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Consolidated Financial Results for the Nine Months Ended December 31, 2024 (Under IFRS)

February 14, 2025

Company name: Kioxia Holdings Corporation Listing: Tokyo Stock Exchange
Securities code: 285A URL: https://www.kioxia-holdings.com/en-jp/top.html
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Scheduled date to commence dividend payments: ―
Supplementary materials for financial results: Yes
Financial results briefing: Yes

(rounded to the nearest million yen)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2024 (April 1, 2024 to December 31, 2024)

(1) Consolidated Operating Results (Cumulative)

(% indicates variance against the same period of the previous year)

	Revenue		Non-GAAP operating profit (loss)		Operating profit (loss)		Profit (loss) before tax		Profit (loss)	
	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%
Nine months ended December 31, 2024	1,359,366	80.2	415,556	―	414,606	―	355,606	―	252,055	―
Nine months ended December 31, 2023	754,506	(27.2)	(298,192)	―	(296,556)	―	(360,489)	―	(253,974)	―

	Non-GAAP profit (loss) attributable to owners of parent		Profit (loss) attributable to owners of parent		Quarterly comprehensive income		Basic earnings (loss) per share	Diluted earnings (loss) per share
	million yen	%	million yen	%	million yen	%	JPY	JPY
Nine months ended December 31, 2024	252,727	―	252,048	―	239,103	―	485.94	481.30
Nine months ended December 31, 2023	(255,058)	―	(253,974)	―	(237,660)	―	(490.77)	(490.77)

Note: Non-GAAP measures, which are IFRS measures plus adjustments made for non-recurring items, 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.

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent
	million yen	million yen	million yen	%
As of December 31, 2024	3,035,047	718,730	718,589	23.7
As of March 31, 2024	2,864,941	449,766	449,635	15.7

2. Status of Dividends

	Annual Dividends				
	End of first quarter	End of second quarter	End of third quarter	Fiscal year end	Total
	JPY	JPY	JPY	JPY	JPY
Fiscal year ended March 2024	—	0.00	—	0.00	0.00
Fiscal year ending March 2025	—	0.00	—		
Fiscal year ending March 2025 (forecast)				0.00	0.00

Note 1: There were no revisions from the most recently announced dividend forecast

Note 2: “Status of Dividends” above refers to dividends on common shares. For the status of dividends on unlisted shares with different voting rights than common shares issued by the Company, please refer to "Status of dividends on class shares" below

3. Consolidated Business Outlook for the Fourth Quarter of the Fiscal Year Ending March 2025 (January 1, 2025 to March 31, 2025)

(JPY in billions unless indicated otherwise)

(% indicates variance against the prior quarter)

	Revenue		Non-GAAP operating profit		Operating profit		Non-GAAP profit attributable to owners of parent		Profit attributable to owners of parent	
Fourth Quarter	315.0 - 345.0	(30) % - (23) %	17.0 - 39.0	(86) % - (68) %	17.0 - 39.0	(86) % - (68) %	2.0 - 16.0	(97) % - (79) %	2.0 - 16.0	(97) % - (79) %

Note: There were no revisions from the most recently announced business outlook

*Notes

(1) Significant changes in the scope of consolidation during the nine months ended December 31, 2024: None

(2) Changes in accounting policies and estimates

(1) Changes in accounting policies required by IFRS: Yes

(2) Changes in accounting policies other than those required by IFRS: None

(3) Changes in accounting estimates: None

For details, please refer to “2. Condensed Quarterly Consolidated Financial Statements and Related Notes; (5) Notes to Condensed Quarterly Consolidated Financial Statements; 4. Material Accounting Policies”.

(3) Number of issued shares (common shares)

(1) Number of issued shares at the end of the period (including treasury shares)	As of December 31, 2024	539,062,560	As of March 31, 2024	517,500,000
(2) Number of treasury shares at the end of the period	As of December 31, 2024	—	As of March 31, 2024	—
(3) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)	Nine months ended December 31, 2024	518,676,137	Nine months ended December 31, 2023	517,500,000

* Review of Japanese-language originals of the attached Quarterly Consolidated Financial Statements by certified public accountant or audit firm: Yes (voluntary)

* Appropriate use of business outlooks and other notes

(Note on forward-looking statements)

Forward-looking statements such as business outlooks contained in these financial results are based on assumptions and beliefs that represent information available to the Company at the present time, and are subject to various risks and uncertainties (including, but not limited to, economic trends, market demand, and competition in the semiconductor industry) and may differ from actual results.

(Status of dividends on class shares)

The breakdown of dividends per share for shares with different voting rights than common shares is as follows.

	Annual Dividends				
	End of first quarter	End of second quarter	End of third quarter	Fiscal year end	Total
Series 1(*Kou*) preferred stock	JPY	JPY	JPY	JPY	JPY
Fiscal year ended March 2024	—	—	—	4,349,156.00	4,349,156.00
Fiscal year ending March 2025	—	—	—		
Fiscal year ending March 2025 (forecast)					
Series 2(*Otsu*) preferred stock	JPY	JPY	JPY	JPY	JPY
Fiscal year ended March 2024	—	—	—	4,637,595.00	4,637,595.00
Fiscal year ending March 2025	—	—	—		
Fiscal year ending March 2025 (forecast)					

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1. Overview of Operating Results Etc.

(1) Overview of Quarterly Operating Results

An overview of the operating results of the Company, its subsidiaries (collectively 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 Western Digital group recorded through its three manufacturing joint ventures.

