November 1, 2026 09:16 PM GMT

KIOXIA Holdings (285A) | Japan

Expectations Reset

WHAT'S CHANGED

KIOXIA Holdings (285A.T)	From	To
Price Target	¥37,000	**¥24,000**
FY3/27e Non-GAAP OP	¥7.3 trillion	**¥7.7 trillion**
FY3/28e Non-GAAP OP	¥8.2 trillion	**¥9.4 trillion**

Dec-Q guidance is a negative surprise, but we view any share-price weakness as a buying opportunity.

We materially lower our price target, but remain OW: KIOXIA's Dec-Q guidance indicates that the price surges of the past year are coming to an end. However, given expanding demand for AI-related storage and supply-side constraints, we expect supply/demand to remain tight in CY27-28, albeit with slower price growth. We still believe this time is different. The current share price appears to reflect cyclical downcycle concerns, creating an attractive investment opportunity.

KIOXIA stated on its earnings call that it will return 100% of excess cash to shareholders over the medium to long term. We forecast ¥17trn of FCF for FY3/27-29, equivalent to 80% of its market cap. After this reset in expectations, the FCF outlook and shareholder-return policy should support a re-rating.

Our new price target is based on 6x our FY3/28e EPS. Our previous PT was based on a 10% FY3/28e FCF yield - equivalent to 10x our FY3/28e EPS. While we believe FCF yield is more important than ever as a valuation metric, investors continue to value memory stocks primarily on P/E. We have thus switched to a P/E-based target, drawing on historical mid-cycle multiples for memory names and the target multiples assigned to memory stocks by our global team (Exhibits 2-3). Our new PT of ¥24,000 represents 6x our FY3/28e EPS. Based on our FY3/28e FCF, this implies an FCF yield of ~20%.

Updating our forecasts: We forecast Kioxia's GB ASP to rise ~300% YoY in CY26 and 23% in CY27. Given strong eSSD demand, we push back the expected start of price declines from the Mar-Q 2027 to 2H CY27, although the company currently sees no signs of an impending decline. Our FY3/28 OP forecast remains 15% below sell-side consensus, which we view as an inappropriate benchmark and expect to be reset following these results.

March Q 2027 preview: At ¥155/US$, we forecast GB shipments of +9% QoQ, GB ASPs in US dollars of +6% QoQ, revenue of ¥2.9trn (+14% QoQ), an 88% Non-GAAP adjusted gross margin, and OP of ¥2.4trn.

Re-rating catalysts: (1) Data points indicating expanding SSD demand for KV cache and context memory in AI inference and agentic AI; (2) progress in the development and customer qualification of Kioxia's AI-related SSDs; and (3) the announcement of a large-scale share buyback.

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KIOXIA Holdings (285A.T, 285A JP)
Top Pick

Japan Semiconductors | Japan

Stock Rating	**Overweight**
Industry View	**In-Line**
Price target	¥24,000
Up/downside to price target (%)	78
Shr price, close (Oct 30, 2026)	¥13,470
Mkt cap, curr, basic (bn)	¥22,072.8
Div yld (03/27e) (%)	0.6

Fiscal Year Ending	03/26	03/27e	03/28e	03/29e
Revenue, net (¥bn)	2,337.6	9,630.1	11,420.2	11,325.3
Operating profit (¥bn)*	870.4	7,658.4	9,421.2	9,044.1
Net income (¥bn)*	554.5	5,247.9	6,592.2	6,360.7
EPS, basic (¥)*	341.4	3,202.9	4,023.4	3,882.1
Prior EPS, basic (¥)*	-	3,083.1	3,573.8	3,228.9
EPS (¥)**	344.5	3,230.4	4,023.9	3,882.6
Prior EPS (¥)**	-	3,117.6	3,574.3	3,229.4
P/E, basic*	18.6	4.2	3.3	3.5
P/BV, basic	7.4	3.8	1.8	1.2
ROE (%)*	75.2	375.1	113.7	52.7
EV/EBITDA, basic	8.7	2.1	1.1	0.5

framework
** = Based on consensus methodology
* = GAAP or approximated based on GAAP

investors should be aware that the firm may have a conflict of

Research as only a single factor in making their investment decision.

For analyst certification and other important disclosures, refer to the Disclosure Section, located at the end of this report.

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Exhibit 1: KIOXIA: 2026 year-to-date stock price performance (end-2025 stock price = 100)

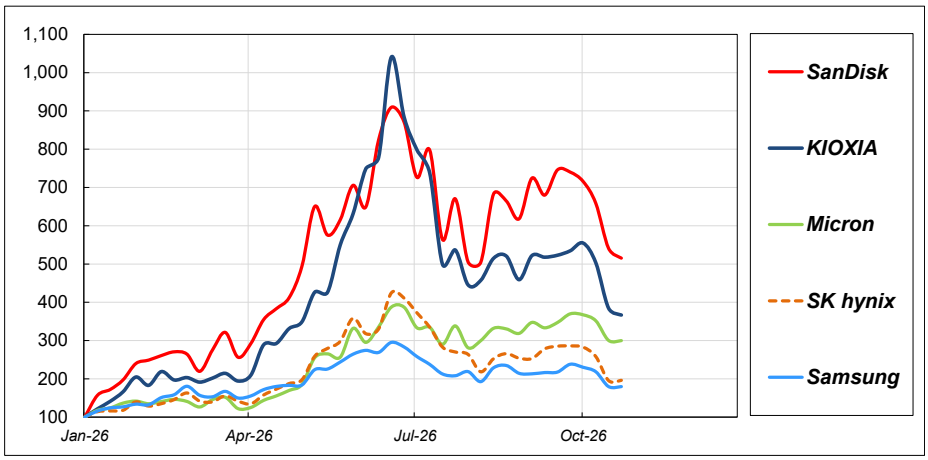


Exhibit 2: SanDisk and Micron Technology: 1-year forward P/E (consensus EPS basis)

