8th Period

Semi-annual Securities Report

From April 1, 2025

To September 30, 2025

Kioxia Holdings Corporation

3-1-21 Shibaura, Minato-ku, Tokyo

Index

【Cover】

【Document Name】	Semi-annual Securities Report
【Basis】	Item 1 of the table in Article 24-5, Paragraph 1 of the Financial Instruments and Exchange Act
【Date】	November 13, 2025
【Fiscal Year】	April 1, 2025 to September 30, 2025
【Company Name】	Kioxia Holdings Corporation
【Representative】	Representative Director, President and CEO Nobuo Hayasaka
【Location of Head Office】	3-1-21 Shibaura, Minato-ku, Tokyo, Japan
【Phone Number】	03-6478-2539
【Administrative Contact】	General Manager of Disclosure Division Makoto Sonoda
【Location of Nearest Contact】	3-1-21 Shibaura, Minato-ku, Tokyo, Japan
【Phone Number】	03-6478-2539
【Administrative Contact】	General Manager of Disclosure Division Makoto Sonoda

I. Financial Status

1. Method of Preparing Condensed Interim Consolidated Financial Statements

The condensed interim consolidated financial statements of the Company have been prepared in accordance with International Accounting Standards (IAS) 34 Interim Financial Reporting pursuant to Article 312 of the Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements (Ordinance of the Ministry of Finance No. 28 of 1976).

The condensed interim consolidated financial statements of the Company are Type 1 interim consolidated financial statements.

2. Audit Certification

The condensed interim consolidated financial statements of the Company for the second quarter of the fiscal year ending March 2026 (July 1, 2025 to September 30, 2025) and the cumulative fiscal year (April 1, 2025 to September 30, 2025) have been reviewed by PricewaterhouseCoopers Japan LLC in accordance with the provisions of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act.

Condensed Interim Consolidated Financial Statements and Related Notes

(1) Condensed Interim Consolidated Statement of Financial Position

Millions of yen

	Notes	As of September 30, 2025	As of March 31, 2025
Assets:			
Current assets:			
Cash and cash equivalents		235,546	167,932
Trade and other receivables		236,412	238,594
Other financial assets	12	3,929	3,971
Inventories	13	361,634	352,863
Other current assets		52,754	43,349
Total current assets		890,275	806,709
Non-current assets:			
Property, plant and equipment	14	1,068,664	1,100,181
Right-of-use assets		192,407	197,063
Goodwill		395,511	395,256
Intangible assets		11,244	10,658
Investments accounted for using equity method		7,285	7,401
Other financial assets	12	93,200	63,179
Other non-current assets		27,030	20,069
Deferred tax assets		296,603	319,163
Total non-current assets		2,091,944	2,112,970
Total assets		2,982,219	2,919,679

Millions of yen

	Notes	As of September 30, 2025	As of March 31, 2025
Liabilities and equity:			
Liabilities:			
Current liabilities:			
Bonds and borrowings	6 and 12	189,224	246,508
Trade and other payables	7	544,641	504,011
Lease liabilities		44,244	42,521
Other financial liabilities	6 and 12	7,422	28,058
Income taxes payable		10,886	38,183
Provisions		2,179	3,328
Other current liabilities		105,843	122,564
Total current liabilities		904,439	985,173
Non-current liabilities:			
Bonds and borrowings	6 and 12	920,910	531,198
Lease liabilities		175,172	179,294
Other financial liabilities	6 and 12	—	321,261
Retirement benefit liability		46,138	46,477
Provisions		8,379	7,560
Other non-current liabilities		107,836	111,017
Deferred tax liabilities		3	3
Total non-current liabilities		1,258,438	1,196,810
Total liabilities		2,162,877	2,181,983
Equity:			
Share capital	8	25,578	25,239
Capital surplus	8	867,701	866,665
Other components of equity		56,518	35,208
Retained earnings (Accumulated deficit)		(130,594)	(189,547)
Total equity attributable to owners of parent		819,203	737,565
Non-controlling interests		139	131
Total equity		819,342	737,696
Total liabilities and equity		2,982,219	2,919,679

The accompanying notes are an integral part of these financial statements.

(2) Condensed Interim Consolidated Statement of Profit or Loss and Condensed Interim Consolidated Statement of Comprehensive Income

Six months ended September 30, 2025 and 2024

Condensed Interim Consolidated Statement of Profit or Loss

Millions of yen except per share amounts

	Notes	From April 1, 2025 to September 30, 2025	From April 1, 2024 to September 30, 2024
Revenue	10	791,145	909,408
Cost of sales		597,828	556,365
Gross profit		193,317	353,043
Selling, general and administrative expenses		66,082	62,632
Other income		5,490	4,063
Other expenses		1,905	2,583
Operating profit		130,820	291,891
Finance income		1,996	1,430
Finance costs	9	48,962	44,474
Share of profit (loss) of investments accounted for using equity method		156	72
Profit before tax		84,010	248,919
Income tax expense		25,067	72,939
Profit		58,943	175,980
Profit attributable to:			
Owners of parent		58,946	175,980
Non-controlling interests		(3)	0
Profit		58,943	175,980
Earnings per share:			
Basic earnings per share in yen	11	109.26	340.06
Diluted earnings per share in yen	11	108.40	335.95

The accompanying notes are an integral part of these financial statements.

Condensed Interim Consolidated Statement of Comprehensive Income

Millions of yen

	Notes	From April 1, 2025 to September 30, 2025	From April 1, 2024 to September 30, 2024
Profit		58,943	175,980
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Net change in financial assets measured at fair value through other comprehensive income	12	18,085	(17,878)
Remeasurements of defined benefit plans		3	2
Total of items that will not be reclassified to profit or loss		18,088	(17,876)
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		2,236	(2,539)
Effective portion of cash flow hedges		1,033	12,630
Share of other comprehensive income of investments accounted for using equity method		(2)	(10)
Total of items that may be reclassified to profit or loss		3,267	10,081
Other comprehensive income, net of tax		21,355	(7,795)
Comprehensive income		80,298	168,185
Comprehensive income attributable to:			
Owners of parent		80,290	168,191
Non-controlling interests		8	(6)
Comprehensive income		80,298	168,185

The accompanying notes are an integral part of these financial statements.

Three months ended September 30, 2025 and 2024

Condensed Quarterly Consolidated Statement of Profit or Loss

Millions of yen except per share amounts

	Notes	From July 1, 2025 to September 30, 2025	From July 1, 2024 to September 30, 2024
Revenue		448,346	480,911
Cost of sales		326,208	284,460
Gross profit		122,138	196,451
Selling, general and administrative expenses		36,235	31,631
Other income		1,569	2,586
Other expenses		1,551	1,374
Operating profit		85,921	166,032
Finance income		2,742	3,766
Finance costs		32,246	20,817
Share of profit (loss) of investments accounted for using equity method		299	192
Profit before tax		56,716	149,173
Income tax expense		16,046	42,951
Profit		40,670	106,222
Profit attributable to:			
Owners of parent		40,662	106,222
Non-controlling interests		8	0
Profit		40,670	106,222
Earnings per share:			
Basic earnings per share in yen	11	75.36	205.26
Diluted earnings per share in yen	11	74.58	202.79

The accompanying notes are an integral part of these financial statements.

Condensed Quarterly Consolidated Statement of Comprehensive Income

Millions of yen

	Notes	From July 1, 2025 to September 30, 2025	From July 1, 2024 to September 30, 2024
Profit		40,670	106,222
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Net change in financial assets measured at fair value through other comprehensive income		15,217	(13,839)
Total of items that will not be reclassified to profit or loss		15,217	(13,839)
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		603	(6,222)
Effective portion of cash flow hedges		1,389	18,120
Share of other comprehensive income of investments accounted for using equity method		4	(21)
Total of items that may be reclassified to profit or loss		1,996	11,877
Other comprehensive income, net of tax		17,213	(1,962)
Comprehensive income		57,883	104,260
Comprehensive income attributable to:			
Owners of parent		57,877	104,272
Non-controlling interests		6	(12)
Comprehensive income		57,883	104,260

(3) Condensed Interim Consolidated Statement of Changes in Equity

Six months ended September 30, 2025

Millions of yen

	Notes	Share capital	Capital surplus	Other components of equity	Retained earnings (Accumulated deficit)	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance as of April 1, 2025	8	25,239	866,665	35,208	(189,547)	737,565	131	737,696
Profit		—	—	—	58,946	58,946	(3)	58,943
Other comprehensive income		—	—	21,344	—	21,344	11	21,355
Comprehensive income		—	—	21,344	58,946	80,290	8	80,298
Issuance of new shares	8	326	326	—	—	652	—	652
Share-based payment transactions	8	13	710	(31)	4	696	—	696
Transfer from other components of equity to retained earnings		—	—	(3)	3	—	—	—
Total transactions with owners		339	1,036	(34)	7	1,348	—	1,348
Balance as of September 30, 2025	8	25,578	867,701	56,518	(130,594)	819,203	139	819,342

Six months ended September 30, 2024

Millions of yen

	Notes	Share capital	Capital surplus	Other components of equity	Retained earnings (Accumulated deficit)	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance as of April 1, 2024	8	10,000	851,517	51,172	(463,054)	449,635	131	449,766
Profit		—	—	—	175,980	175,980	0	175,980
Other comprehensive income		—	—	(7,789)	—	(7,789)	(6)	(7,795)
Comprehensive income		—	—	(7,789)	175,980	168,191	(6)	168,185
Share-based payment transactions		—	—	(17)	—	(17)	—	(17)
Transfer from other components of equity to retained earnings		—	—	(2)	2	—	—	—
Total transactions with owners		—	—	(19)	2	(17)	—	(17)
Balance as of September 30, 2024	8	10,000	851,517	43,364	(287,072)	617,809	125	617,934

The accompanying notes are an integral part of these financial statements.