A characteristic of the semiconductor and memory industry of which the Group is a part is volatility in the business environment within short time spans. As a result, in order to provide investors with useful information, the Group provides its consolidated business outlook for the upcoming quarter with a range of amounts, and does not provide plans or progress reports for the overall fiscal year.

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) and the impact on operations at the Yokkaichi and Kitakami facilities caused by use of contaminated material in certain manufacturing processes at the Group’s Yokkaichi and Kitakami facilities for its BiCS FLASH™ 3D flash memory in late January 2022 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 fiscal year to date (April 1, 2024 to December 31, 2024), developed countries continued to grow, seeing active capital investments, as well as strong consumer spending supported by favorable employment, slowing inflation, and high stock prices. In developing countries, although government economic stimulus measures continued and exports saw recovery, weakness in the real estate market persisted, there was a lack of recovery in consumer spending, and the economy remained stagnant. Geopolitical risks, particularly in Ukraine and the Middle East, remain high, and the outlook for the global economy is uncertain.

In the flash memory market, while bit shipments and average selling prices (ASPs) recovered, increases in bit shipments have begun to level off and ASPs have started to decline slightly. Bit shipments for data centers and enterprise servers, where there is strong demand from AI infrastructure construction, continues to grow. However, for smartphones, inventory levels at customers are high and bit shipment growth is limited.

■Quarter on Quarter Comparison Table

(JPY in billions unless indicated otherwise)

	Three months ended September 30, 2024	Three months ended December 31, 2024	Quarter on quarter change
Revenue	480.9	450.0	-31.0
SSD & Storage	274.2	278.7	+4.5
Smart Devices	152.6	117.1	-35.5
Other	54.1	54.2	+0
Non-GAAP operating profit	166.3	123.0	-43.3
PPA impact (loss)	(0.3)	(0.3)	-0
Operating profit	166.0	122.7	-43.3
Profit before tax	149.2	106.7	-42.5
Profit	106.2	76.1	-30.1
Non-GAAP profit attributable to owners of parent	106.4	76.3	-30.2
Profit attributable to owners of parent	106.2	76.1	-30.2
Non-GAAP basic earnings per share in yen	205.70	146.44	-59.26
Basic earnings per share in yen	205.26	146.00	-59.26
Average USD to yen exchange rate	153 yen	149 yen	-4 yen

Note: Figures in this table are rounded to the nearest billion yen from the figures in “2. Condensed Quarterly Consolidated Financial Statements and Related Notes”, excluding Non-GAAP figures and PPA impact

Revenue for the three months ended December 31, 2024 was 450.0 billion yen, a decrease of 31.0 billion yen from the previous quarter. While bit shipment for SSD & Storage products increased, this was outweighed by lower ASPs, reduced bit shipment for Smart Device products, and the negative effect of exchange rates. SSD & Storage revenue was 278.7 billion yen, an increase of 4.5 billion yen from the previous quarter, and Smart Device revenue was 117.1 billion yen, a decrease of 35.5 billion yen from the previous quarter.

Operating profit was 122.7 billion yen, a decrease of 43.3 billion yen from the previous quarter. This was primarily due to lower ASPs and a decrease in bit shipment for Smart Device products. After deducting finance costs of 19.3 billion yen, a decrease of 1.5 billion yen from the previous quarter, profit before tax was 106.7 billion yen, a decrease of 42.5 billion yen from the previous quarter.

Profit attributable to owners of parent was 76.1 billion yen, a decrease of 30.2 billion yen from the previous quarter.

Non-GAAP operating profit (excludes items such as a PPA impact of 0.3 billion yen) was 123.0 billion yen, a decrease of 43.3 billion yen from the previous quarter. Non-GAAP profit attributable to owners of parent was 76.3 billion yen, a decrease of 30.2 billion yen from the previous quarter.

■Year on Year Comparison Table

(JPY in billions unless indicated otherwise)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024	Year on year change
Revenue	754.5	1,359.4	+604.9
SSD & Storage	354.0	776.0	+422.0
Smart Devices	261.9	421.6	+159.7
Other	138.7	161.9	+23.2
Non-GAAP operating profit (loss)	(298.2)	415.6	+713.7
Impact (loss) from contaminated material	7.6	–	-7.6
PPA impact (loss)	(5.9)	(1.0)	+5.0
Operating profit (loss)	(296.6)	414.6	+711.2
Profit (loss) before tax	(360.5)	355.6	+716.1
Profit (loss)	(254.0)	252.1	+506.0
Non-GAAP profit (loss) attributable to owners of parent	(255.1)	252.7	+507.8
Profit (loss) attributable to owners of parent	(254.0)	252.0	+506.0
Non-GAAP basic earnings (loss) per share in yen	(492.87)	487.25	+980.12
Basic earnings (loss) per share in yen	(490.77)	485.94	+976.71
Average USD to yen exchange rate	143 yen	152 yen	+9 yen

Note: Figures in this table are rounded to the nearest billion yen from the figures in “2. Condensed Quarterly Consolidated Financial Statements and Related Notes”, excluding Non-GAAP figures and PPA impact

Revenue for the nine months ended December 31, 2024 was 1,359.4 billion yen, an increase of 604.9 billion yen from the nine months ended December 31, 2023. This was primarily due to significantly higher ASPs, increased bit shipment, and the positive effect of exchange rates.

Operating profit was 414.6 billion yen, an increase of 711.2 billion yen from the nine months ended December 31, 2023. This was primarily due to the aforementioned increase in revenue, in addition to manufacturing underutilization costs resulting from production adjustments of 162.2 billion yen that were present in the nine months ended December 31, 2023. After deducting finance costs of 61.9 billion yen, a decrease of 4.0 billion yen from the nine months ended December 31, 2023, profit before tax was 355.6 billion yen, an increase of 716.1 billion yen from the nine months ended December 31, 2023.