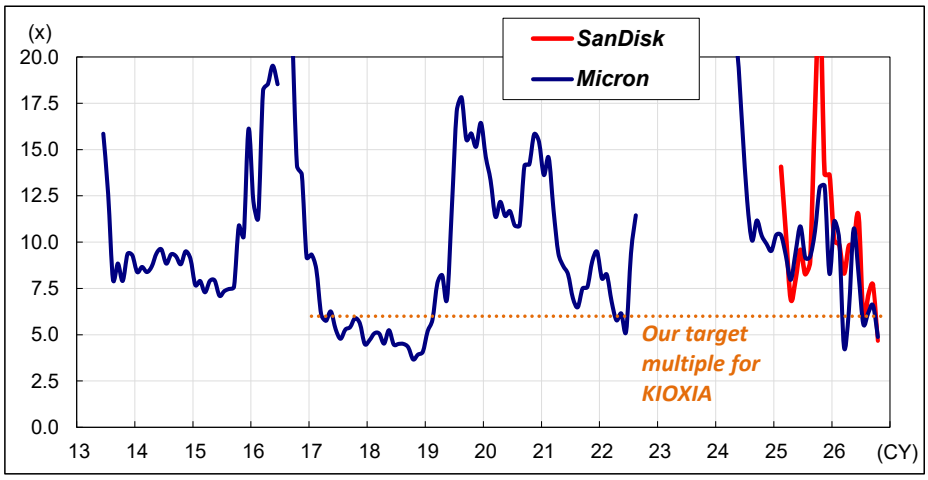


Exhibit 3: Memory stocks: Valuation

(US$mn)	Stock price	2026YTD	Market Cap	EV	P/E			EV/EBITDA			EV/Sales			P/B		
CY	10/31/26	change	(US$mn)	(US$mn)	FY25	FY26e	FY27e	FY25	FY26e	FY27e	FY25	FY26e	FY27e	FY25	FY26e	FY27e
Samsung Electronics	KRW 225,000	88%	1,090,539	724,958	18.2	5.2	3.3	7.9	3.3	1.5	2.1	1.5	1.0	1.9	2.6	1.6
SK hynix	KRW 1,418,000	118%	776,316	517,637	10.5	4.2	3.4	7.4	3.6	1.7	4.7	2.2	1.5	3.8	2.8	1.5
Micron Technology	$884.74	210%	1,001,015	904,560	16.1	12.7	4.8	7.7	9.8	3.6	3.8	6.8	3.2	2.5	7.9	4.0
SanDisk	$1,150.89	385%	166,335	156,523	-	32.0	4.9	10.8	30.2	3.9	1.0	7.7	3.1	0.7	22.4	6.8
KIOXIA Holdings	¥13,470	287%	140,801	92,027	18.6	4.2	3.3	9.6	1.8	1.5	4.8	1.5	1.3	7.4	4.2	2.1

Source: Samsung Electronics and SK hynix are covered by our Asia Technology analyst Shawn Kim. Micron Technology and SanDisk are covered by our US Semiconductor analyst Joseph Moore.