(4) Condensed Interim Consolidated Statement of Cash Flows

Millions of yen

	Notes	From April 1, 2025 to September 30, 2025	From April 1, 2024 to September 30, 2024
Cash flows from operating activities			
Profit before tax		84,010	248,919
Depreciation and amortization		158,839	157,685
Impairment losses		126	6
Finance income		(1,996)	(1,430)
Finance costs		48,962	44,474
Share of loss (profit) of investments accounted for using equity method		(156)	(72)
Loss (gain) on sales and retirement of non-current assets		(2,154)	(825)
Decrease (increase) in inventories		(7,595)	(61,776)
Decrease (increase) in trade and other receivables		4,191	(80,459)
Increase (decrease) in trade and other payables		14,878	36,941
Increase (decrease) in retirement benefit liability		(342)	435
Other		(20,193)	(34,287)
Subtotal		278,570	309,611
Interest and dividends received		2,246	1,513
Interest paid	9	(67,405)	(63,171)
Income taxes refund (paid)		(38,259)	(6,088)
Net cash provided by operating activities		175,152	241,865
Cash flows from investing activities			
Purchase of property, plant and equipment		(143,127)	(87,252)
Proceeds from sale of property, plant and equipment		4,820	1,623
Purchase of intangible assets		(1,923)	(204)
Proceeds from government grants		33,355	22,966
Other		(7)	25
Net cash used in investing activities		(106,882)	(62,842)
Cash flows from financing activities			
Net increase (decrease) in short-term borrowings and Revolving Credit Facility balances executed	6	―	(93,806)
Proceeds from long-term borrowings	6	507,212	26,448
Repayments of long-term borrowings	6	(498,817)	(140,137)
Proceeds from issuance of bonds	6	326,656	―
Repayments of lease liabilities		(14,712)	(14,223)
Redemption of preferred shares	6	(322,996)	―
Proceeds from issuance of shares	8	651	―
Net cash provided by (used in) financing activities		(2,006)	(221,718)
Effect of exchange rate changes on cash and cash equivalents		1,350	(1,204)
Net increase (decrease) in cash and cash equivalents		67,614	(43,899)
Cash and cash equivalents at beginning of period		167,932	187,593
Cash and cash equivalents at end of period		235,546	143,694

The accompanying notes are an integral part of these financial statements.

Notes to Condensed Interim Consolidated Financial Statements

1. Reporting Entity

Kioxia Holdings Corporation (the “Company”) is a corporation located in Japan. The registered address of the Company’s headquarters is 1-21, Shibaura 3-chome, Minato-ku, Tokyo, Japan. The condensed interim consolidated financial statements as of, and for the six months period ended September 30, 2025 are comprised of the Company, its subsidiaries (collectively the “Group”) and interests in associates and joint arrangements. As of September 30, 2025, the ultimate controlling party of the Company is Bain Capital Investors LLC.

The Group engages in research and development activities, manufacturing, sales, and other services of memory and related products.

2. Basis of Preparation

(1) Compliance with IFRS

The condensed interim consolidated financial statements of the Group satisfy the requirements of "specified company complying with designated international accounting standards" as provided in Article 1-2 of the Regulation on the Terminology, Forms, and Preparation Methods of Consolidated Financial Statements. Therefore, the condensed interim consolidated results for the six months ended September 30, 2025 have been prepared in accordance with International Accounting Standards 34 "Interim Financial Reporting" ("IAS 34"). Since the condensed interim consolidated financial statements do not include all the information required for consolidated financial statements, they should be read in conjunction with the Group’s consolidated financial statements for the fiscal year ended March 31, 2025.

The condensed interim consolidated financial statements were approved by Nobuo Hayasaka, President, Representative Director and Chief Executive Officer, and Hideki Hanazawa, Senior Managing Executive Officer on November 13, 2025.

(2) Measurement basis

The condensed interim consolidated financial statements of the Group are prepared on a historical cost basis except for financial instruments, etc. measured at fair value.

(3) Functional and presentation currencies

The condensed interim consolidated financial statements of the Group are presented in Japanese yen, which is the functional currency of the Company. Amounts are rounded to the nearest million yen.

3. Material Accounting Policies

The material accounting policies presented in the consolidated financial statements for the fiscal year ended March 31, 2025 are applied consistently in the preparation of these condensed interim consolidated financial statements, except for the following. The income tax expense for the six months ended September 30, 2025 is calculated using the estimated average annual effective tax rate.

(Share-based payments)

The Group has adopted a continuous service and performance-linked stock-based remuneration plan as an incentive to directors and officers of the Group. The portion of the payment under this plans that relates to the settlement by equity is measured with reference to the fair value of the Company's stock, recognized as an expense under the in profit or loss, and the same amount is recognized as an increase in equity. On the other hand, for the portion that relates to the settlement by cash, recognized as an expense under the in profit or loss, and the same amount is recognized as an increase in liabilities. The fair value of the liabilities is remeasured at the end of each reporting , and changes in the fair value are recognized in profit or loss.

4. Significant Accounting Estimates and Judgements

Preparation of condensed interim consolidated financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that have significant effects on adopting accounting policies and the amounts of assets, liabilities, revenues and expenses. Actual results may differ from those estimates.

The estimates and underlying assumptions are continuously reviewed. The effects of a change in accounting estimates are recognized in the period of the change and future periods.

In principle, significant accounting estimates and judgments used in the condensed interim consolidated financial statements are the same as those used in the preceding fiscal year.

5. Segment Information

Information about reportable segment

Segment information is omitted as the Group operates as a single reportable segment, the Memory business.

6. Borrowings and Other Financial Liabilities

The components of borrowings and other financial liabilities are as follows:

Millions of yen

	As of September 30, 2025	As of March 31, 2025
Current liabilities:		
Financial liabilities measured at amortized cost:		
Current portion of long-term borrowings (Note 1, 2 and 3)	189,224	246,508
Accrued interest	2,437	24,476
Financial liabilities measured at fair value through profit or loss:		
Derivative liabilities	4,985	3,582
Subtotal	196,646	274,566
Non-current liabilities:		
Financial liabilities measured at amortized cost:		
Bonds (Note 4)	323,288	—
Long-term borrowings (Note 1, 2 and 3)	597,622	531,198
Preferred shares (Note 6)	—	321,261
Subtotal	920,910	852,459
Total	1,117,556	1,127,025

The balances unexecuted of borrowings related to the Revolving Credit Facility Agreement and other items are as follows:

Millions of yen

	As of September 30, 2025	As of March 31, 2025
Revolving Credit Facility The balances executed	210,000 —	210,000 —
The balances unexecuted	210,000	210,000

Note 1: Based on the resolution of the Board of Directors Meeting held on June 10, 2024, the Company signed an amendment agreement with financial institutions in order to refinance existing loans as of June 12, 2024. The Company also entered into an agreement with financial institutions based on the resolution of the Board of Directors Meeting held July 17, 2025, repaid existing loans and obtained new unsecured term loans on July 25, 2025. The carrying amounts of current portion of long-term borrowings and long-term borrowings based on the Senior Facility Agreement as of September 30 and as of March 31, 2025 are 438,593 million yen and 429,417 million yen, respectively.

(i) Existing loans

<table>
<tr><td>Date of initial agreement</td><td>May 31, 2019</td></tr>
<tr><td>Major lenders</td><td>Sumitomo Mitsui Banking Corporation
MUFG Bank, Ltd.
Mizuho Bank, Ltd.
Sumitomo Mitsui Trust Bank, Limited</td></tr>
<tr><td>Financing amount</td><td>Term loan 544,541 Million yen
Revolving Credit Facility 210,000 Million yen</td></tr>
<tr><td>Interest rate</td><td>TIBOR + Spread</td></tr>
<tr><td>Repayment</td><td>June 17, 2027</td></tr>
<tr><td>Financial covenants</td><td>The amendment agreement has the following financial covenants.
(i) The “Consolidated Leverage Ratio” shall not exceed the figures in the table below on a continuous basis.
<table><tr><td></td><td>Fiscal year ended March 31, 2025</td><td>Fiscal year ending March 31, 2026</td><td>Fiscal year ending March 31, 2027</td></tr><tr><td>Second Quarter</td><td>3.69:1</td><td>2.17:1</td><td>1.70:1</td></tr><tr><td>Fourth Quarter</td><td>2.39:1</td><td>1.94:1</td><td>1.45:1</td></tr></table>
(ii) The “Consolidated Equity” shall be greater than the figures below.
- As of September 30, 2024: 823,000 Million yen
- As of the last day of each second quarter and fourth quarter after the third quarter of the fiscal year ended March 2025: 823,000 million yen or 80 percent of “Total equity” in the consolidated statement of financial position of the corresponding period last year added 323,000 million yen, whichever is higher

(iii) The “Consolidated Debt to Equity Ratio” shall not exceed the figures in the table below.
<table><tr><td></td><td>Fiscal year ended March 31, 2025</td><td>Fiscal year ending March 31, 2026</td><td>Fiscal year ending March 31, 2027</td></tr><tr><td>Second Quarter</td><td>137%</td><td>118%</td><td>93%</td></tr><tr><td>Fourth Quarter</td><td>130%</td><td>105%</td><td>80%</td></tr></table></td></tr>
</table>

	(iv) The Group shall not have negative consolidated profit for the year in any two consecutive full fiscal years ended on or after March 31, 2025. [Definitions and calculation formulas] (i) “Consolidated” means the amount in the consolidated financial statements prepared in accordance with IFRS. (ii) “Consolidated Leverage Ratio” means the ratio of “Consolidated Debt” to “Consolidated EBITDA”. - “Consolidated Debt” is consolidated interest-bearing debt (excluding preferred shares and lease liabilities). - “Consolidated EBITDA” is consolidated operating profit plus depreciation and amortization regarding “Property, plant and equipment” and “Intangible assets” which are including consolidated operating profit. (iii) “Consolidated Equity” is “Total equity” in the consolidated statement of financial position plus the amount of preferred shares (323,000 million yen as of June 30, 2025). (iv) “Consolidated Debt to Equity Ratio” means the ratio of “Consolidated Debt” to “Consolidated Equity”.
Collateral etc.	The Company offers collateral to the financing institutions for the amendment agreements. In addition, Kioxia Corporation not only offers collateral to the financial institutions but also provides a joint guarantee for the Company’s borrowings.