Profit attributable to owners of parent was 252.0 billion yen, an increase of 506.0 billion yen from the nine months ended December 31, 2023, primarily due to the aforementioned operating profit.

Non-GAAP operating profit (excludes items such as a PPA impact of 1.0 billion yen) was 415.6 billion yen, an increase of 713.7 billion yen from the nine months ended December 31, 2023. Non-GAAP profit attributable to owners of parent was 252.7 billion yen, an increase of 507.8 billion yen from the nine months ended December 31, 2023.

(2) Overview of Quarterly Financial Position

(JPY in billions unless indicated otherwise)

	As of March 31, 2024	As of December 31, 2024	Change from the end of the previous fiscal year
Total assets	2,864.9	3,035.0	+170.1
Total liabilities	2,415.2	2,316.3	-98.9
Total equity	449.8	718.7	+269.0
Equity attributable to owners of parent	449.6	718.6	+269.0
Ratio of equity attributable to owners of parent	15.7%	23.7%	+8.0 percentage points

Note: Figures in this table are rounded to the nearest billion yen from the figures in “2. Condensed Quarterly Consolidated Financial Statements and Related Notes”

(Assets)

Assets at the end of the quarter were 3,035.0 billion yen, an increase of 170.1 billion yen from the end of the previous fiscal year.

This was primarily due to an increase in trade and other receivables of 200.3 billion yen, partially offset by a decrease in property, plant and equipment of 75.5 billion yen.

(Liabilities)

Liabilities at the end of the quarter were 2,316.3 billion yen, a decrease of 98.9 billion yen from the end of the previous fiscal year.

This was primarily due to a decrease in borrowings (both current and non-current) of 292.8 billion yen following the repayment of term loans and Revolving Credit Facility borrowings, partially offset by an increase in trade and other payables of 82.2 billion yen.

(Equity)

Equity at the end of the quarter was 718.7 billion yen, an increase of 269.0 billion yen from the end of the previous fiscal year.

This was primarily due to the net profit of 252.1 billion yen. As a result, the ratio of equity attributable to owners of parent was 23.7%, up 8.0 percentage points from the end of the previous fiscal year.

(3) Overview of Quarterly Cash Flows

(JPY in billions unless indicated otherwise)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024	Year on year change
Net cash provided by (used for) operating activities	101.9	372.6	+270.7
Net cash provided by (used for) investing activities	(249.1)	(115.8)	+133.3
Net cash provided by (used for) financing activities	94.7	(272.3)	-367.0

Note: Figures in this table are rounded to the nearest billion yen from the figures in “2. Condensed Quarterly Consolidated Financial Statements and Related Notes”

The balance of cash and cash equivalents at the end of the quarter was 174.3 billion yen, a decrease of 13.3 billion yen from the end of the previous fiscal year.

Details of each cash flow are as follows.

(Operating Activities)

The Group recorded 372.6 billion yen in cash inflow as a result of its operating activities (it recorded 101.9 billion yen in cash inflow in the nine months ended December 31, 2023).

This included a profit before tax of 355.6 billion yen (the nine months ended December 31, 2023 saw a loss before tax of 360.5 billion yen) and 234.8 billion yen in depreciation and amortization (264.5 billion yen in the nine months ended December 31, 2023). The main reason for the 270.7 billion yen increase in cash inflow year on year was the Group recording a profit before tax where it recorded a loss before tax in the nine months ended December 31, 2023.

(Investing Activities)

The Group recorded 115.8 billion yen in cash outflow as a result of its investing activities (it recorded 249.1 billion yen in cash outflow in the nine months ended December 31, 2023).

This included 145.0 billion yen for the purchase of property, plant and equipment. The main reason for the 133.3 billion yen decrease in cash outflow year on year was a decrease in cash used for the purchase of property, plant and equipment in accordance with a reduction in capital expenditures.

(Financing Activities)

The Group recorded 272.3 billion yen in cash outflow as a result of its financing activities (it recorded 94.7 billion yen in cash inflow in the nine months ended December 31, 2023).

This included 202.7 billion yen used for the repayment of long-term borrowings (171.1 billion yen in the nine months ended December 31, 2023) and a net decrease in short-term borrowings and Revolving Credit Facility balances executed of 126.4 billion yen (the nine months ended December 31, 2023 saw a net increase of 191.1 billion yen). The main reason for the change from a cash inflow to a cash outflow from the nine months ended December 31, 2023 was the amount of borrowings repaid exceeding the amount of funds raised, whereas the amount of funds raised exceeded the amount of borrowings repaid in the nine months ended December 31, 2023.

(4) Explanation of Consolidated Business Outlook and other Forward-Looking Information

The business outlook for the fourth quarter of the consolidated fiscal year ending March 2025 (January 1, 2025 to March 31, 2025) is as follows. As a characteristic of the semiconductor and memory industry of which the Group is a part is volatility in the business environment within short time spans, the Group provides its consolidated business outlook for the upcoming quarter with a range of amounts.

For the fourth quarter, demand for data center and enterprise SSD products is expected to stay strong, demand at PC and smartphone customers is expected to be relatively weak. While the Group will attempt to accelerate improvement in the supply-demand balance by managing production in line with demand trends, both revenue and profit are expected to decrease from the third quarter. Additionally, in the fourth quarter the Group expects to record one year's worth of fixed asset taxes (this is reflected in the figures below).