Exhibit 4: KIOXIA: Quarterly revenues by applications

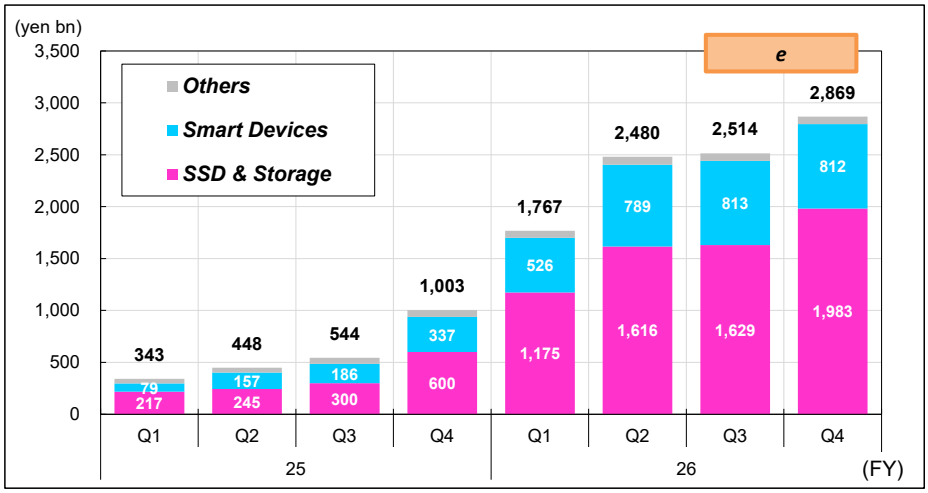


Exhibit 5: KIOXIA: Quarterly revenues

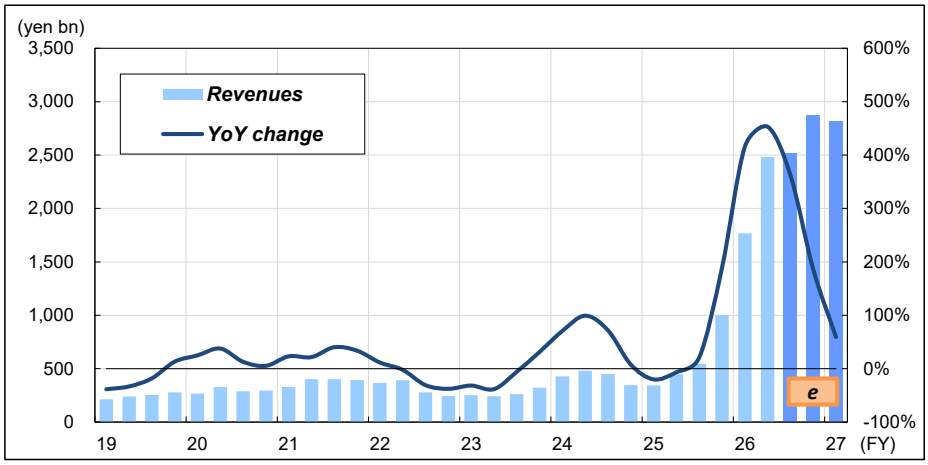


Exhibit 6: KIOXIA: Quarterly revenues and non-GAAP adjusted gross margin

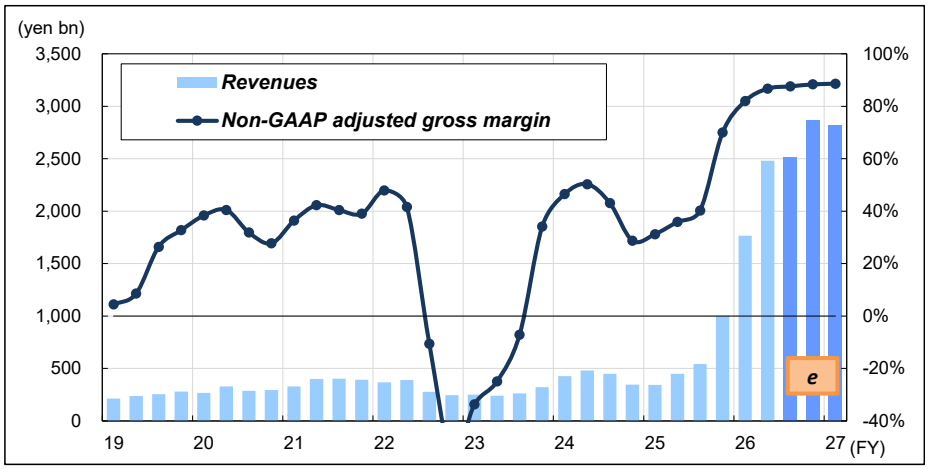


Exhibit 7: KIOXIA and SanDisk: Non-GAAP adjusted gross margin

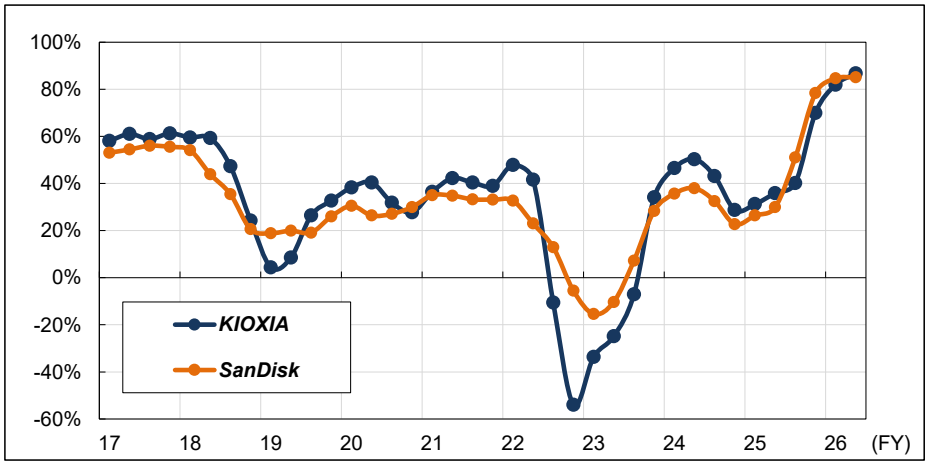


Exhibit 8: KIOXIA: FCF

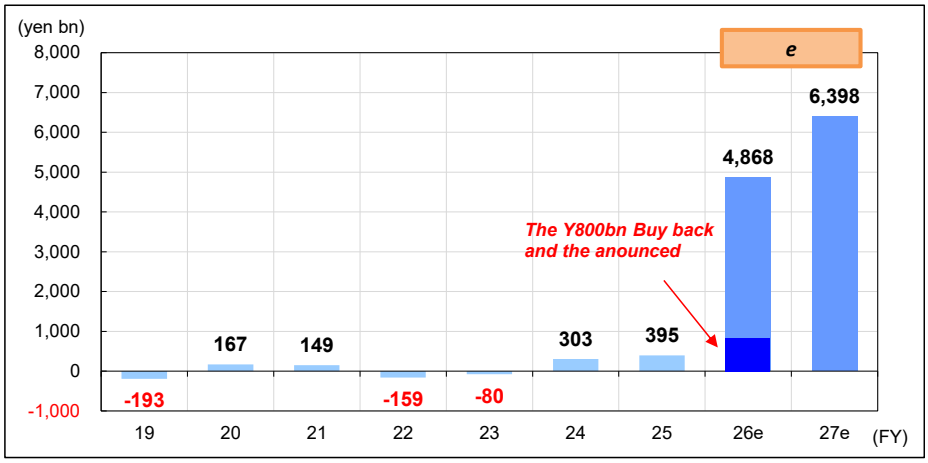


Exhibit 9: KIOXIA: Net cash

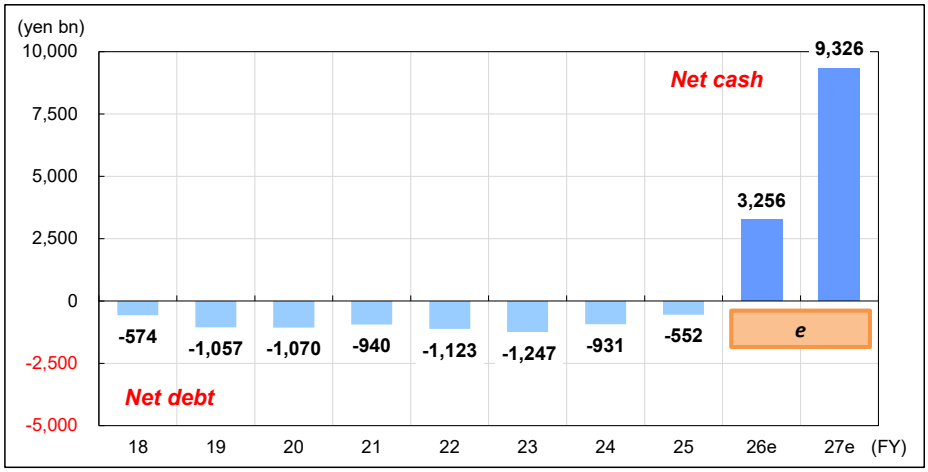


Exhibit 10: KIOXIA: Earnings forecast

(yen billions)	FY24	FY25	FY26		FY27		FY28	
FY			e (old)	e (new)	e (old)	e (new)	e (old)	e (new)
US$/Yen Rate (yen)	**153.0**	**150.0**	**158.2**	**158.0**	**155.0**	**155.0**	**155.0**	**155.0**
GB shipment (mn units)	**146,077**	**171,928**	**197,997**	**199,962**	**247,645**	**236,223**	**301,441**	**301,086**
YoY % change	20%	18%	15%	16%	25%	18%	22%	27%
GB ASP (US$)	**$0.067**	**$0.083**	**$0.284**	**$0.297**	**$0.262**	**$0.304**	**$0.201**	**$0.235**
YoY % change	31%	23%	241%	257%	-8%	2%	-23%	-23%
GB ASP (yen)	**¥10.32**	**¥12.47**	**¥44.86**	**¥46.86**	**¥40.61**	**¥47.11**	**¥31.13**	**¥36.43**
YoY % change	39%	21%	260%	276%	-9%	1%	-23%	-23%
Non-GAAP earnings								
Revenues	**1,706.5**	**2,337.6**	**9,120.3**	**9,630.1**	**10,304.9**	**11,420.2**	**9,639.8**	**11,325.3**
YoY % change	*59%*	*37%*	*290%*	*312%*	*13%*	*19%*	*-6%*	*-1%*
Adjusted Gross Profit	**651.1**	**1,099.7**	**7,618.4**	**8,113.8**	**8,605.0**	**9,816.9**	**7,782.2**	**9,465.8**
