Section

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Value Creation Story

16 Value Creation Process

18 Feature | Social Value Created by Kioxia Group for an AI-Powered Society

Value Creation Process

Based on its mission of "uplifting the world with 'memory,'" Kioxia Group contributes to society by providing products and services, and building infrastructure for data utilization together with its partners. Demand for flash memory and SSDs is expected to continue growing as use of AI inference rapidly expands. In this market environment, we will pursue a growth strategy that leverages our management capital and industry-leading strengths, which are the source of our competitiveness, with the aim of achieving sustainable growth through our business activities and enhancing corporate value.

Kioxia Group's Mission — **Uplifting the world with "memory"**

Market and Social Environment

Expansion of the flash memory and SSD market driven by rapid advances in AI

- Increasingly sophisticated and diverse requirements driven by the growing use of AI inference
- Growing social issues such as climate change

Inputs → Business Activities → Outputs/Outcomes

Growth Strategy

- Strategically shift business portfolio toward the AI infrastructure market
- Strengthen capital investment and cost competitiveness to capture opportunities for sustainable growth
- Invest in and accelerate R&D to firmly maintain technology leadership

Management Capital

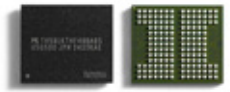
Source of competitiveness for medium- to long-term growth

- **Flash memory production scale**
- **Technology**
- **Partnerships**
- **Human resources**

Business Activities

Memory business

Provision of high-capacity, high-performance, and environmentally conscious flash memory and SSD products



Kioxia Group's Strengths

- **Strong position in high-growth markets driven by AI**
- **Technological competitiveness for leading the AI inference era**
- **Cost competitiveness and a stable supply enabled by production scale and efficiency**

Governance

- **Corporate governance**
- **Risk management and compliance**
- **Sustainability management**

Social Value Created with Partners

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

Value Provided to Customers

Contributing to customers' value creation through the provision of products and services based on cutting-edge memory technology

Enhancing Corporate Value

Financial

- Revenue: 2,337.6 billion yen
- Non-GAAP operating profit: 876.2 billion yen

(FY2025, consolidated basis)

Non-Financial

Results of activities based on Sustainability Materiality, including:

- Reduction of greenhouse gas emissions
- Improvement in product power efficiency

Our Aspiration

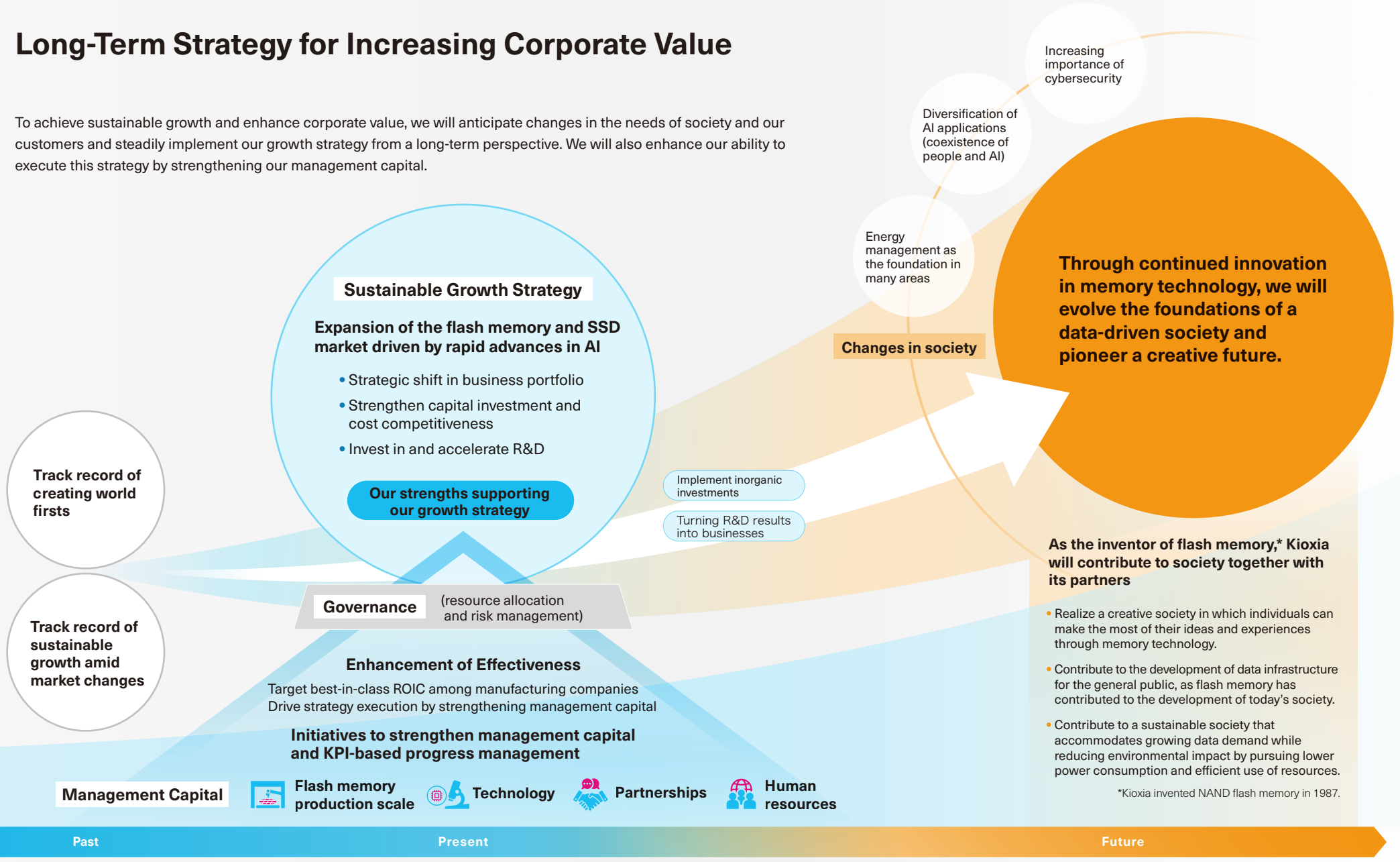
Contributing to society by providing a foundation for data utilization