Consolidated Business Outlook

Fourth quarter of the consolidated fiscal year ending March 2025 (January 1, 2025 to March 31, 2025)

(JPY in billions unless indicated otherwise)
(% indicates variance against the prior quarter)

	Results of the three months ended June 2024	Results of the three months ended September 2024	Results of the three months ended December 2024	Outlook for the three months ending March 2025	
Revenue	428.5	480.9	450.0	315.0 to 345.0	-30% to -23%
Non-GAAP operating profit	126.2	166.3	123.0	17.0 to 39.0	-86% to -68%
Operating profit	125.9	166.0	122.7	17.0 to 39.0	-86% to -68%
Non-GAAP profit attributable to owners of parent	70.0	106.4	76.3	2.0 to 16.0	-97% to -79%
Profit attributable to owners of parent	69.8	106.2	76.1	2.0 to 16.0	-97% to -79%
Average USD to yen exchange rate	155 yen	153 yen	149 yen	154 yen	+5 yen

(Note on forward-looking statements)

Forward-looking statements included in this document are prepared based on the Company's expectations and projections in light of the information currently available to it, which involve various risks and uncertainties (including, but not limited to, economic trends, market demand and the highly competitive semiconductor industry). Such risks and uncertainties may cause the Group's actual results to be materially different from any future results expressed or implied by these forward-looking statements. The Company undertakes no obligation to update any forward-looking statement included herein.

The information and projections regarding the flash memory industry included in this document are derived from information currently available to the Company. Whilst this document is provided in good faith, it does not purport to be comprehensive and has not been independently verified. The Company makes no representations with respect to such information and projections.

This document includes non-GAAP measures, which are internal measures which management relies upon in making decisions that differ from financial measures prepared in accordance with IFRS. The non-GAAP measures, which are IFRS measures plus adjustments made for non-recurring items, 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.

2. Condensed Quarterly Consolidated Financial Statements and Related Notes

(1) Condensed Quarterly Consolidated Statement of Financial Position

Millions of yen

	Notes	As of December 31, 2024	As of March 31, 2024
Assets:			
Current assets:			
Cash and cash equivalents		174,300	187,593
Trade and other receivables		350,159	149,815
Other financial assets	13	11,622	5,353
Inventories	14	344,981	271,781
Other current assets		49,347	36,833
Total current assets		930,409	651,375
Non-current assets:			
Property, plant and equipment	15	1,093,274	1,168,765
Right-of-use assets		203,619	159,719
Goodwill		395,476	395,405
Intangible assets		9,577	11,259
Investments accounted for using equity method		7,213	6,869
Other financial assets	13	68,879	87,139
Other non-current assets		19,603	13,688
Deferred tax assets		306,997	370,722
Total non-current assets		2,104,638	2,213,566
Total assets		3,035,047	2,864,941

Millions of yen

	Notes	As of December 31, 2024	As of March 31, 2024
Liabilities and equity:			
Liabilities:			
Current liabilities:			
Borrowings	7	244,941	826,413
Trade and other payables		594,736	512,502
Lease liabilities		43,119	40,025
Other financial liabilities	7 and 13	40,900	344,341
Income taxes payable		32,613	6,182
Provisions		4,324	4,694
Other current liabilities		106,520	131,970
Total current liabilities		1,067,153	1,866,127
Non-current liabilities:			
Borrowings	7	573,604	284,899
Lease liabilities		185,404	142,871
Other financial liabilities	7 and 13	321,346	-
Retirement benefit liability		48,960	48,492
Provisions		7,827	7,331
Other non-current liabilities		111,993	65,419
Deferred tax liabilities		30	36
Total non-current liabilities		1,249,164	549,048
Total liabilities		2,316,317	2,415,175
Equity:			
Share capital	8	24,985	10,000
Capital surplus	8	866,411	851,517
Other components of equity		38,197	51,172
Retained earnings (Accumulated deficit)		(211,004)	(463,054)
Total equity attributable to owners of parent		718,589	449,635
Non-controlling interests		141	131
Total equity		718,730	449,766
Total liabilities and equity		3,035,047	2,864,941

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

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

Nine months ended December 31, 2024 and 2023

Condensed Quarterly Consolidated Statement of Profit or Loss

Millions of yen except per share amounts

	Notes	From April 1, 2024 to December 31, 2024	From April 1, 2023 to December 31, 2023
Revenue	10	1,359,366	754,506
Cost of sales	11	853,949	958,636
Gross profit (loss)		505,417	(204,130)
Selling, general and administrative expenses		97,410	97,296
Other income		10,172	10,676
Other expenses		3,573	5,806
Operating profit (loss)		414,606	(296,556)
Finance income		2,565	1,836
Finance costs	9	61,902	65,884
Share of profit of investments accounted for using equity method		337	115
Profit (loss) before tax		355,606	(360,489)
Income tax expense		103,551	(106,515)
Profit (loss)		252,055	(253,974)
Profit (loss) attributable to:			
Owners of parent		252,048	(253,974)
Non-controlling interests		7	0
Profit (loss)		252,055	(253,974)
Earnings per share:			
Basic earnings (loss) per share in yen	12	485.94	(490.77)
Diluted earnings (loss) per share in yen	12	481.30	(490.77)