Adjusted Gross Margin	*38.2%*	*51.4%*	*85.5%*	*86.4%*	*85.3%*	*88.0%*	*82.7%*	*86.1%*
R&D (both in CoGS & SG&A)	132.9	141.2	195.9	220.1	221.5	221.5	240.5	240.5
% of Revenues	*7.8%*	*6.0%*	*2.1%*	*2.3%*	*2.1%*	*1.9%*	*2.5%*	*2.1%*
Other SG&A	75.4	90.1	155.2	171.6	166.0	173.0	170.0	180.0
% of Revenues	4.4%	3.9%	1.7%	1.8%	1.6%	1.5%	1.8%	1.6%
Operating profit	**453.0**	**876.2**	**7,265.6**	**7,718.9**	**8,217.5**	**9,422.4**	**7,371.7**	**9,045.3**
Adjusted OPM	27%	37%	80%	80%	80%	83%	76%	80%
Net Profit	**266.0**	**559.6**	**5,041.0**	**5,292.9**	**5,779.5**	**6,593.0**	**5,221.8**	**6,361.5**
Non-GAAP EPS (yen)	169.3	344.5	3,117.6	3,230.4	3,574.3	4,023.9	3,229.4	3,882.6
GAAP EPS (yen)	173.3	341.4	3,083.1	3,202.9	3,573.8	4,023.4	3,228.9	3,882.1
Gross capex	225.6	283.7	450.0	470.0	480.0	580.0	500.0	500.0
Net capex	173.0	221.0	423.0	443.0	475.0	575.0	495.0	495.0
Non-GAAP Depreciation	311.0	311.8	313.5	313.5	380.0	365.0	405.0	425.0
Non-GAAP EBITDA	**764.1**	**1,188.0**	**7,579.0**	**8,032.3**	**8,597.5**	**9,787.4**	**7,776.7**	**9,470.3**
FCF	**303.4**	**395.0**	**4,622.4**	**4,868.3**	**5,691.2**	**6,397.9**	**5,051.3**	**6,241.2**
Net Debt	931.0	552.1	-2,627.9	-3,255.8	-7,456.7	-9,326.0	-11,645.5	-15,239.5
Shareholders' Equity	737.6	1,398.9	5,152.9	5,797.7	10,069.2	12,062.2	14,427.8	18,095.2
Net Debt to Equity	1.26	0.39	-0.51	-0.56	-0.74	-0.77	-0.81	-0.84
Net Debt to Non-GAAP EBITDA	**1.22**	**0.46**	**-0.35**	**-0.41**	**-0.87**	**-0.95**	**-1.50**	**-1.61**