(ii) New loans

<table>
<tr><td>Date of agreement</td><td>July 17, 2025</td></tr>
<tr><td>Major lenders</td><td>Sumitomo Mitsui Banking Corporation
MUFG Bank, Ltd
Mizuho Bank, Ltd.
Development Bank of Japan Inc.</td></tr>
<tr><td>Financing amount</td><td>447,500 Million yen
Revolving loan 210,000 Million yen (Commitment)</td></tr>
<tr><td>Interest rate</td><td>TIBOR + Spread</td></tr>
<tr><td>Repayment</td><td>July 31, 2029</td></tr>
<tr><td>Financial covenants</td><td>(i) The Group shall not have negative consolidated profit for the year in any two consecutive full fiscal years.
(ii) That the total equity on the consolidated statement of financial position exceeds the greater of 500 billion yen or 75% of the total equity as of the same period in the previous fiscal year.
(iii) The “Consolidated Leverage Ratio” shall not exceed the figures in the table below for two consecutive quarters

<table><tr><td>September 30, 2025</td><td>3.25 : 1</td></tr><tr><td>March 31, 2026</td><td>3.25 : 1</td></tr><tr><td>September 30, 2026</td><td>3.00 : 1</td></tr><tr><td>March 31, 2027</td><td>3.00 : 1</td></tr><tr><td>September 30, 2027</td><td>3.00 : 1</td></tr><tr><td>March 31, 2028</td><td>3.00 : 1</td></tr><tr><td>September 30, 2028</td><td>2.75 : 1</td></tr><tr><td>March 31, 2029</td><td>2.75 : 1</td></tr></table>
［Definitions and calculation formulas］
(i) “Consolidated” means the amount in the consolidated financial statements prepared in accordance with IFRS.
(ii) “Consolidated Leverage Ratio” means the ratio of “Consolidated Debt” to “Consolidated EBITDA”.
- “Consolidated Debt” is consolidated interest-bearing debt (excluding preferred shares and lease liabilities).
- “Consolidated EBITDA” is consolidated operating profit plus depreciation and amortization regarding “Property, plant and equipment” and “Intangible assets” which are including consolidated operating profit.</td></tr>
<tr><td>Collateral</td><td>No collateral is expected to be provided to the lenders in relation to the Loan Agreement.</td></tr>
</table>

Note 2: The Group raises funds through sale and leaseback of some property, plant and equipment. Sale and leaseback transactions executed after the adoption of IFRS 16 “Leases” (“IFRS 16”) are not accounted for as sales and leases since they do not meet the conditions for revenue recognition under IFRS 15 “Revenue from Contracts with Customers” (“IFRS 15”). Accordingly, funds raised through such transactions are accounted for as long-term borrowings. Borrowings associated with such transactions included in the current portion of long-term borrowings and long-term borrowings as of September 30 and March 31, 2025 are 317,839 million yen and 336,709 million yen, respectively.

Note 3: Based on the resolution of the Board of Directors Meeting held on September 13, 2024, the Group signed the Capex Facility Agreement with financial institutions for a loan facility of 120,000 million yen on September 19, 2024, for the purpose of specific capital expenditure. The carrying amounts of current portion of long-term borrowings and long-term borrowings based on the agreement as of September 30 and as of March 31, 2025 are 18,954 million yen and no, respectively.

Note 4: The contractual terms of the bonds are as follows:
The Company has the right to redeem 5-year senior notes on or after July 24, 2027 and 8-year senior notes on or after July 24, 2028. This redemption right constitutes an embedded derivative. The embedded derivatives are not accounted for separately from the host contracts because they are closely related to the host contracts. Therefore, the Company classifies all of the bonds as financial liabilities measured at amortized costs.

Millions of yen

	As of September 30, 2025	As of March 31, 2025	Interest rate (%)	Maturity date
USD-denominated 5-year senior notes (Note 5)	163,328	—	6.25	July 24, 2030
USD-denominated 8-year senior notes (Note 5)	163,328	—	6.625	July 24, 2033

Note 5: The Company utilizes the currency swaps to hedge risk of changes in currency associated with the USD-denominated senior notes. The above amounts are based on the principal amount of the issue converted at the swaps rate. With the currency swaps, the USD-denominated fixed interest rate is exchanged with the JPY-denominated fixed interest rate. Each exchanged substantial interest rate is as follows:
USD-denominated 5-year senior notes (1,100 million USD) 3.2934% per year
USD-denominated 8-year senior notes (1,100 million USD) 3.6638% per year

Note 6: Based on the resolution of the Board of Directors Meeting held on June 10, 2024, the Company agreed with Development Bank of Japan Inc. to extend the accrual date of request for acquisition of the Company's non-convertible preferred shares, and the conditions. The administrative procedures for the amendment to the Articles of Incorporation were completed as of July 18, 2024, and the Company also signed an amended investment agreement with Development Bank of Japan Inc. as of July 19, 2024. The holders of the issued and allotted preferred shares do not have voting rights and do not include any call or put options in exchange for ordinary shares and the convertible preferred shares. Therefore, these preferred shares do not have dilutive effects on the ordinary shares and the convertible preferred shares. The holders of the preferred shares have rights to dividends and residual assets in preference to the holders of the ordinary shares and the convertible preferred shares.
The preferred shares are classified as financial liabilities under IFRS, because the Company has an obligation to redeem these shares with cash on a specified date (June 17, 2028). The Company has the right to redeem the preferred shares prior to the required date based upon a resolution of the Board of Directors. This redemption right constitutes an embedded derivative. The embedded derivatives are not accounted for separately from the host contracts because they are closely related to the host contracts. Therefore, the Company classifies all of the preferred shares as financial liabilities measured at amortized costs.

(i) Series 1(*Kou*) preferred shares

Number of offered shares	Series 1 (*Kou*) Preferred shares 1,200 shares
Paid-in amount of offered shares	100,000,000 yen per share (The total amount to be paid in is 120,000 million yen.)
Paid-in date	June 17, 2019
Means of allotment of offered shares	All offered shares are allocated to Development Bank of Japan Inc. by third-party share allotment.
Dividends of surplus	(1) When the Company makes a distribution of dividends from surplus, the Company shall make a distribution of dividends in cash to the holders of the Series 1 (*Kou*) Preferred Shares (hereinafter referred to as the "Series 1 (*Kou*) Preferred Shareholders") or to the registered pledgees of the Series 1 (*Kou*) Preferred Shares (hereinafter referred to as the "Registered Series 1 (*Kou*) Preferred Pledgees") (such dividends to the Series 1 (*Kou*) Preferred Shareholders or Registered Series 1 (*Kou*) Preferred Pledgees hereinafter referred to as the "Series 1 (*Kou*) Preferred Dividends Distribution") whose names are listed or recorded on the shareholders' register as of the close of the record date with respect to such distribution, in preference to the holders of Common Shares (hereinafter referred to as the "Common Shareholders") or registered pledges of the Common Shares (hereinafter referred to as the "Registered Common Share Pledgees") (such dividends to Common Shareholders and Registered Common Share Pledgees hereinafter referred to as the "Common Dividends Distribution") in the amount set forth in Paragraph 2 of this Article per Series 1 (*Kou*) Preferred Share (hereinafter referred to as the "Series 1 (*Kou*) Preferred Dividends"). Payment of the Series 1 (*Kou*) Preferred Dividends Distribution to Series 1 (*Kou*) Preferred Shareholders or Registered Series 1 (*Kou*) Preferred Pledgees and the Series 2 (*Otsu*) Preferred Dividends Distribution (defined in Paragraph 2 of the Article for "(ii) Series 2 (*Otsu*) Preferred shares"; hereinafter the same shall apply) to the holders of the Series 2 (*Otsu*) Preferred Shares (hereinafter referred to as the "Series 2 (*Otsu*) Preferred Shareholders") or the registered pledgees of the Series 2 (*Otsu*) Preferred Share (hereinafter referred to as the "Registered Series 2 (*Otsu*) Preferred Pledgees") shall rank pari passu. (2) (a) The total amount of Series 1 (*Kou*) Preferred Dividends per Series 1 (*Kou*) Preferred Share shall be equal to an amount calculated as follows: the product of (i) the Series 1 (*Kou*) Preferred Dividend Rate and (ii) the Series 1 (*Kou*) Preferred Share Base Price for the business year to which the record date with respect to the distribution of dividends belongs (in case of the distribution of dividends is made in a business year to which the issue date belongs or as of a record date which is not the last day of any business year, the product of (i), (ii) and (iii) the actual days elapsed from the first day of such business year (in case that such business year is the one that the issue date belongs to, the issue date) (inclusive) to such record date (inclusive), divided by three hundred sixty five (365) (with divisions made at the end and rounded down to the nearest integral number) (the same shall apply to the following pro-rata calculations)); provided, however, that distributions of all or any part of dividends as of record dates that belong to such business year have been made, the accumulated amount of such dividends shall be deducted.

(b) The “Series 1 (*Kou*) Preferred Share Base Price” shall be one hundred million Japanese Yen (JPY 100,000,000) in the business year to which the issue date belongs and, in the subsequent business years, equal to the sum of the amount of the Series 1 (*Kou*) Preferred Share Base Price on the last date of the previous business year and, if the Company did not make a distribution of all or any part of Series 1 (*Kou*) Preferred Dividends based of record dates that belong to such previous business year, the amount of such unpaid Series 1 (*Kou*) Preferred Dividends; provided, however, if the Company makes a distribution of Series 1 (*Kou*) Special Dividends, defined in Paragraph 4 of this Article, in a certain business year, the amount of such paid Series 1 (*Kou*) Special Dividends shall be deducted from the amount of the Series 1 (*Kou*) Preferred Share Base Price on the date of such payment. In the case the Company distributes the Series 1 (*Kou*) Special Dividends, the amount of the Series 1 (*Kou*) Preferred Dividends shall be calculated on the pro-rata basis (i) for the period until the day before the payment date (inclusive) of said Series 1 (*Kou*) Special Dividends, based on the Series 1 (*Kou*) Preferred Share Base Price without deduction of the amount of said Series 1 (*Kou*) Special Dividends, and (ii) for the period after the payment date (inclusive) of said Series 1 (*Kou*) Special Dividends, based on the Series 1 (*Kou*) Preferred Share Base Price with deduction of the amount of said Series 1 (*Kou*) Special Dividends.

(c) The “Series 1 (*Kou*) Preferred Dividend Rate” shall be the rate per annum defined below; provided, however, in the case the Series 1 (*Kou*) Preferred Dividend Rate is to change during the period from the first day of a business year to the record date pertaining to such Series 1 (*Kou*) Preferred Dividend, the amount of Series 1 (*Kou*) Preferred Dividend shall be calculated pro rata, using the Series 1 (*Kou*) Preferred Dividend Rate before the change for the period before the change and the Series 1 (*Kou*) Preferred Dividend Rate after the change for the period after the change.

- From the issue date to June 16, 2024: four point zero five percent (4.05%)
- From June 17, 2024 to March 31, 2025: eight point zero five percent (8.05%)
- From April 1, 2025 to September 30, 2026: seven point zero five percent (7.05%)
- From October 1, 2026 to March 31, 2027: eight point thirty five percent (8.35%)
- From April 1, 2027: nine point sixty five percent (9.65%)

(3) In the event that the total amount of Series 1 (*Kou*) Preferred Dividends per share paid in cash in accordance with Paragraph 1 of this Article to Series 1 (*Kou*) Preferred Shareholders or Registered Series 1 (*Kou*) Preferred Pledgees as of any record date belonging in a business year is less than the amount of the Series 1 (*Kou*) Preferred Dividends of such business year, any such deficiencies shall not be cumulative for the subsequent business years respectively.