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

Condensed Quarterly Consolidated Statement of Comprehensive Income

Millions of yen

	Notes	From April 1, 2024 to December 31, 2024	From April 1, 2023 to December 31, 2023
Profit (loss)		252,055	(253,974)
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	13	(13,061)	11,129
Remeasurements of defined benefit plans		2	40
Total of items that will not be reclassified to profit or loss		(13,059)	11,169
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		2,282	4,540
Effective portion of cash flow hedges		(2,182)	594
Share of other comprehensive income of investments accounted for using equity method		7	11
Total of items that may be reclassified to profit or loss		107	5,145
Other comprehensive income, net of tax		(12,952)	16,314
Comprehensive income		239,103	(237,660)
Comprehensive income attributable to:			
Owners of parent		239,093	(237,665)
Non-controlling interests		10	5
Comprehensive income		239,103	(237,660)

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

Three months ended December 31, 2024 and 2023

Condensed Quarterly Consolidated Statement of Profit or Loss

Millions of yen except per share amounts

	Notes	From October 1, 2024 to December 31, 2024	From October 1, 2023 to December 31, 2023
Revenue		449,958	261,968
Cost of sales		297,584	302,607
Gross profit (loss)		152,374	(40,639)
Selling, general and administrative expenses		34,778	31,348
Other income		6,109	9,307
Other expenses		990	2,294
Operating profit (loss)		122,715	(64,974)
Finance income		3,035	5,915
Finance costs		19,328	32,457
Share of profit of investments accounted for using equity method		265	67
Profit (loss) before tax		106,687	(91,449)
Income tax expense		30,612	(26,574)
Profit (loss)		76,075	(64,875)
Profit (loss) attributable to:			
Owners of parent		76,068	(64,870)
Non-controlling interests		7	(5)
Profit (loss)		76,075	(64,875)
Earnings per share:			
Basic earnings (loss) per share in yen	12	146.00	(125.35)
Diluted earnings (loss) per share in yen	12	145.99	(125.35)

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

Condensed Quarterly Consolidated Statement of Comprehensive Income

Millions of yen

	Notes	From October 1, 2024 to December 31, 2024	From October 1, 2023 to December 31, 2023
Profit (loss)		76,075	(64,875)
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		4,817	5,220
Total of items that will not be reclassified to profit or loss		4,817	5,220
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		4,821	(1,457)
Effective portion of cash flow hedges		(14,812)	12,986
Share of other comprehensive income of investments accounted for using equity method		17	(9)
Total of items that may be reclassified to profit or loss		(9,974)	11,520
Other comprehensive income, net of tax		(5,157)	16,740
Comprehensive income		70,918	(48,135)
Comprehensive income attributable to:			
Owners of parent		70,902	(48,129)
Non-controlling interests		16	(6)
Comprehensive income		70,918	(48,135)

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

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

Nine months ended December 31, 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 (loss)		—	—	—	252,048	252,048	7	252,055
Other comprehensive income		—	—	(12,955)	—	(12,955)	3	(12,952)
Comprehensive income		—	—	(12,955)	252,048	239,093	10	239,103
Issuance of new shares	8	14,985	14,894	—	—	29,879	—	29,879
Share-based payment transactions	8	0	0	(18)	—	(18)	—	(18)
Transfer from other components of equity to retained earnings		—	—	(2)	2	—	—	—
Total transactions with owners		14,985	14,894	(20)	2	29,861	—	29,861
Balance as of December 31, 2024	8	24,985	866,411	38,197	(211,004)	718,589	141	718,730

Nine months ended December 31, 2023

Millions of yen

		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, 2023	8	10,000	851,517	15,634	(219,083)	658,068	117	658,185
Profit (loss)		—	—	—	(253,974)	(253,974)	0	(253,974)
Other comprehensive income		—	—	16,309	—	16,309	5	16,314
Comprehensive income		—	—	16,309	(253,974)	(237,665)	5	(237,660)
Share-based payment transactions		—	—	14	—	14	—	14
Transfer from other components of equity to retained earnings		—	—	(40)	40	—	—	—
Total transactions with owners		—	—	(26)	40	14	—	14
Balance as of December 31, 2023	8	10,000	851,517	31,917	(473,017)	420,417	122	420,539

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

(4) Condensed Quarterly Consolidated Statement of Cash Flows

Millions of yen

	Notes	From April 1, 2024 to December 31, 2024	From April 1, 2023 to December 31, 2023
Cash flows from operating activities			
Profit (loss) before tax		355,606	(360,489)
Depreciation and amortization		234,796	264,473
Impairment losses		11	437
Finance income		(2,565)	(1,836)
Finance costs		61,902	65,884
Share of loss (profit) of investments accounted for using equity method		(337)	(115)
Loss (gain) on sales and retirement of non-current assets		(3,639)	1,643
Decrease (increase) in inventories		(72,670)	141,975
Decrease (increase) in trade and other receivables		(187,030)	(17,551)
Increase (decrease) in trade and other payables		66,489	33,083
Increase (decrease) in retirement benefit liability		470	821
Other		(600)	(476)
Subtotal		452,433	127,849
Interest and dividends received		2,010	2,132
Interest paid	9	(73,309)	(23,419)
Income taxes refund (paid)		(8,574)	(4,677)
Net cash provided by operating activities		372,560	101,885
Cash flows from investing activities			
Purchase of property, plant and equipment		(145,000)	(261,095)
Proceeds from sale of property, plant and equipment		4,072	1,554
Purchase of intangible assets		(302)	(529)
Proceeds from government grants		25,436	10,846
Other		36	119
Net cash used in investing activities		(115,758)	(249,105)
Cash flows from financing activities			
Net increase (decrease) in short-term borrowings and Revolving Credit Facility balances executed	7	(126,400)	191,065
Proceeds from long-term borrowings	7	47,667	95,438
Repayments of long-term borrowings	7	(202,745)	(171,143)
Repayments of lease liabilities		(20,666)	(20,651)
Proceeds from issuance of shares	8	29,879	—
Net cash provided by (used in) financing activities		(272,265)	94,709
Effect of exchange rate changes on cash and cash equivalents		2,170	874
Net increase (decrease) in cash and cash equivalents		(13,293)	(51,637)
Cash and cash equivalents at beginning of period		187,593	261,351
Cash and cash equivalents at end of period		174,300	209,714

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

(5) Notes to Condensed Quarterly Consolidated Financial Statements

1. Going Concern Assumption

Not applicable.