- **Building a creative world through memory technology**
- **Contributing to convenient and comfortable lifestyles**
- **Creating safe and secure societies and environments**

Sustainable growth

Long-Term Strategy for Increasing Corporate Value

To achieve sustainable growth and enhance corporate value, we will anticipate changes in the needs of society and our customers and steadily implement our growth strategy from a long-term perspective. We will also enhance our ability to execute this strategy by strengthening our management capital.



Kioxia Group's Mission **Uplifting the world with "memory"**

Feature | **Social Value Created by Kioxia Group for an AI-Powered Society**

Uplifting the world with “memory”



Feature 1 **Expanding Possibilities for Society Through Advances in AI**

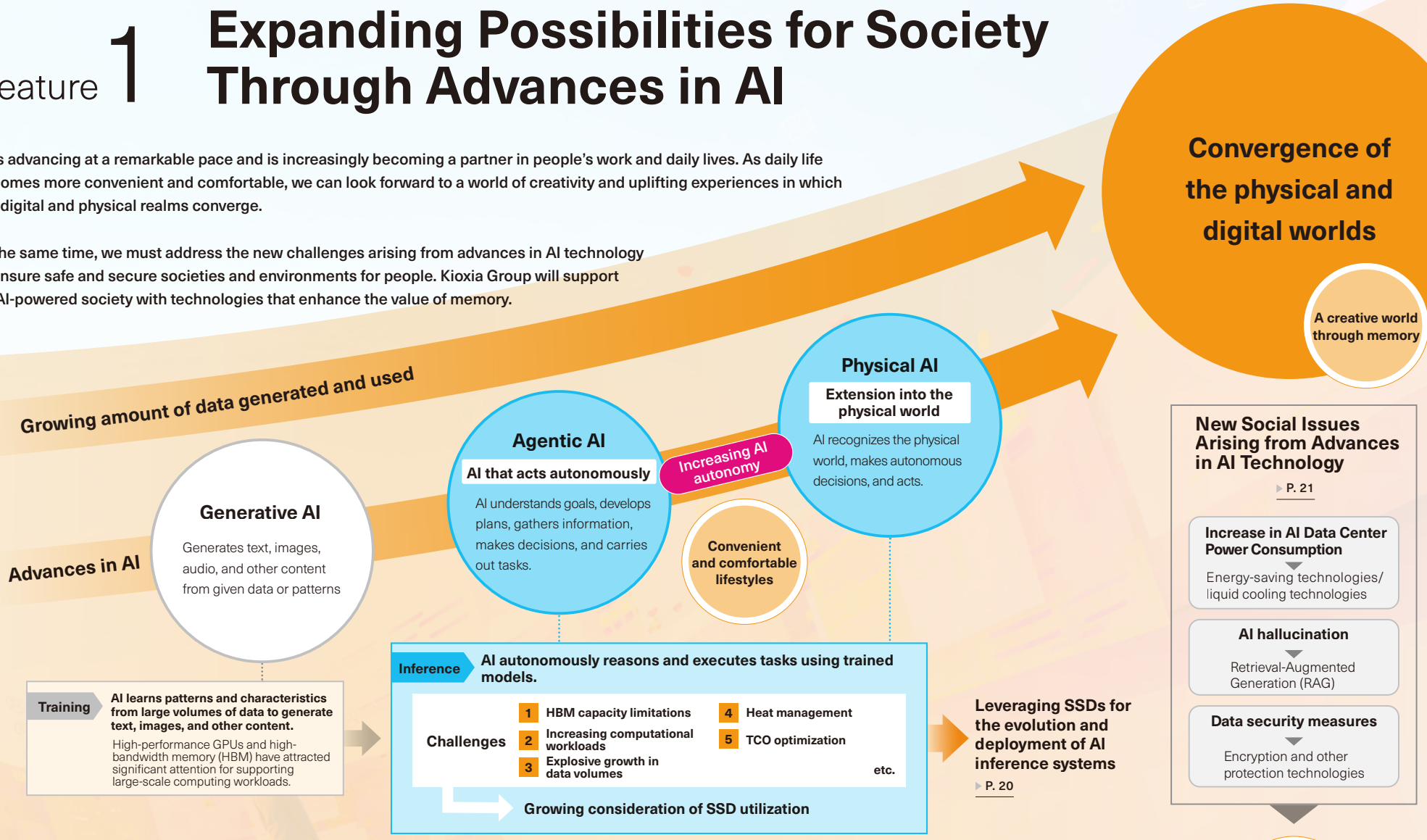
Feature 2 **AI Infrastructure: Kioxia Group Technologies Supporting AI Data Centers**