(4) The Company may, at its option, make a distribution of dividends to Series 1 (*Kou*) Preferred Shareholders or Registered Series 1 (*Kou*) Preferred Pledgees prior to or after the payment of Common Dividends, Series 1 (*Kou*) Preferred Dividends or Series 2 (*Otsu*) Preferred Dividends (defined in Paragraph 4 of the Article for “(ii) Series 2 (*Otsu*) Preferred shares”; hereinafter the same shall apply), to the extent that the amount of such dividends does not exceed the amount of the Series 1 (*Kou*) Preferred Share Base Price at that time less 100,000,000 yen. The distribution of Series 1 (*Kou*) Special Dividends to Series 1 (*Kou*) Preferred Shareholders or Registered Series 1 (*Kou*) Preferred Pledgees and the distribution of Series 2 (*Otsu*) Special Dividends to Series 2 (*Otsu*) Preferred Shareholders or Registered Series 2 (*Otsu*) Preferred Pledgees shall rank pari passu.

(5) Other than the dividends set forth in Paragraphs 1 and 4 of this Article, no dividend shall be paid to the Series 1 (*Kou*) Preferred Shareholders or Registered Series 1 (*Kou*) Preferred Pledgees.

Distribution of residual assets	(1) If and when the Company distributes the residual assets upon its dissolution, the Company shall pay to Series 1 (*Kou*) Preferred Shareholders or Registered Series 1 (*Kou*) Preferred Pledgees, in preference to Common Shareholders or Registered Common Share Pledgees and Series 2 (*Otsu*) Preferred Shareholders or Registered Series 2 (*Otsu*) Preferred Pledgees, the amount set forth in Paragraph 2 of this Article (hereinafter referred to as the "Series 1 (*Kou*) Preferred Shares Redemption Amount") per Series 1 (*Kou*) Preferred Share. (2) Series 1 (*Kou*) Preferred Shares Redemption Amount per Series 1 (*Kou*) Preferred Share shall be the Series 1 (*Kou*) Preferred Share Base Price of the business year to which the payment date of the residual assets belongs and the equivalent amount of unpaid dividends per Series 1 (*Kou*) Preferred Share on the payment date of the residual assets. The "equivalent amount of unpaid dividends per Series 1 (*Kou*) Preferred Share on the payment date of the residual assets" means the amount of Series 1 (*Kou*) Preferred Dividends calculated on a pro-rata basis using the actual number of days from the first day of the business year to which the payment date of residual assets belongs (in case that such business year is the one that the issue date belongs to, the issue date) (inclusive) to such payment date (inclusive), assuming the payment date of residual assets to be the record date for distribution of dividends; provided, however, that distributions of all or any part of dividends as of record dates that belong to such business year have been made, the accumulated amount of such dividends shall be deducted. (3) Other than the distribution set forth in Paragraph 1 of this Article, the Company does not distribute any residual asset to Series 1 (*Kou*) Preferred Shareholders or Registered Series 1 (*Kou*) Preferred Pledgees.
Put options in exchange for cash	The Series 1 (*Kou*) Preferred Shareholders shall, when and if any of the events listed in Items below occurs, to the extent permitted by laws and regulations, be entitled to demand the Company to deliver cash in exchange for any part or all of the Series 1 (*Kou*) Preferred Shares owned by them (the date that such demand is made is hereinafter referred to as the "Series 1 (*Kou*) Preferred Shares Demand Date"). Upon such demand, the Company shall pay to such Series 1 (*Kou*) preferred Shareholders, to the limited extent of the distributable amount calculated in accordance with Article 461, Paragraph 2 of the Companies Act on the Series 1 (*Kou*) Preferred Shares Demand Date, an amount of cash equivalent to Series 1 (*Kou*) Preferred Shares Redemption Amount set forth in Paragraph 2 of the Article of "Distribution of residual assets" (provided, however, that the amount shall be calculated as of the Series 1 (*Kou*) Preferred Shares Demand Date instead of the payment date of the residual assets); provided, however, that the number of the Series 1 (*Kou*) Preferred Shares to be acquired by the Company shall be determined on a pro rata basis or in any other reasonable and fair way that the Board of Directors of the Company decides in a case where Series 1 (*Kou*) Preferred Shareholders make such demand in the amount beyond the distributable amount. (a) After December 17, 2027; (b) The distributable amount of the Company on the last day of a business year calculated based on the financial statements for such business year that is approved at a shareholders' meeting of the Company in accordance with applicable law is less than the sum of (a) the aggregate amount of Series 1 (*Kou*) Preferred Shares Redemption Amount of all the outstanding Series 1 (*Kou*) Preferred Shares on the last day of such business year and (b) the aggregate amount of Series 2 (*Otsu*) Preferred Shares Redemption Amount of all the outstanding Series 2 (*Otsu*) Preferred Shares as of the last day of such business year (provided, however, that this shall not apply, on or before the date falling three (3) months from the date of the shareholders' meeting at which the financial statements of the Company for the relevant business year were approved, the distributable amount of the Company becomes equal to or more than the sum of (a) the aggregate amount of Series 1 (*Kou*) Preferred Shares Redemption Amount of all the outstanding Series 1 (*Kou*) Preferred Shares on the last day of such business year and (b) the aggregate amount of Series 2 (*Otsu*) Preferred Shares Redemption Amount of all the outstanding Series 2 (*Otsu*) Preferred Shares on the last day of such business year.);

	(c) Any financial indebtedness of the Company or Kioxia Corporation is declared to be immediately due and payable prior to its specified maturity as a result of an event of default (however described) with respect to such financial indebtedness; provided, however, this shall not apply to the financial indebtedness whose amount is less than JPY 2,000,000,000 (or its equivalent in any other currency) or the financial indebtedness incurred under intra-group loan or any subordinated debts. If put options are not exercised based on the above events (a) to (c), unless otherwise agreed, all of those put options shall be exercised, to the extent permitted by laws and this agreement, on June 17, 2028.
Call option in exchange for cash	The Company may, acquire, to the extent permitted by laws and regulations, on the day determined by a resolution of the Board of Directors of the Company (the day is hereinafter referred to as the "Series 1 (*Kou*) Preferred Shares Acquisition Day") any part or all of the Series 1 (*Kou*) Preferred Shares in exchange for an amount of cash equivalent to Series 1 (*Kou*) Preferred Shares Redemption Amount (provided, however, that the amount shall be calculated as of the Series 1 (*Kou*) Preferred Shares Acquisition Day instead of the payment date of the residual assets). The Series 1 (*Kou*) Preferred Shares to be acquired by the Company shall be determined on a pro rata basis or in any other reasonable and fair way that the Board of Directors of the Company decides in a case where the Company acquires a part of Series 1 (*Kou*) Preferred Shares.

(ii) Series 2(*Otsu*) preferred shares

Number of offered shares	Series 2 (*Otsu*) Preferred shares 1,800 shares
Paid-in amount of offered shares	100,000,000 yen per share (The total amount to be paid in is 180,000 million yen.)
Paid-in date	June 17, 2019
Means of allotment of offered shares	All offered shares are allocated to Development Bank of Japan Inc. by third-party share allotment.
Dividends of surplus	(1) When the Company makes a distribution of dividends from surplus the Company shall make a distribution of dividends in cash to Series 2 (*Otsu*) Preferred Shareholders or to Registered Series 2 (*Otsu*) Preferred Pledgees (such distribution of dividends to the Series 2 (*Otsu*) Preferred Shareholders or Registered Series 2 (*Otsu*) Preferred Pledgees hereinafter referred to as the "Series 2 (*Otsu*) Preferred Dividends Distribution") whose names are listed or recorded on the shareholders' register as of the close of the record date with respect to such distribution, in preference to Common Dividends in the amount set forth in Paragraph 2 of this Article per Series 2 (*Otsu*) Preferred Share (hereinafter referred to as the "Series 2 (*Otsu*) Preferred Dividends"). Payment of the Series 2 (*Otsu*) Preferred Dividends Distribution to Series 2 (*Otsu*) Preferred Shareholders or Registered Series 2 (*Otsu*) Preferred Pledgees and the Series 1 (*Kou*) Preferred Dividends Distribution to Series 1 (*Kou*) Preferred Shareholders or Registered Series 1 (*Kou*) Preferred Pledgees shall rank pari passu. (2) (a) The total amount of Series 2 (*Otsu*) Preferred Dividends per Series 2 (*Otsu*) Preferred Share shall be equal to an amount calculated as follows: the product of (i) the Series 2 (*Otsu*) Preferred Dividend Rate and (ii) the Series 2 (*Otsu*) Preferred Share Base Price for the business year to which the record date with respect to the distribution of dividends belongs (in case of the distribution of dividends is made in a business year to which the issue date belongs or as of a record date which is not the last day of any business year, the product of (i), (ii) and (iii) the actual days elapsed from the first day of such business year (in case that such business year is the one that the issue date belongs to, the issue date) (inclusive) to such record date (inclusive); provided, however, that distributions of all or any part of dividends as of record dates that belong to such business year have been made, the accumulated amount of such dividends shall be deducted. (b) The "Series 2 (*Otsu*) Preferred Share Base Price" shall be JPY 100,000,000 in the business year to which the issue date belongs and, in the subsequent business years, equal to the sum of the amount of the Series 2 (*Otsu*) Preferred Share Base Price on the last date of the previous business year and, if the Company did not make a distribution of all or any part of Series 2 (*Otsu*) Preferred Dividends based of record dates that belong to such previous business year, the amount of such unpaid Series 2 (*Otsu*) Preferred Dividends; provided, however, if the Company makes a distribution of Series 2 (*Otsu*) Special Dividends in a certain business year, the amount of such paid Series 2 (*Otsu*) Special Dividends shall be deducted from the amount of the Series 2 (*Otsu*) Preferred Share Base Price on the date of such payment. In the case the Company distributes the Series 2 (*Otsu*) Special Dividends, the amount of the Series 2 (*Otsu*) Preferred Dividends shall be calculated on the pro-rata basis (i) for the period until the day before the payment date (inclusive) of said Series 2 (*Otsu*) Special Dividends, based on the Series 2 (*Otsu*) Preferred Share Base Price without deduction of the amount of said Series 2 (*Otsu*) Special Dividends, and (ii) for the period after the payment date (inclusive) of said Series 2 (*Otsu*) Special Dividends, based on the Series 2 (*Otsu*) Preferred Share Base Price with deduction of the amount of said Series 2 (*Otsu*) Special Dividends.