Exhibit 11: KIOXIA: Non-GAAP earnings

(yen billion) FY	FY25 Q1	Q2	Q3	Q4	FY25	FY26 Q1	Q2	Q3e	Q4e	FY26e	FY27 Q1e	Q2e	Q3e	Q4e	FY27e
US$ / Yen rate (Yen)	**145**	**147**	**153**	**155**	**150**	**160**	**161**	**157**	**155**	**158**	**155**	**155**	**155**	**155**	**155**
GB shipment (1GB, mn)	**33,777**	**46,274**	**48,357**	**43,521**	**171,928**	**44,827**	**50,206**	**50,206**	**54,724**	**199,962**	**53,630**	**57,920**	**60,816**	**63,857**	**236,223**
YoY % change	-5%	19%	28%	28%	18%	33%	8%	4%	26%	16%	20%	15%	21%	17%	18%
QoQ % change	0%	37%	5%	-10%		3%	12%	0%	9%		-2%	8%	5%	5%	
CY basis GB shipment (mn)		**CY25**	**162,320**				**CY26e**	**188,759**				**CY27e**	**227,090**		
YoY % change			**13%**					**16%**					**20%**		
1GB ASP (US$)	**$0.06**	**$0.06**	**$0.07**	**$0.14**	**$0.08**	**$0.24**	**$0.30**	**$0.31**	**$0.33**	**$0.30**	**$0.33**	**$0.31**	**$0.30**	**$0.28**	**$0.30**
YoY % change	-9%	-19%	-7%	146%	23%	290%	401%	366%	135%	257%	38%	5%	-4%	-16%	2%
QoQ % change	7%	-3%	12%	111%		70%	25%	4%	6%		0%	-5%	-5%	-6%	
1GB ASP (yen)	**8.9**	**8.8**	**10.2**	**21.7**	**12.5**	**38.2**	**48.0**	**48.7**	**51.2**	**46.9**	**51.2**	**48.6**	**46.2**	**43.2**	**47.1**
YoY % change	-17%	-21%	-4%	147%	21%	330%	448%	379%	135%	276%	34%	1%	-5%	-16%	1%
QoQ % change	1%	-1%	16%	114%		76%	26%	1%	5%		0%	-5%	-5%	-6%	
CY basis 1GB ASP (yen)		**CY25**	**10.4**				**CY26e**	**41.1**				**CY27e**	**50.4**		
YoY % change			**-11%**					**297%**					**23%**		
1GB production cost (yen)	**6.1**	**5.6**	**6.1**	**6.5**	**6.1**	**7.0**	**6.5**	**6.2**	**5.8**	**6.4**	**5.8**	**5.7**	**5.4**	**5.5**	**5.7**
YoY % change	7%	2%	1%	10%	4%	14%	15%	1%	-11%	5%	-16%	-12%	-12%	-6%	-12%
QoQ % change	3%	-8%	8%	7%		7%	-7%	-5%	-5%		0%	-3%	-4%	1%	
Non-GAAP Perfomance															
Revenues	**342.8**	**448.3**	**543.6**	**1,002.9**	**2,337.6**	**1,767.1**	**2,480.0**	**2,514.2**	**2,868.8**	**9,630.1**	**2,814.7**	**2,888.0**	**2,882.9**	**2,834.6**	**11,420.2**
YoY % change	-20%	-7%	21%	189%	37%	415%	453%	362%	186%	312%	59%	16%	15%	-1%	19%
QoQ % change	-1%	31%	21%	84%		76%	40%	1%	14%		-2%	3%	0%	-2%	
SSD& Storage	**217.4**	**244.6**	**300.4**	**600.3**	**1,362.7**	**1,174.7**	**1,616.0**	**1,629.4**	**1,983.4**	**6,277.6**					**7,805.8**
Datacenter & Enterprise SSD	117.4	143.1	180.2	330.2	770.9	728.3	1,050.4	1,072.7	1,410.5	4,261.9					
PC & Client SSD	100.0	101.5	120.2	270.1	591.8	446.4	565.6	556.8	572.9	2,141.7					
Smart Devices	**79.0**	**157.3**	**186.3**	**337.3**	**760.0**	**525.7**	**788.9**	**812.6**	**811.8**	**3,002.0**					**3,220.6**
Others	**46.3**	**46.5**	**57.0**	**65.2**	**215.0**	**66.7**	**75.1**	**72.2**	**73.5**	**350.5**					**393.8**
JV revenues from SanDisk	42.5	43.0	51.4	53.1	190.0	53.9	68.6	68.6	68.6	238.9	65.3	67.3	69.3	69.3	271.1
Others	3.8	3.5	5.6	8.7	21.6	7.6	1.3	3.6	4.9	90.8					101.9
Non-GAAP CoGS	**271.3**	**326.0**	**366.8**	**359.7**	**1,323.8**	**386.9**	**426.8**	**409.8**	**434.8**	**1,658.3**	**407.8**	**425.2**	**429.8**	**462.1**	**1,724.8**
SanDisk wafer CoGS	42.1	42.6	50.9	52.6	188.1	48.2	62.8	62.8	62.8	236.5	64.6	66.6	68.6	68.6	268.4
R&D (within CoGS)	22.3	23.2	21.2	22.6	89.3	25.3	38.7	38.0	40.0	142.0	29.5	30.0	30.0	32.0	121.5
Other CoGS	206.9	260.2	294.7	284.5	1,046.4	313.4	325.3	309.1	320.0	1,267.8	313.6	328.6	331.2	349.5	1,322.9
Property tax				12.0	12.0				12.0	12.0				12.0	12.0
Non-GAAP adj GP after JV trades	**93.8**	**145.5**	**198.0**	**662.4**	**1,099.7**	**1,351.6**	**2,023.3**	**2,137.2**	**2,468.8**	**8,093.0**	**2,431.2**	**2,487.6**	**2,478.0**	**2,399.4**	**9,796.1**
Non-GAAP adj GP after JV trades	31.2%	35.9%	40.2%	70.0%	51.4%	82.0%	86.7%	87.6%	88.3%	86.4%	88.6%	88.4%	88.2%	86.9%	88.0%
Non-GAAP SG&A	**29.9**	**35.3**	**32.2**	**44.6**	**142.0**	**52.3**	**63.4**	**65.0**	**69.0**	**249.7**	**65.5**	**70.0**	**66.5**	**71.0**	**273.0**
% of Revenues	8.7%	7.9%	5.9%	4.4%	6.1%	3.0%	2.6%	2.6%	2.4%	2.6%	2.3%	2.4%	2.3%	2.5%	2.4%
R&D (within SG&A)	12.2	12.6	13.1	14.0	51.9	14.1	19.0	21.0	24.0	78.1	24.0	25.0	25.0	26.0	100.0
% of Revenues	3.6%	2.8%	2.4%	1.4%	2.2%	0.8%	0.8%	0.8%	0.8%	0.8%	0.9%	0.9%	0.9%	0.9%	0.9%
Other SG&A	17.7	22.7	19.1	30.6	90.1	38.2	44.4	44.0	45.0	171.6	41.5	45.0	41.5	45.0	173.0
% of Revenues	5.2%	5.1%	20.0%	3.1%	3.9%	2.2%	1.8%	1.8%	1.6%	1.8%	1.5%	1.6%	1.4%	1.6%	1.5%
Other Income & Expenses (net)	3.6	0.0	-0.0	0.5	4.0	-1.7	-1.5	0.0	0.0	-3.2	0.0	0.0	0.0	0.0	0.0
Non-GAAP Operating Profit	**45.2**	**87.1**	**144.6**	**599.1**	**876.2**	**1,326.2**	**1,988.3**	**2,039.4**	**2,365.0**	**7,718.9**	**2,341.4**	**2,392.8**	**2,386.7**	**2,301.6**	**9,422.4**
Adjusted Operating Margin	13.2%	19.4%	26.6%	59.7%	37.5%	75.0%	80.2%	81.1%	82.4%	80.2%	83.2%	82.9%	82.8%	81.2%	82.5%
Non-GAAP Net income	**18.5**	**41.7**	**89.5**	**409.9**	**559.6**	**887.0**	**1,348.6**	**1,415.3**	**1,642.1**	**5,292.9**	**1,635.6**	**1,672.7**	**1,671.9**	**1,612.8**	**6,593.0**
Gross Capex	**53.6**	**91.5**	**70.9**	**67.7**	**283.7**	**52.4**	**84.6**	**140.0**	**193.0**	**470.0**	**125.0**	**125.0**	**125.0**	**205.0**	**580.0**
% of Revenues	16%	20%	13%	7%	12%	3%	3%	6%	7%	5%	4%	4%	4%	7%	5%
Proceeds from sales of PPE	3.9	0.9	1.0	0.4	6.3	1.3	0.0	1.0	2.7	5.0	1.0	1.0	1.0	2.0	5.0
Subsidy income	15.5	17.8	8.6	14.5	56.4	12.0	9.3	0.0	0.7	22.0	0.0	0.0	0.0	0.0	0.0
Net Capex	**34.1**	**72.8**	**61.3**	**52.8**	**221.0**	**39.1**	**75.2**	**139.0**	**189.6**	**443.0**	**124.0**	**124.0**	**124.0**	**203.0**	**575.0**
% of Revenues	10%	16%	11%	5%	9%	2%	3%	6%	7%	5%	4%	4%	4%	7%	5%
Non-GAAP Dep & Amortization	**79.7**	**78.6**	**77.3**	**76.2**	**311.8**	**75.9**	**77.4**	**78.5**	**81.7**	**313.5**	**86.0**	**88.0**	**90.0**	**101.0**	**365.0**
% of Revenues	23%	18%	14%	8%	13%	4%	3%	3%	3%	3%	3%	3%	3%	4%	3%
Non-GAAP EBITDA	**124.9**	**165.7**	**221.9**	**675.3**	**1,188.0**	**1,402.1**	**2,065.7**	**2,117.9**	**2,446.6**	**8,032.3**	**2,427.4**	**2,480.8**	**2,476.7**	**2,402.6**	**9,787.4**
% of Revenues	36%	37%	41%	67%	51%	79%	83%	84%	85%	83%	86%	86%	86%	85%	86%