2. Reporting Entity

Kioxia Holdings Corporation (the “Company”) is a corporation located in Japan and listed on the Tokyo Stock Exchange Prime Market. The registered address of the Company’s headquarters is 1-21, Shibaura 3-chome, Minato-ku, Tokyo, Japan. The condensed quarterly consolidated financial statements as of, and for the nine months period ended December 31, 2024 are comprised of the Company, its subsidiaries (collectively the “Group”) and interests in associates and joint arrangements. As of December 31, 2024, 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.

3. Basis of Preparation

(1) Compliance with IFRS

The Group prepares its quarterly condensed consolidated financial statements in accordance with International Accounting Standards 34, “Interim Financial Reporting” under the provision of Article 5, Paragraph 2 of the Standards for Preparation of Quarterly Financial Statements, etc. of Tokyo Stock Exchange, Inc.
The condensed quarterly consolidated financial statements do not contain all of the information that would be required on consolidated financial statements for a fiscal year. Therefore, the condensed quarterly consolidated financial statements should be used with the consolidated financial statements for the prior fiscal year.

The condensed quarterly consolidated financial statements were approved by Nobuo Hayasaka, President, Representative Director and Chief Executive Officer, and Hideki Hanazawa, Senior Managing Executive Officer on February 14, 2025.

(2) Measurement basis

The condensed quarterly 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 quarterly 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.

4. Material Accounting Policies

The material accounting policies presented in the consolidated financial statements for the fiscal year ended March 31, 2024 are applied consistently in the preparation of these condensed quarterly consolidated financial statements, except for the following. The income tax expense for the nine months ended December 31, 2024 is calculated using the estimated average annual effective tax rate.

The Group has applied the following standards for the nine months ended December 31, 2024. There was no material impact to the consolidated statement of financial position as of December 31, 2024 from applying the standards.

Standard	Name of Standard	Overview of newly established or revised standard
IAS 1	Presentation of Financial Statements	- Clarification of classifying liabilities as current or non-current - Improvement of information about long-term debt with covenants

5. Significant Accounting Estimates and Judgements

Preparation of condensed quarterly 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 quarterly consolidated financial statements are the same as those used in the preceding fiscal year.

6. Segment Information

Information about reportable segment

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

7. Borrowings and Other Financial Liabilities

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

Millions of yen

	As of December 31, 2024	As of March 31, 2024
Current liabilities:		
Financial liabilities measured at amortized cost:		
Short-term borrowings (Note 1)	—	126,180
Current portion of long-term borrowings (Note 1 and 2)	244,941	700,233
Accrued interest	18,136	14,641
Preferred shares (Note 3)	—	322,741
Financial liabilities measured at fair value through profit or loss:		
Derivative liabilities	22,764	6,959
Subtotal	285,841	1,170,754
Non-current liabilities:		
Financial liabilities measured at amortized cost:		
Long-term borrowings (Note 1 and 2)	573,604	284,899
Preferred shares (Note 3)	321,346	—
Subtotal	894,950	284,899
Total	1,180,791	1,455,653

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

Millions of yen

	As of December 31, 2024	As of March 31, 2024
Revolving Credit Facility The balances executed	210,000 —	110,000 110,000
The balances unexecuted	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 on the financing arrangements below in order to refinance existing loans as of June 12, 2024. The carrying amounts of current portion of long-term borrowings and long-term borrowings based on the agreement as of December 31 and as of March 31, 2024 are 462,499 million yen and 699,915 million yen, respectively.

<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 for two consecutive quarters.
Since the Company has been approved for listing, the following “ii” applies from the period ended December 31, 2024.
i. During the period up to the IPO approval date (quarterly)
<table>
<tr><td></td><td>Fiscal year ending March 31, 2025</td><td>Fiscal year ending March 31, 2026</td><td>Fiscal year ending March 31, 2027</td></tr>
<tr><td>First Quarter</td><td>4.73:1</td><td>2.28:1</td><td>1.82:1</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>Third Quarter</td><td>2.68:1</td><td>2.05:1</td><td>1.57:1</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. In the period after the IPO approval (interim)
<table>
<tr><td></td><td>Fiscal year ending 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></td></tr>
</table>

(ii) The “Consolidated Equity” shall be greater than the figures below.
Since the Company has been approved for listing, the following “ii” applies from the period ended December 31, 2024.

i. During the period up to the IPO approval date (quarterly)
- As of June 30, 2024: 773,000 Million yen
- As of September 30, 2024: 823,000 Million yen
- As of December 31, 2024 and after the last day of each quarter: 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

ii. In the period after the IPO approval (interim)
- 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 ending 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.
Since the Company has been approved for listing, the following “ii” applies from the period ended December 31, 2024.

i. During the period up to the IPO approval date (quarterly)

	Fiscal year ending March 31, 2025	Fiscal year ending March 31, 2026	Fiscal year ending March 31, 2027
First Quarter	151%	124%	99%
Second Quarter	137%	118%	93%
Third Quarter	137%	111%	86%
Fourth Quarter	130%	105%	80%

ii. In the period after the IPO approval (interim)

	Fiscal year ending March 31, 2025	Fiscal year ending March 31, 2026	Fiscal year ending March 31, 2027
Second Quarter	137%	118%	93%
Fourth Quarter	130%	105%	80%

(iv) During the period up to the IPO approval date, the “Consolidated Qualifying Capital Expenditure” shall not exceed the figures in the table below in each fiscal year.
Since the Company has been approved for listing, the following doesn’t apply.