	(c) The “Series 2 (*Otsu*) Preferred Dividend Rate” shall be the rate per annum defined below; provided, however, in the case the Series 1 (*Kou*) Preferred Dividend Rate is to change during the period from the first day of a business year to the record date pertaining to such Series 1 (*Kou*) Preferred Dividend, the amount of Series 1 (*Kou*) Preferred Dividend shall be calculated pro rata, using the Series 1 (*Kou*) Preferred Dividend Rate before the change for the period before the change and the Series 1 (*Kou*) Preferred Dividend Rate after the change for the period after the change. - From the issue date to June 16, 2024: four point three percent (4.30%) - From June 17, 2024 to March 31, 2025: eight point three percent (8.30%) - From April 1, 2025 to September 30, 2026: seven point three percent (7.30%) - From October 1, 2026 to March 31, 2027: eight point six percent (8.60%) - From April 1, 2027: nine point nine percent (9.90%) (3) In the event that the total amount of Series 2 (*Otsu*) Preferred Dividends per share paid in cash in accordance with Paragraph 1 of this Article to Series 2 (*Otsu*) Preferred Shareholders or Registered Series 2 (*Otsu*) Preferred Pledgees as of any record date belonging in a business year is less than the amount of the Series 2 (*Otsu*) Preferred Dividends of such business year, any such deficiencies shall not be cumulative for the subsequent business years respectively. (4) The Company may, at its option, make a distribution of dividends to Series 2 (*Otsu*) Preferred Shareholders or Registered Series 2 (*Otsu*) Preferred Pledgees prior to or after the payment of Common Dividends, Series 1 (*Kou*) Preferred Dividends or Series 2 (*Otsu*) Preferred Dividends, to the extent that the amount of such dividends does not exceed the amount of the Series 2 (*Otsu*) Preferred Share Base Price at that time less 100,000,000 yen. The distribution of Series 2 (*Otsu*) Special Dividends to Series 2 (*Otsu*) Preferred Shareholders or Registered Series 2 (*Otsu*) Preferred Pledgees and the distribution of Series 1 (*Kou*) Special Dividends to Series 1 (*Kou*) Preferred Shareholders or Registered Series 1 (*Kou*) Preferred Pledgees shall rank pari passu. (5) Other than the dividends set forth in Paragraphs 1 and 4 of this Article, no dividend shall be paid to the Series 2 (*Otsu*) Preferred Shareholders or Registered Series 2 (*Otsu*) Preferred Pledgees.
Distribution of residual assets	(1) If and when the Company distributes the residual assets upon its dissolution, the Company shall pay to Series 2 (*Otsu*) Preferred Shareholders or Registered Series 2 (*Otsu*) Preferred Pledgees, in preference to Common Shareholders or Registered Common Share Pledgees, the amount set forth in Paragraph 2 of this Article (hereinafter referred to as the “Series 2 (*Otsu*) Preferred Shares Redemption Amount”) per Series 2 (*Otsu*) Preferred Share. (2) Series 2 (*Otsu*) Preferred Shares Redemption Amount per Series 2 (*Otsu*) Preferred Share shall be the Series 2 (*Otsu*) Preferred Share Base Price of the business year to which the payment date of the residual assets belongs and the equivalent amount of unpaid dividends per Series 2 (*Otsu*) Preferred Share on the payment date of the residual assets. The “equivalent amount of unpaid dividends per Series 2 (*Otsu*) Preferred Share on the payment date of the residual assets” means the amount of Series 2 (*Otsu*) Preferred Dividends calculated on a pro-rata basis using the actual number of days from the first day of the business year to which the payment date of residual assets belongs (in case that such business year is the one that the issue date belongs to, the issue date) (inclusive) to such payment date (inclusive), assuming the payment date of residual assets to be the record date for distribution of dividends; provided, however, that distributions of all or any part of dividends as of record dates that belong to such business year have been made, the accumulated amount of such dividends shall be deducted. (3) Other than the distribution set forth in Paragraph 1 of this Article, the Company does not distribute any residual asset to Series 2 (*Otsu*) Preferred Shareholders or Registered Series 2 (*Otsu*) Preferred Pledgees.

Put options in exchange for cash	The Series 2 (*Otsu*) Preferred Shareholders shall, when and if any events set forth in each of the Item in Paragraph (a) to (c) of the Article of "Put options in exchange for cash" for the Series 1 (*Kou*) Preferred Shares, to the extent permitted by laws and regulations, be entitled to demand the Company to deliver cash in exchange for any part or all of the Series 2 (*Otsu*) Preferred Shares owned by them (the date that such demand is made is hereinafter referred to as the "Series 2 (*Otsu*) Preferred Shares Demand Date"). Upon such demand, the Company shall pay to such Series 2 (*Otsu*) preferred Shareholders, to the limited extent of the distributable amount calculated in accordance with Article 461, Paragraph 2 of the Companies Act on the Series 2 (*Otsu*) Preferred Shares Demand Date, an amount of cash equivalent to Series 2 (*Otsu*) Preferred Shares Redemption Amount set forth in Paragraph 2 of the Article of "Distribution of residual assets" (provided, however, that the amount shall be calculated as of the Series 2 (*Otsu*) Preferred Shares Demand Date instead of the payment date of the residual assets); provided, however, that the number of the Series 2 (*Otsu*) Preferred Shares to be acquired by the Company shall be determined on a pro rata basis or in any other reasonable and fair way that the Board of Directors of the Company decides in a case where Series 2 (*Otsu*) Preferred Shareholders make such demand in the amount beyond the distributable amount. If put options are not exercised based on the above events (a) to (c), unless otherwise agreed, all of those put options shall be exercised, to the extent permitted by laws and this agreement, on June 17, 2028.
Call option in exchange for cash	The Company may, acquire, to the extent permitted by laws and regulations, on the day determined by a resolution of the Board of Directors of the Company (the day is hereinafter referred to as the "Series 2 (*Otsu*) Preferred Shares Acquisition Day") any part or all of the Series 2 (*Otsu*) Preferred Shares in exchange for an amount of cash equivalent to Series 2 (*Otsu*) Preferred Shares Redemption Amount (provided, however, that the amount shall be calculated as of the Series 2 (*Otsu*) Preferred Shares Acquisition Day instead of the payment date of the residual assets). The Series 2 (*Otsu*) Preferred Shares to be acquired by the Company shall be determined on a pro rata basis or in any other reasonable and fair way that the Board of Directors of the Company decides in a case where the Company acquires a part of Series 2 (*Otsu*) Preferred Shares.

The Company repurchased and canceled the treasury shares, namely Series 1 (*Kou*) preferred shares and Series 2 (*Otsu*) preferred shares on July 25, 2025 based on the resolution of the Board of Directors Meeting held July 17, 2025. The summary of the elements are as follows:

(Repurchase details)

Type of shares	Series 1 (*Kou*) and Series 2 (*Otsu*) preferred shares
Number of repurchase shares	Series 1 (*Kou*) preferred shares: 1,200 shares Series 2 (*Otsu*) preferred shares: 1,800 shares
Repurchase price per share	Series 1 (*Kou*) preferred shares: 110 Million yen per share Series 2 (*Otsu*) preferred shares: 110 Million yen per share
Aggregate repurchase amount	330,387 Million yen

Aggregate repurchase amount above includes unpaid dividends.

(Cancellation details)

Type of cancellation share	Series 1 (*Kou*) preferred shares: 1,200 shares Series 2 (*Otsu*) preferred shares: 1,800 shares

7. Trade and Other Payables

The Group has entered into supplier finance arrangements with third-party financial institutions. Under these arrangements, the Group makes payments to the third-party financial institutions 120 to 180 days after the invoice date, based on agreements with each supplier. The due dates are similar to those of comparable trade payables that are not part of a supplier finance arrangement. Suppliers may, at their discretion, receive early payment at a discount from a third-party financial institution. The Group has not pledged any assets or provided any third-party guarantees for supplier finance arrangements.

The carrying amounts of financial liabilities related to supplier finance arrangements as of September 30 and as of March 31, 2025 are 182,974 million yen and 165,743 million yen, respectively. Of these amounts, 98,007 million yen and 79,103 million yen, respectively are paid to suppliers as of September 30 and as of March 31, 2025.

8. Share Capital and Capital Surplus

Total number of authorized shares, number of issued shares, and balances of share capital, etc. are as follows:

Six months ended September 30, 2025 (From April 1, 2025 to September 30, 2025)

	Series of shares	Total number of authorized shares	Number of issued shares	Share capital in millions of yen	Capital surplus in millions of yen
As of April 1, 2025	Ordinary shares	2,070,000,000	539,355,180	25,239	866,665
	Preferred shares		3,000	—	—
	Total		539,358,180	25,239	866,665
Additions (reductions) (Note1, 2, 3)	Ordinary shares	—	391,320	339	1,036
	Preferred shares		(3,000)	—	—
	Total		388,320	339	1,036
As of September 30, 2025	Ordinary shares	2,070,000,000	539,746,500	25,578	867,701
	Preferred shares		—	—	—
	Total		539,746,500	25,578	867,701

Note 1: As a result of the exercise of subscription rights to shares, the total number of issued shares increased by 391,320 shares, and share capital and capital surplus increased by 339 million yen respectively.

Note 2: As a result of granting units of a continuous service and performance-linked stock-based remuneration plan, capital surplus increased by 697 million yen.

Note 3: The Company repurchased and canceled non-convertible preferred shares on July 25, 2025. The details of the preferred shares are described in “6. Borrowings and Other Financial Liabilities.”

Six months ended September 30, 2024 (From April 1, 2024 to September 30, 2024)

	Series of shares (Note)	Total number of authorized shares	Number of issued shares	Share capital in millions of yen	Capital surplus in millions of yen
As of April 1, 2024	Ordinary shares	2,070,000,000	517,500,000	10,000	851,517
	Preferred shares		3,000	—	—
	Total		517,503,000	10,000	851,517
Additions (reductions)	Ordinary shares	—	—	—	—
	Preferred shares		—	—	—
	Total		—	—	—
As of September 30, 2024	Ordinary shares	2,070,000,000	517,500,000	10,000	851,517
	Preferred shares		3,000	—	—
	Total		517,503,000	10,000	851,517

Note: As the preferred shares are redeemable in cash on a specific day, these are classified as financial liabilities measured at amortized cost under IFRS. The details of the preferred shares are described in “6. Borrowings and Other Financial Liabilities.”

9. Dividends

Six months ended September 30, 2025 (From April 1, 2025 to September 30, 2025)

(1) The amount paid as dividends

Date of resolution	Series of shares	Total amount of dividends	Dividends per share	Record date	Effective date
May 15, 2025 the Board of Directors Meeting	Series 1 (Kou) Preferred shares	9,286 Million yen	7,738,453 Yen	March 31,2025	June 30,2025
	Series 2 (Otsu) Preferred shares	14,475 Million yen	8,041,552 Yen		

Note: Series 1(Kou) and Series 2(Otsu) preferred shares are recognized as financial liabilities under IFRS. Dividends are recognized as “Finance costs” in the condensed interim consolidated statement of profit or loss.