Feature 3 **Using Memory Technology to Address Social Issues Arising from Technological Advances**

Feature 1 Expanding Possibilities for Society Through Advances in AI

AI is advancing at a remarkable pace and is increasingly becoming a partner in people's work and daily lives. As daily life becomes more convenient and comfortable, we can look forward to a world of creativity and uplifting experiences in which the digital and physical realms converge.

At the same time, we must address the new challenges arising from advances in AI technology to ensure safe and secure societies and environments for people. Kioxia Group will support an AI-powered society with technologies that enhance the value of memory.



Infrastructure Supporting an AI-Powered Society

AI Data Centers	Perform AI training and inference while computing, storing, and processing huge volumes of data at high speeds
On-Device AI	Generate data and perform AI inference in real time on devices such as smartphones

*Conceptual view of a future AI-powered society

Feature 2 AI Infrastructure: Kioxia Group Technologies Supporting AI Data Centers

The emergence of autonomous AI, such as agentic AI and physical AI, is driving exponential growth in inference workloads. Kioxia Group will support AI data infrastructure with its flash memory and SSD technologies.

AI Data Center (Overview)

- **GPU servers (Computation)**
  Perform AI training and inference
- **High-speed storage (Memory)**
  Store and supply data and models
- **Network (Communication)**
- **Power supply equipment**
- **Cooling equipment**



Challenges in the Evolution and Deployment of AI Inference Systems

1. **HBM capacity limitations**
2. **Increasing computational workloads**
3. **Explosive growth in data volumes**
4. **Heat management**
5. **TCO (Total Cost of Ownership) optimization**

Expanding SSD Adoption and the Value Created by Kioxia Group Technologies

SSDs are evolving from data storage devices into core infrastructure that enhances AI performance and efficiency. Kioxia Group supports the evolution of AI with products and solutions that address diverse needs, powered by flash memory technologies delivering high capacity, high performance, and low power consumption.

1. **High-Performance SSDs**
   Resolving HBM capacity bottlenecks



2. **High-Bandwidth SSDs**
   Efficient storage of GPU computation results and more efficient data transfer



3. **High-Capacity SSDs**
   Storing growing volumes of data as inference complexity increases

   KIOXIA AiSAQ™
   Improving AI response accuracy by using SSDs in RAG



4. Certain SSD products support liquid cooling, which is increasingly being adopted in AI data centers as an alternative to air cooling, enabling efficient heat dissipation in high-performance AI server environments.

5. Kioxia Group provides SSDs and solutions for diverse next-generation AI infrastructure applications, helping to optimize TCO by reducing computational workloads, improving power efficiency, and saving space.

Contributing to the Evolution of AI

Expanding the Value of Memory

Feature 3 Using Memory Technology to Address Social Issues Arising from Technological Advances

While advances in AI are making people's lives more convenient, they are also giving rise to new challenges, including technical issues and increasing power consumption. Kioxia Group is supporting the growth of a sustainable AI-powered society by delivering added value through flash memory and SSDs that achieve higher capacity, higher performance, and lower power consumption.

Social Issues

Increase in AI Data Center Power Consumption

Power consumption is increasing as the number of AI data centers grows.



AI Hallucination

A phenomenon in which AI generates plausible but factually incorrect information



Cyber Security

As data use becomes more advanced, information security is becoming an increasingly important issue.



Kioxia Group Technologies Helping to Address Social Issues

Improving Product Power Efficiency

We developed the KIOXIA CM10 Series of enterprise SSDs equipped with 10th-generation BiCS FLASH™ TLC flash memory, achieving significant improvements in power efficiency and cooling flexibility, including support for direct liquid cooling.

Contributing to Greater Energy Efficiency in Data Centers

We are enabling next-generation green data centers by developing high-bandwidth optical SSDs that optimize computing performance and improve power efficiency. ▸P. 42

Contribution to Advances in Retrieval-Augmented Generation (RAG) Technology

RAG creates dedicated databases from the vast amounts of data held by individual companies and organizations, enabling more accurate and up-to-date responses. The ability to utilize non-public information within an organization helps reduce hallucinations. Kioxia Group contributes to advances in RAG technology through the integration of SSDs and software technologies.

SSD Security and Encryption Options for Diverse Needs

We are addressing the need to protect personal 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.