Millions of yen

Fiscal year ending March 31, 2025	Fiscal year ending March 31, 2026	Fiscal year ending March 31, 2027	Fiscal year ending March 31, 2028
352,660	450,840	491,640	479,280

(v) The Group shall not have negative consolidated profit for the year in any two consecutive full fiscal years ending 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 December 31, 2024). (iv) “Consolidated Debt to Equity Ratio” means the ratio of “Consolidated Debt” to “Consolidated Equity”. (v) “Consolidated Qualifying Capital Expenditure” means the aggregate amount of capital expenditure minus the financing amount through sale and leaseback and plus the amount of repayment through sale and leaseback.
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.

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 December 31 and as of March 31, 2024 are 344,406 million yen and 383,311 million yen, respectively.

Note 3: 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. Therefore, these preferred shares do not have dilutive effects on the ordinary shares. The holders of the preferred shares have rights to dividends and residual assets in preference to the holders of the ordinary 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.

Note 4: 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. There was no balance of executed borrowings related to the agreement as of December 31, 2024.

8. Share Capital and Capital Surplus

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

Nine months ended December 31, 2024 (From April 1, 2024 to December 31, 2024)

	Series of shares (Note 1)	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) (Note 2, 3)	Ordinary shares	—	21,562,560	14,985	14,894
	Preferred shares		—	—	—
	Total		21,562,560	14,985	14,894
As of December 31, 2024	Ordinary shares	2,070,000,000	539,062,560	24,985	866,411
	Preferred shares		3,000	—	—
	Total		539,065,560	24,985	866,411

Note 1: 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 “7. Borrowings and Other Financial Liabilities.”

Note 2: As a result of the capital increase through a paid-in public offering with a payment date of December 17, 2024, the total number of issued shares increased by 21,562,500 shares, and share capital and capital surplus increased by 14,985 million yen and 14,894 million yen, respectively. The amount of increase in capital surplus is after deduction of 91 million yen in cost related to the capital transaction. The Company's stock was listed on the Tokyo Stock Exchange Prime Market on December 18, 2024.

Note 3: As a result of the exercise of subscription rights to shares, the total number of issued shares increased by 60 shares, and share capital and capital surplus increased by 0 million yen respectively.

Nine months ended December 31, 2023 (From April 1, 2023 to December 31, 2023)

	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, 2023	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 December 31, 2023	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 “7. Borrowings and Other Financial Liabilities.”

9. Dividends

Nine months ended December 31, 2024 (From April 1, 2024 to December 31, 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 quarterly consolidated statement of profit or loss.

(2) Dividends whose record date is during the nine months ended December 31, 2024, whereas the effective date is after December 31, 2024

Not applicable.

Nine months ended December 31, 2023 (From April 1, 2023 to December 31, 2023)

(1) The amount paid as dividends

Not applicable.

(2) Dividends whose record date is during the nine months ended December 31, 2023, whereas the effective date is after December 31, 2023

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, 2024 to December 31, 2024	From April 1, 2023 to December 31, 2023
SSD & Storage	775,955	353,979
Smart Devices	421,554	261,854
Other	161,857	138,673
Total	1,359,366	754,506

11. Impact of Production Adjustment

The Group adjusted production volume by reducing wafer starts to significantly low capacity at the Yokkaichi Plant and the Kitakami Plant since October 2022. The manufacturing underutilization costs of 162,192 million yen resulting from the production adjustment are included in cost of sales for the nine months ended December 31, 2023. The Group did not make such production volume adjustments for the nine months ended December 31, 2024.

12. Earnings per Share

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

Nine months ended December 31, 2024 and 2023

	From April 1, 2024 to December 31, 2024	From April 1, 2023 to December 31, 2023
Profit (loss) attributable to owners of parent in millions of yen	252,048	(253,974)
Weighted average number of ordinary shares	518,676,137	517,500,000
Increase in the number of ordinary shares	—	—
Capital increase by issuing new shares	21,562,500	—
Exercise of subscription rights to shares	60	—
Dilutive effect in shares	5,010,493	—
Number of shares after dilutive effect	523,686,630	517,500,000
Earnings per share:		
Basic earnings (loss) per share in yen	485.94	(490.77)
Diluted earnings (loss) per share in yen	481.30	(490.77)

Note : The number of dilutive potential shares not factored into earnings per share were no and 13,509,300 for the nine months ended December 31, 2024 and 2023, respectively.

Three months ended December 31, 2024 and 2023

	From October 1, 2024 to December 31, 2024	From October 1, 2023 to December 31, 2023
Profit (loss) attributable to owners of parent in millions of yen	76,068	(64,870)
Weighted average number of ordinary shares	521,015,628	517,500,000
Increase in the number of ordinary shares	—	—
Capital increase by issuing new shares	21,562,500	—
Exercise of subscription rights to shares	60	—
Dilutive effect in shares	49,713	—
Number of shares after dilutive effect	521,065,341	517,500,000
Earnings per share:		
Basic earnings (loss) per share in yen	146.00	(125.35)
Diluted earnings (loss) per share in yen	145.99	(125.35)

Note : The number of dilutive potential shares not factored into earnings per share were 579,600 and 13,509,300 for the three months ended December 31, 2024 and 2023, respectively.