(2) Dividends whose record date is during the six months ended September 30, 2025, whereas the effective date is after September 30, 2025

Not applicable.

Six months ended September 30, 2024 (From April 1, 2024 to September 30, 2024)

(1) The amount paid as dividends

Date of resolution	Series of shares	Total amount of dividends	Dividends per share	Record date	Effective date
June 10, 2024 the Board of Directors Meeting	Series 1 (Kou) Preferred shares	5,219 Million yen	4,349,156 Yen	March 31,2024	June 28,2024
	Series 2 (Otsu) Preferred shares	8,348 Million yen	4,637,595 Yen		

Note: Series 1(Kou) and Series 2(Otsu) preferred shares are recognized as financial liabilities under IFRS. Dividends are recognized as “Finance costs” in the condensed interim consolidated statement of profit or loss.

(2) Dividends whose record date is during the six months ended September 30, 2024, whereas the effective date is after September 30, 2024

Not applicable.

10. Revenue

Disaggregation of revenue from contracts with customers
The Group mainly provides memory and related products used for applications such as SSD & Storage and Smart Devices, and recognizes consideration for the products received from customers as revenue.
Information on the main types of goods and services is as follows:

Millions of yen

	From April 1, 2025 to September 30, 2025	From April 1, 2024 to September 30, 2024
SSD & Storage	461,970	497,252
Smart Devices	236,340	304,449
Other	92,835	107,707
Total	791,145	909,408

11. Earnings per Share

The basis for the calculation of basic earnings per share and diluted earnings per share are as follows:

Six months ended September 30, 2025 and 2024

	From April 1, 2025 to September 30, 2025	From April 1, 2024 to September 30, 2024
Profit attributable to owners of parent in millions of yen	58,946	175,980
Weighted average number of ordinary shares	539,486,553	517,500,000
Increase in the number of ordinary shares		
Exercise of subscription rights to shares	391,320	—
Dilutive effect in shares		
Subscription rights to shares	4,018,892	6,327,499
Restricted stock unit	115,943	—
Performance share unit	159,909	—
Number of shares after dilutive effect	543,781,297	523,827,499
Earnings per share:		
Basic earnings per share in yen	109.26	340.06
Diluted earnings per share in yen	108.40	335.95

Note : The number of dilutive potential shares not factored into earnings per share were 579,600 and no for the six months ended September 30, 2025 and 2024, respectively.

Three months ended September 30, 2025 and 2024

	From July 1, 2025 to September 30, 2025	From July 1, 2024 to September 30, 2024
Profit attributable to owners of parent in millions of yen	40,662	106,222
Weighted average number of ordinary shares	539,551,840	517,500,000
Increase in the number of ordinary shares		
Exercise of subscription rights to shares	276,660	—
Dilutive effect in shares		
Subscription rights to shares	5,229,877	6,295,277
Restricted stock unit	155,993	—
Performance share unit	265,671	—
Number of shares after dilutive effect	545,203,381	523,795,277
Earnings per share:		
Basic earnings per share in yen	75.36	205.26
Diluted earnings per share in yen	74.58	202.79

Note : The number of dilutive potential shares not factored into earnings per share were no and no for the three months ended September 30, 2025 and 2024, respectively.

12. Fair Value of Financial Instruments

The carrying amount and the fair value of financial instruments are as follows. If the carrying amount of the instruments represents a reasonable appropriation of its fair value, disclosure is omitted.

Millions of yen

	As of September 30, 2025		As of March 31, 2025	
	Carrying amount	Fair value	Carrying amount	Fair value
Bonds and Borrowings (Non-current):				
Bonds (Note 1)	323,288	335,315	-	-
Other financial liabilities (Non-current):				
Preferred shares (Note 2)	-	-	321,261	317,960
Total	323,288	335,315	321,261	317,960

Note 1: The fair value hierarchy of bonds is Level 2.
Note 2: The fair value hierarchy of preferred shares is Level 3.

The fair value of financial instruments is calculated as described below:

(Cash and cash equivalents, trade and other receivables, trade and other payables)
The fair value is determined at the carrying amount which approximates their fair value, as they are settled in a short period of time.

(Other financial assets, other financial liabilities)
The fair value of listed shares is the market price at the end of the period.

The fair value of unlisted shares is calculated based on appropriate valuation techniques such as comparable company analysis.

The fair value of debt instruments is calculated based on net assets method.

The fair value of accrued interest is determined at the carrying amount which approximates its fair value, as it is settled in a short period of time.

The fair value of derivatives is calculated based on observable market data, such as the price offered by a financial institution, at the end of the period.

The fair value of preferred shares is calculated based on the present value of estimated future cash flows.

(Bonds and Borrowings)
The fair value of short-term borrowings is determined at the carrying amount which approximates its fair value, as it is settled in a short period of time.

The fair value of long-term borrowings is determined at the carrying amount which approximates its fair value, as long-term borrowings mainly have variable interest rates that regularly reflect market rates and considering the remaining term of the debt and the credit standing of the Group.

The fair value of bonds is calculated by referring to a market price.

The fair value measurements of financial instruments are categorized into Levels 1, 2 or 3 according to the market observability of the inputs used in the fair value measurement. Transfers between levels of the fair value hierarchy are recognized on the date of the event or change in the circumstances that caused the transfer.
Level 1: Fair value is measured at the quoted prices in active markets for identical assets or liabilities.

Level 2: Fair value is calculated based on directly or indirectly observable market data, other than Level 1 prices.
Level 3: Fair value is calculated based on a valuation technique that includes an unobservable input.

Level categories based on the fair value hierarchy of financial assets and financial liabilities measured at fair value on a recurring basis in the condensed interim consolidated statement of financial position are as follows:

As of September 30, 2025

Millions of yen

	Level1	Level2	Level3	Total
Assets:				
Financial assets measured at fair value through profit or loss				
Derivative assets				
Foreign exchange forward contracts	-	3,798	-	3,798
Currency swaps	-	3,640	-	3,640
Debt instruments	-	-	1,014	1,014
Financial assets measured at fair value through other comprehensive income				
Equity instruments	79,897	-	3,431	83,328
Total	79,897	7,438	4,445	91,780
Liabilities:				
Financial liabilities measured at fair value through profit or loss				
Derivative liabilities				
Foreign exchange forward contracts	-	4,985	-	4,985
Total	-	4,985	-	4,985

Note: There was no significant transfer between Level 1, 2 and 3 of the fair value hierarchy for the six months ended September 30, 2025.

As of March 31, 2025

Millions of yen

	Level1	Level2	Level3	Total
Assets:				
Financial assets measured at fair value through profit or loss				
Derivative assets				
Foreign exchange forward contracts	-	3,848	-	3,848
Debt instruments	-	-	1,000	1,000
Financial assets measured at fair value through other comprehensive income				
Equity instruments	53,747	-	3,256	57,003
Total	53,747	3,848	4,256	61,851
Liabilities:				
Financial liabilities measured at fair value through profit or loss				
Derivative liabilities				
Foreign exchange forward contracts	-	3,582	-	3,582
Total	-	3,582	-	3,582

Note: There was no significant transfer between Level 1, 2 and 3 of the fair value hierarchy for the fiscal year ended March 31, 2025.

The reconciliation of financial instruments categorized in Level 3 from the opening balance to the closing balance is as follows:

Millions of yen

	From April 1, 2025 to September 30, 2025	From April 1, 2024 to September 30, 2024
Opening balance	4,256	5,402
Gains and losses		
Other comprehensive income (Note)	175	(140)
Other	14	(25)
Closing balance	4,445	5,237

Note: Gains and losses included in other comprehensive income are recorded in ”Net change in financial assets measured at fair value through other comprehensive income” in the Condensed Interim Consolidated Statement of Comprehensive Income.

Assets categorized in Level 3 are evaluated and the valuation results are analyzed by the appropriate person in charge according to an internal regulation. The appropriateness of the valuation results is ensured through an appropriate approval process.

Assets categorized in Level 3 consist of equity instruments and debt instruments. Significant unobservable inputs for equity instruments primarily include illiquidity discounts of 20%. Fair value decreases (increases) due to an increase (decrease) in the illiquidity discount. Changing unobservable inputs to reflect reasonably possible alternative assumptions would not materially affect fair value. The debt instruments are mainly investments in funds and the fair

value is calculated based on net assets method as a valuation technique.

13. Inventories

The amounts of write-down of inventories to net realizable value are as follows:

Millions of yen

	From April 1, 2025 to September 30, 2025	From April 1, 2024 to September 30, 2024
Write-down of inventories	12,917	24,531

Note: “Cost of sales” consists primarily of the cost of inventories sold during the period, as the main business of the Group is manufacturing and marketing of memory and related products used for applications such as SSD & Storage and Smart Devices.

14. Property, Plant and Equipment

Six months ended September 30, 2025 (From April 1, 2025 to September 30, 2025)

(1) Acquisition, sale and disposal
The carrying amount of acquisition of property, plant and equipment is 153,266 million yen, and the carrying amount for sale and disposal of property, plant and equipment is 1,263 million yen.

(2) Commitment
The total amount of commitments for the purchase of property, plant and equipment is 111,286 million yen.

Six months ended September 30, 2024 (From April 1, 2024 to September 30, 2024)

(1) Acquisition, sale and disposal
The carrying amount of acquisition of property, plant and equipment is 123,569 million yen, and the carrying amount for sale and disposal of property, plant and equipment is 549 million yen.

(2) Commitment
The total amount of commitments for the purchase of property, plant and equipment is 94,704 million yen.

15. Contingent Liabilities

The Group is involved in several pending lawsuits.

Based on the currently available information, the Company does not believe that the results of these lawsuits will have a significant adverse impact on the financial position and operation results of the Group.

16. Subsequent Events

Not applicable.

Other Information

At the Board of Directors Meeting held on May 15, 2025, the following details concerning the dividends of non-convertible preferred shares were resolved.

(1) Series 1 (Kou) preferred shares

(i) Total amount of the dividend	9,286 million yen
(ii) Dividends per share	7,738,453 yen
(iii) Effective date and starting date of dividend payments	June 30, 2025

(2) Series 2 (Otsu) preferred shares

(i) Total amount of the dividend	14,475 million yen
(ii) Dividends per share	8,041,552 yen
(iii) Effective date and starting date of dividend payments	June 30, 2025

II. Management's Discussion and Analysis of Financial Position, Results of Operations, and Cash Flows

The discussion and analysis of the financial condition, results of operations, and cash flows of the Group and interests in associates and joint arrangements for the six months ended September 30, 2025 (April 1, 2025 to September 30, 2025) are as follows.

The forward-looking statements herein are based on judgments as of September 30, 2025.

