Second Quarter of FY2021
Financial Results (Three months ended September 30, 2021)

Kioxia Holdings Corporation
Nov 12, 2021
On April 1, 2017, Toshiba Corporation spun off its memory business into the former Toshiba Memory Corporation (“Former TMC”). On June 1, 2018, Toshiba Corporation sold all of the shares of Former TMC to K.K. Pangea, a special purpose acquisition company formed by a consortium led by Bain Capital Private Equity, LP, and as a result, Former TMC became a wholly-owned subsidiary of K.K. Pangea. On August 1, 2018, K.K. Pangea merged with Former TMC, with K.K. Pangea as the legally surviving entity. On the same date, K.K. Pangea was renamed Toshiba Memory Corporation (“TMC”). On March 1, 2019, Toshiba Memory Holdings Corporation (“TMCHD”) was established as the holding company for TMC through a sole-share transfer, whereby TMC’s then-existing shareholders became the shareholders of TMCHD and TMC became a wholly-owned subsidiary of TMCHD. On October 1, 2019, TMCHD and TMC were renamed Kioxia Holdings Corporation (“we”) and Kioxia Corporation, respectively.

This presentation includes forward-looking statements that represent certain opinions, expectations, beliefs, intentions or estimates regarding the future of Kioxia Holdings Corporation and its consolidated subsidiaries. You can identify forward-looking statements by terms such as “may,” “will,” “should,” “would,” “expects,” “plans,” “anticipates,” “could,” “intends,” “aims,” “seeks,” “targets,” “projects,” “anticipates,” “contemplates,” “believes,” “estimates,” “predicts,” “potential” or “continue” or the negative of these terms or other similar expressions. Forward-looking statements are based largely on our current expectations and projections about future events and trends that we believe may affect our industry, business strategy, short-term and long-term business operations and objectives, financial condition and results of operations. These forward-looking statements involve known and unknown risks, uncertainties, changes in circumstances that are difficult to predict and other factors that may cause our actual results, performance or achievements to be materially different from any future result, performance or achievement expressed or implied by the forward-looking statement. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this presentation may not occur and actual results could differ materially and adversely from those anticipated or implied.

The forward-looking statements included in this presentation are made only as of the date hereof. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that the future results, performance or events and circumstances reflected in the forward-looking statements will be achieved or occur. We undertake no obligation to update any forward-looking statement for any reason after the date of this presentation to conform these statements to actual results or to changes in our expectations, except as may be required by law.

This presentation includes information and statements regarding the flash memory industry obtained from industry publications and surveys, publicly available sources and from third-party sources considered to be reliable. Whilst this presentation is provided in good faith, it does not purport to be comprehensive and has not been independently verified.

This presentation has been prepared to provide information on our consolidated financial results and does not constitute or form part of an offer or invitation to sell or a solicitation of an offer to buy or subscribe for or otherwise acquire any securities in any jurisdiction or an inducement to engage in investment activity nor shall it form the basis of or be relied on in connection with any contract thereof.
## Financial Results Overview

### (in billion yen)

<table>
<thead>
<tr>
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<th>FY21 Q1</th>
<th>FY21 Q2</th>
<th>QoQ</th>
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<tbody>
<tr>
<td>Sales</td>
<td>329.5</td>
<td>400.5</td>
<td>+71.0</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>35.1</td>
<td>78.0</td>
<td>+42.9</td>
</tr>
<tr>
<td>Margin</td>
<td>11%</td>
<td>19%</td>
<td>+9pt</td>
</tr>
<tr>
<td>Net Income</td>
<td>12.3</td>
<td>44.7</td>
<td>+32.4</td>
</tr>
<tr>
<td>Margin</td>
<td>4%</td>
<td>11%</td>
<td>+7pt</td>
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**Additional detail (included in above figures)**

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<tbody>
<tr>
<td>Depreciation and Amortization(^2)</td>
<td>105.5</td>
<td>109.3</td>
<td>+3.8</td>
</tr>
<tr>
<td>PPA Impact, etc.(^3)</td>
<td>(24.0)</td>
<td>(24.0)</td>
<td>0.0</td>
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<tr>
<td>Income Tax</td>
<td>6.2</td>
<td>21.4</td>
<td>+15.2</td>
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\(^1\) Based on the audited consolidated financial statements prepared under IFRS

\(^2\) EBITDA is operating profit plus depreciation and amortization, which is indicative of our cash-based profitability. EBITDA for FY21 Q2 is calculated as follows: operating profit of 78.0 billion yen plus depreciation and amortization of 109.3 billion yen totaling 187.3 billion yen.

\(^3\) Amount of financial impact of PPA on operating profit (loss) caused by the acquisition of the Former TMC by K.K. Pangea and the acquisition of SSSTC, the SSD business of LITE-ON, and the financial impact of power outage in Yokkaichi plant in June 2019. Non-GAAP measures are indicative of our core ongoing operating results. Non-GAAP operating profit for FY21 Q2 is calculated as follows: operating profit of 78.0 billion yen plus PPA impact, etc. of 24.0 billion yen totaling 102.0 billion yen. Non-GAAP net profit for FY21 Q2 is calculated as follows: net profit of 44.7 billion yen plus PPA impact, etc. of 24.0 billion yen minus a tax adjustment for a total of 61.5 billion yen.
Highlights (1/2)

Recent Sales Trends

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<th>FY21 Q1</th>
<th>FY21 Q2</th>
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<tr>
<td>Bit growth (QoQ)¹,²</td>
<td>High-single-digit-% increase</td>
<td>High-teens % increase</td>
</tr>
<tr>
<td>ASP (JPY, QoQ)</td>
<td>Low-teens % increase</td>
<td>Mid-single-digit-% increase</td>
</tr>
</tbody>
</table>

1. Bit basis
2. Excluding third party NAND used in Solid State Storage Technology Corporation’s SSDs

- Kioxia achieved record revenue in FY21 Q2 with 22% quarter on quarter growth.
- Data center / enterprise SSD shipments were solid, and smartphone shipments grew in line with seasonality. Total shipments continued to increase quarter-on-quarter.
- Overall ASP increased this quarter driven by balanced supply/demand in the NAND market, only partially offset by product mix impacts.

New Products and Technology

- Introduced UFS Ver 3.1 embedded flash memory devices utilizing fifth-generation BiCS FLASH™
- Introduced PCIe® 4.0 storage class memory SSDs

* PCIe is a registered trademark of PCI-SIG.
Industry/Market Trends and Outlook

- Demand for datacenter / enterprise SSDs is expected to remain solid with continued cloud demand growth and strong IT spending backed by the COVID-19 economic recovery.
- Demand for client SSDs is softening in the short term as component shortages affect PC build despite solid consumer PC demand.
- Demand for smartphones is expected to continue growing in the long term driven by the roll out 5G and recovery from the decline caused by COVID-19, with seasonal fluctuations in the short term.
- The industry continues to monitor the further impacts of component shortages on customer demand and production across the supply chain.
- In the longer term horizon, industry experts remain confident in the NAND market growth potential and the underlying demand drivers.