Exhibit 12: KIOXIA: GAAP income statement

(yen billion) FY	FY25 Q1	Q2	Q3	Q4	FY25	FY26 Q1	Q2	Q3e	Q4e	FY26e	FY27 Q1e	Q2e	Q3e	Q4e	FY27e
Revenues	**342.8**	**448.3**	**543.6**	**1,002.9**	**2,337.6**	**1,767.1**	**2,480.0**	**2,514.2**	**2,868.8**	**9,630.1**	**2,814.7**	**2,888.0**	**2,882.9**	**2,834.6**	**11,420.2**
COGS	**271.6**	**326.2**	**367.0**	**359.9**	**1,324.7**	**387.1**	**426.9**	**410.1**	**435.1**	**1,659.2**	**408.1**	**425.5**	**430.1**	**462.4**	**1,726.0**
Gross profit	**71.2**	**122.1**	**176.6**	**642.9**	**1,012.9**	**1,380.1**	**2,053.2**	**2,104.1**	**2,433.7**	**7,970.9**	**2,406.6**	**2,462.5**	**2,452.9**	**2,372.3**	**9,694.2**
Gross Margin	20.8%	27.2%	32.5%	64.1%	43.3%	78.1%	82.8%	83.7%	84.8%	82.8%	85.5%	85.3%	85.1%	83.7%	84.9%
SG&A	**29.8**	**36.2**	**33.8**	**46.7**	**146.6**	**71.7**	**57.0**	**70.0**	**74.0**	**272.7**	**65.5**	**70.0**	**66.5**	**71.0**	**273.0**
% of Sales	9%	8%	6%	5%	6%	4%	2%	3%	3%	3%	2%	2%	2%	3%	2%
Other Income & Expenses (net)	**3.6**	**0.0**	**-0.0**	**0.5**	**4.0**	**-38.3**	**-1.5**	**0.0**	**0.0**	**-39.8**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Operating Profit	**44.9**	**85.9**	**142.8**	**596.8**	**870.4**	**1,270.0**	**1,994.7**	**2,034.1**	**2,359.7**	**7,658.4**	**2,341.1**	**2,392.5**	**2,386.4**	**2,301.3**	**9,421.2**
Finance Income	**2.4**	**2.7**	**-1.5**	**5.9**	**9.5**	**17.2**	**25.8**	**7.0**	**6.0**	**56.0**	**18.0**	**20.0**	**25.0**	**27.0**	**90.0**
Interest Income and dividend					3.8					46.0					80.0
Other Income					5.7					10.0					10.0
Finance Costs	**19.9**	**32.2**	**19.6**	**25.0**	**96.7**	**52.8**	**51.6**	**10.0**	**8.2**	**122.6**	**6.0**	**6.0**	**6.0**	**8.0**	**26.0**
Interest Expenses	15.0	29.7	15.0	12.4	72.2	17.0	7.0	7.0	6.6	37.6	4.0	4.0	4.0	4.0	16.0
Weighted average interest rate					6.4%					4.3%					3.2%
Other Expenses	4.9	2.5	2.0	15.2	24.5	35.8	44.6	3.0	1.6	85.0	2.0	2.0	2.0	4.0	10.0
Equity Earnings in Investees	**-0.1**	**0.3**	**0.1**	**0.0**	**0.9**	**0.3**	**-0.2**	**0.0**	**0.0**	**0.1**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Pretax Income	**27.3**	**56.7**	**121.7**	**578.3**	**784.1**	**1,234.7**	**1,968.7**	**2,031.1**	**2,357.5**	**7,591.9**	**2,353.1**	**2,406.5**	**2,405.4**	**2,320.3**	**9,485.2**
Income tax expenses	**9.0**	**16.0**	**33.9**	**170.6**	**229.6**	**392.5**	**613.0**	**619.5**	**719.0**	**2,344.0**	**717.7**	**734.0**	**733.6**	**707.7**	**2,893.0**
Effective Tax Rate	33.1%	28.3%	27.9%	29.5%	29.3%	31.8%	31.1%	30.5%	30.5%	30.9%	30.5%	30.5%	30.5%	30.5%	30.5%
Statutory Tax Rate					31.1%					31.1%					31.1%
Non-controlling Interest	-0.1	0.0	0.1	0.0	0.0	0.0	-0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income to Owners of Parent	**18.4**	**40.7**	**87.7**	**407.7**	**554.5**	**842.2**	**1,355.7**	**1,411.6**	**1,638.4**	**5,247.9**	**1,635.4**	**1,672.5**	**1,671.7**	**1,612.6**	**6,592.2**
Average Shares (mn)	1,626.9	1,618.7	1,623.0	1,635.8	1,624.4	1,640.7	1,617.2	1,638.7	1,638.7	1,638.5	1,638.7	1,638.7	1,638.7	1,638.7	1,638.5
Per Share Data (yen)															
GAAP Basic EPS	11.3	25.1	54.0	249.3	341.4	513.3	838.3	861.4	999.9	3,202.9	998.0	1,020.7	1,020.2	984.1	4,023.4
Non-GAAP Diluted EPS	11.4	25.8	55.1	250.6	344.5	508.4	833.9	863.7	1,002.1	3,230.4	998.1	1,020.8	1,020.3	984.2	4,023.9
BPS	470.1	506.6	599.1	853.9	853.9	1,462.4	1,787.4		3,538.0	3,538.0				7,361.0	7,361.0
Net cash per Share	0.0	0.0	0.0	-477.6	-477.6	113.6	496.0		1,986.8	1,986.8				5,691.2	5,691.2
DPS	0.0	0.0	0.0	0.0	0.0	0.0	30.0	0.0	45.0	75.0	0.0	100.0	0.0	100.0	200.0