1. Overview of Interim Operating Results

An overview of the operating results of the Group and interests in associates and joint arrangements is as follows.

As the Group operates as a single reportable segment, the Memory business, it does not provide segment information. However, the Group provides revenue by the application of each product, in accordance with its purpose of use. "SSD & Storage" primarily includes solid-state drives (SSDs) and memory products for PCs, data centers, and enterprises. "Smart Devices" include embedded memory products with control functions, which are used in consumer devices such as smartphones, tablets, and televisions, as well as in automotive and industrial devices. "Other" includes retail products such as SD memory cards and USB flash drives, as well as sales to the Sandisk group recorded through its three manufacturing joint ventures.

The Group discloses consolidated operating results in the form of measures based on International Financial Reporting Standards (IFRS), as well as internal measures used by management when making decisions ("non-GAAP measures").

Non-GAAP measures exclude the impact of purchase price allocation (PPA), stock-based remuneration costs, and the impact of significant changes to tax policies as non-recurring items from profits based on IFRS.

Management believes that disclosing non-GAAP measures makes it easier for stakeholders to compare the Group's performance with that of other companies in the same industry and against previous fiscal years. In doing so the Group intends to provide useful information for understanding its regular operating results and business outlooks. Non-GAAP measures are used internally by management and are not accounting items based on IFRS, and have not been audited or reviewed by auditors. Therefore, such non-GAAP measures may not accurately reflect the Group's financial condition or operating results. Non-recurring items are temporary gains and losses that the Group deems it best to exclude based on certain rules.

In regards to the global economy for the six months ended September 30, 2025, in developed countries, while there was some slowdown in the labor market, consumer spending and capital investments centered around AI remained strong and the price of goods was stable. In developing countries, while exports increased overall, investment fell as the real estate market continued to struggle, consumer spending dragged, and overall trends continued to be weak. High geopolitical risks, particularly in Ukraine and the Middle East, as well as changes in trade policies surrounding tariffs contribute to an uncertain outlook for the global economy. During the six months ended September 30, 2025, the yen appreciated against the US dollar compared to the six months ended September 30, 2024.

In the flash memory industry, demand is growing; for data center and enterprise customers, demand for AI servers grows, while for PC and smartphone customers, the average amount of on-device GB is increasing due to replacement demand and new models equipped with on-device AI.

■Year on Year Comparison Table

(JPY in billions unless indicated otherwise)

	Six months ended September 30, 2024	Six months ended September 30, 2025	Year on year change
Revenue	909.4	791.1	-118.3
SSD & Storage	497.3	462.0	-35.3
Smart Devices	304.4	236.3	-68.1
Other	107.7	92.8	-14.9
Non-GAAP operating profit	292.5	132.4	-160.1
PPA impact (loss)	(0.6)	(0.6)	+0.1
Stock-based remuneration costs (loss)	-	(1.0)	-1.0
Operating profit	291.9	130.8	-161.1
Profit before tax	248.9	84.0	-164.9
Profit	176.0	58.9	-117.0
Non-GAAP profit attributable to owners of parent	176.4	60.2	-116.3
Profit attributable to owners of parent	176.0	58.9	-117.0
Non-GAAP basic earnings per share in yen	340.93	111.54	-229.39
Basic earnings per share in yen	340.06	109.26	-230.80
Average USD to yen exchange rate	154 yen	146 yen	-8 yen

Note: Figures in this table are rounded to the nearest billion yen from the figures in “I. Financial Status; Condensed Interim Consolidated Financial Statements and Related Notes”, excluding Non-GAAP figures, PPA impact, and stock-based remuneration costs

Revenue for the six months ended September 30, 2025 was 791.1 billion yen, a decrease of 118.3 billion yen from the six months ended September 30, 2024. While there was an increase in bit shipment, this was outweighed by lower ASPs and the negative effect of exchange rates.

Operating profit was 130.8 billion yen, a decrease of 161.1 billion yen from the six months ended September 30, 2024, primarily due to the aforementioned decrease in revenue. Profit before tax was 84.0 billion yen, a decrease of 164.9 billion yen from the six months ended September 30, 2024.

Profit attributable to owners of parent was 58.9 billion yen, a decrease of 117.0 billion yen from the six months ended September 30, 2024.

Non-GAAP operating profit (excludes PPA impact of 0.6 billion yen and stock-based remuneration costs of 1.0 billion yen) was 132.4 billion yen, a decrease of 160.1 billion yen from the six months ended September 30, 2024. Non-GAAP profit attributable to owners of parent was 60.2 billion yen, a decrease of 116.3 billion yen from the six months ended September 30, 2024.

2. Overview of Interim Financial Position

(JPY in billions unless indicated otherwise)

	As of March 31, 2025	As of September 30, 2025	Change from the end of the previous fiscal year
Total assets	2,919.7	2,982.2	+62.5
Total liabilities	2,182.0	2,162.9	-19.1
Total equity	737.7	819.3	+81.6
Equity attributable to owners of parent	737.6	819.2	+81.6
Ratio of equity attributable to owners of parent	25.3%	27.5%	+2.2 percentage points

Note: Figures in this table are rounded to the nearest billion yen from the figures in “I. Financial Status; Condensed Interim Consolidated Financial Statements and Related Notes”

(Assets)

Assets as of September 30, 2025 were 2,982.2 billion yen, an increase of 62.5 billion yen from the end of the previous fiscal year.

This was primarily due to an increase in cash and cash equivalents of 67.6 billion yen, partially offset by a decrease in property, plant and equipment of 31.5 billion yen resulting from depreciation and reduction entries for government grants.

(Liabilities)

Liabilities as of September 30, 2025 were 2,162.9 billion yen, a decrease of 19.1 billion yen from the end of the previous fiscal year.

This was primarily due to a decrease in other financial liabilities of 341.9 billion yen resulting from factors such as the redemption of non-convertible preferred shares, partially offset by an increase in bonds and borrowings of 332.4 billion yen resulting from factors such as the issuance of U.S. dollar-denominated unsecured corporate bonds.

(Equity)

Equity as of September 30, 2025 was 819.3 billion yen, an increase of 81.6 billion yen from the end of the previous fiscal year.

This was primarily due to a profit for the six months ended September 30, 2025 of 58.9 billion yen. As a result, the ratio of equity attributable to owners of parent was 27.5%, up 2.2 percentage points from the end of the previous fiscal year.

3. Overview of Interim Cash Flows

(JPY in billions unless indicated otherwise)

	Six months ended September 30, 2024	Six months ended September 30, 2025	Year on year change
Net cash provided by (used for) operating activities	241.9	175.2	-66.7
Net cash provided by (used for) investing activities	(62.8)	(106.9)	-44.0
Net cash provided by (used for) financing activities	(221.7)	(2.0)	+219.7

Note: Figures in this table are rounded to the nearest billion yen from the figures in “I. Financial Status; Condensed Interim Consolidated Financial Statements and Related Notes”

The balance of cash and cash equivalents as of September 30, 2025 was 235.5 billion yen, an increase of 67.6 billion yen from the end of the previous fiscal year.

Details of each cash flow are as follows.

(Operating Activities)

The Group recorded 175.2 billion yen in cash inflow as a result of its operating activities (it recorded 241.9 billion yen in cash inflow in the six months ended September 30, 2024).

This included a profit before tax of 84.0 billion yen (248.9 billion yen in the six months ended September 30, 2024) and 158.8 billion yen in depreciation and amortization (157.7 billion yen in the six months ended September 30, 2024). The primary reason for the 66.7 billion yen decrease in cash inflow year on year was a decrease in profit before tax, despite trade and other receivables turning from an increase to a decrease.

(Investing Activities)

The Group recorded 106.9 billion yen in cash outflow as a result of its investing activities (it recorded 62.8 billion yen in cash outflow in the six months ended September 30, 2024).

This included 143.1 billion yen for the purchase of property, plant and equipment (87.3 billion yen in the six months ended September 30, 2024). The primary reason for the 44.0 billion yen increase in cash outflow year on year was an increase in cash used for the purchase of property, plant and equipment.

(Financing Activities)

The Group recorded 2.0 billion yen in cash outflow as a result of its financing activities (it recorded 221.7 billion yen in cash outflow in the six months ended September 30, 2024).

This included 498.8 billion yen used for the repayment of long-term borrowings following the restructuring of capital structure carried out in July 2025, 323.0 billion yen used for the redemption of non-convertible preferred shares, 507.2 in proceeds from new long-term borrowings, and 326.7 billion yen in proceeds from issuance of U.S. dollar-denominated unsecured corporate bonds. The primary reason for the 219.7 billion yen decrease in cash outflow year on year was proceeds from new long-term borrowings and the issuance of bonds exceeding cash used for the repayment of borrowings and the redemption of non-convertible preferred shares.

4. Business and financial issues to be addressed

Not applicable.

5. Capital expenditures

There were no significant changes during the six months ended September 30, 2025.

Capital expenditures made during the six months ended September 30, 2025 amounted to 145.1 billion yen (payment basis), including intangible assets.

Segment information is omitted as the Group operates as a single reportable segment: the Memory business.

6. Research & development activities

The Group’s research & development (R&D) expenses for the six months ended September 30, 2025 were 70.2 billion yen.

There were no significant changes to the Group’s R&D policies or main R&D structure during the six months ended September 30, 2025.

III. Risk Factors

Significant changes in the risk factors described in the Annual Securities Report for the previous fiscal year which occurred during the interim consolidated accounting period are as follows.

The changes are underlined, and there are some omissions before and after the changes. Forward-looking statements below are based on the Group’s decisions as of the end of the interim consolidated accounting period. The numbers for the following sections correspond to the section numbers in “III. Risk Factors” in the Annual Securities Report for the previous fiscal year.

As the Company is compliant with criteria for continued listing on the Prime Market as of September 30, 2025, the risk “7. Risks related to relationships with shareholders, etc.; (6) Application of special provisions for initial listings involving large-scale public offerings or offerings and liquidity of the Company's common shares” that was present in the Annual Securities Report for the previous fiscal year has been deleted.

In the memory industry, in which the Group does business, there is heavy global competition as advanced technologies are necessary for business execution. The Group appoints the Representative Director, President and CEO as the Risk Management and Compliance Officer, and through deliberations by the Risk Management Compliance Committee and other committees, risks arising in the course of economic activities such as business risks, financial and accounting risks, and information security risks, are thoroughly analyzed and managed according to their characteristics. The following are the major risks in the Group's business that are recognized by the Company's management through such risk and compliance management, but these do not cover all of the risks of the Group, and there are risks other than those below that cannot be foreseen. If such risks materialize, they could have a material impact on the Group's business, operating results, financial position, or cash flow.

