.

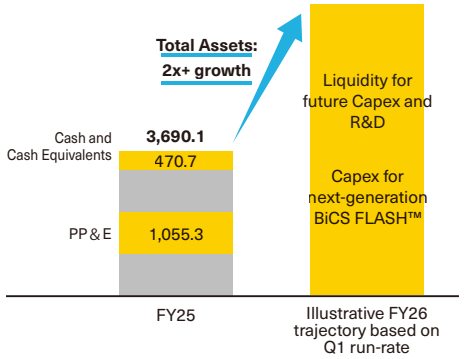
Balancing growth investments with financial strength to drive sustainable value creation

Assets

Enhancing Asset Efficiency

FY26 Capex:
¥450 billion
(+60% YoY, FY26 Q1 plan)
FCF maximization

(Billions of yen)

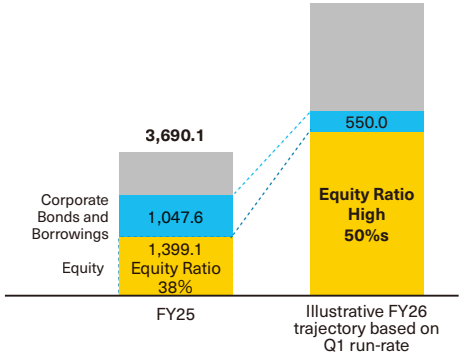


Liabilities and Equity

Transformational Financial Strengthening

FY26Q1:
Achieving Net Cash Position

(Billions of yen)



Reflecting Feedback from the Capital Markets in Our Business Strategy

I strongly feel the rising expectations of the capital markets. My most important responsibility as CFO is to engage proactively with market participants and to reflect our dialogue with investors, financial analysts and shareholders in our business strategy. We will wield our world-class technological capabilities and talent to enhance our corporate value sustainably, building a business model that ensures the quality of our profitability.

Note: As of Investor Day 2026 (June 2026)