Exhibit 13: KIOXIA: Consolidated statement of financial position

(yen billion) FY	FY25 Q1	Q2	Q3	Q4	FY25	FY26 Q1	Q2	Q3e	Q4e	FY26e	FY27 Q1e	Q2e	Q3e	Q4e	FY27e
Current Assets	**808.4**	**890.3**	**1,059.6**	**1,617.8**	**1,617.8**	**2,472.0**	**3,596.7**		**5,806.2**	**5,806.2**				**12,129.6**	**12,129.6**
Cash & Cash Equivalents	178.4	235.5	281.5	470.7	470.7	791.0	1,397.3		3,765.8	3,765.8				9,814.4	9,814.4
Trade & Other Receivables	211.5	236.4	347.8	660.6	660.6	1,151.6	1,648.4		1,451.1	1,451.1				1,689.6	1,689.6
Collection Period (days)	48	54	42	103	103	112	104		55	55				54.0	54
Other Financial Assets	1.8	3.9	8.0	7.2	7.2	4.8	23.0		7.2	7.2				7.2	7.2
Inventories	**371.9**	**361.6**	**353.5**	**412.6**	**412.6**	**438.1**	**446.0**		**500.3**	**500.3**				**531.7**	**531.7**
Days of Inventory	123	100	87	103	103	102	94		105	105				105	105
Other Current Assets	44.8	52.8	68.9	66.8	66.8	86.5	82.0		81.8	81.8				86.8	86.8
Non-current Assets	**2,085.6**	**2,091.9**	**2,135.2**	**2,072.2**	**2,072.2**	**2,258.5**	**2,287.2**		**2,253.3**	**2,253.3**				**2,562.1**	**2,562.1**
PP&E	**1,071.0**	**1,068.7**	**1,056.8**	**1,055.3**	**1,055.3**	**1,055.8**	**1,109.7**		**1,136.3**	**1,136.3**				**1,345.1**	**1,345.1**
Buildings (Net)				412.5	412.5				424.0	424.0				454.0	454.0
Machinery & Equipment (Net)				542.6	542.6				602.2	602.2				751.0	751.0
Construction in Progress				68.4	68.4				68.4	68.4				68.4	68.4
Land				31.6	31.6				41.6	41.6				71.6	71.6
Right-of-use Assets	**200.6**	**192.4**	**186.4**	**178.1**	**178.1**	**175.5**	**171.3**		**178.1**	**178.1**				**178.1**	**178.1**
Goodwill	**395.6**	**395.5**	**395.6**	**395.6**	**395.6**	**395.7**	**395.6**		**395.6**	**395.6**				**395.6**	**395.6**
Intangible Assets	**11.0**	**11.2**	**11.1**	**11.2**	**11.2**	**11.7**	**11.8**		**11.2**	**11.2**				**11.2**	**11.2**
Equity-method Investments	7.3	7.3	7.4	8.1	8.1	8.4	8.2		8.1	8.1				8.1	8.1
Other Financial Assets	67.2	93.2	198.1	219.2	219.2	522.3	470.2		319.2	319.2				419.2	419.2
Other Non-current Assets	18.7	27.0	29.3	27.3	27.3	26.0	24.2		27.3	27.3				27.3	27.3
Deferred Tax Assets	314.2	296.6	250.5	177.5	177.5	63.1	96.3		177.5	177.5				177.5	177.5
Total Assets	**2,894.0**	**2,982.2**	**3,194.8**	**3,690.1**	**3,690.1**	**4,730.5**	**5,883.9**		**8,059.5**	**8,059.5**				**14,691.8**	**14,691.8**
Current Liabilities	**956.4**	**904.4**	**986.4**	**1,098.0**	**1,098.0**	**1,395.8**	**2,037.5**		**1,644**	**1,644.2**				**2,302**	**2,301.9**
Trade & Other Payables	527.9	544.6	606.8	594.9	594.9	706.8	777.4		667.7	667.7				706	706.3
Days Payable (days)				176	176				162	162				162	162
ST Borrowings	261.8	189.2	185.2	175.5	175.5	91.5	60.7		0.0	0.0				300.0	300.0
Lease Liabilities	44.0	44.2	44.6	43.9	43.9	43.5	42.6		41.6	41.6				20.0	20.0
Other Financial Liabilities	12.7	7.4	18.3	28.3	28.3	36.7	2.9		28.3	28.3				28.3	28.3
Income Tax Payable	6.3	10.9	8.7	104.5	104.5	340.0	974.7		586.0	586.0				867.9	867.9
% Tax Expense															
Provisions	4.8	2.2	2.1	3.9	3.9	7.7	9.4		3.9	3.9				3.9	3.9
Other Current Liabilities	98.8	105.8	120.7	147.0	147.0	169.5	169.9		316.7	316.7				375.5	375.5
Non-current Liabilities	**1,177.3**	**1,258.4**	**1,229.8**	**1,193.0**	**1,193.0**	**930.2**	**917.2**		**617.6**	**617.6**				**327.6**	**327.6**
LT Borrowings	507.1	920.9	900.9	872.1	872.1	543.0	543.2		300.0	300.0				0.0	0.0
Lease Liabilities	182.6	175.2	169.2	161.7	161.7	159.7	156.2		140.1	140.1				140.1	140.1
Other Financial Liabilities	321.7	0.0	0.0	0.0	0.0	0.0			0.0	0.0				0.0	0.0
Net Defined Benefit Liabilities	46.3	46.1	46.1	42.9	42.9	42.8	42.2		21.2	21.2				21.2	21.2
Provisions	7.8	8.4	9.7	12.8	12.8	58.3	62.3		52.8	52.8				52.8	52.8
Other Non-current Liabilities	119.7	107.8	103.4	102.7	102.7	119.6	113.2		102.7	102.7				112.7	112.7
Deferred Tax Liabilities	0.0	0.0	0.6	0.7	0.7	6.7	0.0		0.7	0.7				0.7	0.7
Equity	**760.3**	**819.3**	**978.6**	**1,399.1**	**1,399.1**	**2,404.5**	**2,929.1**		**5,797.8**	**5,797.8**				**12,062.3**	**12,062.3**
Owners of Parent	**760.2**	**819.2**	**978.5**	**1,398.9**	**1,398.9**	**2,404.3**	**2,929.0**		**5,797.7**	**5,797.7**				**12,062.2**	**12,062.2**
Capital Stock	25.3	25.6	29.9	31.3	31.3	33.1	34.8		31.3	31.3				31.3	31.3
Additional Paid-in Capital	886.8	867.7	872.6	875.8	875.8	883.7	877.8		875.8	875.8				875.8	875.8
Other Components of Equity	39.3	56.5	118.8	124.9	124.9	278.4	251.6		124.9	124.9				124.9	124.9
Retained Earnings	-171.3	-130.6	-42.8	367.0	367.0	1,209.1	2,564.8		5,565.7	5,565.7				11,830.2	11,830.2
Treasury Stock						-0.0	-800.0			-800.0				-800.0	-800.0
Non-controlling Interests	**0.1**	**0.1**	**0.0**	**0.2**	**0.2**	**0.2**	**0.2**		**0.2**	**0.2**				**0.2**	**0.2**
Total Liabilities & Equity	**2,894.0**	**2,982.2**	**3,194.8**	**3,690.1**	**3,690.1**	**4,730.5**	**5,883.9**		**8,059.6**	**8,059.6**				**14,691.8**	**14,691.8**
Interest-bearing Debt	995.4	1,329.6	1,299.8	1,253.2	1,253.2	837.8	802.7		510.0	510.0				488.4	488.4
Net Interest-bearing Debt	912.2	873.7	787.0	552.1	552.1	-186.7	-812.7		-3,255.8	-3,255.8				-9,326.0	-9,326.0



Exhibit 14: KIOXIA: Consolidated statement of cash flow

(yen billion) FY	FY25 Q1	Q2	Q3	Q4	FY25	FY26 Q1	Q2	Q3e	Q4e	FY26e	FY27 Q1e	Q2e	Q3e	Q4e	FY27e
Net Profit	18.4	40.7	87.7	407.7	554.5	842.2	1,355.7			5,247.9					6,592.2
Depreciation & Amortization	80.0	78.9	77.6	76.4	312.8	76.1	77.5			314.4					366.2
Impairment Losses	0.1	0.1	0.1	0.2	0.4	0.0	0.6			0.0					0.0
Decrease in Receivables	27.1	-24.9	-111.4	-312.8	-422.0	-491.0	-496.8			-790.6					-238.5
Decrease in Inventories	-19.0	10.2	8.1	-59.1	-59.7	-25.5	-7.9			-87.7					-31.4
Change in Current Assets	-1.4	-8.0	-16.1	-1.1	-26.6	-19.8	4.5			-15.0					-5.0
Change in Current Liabilities	-30.2	25.7	74.7	112.1	182.2	373.6	707.4			723.9					379.4
Change in Fixed Liabilities	8.8	-11.5	-2.6	-0.6	-5.9	68.3	-9.7			18.4					10.0
Other	-22.5	2.9	28.8	71.7	80.9	42.4	-118.1			0.0					0.0
Net Cash provided by Operation	**61.1**	**114.0**	**147.0**	**294.4**	**616.5**	**866.3**	**1,513.2**			**5,411.3**					**7,072.9**
Puchase of PP&E	-52.5	-90.6	-70.6	-67.4	-281.1	-51.2	-84.1			-460.0					-570.0
Proceeds from Sale of PP&E	3.9	0.9	1.0	0.4	6.3	1.2	0.1			5.0					5.0
Purchase of Intangible Assets	-1.1	-0.9	-0.4	-0.3	-2.6	-1.2	-0.5			-10.0					-10.0
Purchase of Subsidiaries & Business	0.0	0.0	0.0	0.0	0.0	0.0	0.0			-100.0					-100.0
Proceeds from Sales of Subsidiaries	0.0	0.0	0.0	0.0	0.0	0.0	0.0			0.0					0.0
Others	15.5	17.8	8.6	14.0	55.9	-66.1	8.8			22.0					0.0
Net Cash used in Investing activities	**-34.1**	**-72.8**	**-61.3**	**-53.3**	**-221.5**	**-117.3**	**-75.7**			**-543.0**					**-675.0**
Free Cash Flow	**27.0**	**41.3**	**85.7**	**241.1**	**395.0**	**749.0**	**1,437.5**			**4,868.3**					**6,397.9**
Net Increase in ST borrowings	10.0	0.0	0.0	-10.0	0.0	0.0	0.0			0.0					0.0
Cash proceeds from LT borrowings	43.5	790.4	8.9	19.5	862.3	7.5	70.0			0.0					0.0
Repayment of LT borrowings	-63.5	-435.3	-51.0	-66.6	-616.4	-433.2	-89.9			-700.1					0.0
Repayment of Lease Liabilities	-7.5	-7.3	-7.8	-8.0	-30.5	-7.9	-8.0			-23.9					-21.6
Dividend Paid	0.0	0.0	0.0	0.0	0.0	0.0	0.0			-49.2					-327.7
Issuance of Preferred stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0			0.0					0.0
Redemption of Preferred stock	0.0	-323.0	0.0	0.0	-323.0	0.0	0.0			0.0					0.0
Issuance of New Shares	0.0	0.6	8.3	2.7	11.6	3.3	1.2			0.0					0.0
Cash used for share buy-back	0.0	0.0	0.0	0.0	0.0	0.0	-800.3			-800.0					
Others	0.2	-10.2	-0.0	10.0	0.0	-0.0	0.0			0.0					0.0
Net cash used in Financing activities	**-17.3**	**15.3**	**-41.6**	**-52.4**	**-96.1**	**-430.4**	**-827.0**			**-1,573.2**					**-349.3**
Translation Difference in Cash	**0.8**	**0.6**	**1.9**	**0.6**	**3.8**	**1.7**	**-4.2**			**0.0**					**0.0**
Net increase in cash	**10.5**	**57.1**	**46.0**	**189.2**	**302.8**	**320.3**	**606.3**			**3,295.1**					**6,048.6**
Cash at beginning of period	167.9	178.4	235.5	281.5	167.9	470.7	791.0			470.7					3,765.8
Cash at end of period	**178.4**	**235.5**	**281.5**	**470.7**	**470.7**	**791.0**	**1,397.3**			**3,765.8**					**9,814.4**