(omitted)

3. Risks associated with the Group's operations

(omitted)

(6) Delays, disruption, etc. in production due to large-scale disasters

The Group's flash memory production sites are concentrated in Japan. In its Risk Management Compliance Committee, the Group checks the status of its crisis management system and business continuity plan (“BCP”) in an effort to reduce the impact on its business in the event of an emergency such as a natural disaster.

In the event of an outbreak of a serious infectious disease including the novel coronavirus infection, power outages, accidents, system troubles, infrastructure failures, etc., production and sales may be significantly adversely affected due to a decrease in the operation or suspension of the operation of the Group's own plants, stagnation of supply from the supply chain, and a decline in demand, which may affect the Group's business, operating results, and financial position. In 2022, in response to the lockdown in Shanghai due to China's zero-COVID policy, the back-end factory and logistics warehouse in Shanghai to which the assembly process of the Group's memory products are outsourced were temporarily closed.

In response to the spread of COVID-19, the Group is taking measures such as actively implementing remote work and promoting purchasing from multiple companies in the supply chain. However, in the event that new infectious diseases arise within the company, the supply chain, sales offices, or in countries and regions where said offices are located, and restrictions on operations and movement arise as a result, production and sales may be materially adversely affected by a decrease in or suspension of operations at the Group’s plants, stagnation of supply from the supply chain, and a decrease in orders. In addition, while demand for servers and games increased due to the increase of remote work, online learning, and video streaming services during the pandemic, demand for smartphones was sluggish. As such, new diseases may have a material impact on the demand for memory products, which in turn may have an impact on the Group's business, operating results, and financial position.

The Yokkaichi Plant, which is one of the Group's production sites, is located in an area with a high risk of earthquakes and floods, and the Kitakami Plant is located in an area that was severely damaged by the 2011 Tohoku Earthquake. In the event of a large-scale disaster such as an earthquake, flood, or typhoon, or power outage at the Group's production sites and sales offices, production and sales activities may be hindered due to damage to production facilities, suspension of operations, suspension of procurement of raw materials, or loss of logistics and sales functions, which may have materially adversely affect the Group’s asset value and production and sales

capabilities, which may in turn affect the Group's business development and operating results.

In addition to disasters, production and sales activities at the Group's production sites may be hindered due to failures in production equipment, defective parts, or malfunctions in production systems, which may materially adversely impact production and sales capabilities. In June 2019, due to the suspension of production following a power outage at Kioxia Corporation's Yokkaichi Plant, the Group recorded a loss of 34.5 billion yen (a loss of 33.4 billion yen when factoring in insurance proceeds of 1.1 billion yen) in the fiscal year ended March 2020. In the event of such incidents, the Group's business development and operating results may be affected.

(omitted)

4. Financial Risks

(1) Large amount of borrowings

The Group has entered into loan agreements for a syndicated loan with financial institutions as the lenders and has used it to take out large borrowings. The total amount of short-term and long-term borrowings was 1,111,312 million yen in the fiscal year ended March 2024 and 777,706 million yen in the fiscal year ended March 2025. In the event that the interest rate on this interest-bearing debt rises, the interest burden borne by the Group may increase. The ratio of borrowings to consolidated total assets was 38.8% in the fiscal year ended March 2024 and 26.6% in the fiscal year ended March 2025 respectively. In July 2025, with the aim of strengthening cash flow generation via the reduction of cost of capital, extension of loan maturities, leveling of repayment schedule, and improving loan conditions, through the proceeds from the issuance of U.S. dollar-denominated unsecured corporate bonds the Company repurchased and canceled all Series 1 (*Kou*) Preferred Shares and Series 2 (*Otsu*) Preferred Shares that were issued in June 2019, and refinanced its loan agreements with financial institutions with improved conditions. The Group is required to comply with certain conditions such as the financial covenants of the aforementioned loan agreements. For details of financial covenants, please refer to “I. Consolidated Financial Statements and Related Notes; Notes to Consolidated Financial Statements; 6. Borrowings and Other Financial Liabilities”. In the event that the Group meets the grounds for early repayment due to a violation of the conditions of the financial covenants of its loan agreements, it must immediately secure funds for repayment upon request from the lender. However, there is no guarantee that the Group will be able to secure funds through methods such as loan refinancing in a timely manner and under conditions that are favorable for the Group, and in the event that the Group is unable to secure the necessary funds, serious doubts may be raised regarding the continuity of the Group’s business. While the Group strives to strengthen its financial position by strengthening its competitiveness and improving its profitability, the aforementioned factors may affect the Group's business, operating results, and financial position.

In addition, the Company conducts sale-and-leaseback transactions on the land of Kioxia Corporation's Yokkaichi Plant, and pays 2,667 million yen per year in rent.

(omitted)

5. Financial Market Risks

(omitted)

(2) Changes in the funding environment

The Group raises funds through borrowings from financial institutions and the issuance of bonds, and raises capital funds through the issuance of shares on the capital market. However, the availability and conditions of fundraising are strongly affected by the financial and securities market, interest rates trends, the supply and demand of funds, and changes in financing and investment policies on the part of lenders and investors. These factors may adversely affect the Group's ability to raise funds. In the event a financial institution changes its lending policy with the Group, such as by reducing lending due to a decline in the Company's credibility following a deterioration in its financial position, turmoil in the financial markets, or tightening of capital adequacy regulations for financial institutions, the Group can not guarantee that it will be able to refinance or take out new loans under the same conditions in the future. In the event that the Group is unable to borrow the required amount in a timely manner or if financing costs increase, the Group's business, operating results, and financial position may be affected.

As the flash memory industry sees a large amount of mass production and heavy competition in the development

of new products, a large amount of capital expenditures and R&D investments are necessary in order to maintain and strengthen competitiveness in terms of price and quality. However, if the Group is unable to procure the necessary funds in a timely manner due to the aforementioned reasons, it may not be able to perform the necessary capital expenditures and R&D investments at the necessary time, which may in turn have an impact on its operating results and financial position.

6. Legal Risks

(omitted)

(5) Compliance

The Group is subject to the laws and regulations of each country in which it operates. While the Group is working to introduce an internal control system to establish a compliance system for such laws and regulations and optimize its business operations, it may be difficult to comply with laws and regulations due to the limitations inherent in the internal control system or changes in laws, regulations, or legal interpretations. The Group has established the Risk Management Compliance Committee to mitigate such risks. While the Group uses compliance education to ensure that compliance is thoroughly understood and conducts monitoring via internal audits, in the event of a compliance violation occurs despite these efforts and the Group is subject to administrative sanctions such as suspension of operations, the Group's business, operating results, and financial position may be affected due to impediments to its business, monetary penalties, claims for damages related to violations of laws and regulations, or a decline in its social reputation and credibility.

(omitted)

Independent Auditor's Interim Review Report on Interim Consolidated Financial Statements
(English Translation*)

November 13, 2025

To the Board of Directors of Kioxia Holdings Corporation

PricewaterhouseCoopers Japan LLC
Tokyo office

Hiroyuki Sawayama, CPA
Designated limited liability Partner
Engagement Partner

Masashi Ogawa, CPA
Designated limited liability Partner
Engagement Partner

Auditor's Conclusion

We have reviewed, pursuant to Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act of Japan, the condensed interim consolidated financial statements of Kioxia Holdings Corporation (the "Company") provided in the "Financial Information" section, which comprise the condensed interim consolidated statement of financial position, condensed interim consolidated statements of profit or loss, comprehensive income, changes in equity, cash flows, and notes to the condensed interim consolidated financial statements for the three-month period from July 1, 2025 to September 30, 2025 and the six-month period from April 1, 2025 to September 30, 2025 of the consolidated fiscal year from April 1, 2025 to March 31, 2026.

Based on our interim review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Company and its consolidated subsidiaries (collectively referred to as the "Group") as at September 30, 2025, and the consolidated results of their financial performances for the three-month and six-month periods then ended and the consolidated results of cash flows for the six-month period then ended in accordance with prescribed in Article 312 of "the Regulation on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements."

Basis for Auditor's Conclusion

We conducted our review in accordance with interim review standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Interim Review of the Condensed Interim Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to audits of financial statements of public interest entities in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that we have obtained the evidence to provide a basis for our conclusion.

Responsibilities of Management and Those Charged with Governance for the Condensed Interim Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the condensed interim consolidated financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting", and for such internal control as management determines is necessary to enable the preparation of the condensed interim consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the condensed interim consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as applicable, matters related to

going concern in accordance with International Accounting Standard 1, "Presentation of Financial Statements" paragraph 4.

Those charged with governance are responsible for overseeing the directors' execution of their duties in designing and operating the Group's financial reporting process.

Auditor's Responsibilities for the Interim Review of the Condensed Interim Consolidated Financial Statements

Our objective is to express a conclusion on these condensed interim consolidated financial statements in our independent auditor's interim review report based on our review.

As part of a review in accordance with interim review standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the interim review. We also:

- Make inquiries, primarily of management and persons responsible for financial and accounting matters, and apply analytical and other interim review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in Japan.
- Conclude on whether anything has come to our attention that causes us to believe that matters related to going concern are not appropriately disclosed in the condensed interim consolidated financial statements in accordance with International Accounting Standard 1, "Presentation of Financial Statements" paragraph 4, based on the evidence obtained, if, in the auditor's judgment, there exists a material uncertainty related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's interim review report to the related disclosures in the condensed interim consolidated financial statements or, if such disclosures are inadequate, to express a qualified or adverse conclusion. Our conclusions are based on the evidence obtained up to the date of our auditor's interim review report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether anything has come to our attention that causes us to believe that the presentation and disclosures of the condensed interim consolidated financial statements are not in accordance with International Accounting Standard 34, "Interim Financial Reporting", and that the overall presentation, structure and content of the condensed interim consolidated financial statements, including the disclosures, and the condensed interim consolidated financial statements do not represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain evidence regarding the financial information of the Group as a basis for expressing a conclusion on the condensed interim consolidated financial statements. We are responsible for the direction, supervision and review of the interim review of the condensed interim consolidated financial statements. We remain solely responsible for our review conclusion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the interim review and significant review findings.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

* Notes to the Readers of Independent Auditor's Interim Review Report
This is an English translation of the Independent Auditor's Interim Review Report as required by the Financial Instruments and Exchange Act of Japan for the conveniences of the reader. The original was prepared in Japanese. All possible care has been taken to ensure that the translation is an accurate representation of the original, however, in all matters of interpretation of information, views or opinions, the original language version of the report takes precedence over the translated version.

(Notes) 1. The original of the Independent Auditor's Interim Review Report above is kept separately by the Company (the filing company of the Semi-annual Securities Report).
2. XBRL data is not included in the scope of the interim review.