13. 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 December 31, 2024		As of March 31, 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Other financial liabilities (Preferred shares):				
Current liabilities	—	—	322,741	322,187
Non-current liabilities	321,346	319,500	—	—
Total	321,346	319,500	322,741	322,187

Note: The fair value hierarchy of other financial liabilities (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.

(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 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 Quarterly Consolidated Statement of Financial Position are as follows:

As of December 31, 2024

Millions of yen

	Level1	Level2	Level3	Total
Assets:				
Financial assets measured at fair value through profit or loss				
Derivative assets	-	11,485	-	11,485
Debt instruments	-	-	1,395	1,395
Financial assets measured at fair value through other comprehensive income				
Equity instruments	58,181	-	4,139	62,320
Total	58,181	11,485	5,534	75,200
Liabilities:				
Financial liabilities measured at fair value through profit or loss				
Derivative liabilities	-	22,764	-	22,764
Total	-	22,764	-	22,764

Note: There was no significant transfer between Level 1, 2 and 3 of the fair value hierarchy for the nine months ended December 31, 2024.

As of March 31, 2024

Millions of yen

	Level1	Level2	Level3	Total
Assets:				
Financial assets measured at fair value through profit or loss				
Derivative assets	-	5,219	-	5,219
Debt instruments	-	-	1,341	1,341
Financial assets measured at fair value through other comprehensive income				
Equity instruments	76,568	-	4,061	80,629
Total	76,568	5,219	5,402	87,189
Liabilities:				
Financial liabilities measured at fair value through profit or loss				
Derivative liabilities	-	6,959	-	6,959
Total	-	6,959	-	6,959

Note: There was no significant transfer between Level 1, 2 and 3 of the fair value hierarchy for the fiscal year ended March 31, 2024.

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, 2024 to December 31, 2024	From April 1, 2023 to December 31, 2023
Opening balance	5,402	4,261
Gains and losses		
Other comprehensive income (Note)	78	169
Other	54	41
Closing balance	5,534	4,471

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 Quarterly 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.

14. Inventories

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

Millions of yen

	From April 1, 2024 to December 31, 2024	From April 1, 2023 to December 31, 2023
Write-down of inventories	18,850	86,002

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.

15. Property, Plant and Equipment

Nine months ended December 31, 2024 (From April 1, 2024 to December 31, 2024)

(1) Acquisition, sale and disposal
The carrying amount of acquisition of property, plant and equipment is 153,098 million yen, and the carrying amount for sale and disposal of property, plant and equipment is 601 million yen.

(2) Commitment
The total amount of commitments for the purchase of property, plant and equipment is 153,947 million yen.

Nine months ended December 31, 2023 (From April 1, 2023 to December 31, 2023)

(1) Acquisition, sale and disposal
The carrying amount of acquisition of property, plant and equipment is 171,838 million yen, and the carrying amount for sale and disposal of property, plant and equipment is 2,716 million yen.

(2) Commitment
The total amount of commitments for the purchase of property, plant and equipment is 159,873 million yen.

16. 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.

17. Subsequent Events

Not applicable.

Independent Auditor's Interim Review Report on Quarterly Consolidated Financial Statements

(English Translation*)

February 14, 2025

To the Board of Directors of Kioxia Holdings Corporation

PricewaterhouseCoopers Japan LLC
Tokyo office

Hiroyuki Sawayama, CPA
Designated limited liability Partner
Engagement Partner

Taiju Usuki, CPA
Designated limited liability Partner
Engagement Partner

Masashi Ogawa, CPA
Designated limited liability Partner
Engagement Partner

Auditor's Conclusion

We have reviewed the condensed quarterly consolidated financial statements of Kioxia Holdings Corporation (the "Company") provided in the materials attached to the Consolidated Financial Results, which comprise the condensed quarterly consolidated balance sheet, condensed quarterly consolidated statements of income, comprehensive income, changes in equity, cash flows, and notes to the condensed quarterly consolidated financial statements for the three-month period from October 1, 2024 to December 31, 2024 and nine-month period from April 1, 2024 to December 31, 2024 of the consolidated fiscal year from April 1, 2024 to March 31, 2025.

Based on our interim review, nothing has come to our attention that causes us to believe that the condensed quarterly consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2024, and the consolidated results of their financial performance for the three-month and nine-month periods then ended and the consolidated cash flows for the nine-month period then ended in accordance with International Accounting Standard 34, "Interim Financial Reporting" prescribed in Article 5, Paragraph 2 of Standards for Preparation of Quarterly Financial Statements, etc. of Tokyo Stock Exchange, Inc.

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 Interim Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our review of the condensed quarterly consolidated financial statements 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 Quarterly Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the condensed quarterly 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 quarterly consolidated financial statements that are free from

material misstatement, whether due to fraud or error.

In preparing the condensed quarterly consolidated financial statements, management is responsible for assessing the Company'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 Company's financial reporting process.

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

Our objective is to express a conclusion on these condensed quarterly 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 quarterly consolidated financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting", 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 Company'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 quarterly 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 Company 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 quarterly 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 quarterly consolidated financial statements, including the disclosures, and the condensed quarterly 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 Company as a basis for expressing a conclusion on the condensed quarterly consolidated financial statements. We are responsible for the direction, supervision and review of the interim review of the condensed quarterly 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 Company 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 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 company of the Consolidated Financial Results).

2. XBRL data and HTML data are not included in the scope of the interim review.