Exhibit 15: KIOXIA: ROE

FY	FY25 Q1	Q2	Q3	Q4	FY25	FY26 Q1	Q2	Q3e	Q4e	FY26e	FY27 Q1e	Q2e	Q3e	Q4e	FY27e
Return on Equity					**52%**					**146%**					**74%**
Return on Assets					17%					89%					58%
Net Profit Margin					24%					54%					58%
Asset Turnover					0.7					1.6					1.0
Financial Leverage					3.1					1.6					1.3
EBIT Margin					36%					79%					83%
Interest Burden					2%					1%					0%
Tax Rate					29%					31%					31%
Valuation															
Stock Price (yen)					**2,752**					**21,000**					**21,000**
Market Cap (yen bn)					4,507.9					34,412.0					34,412.0
Net Debt (yen bn)					552.1					-3,255.8					-9,326.0
Enterprise Value (yen bn)					5,060.0					31,156.2					25,086.0
Non-GAAP P/E (fully-diluted)					8.0					6.5					5.2
P/B					3.2					5.9					2.9
EV / Sales					2.2					3.2					2.2
EV / EBITDA					4.3					3.9					2.6
EV / FCF					12.8					6.4					3.9
FCF / Enterprise value					7.8%					15.6%					25.5%
FCF / Equity market cap					8.8%					14.1%					18.6%
Common Shares Held by:															
Total															
Toshiba					18%										
BCPE Pangea Cayman					1%										
BCPE Pangea Cayman2					14%										
BCPE Pangea Cayman1A															
BCPE Pangea Cayman1B					1%										
HOYA															
Japan Master Trust Bank															
Others															
Financials & Brokerage					8%										
Other Corporations					18%										
Foreign Investors					68%										
Individuals and Others					5%										

Risk Reward – KIOXIA Holdings (285A.T) Top Pick

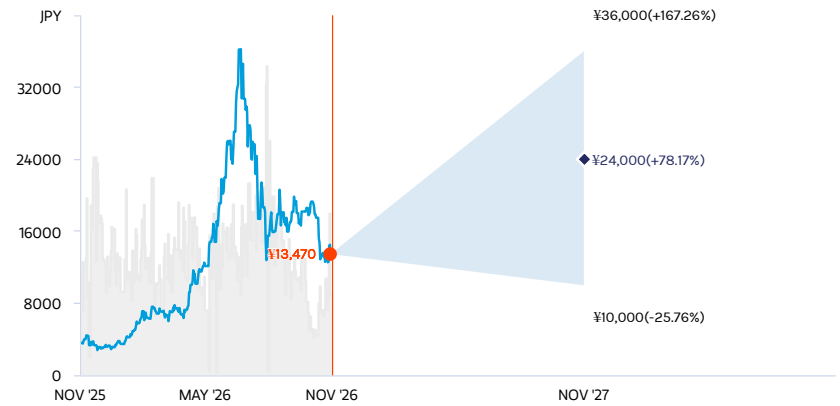
Expect AI inference to drive EB demand growth, solid FCF likely in 2026-27

PRICE TARGET ¥24,000

FY3/28e EPS x 6: Our target multipole is based on historical mid-cycle multiple of memory stocks. Implied FCF yield of our target is approximately 20% (FY3/28e FCF forecast basis).

Consensus Price Target Distribution ¥16,333.30 ¥37,692 MS PT ¥66,700.00 Mean

RISK REWARD CHART



Key: Historical Stock Performance Current Stock Price Price Target

OVERWEIGHT THESIS

We expect solid supply–demand conditions for 2027–28, supported by expanding demand for AI inference–related storage and continued discipline on the supply side, and think this will likely enable strong FCF generation.

Consensus Rating Distribution

94% Overweight
0% Equal-weight
6% Underweight
MS Rating

Risk Reward Themes

New Data Era: *Positive*

View descriptions of Risk Rewards Themes here

BULL CASE ¥36,000

FY3/28e EPS x 7.5

This assumes supply shortages continue in 2027-28, and KIOXIA's share of the eSSD market grows meaningfully.

FY3/28e sales ¥13.1trn, non-GAAP OP ¥11.1trn, EPS ¥4,884

BASE CASE ¥24,000

FY3/28e EPS x 6

This assumes a rising prospect of continued tight supply/demand in 2027-28.

FY3/28e sales ¥11.4trn, non-GAAP OP ¥9.4trn, EPS ¥4,024

BEAR CASE ¥10,000

FY3/28e EPS x 3

This assumes NAND demand slows rapidly and earnings deteriorate.

FY3/28e sales ¥9.1trn, non-GAAP OP ¥7.1trn, EPS ¥3,149

Risk Reward – KIOXIA Holdings (285A.T)

KEY EARNINGS INPUTS

Drivers	Mar 2026	Mar 2027e	Mar 2028e	Mar 2029e
1GB fully-loaded cost (incl. SG&A) (yen) (¥, bn)	7	8	7	6
Non-GAAP Adjusted GP (adjusted for R&D) (¥, bn)	1,103	8,114	9,817	9,466

INVESTMENT DRIVERS

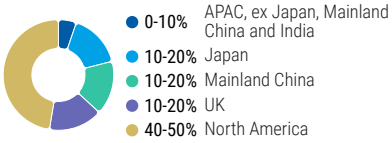
NAND flash GB demand growth

GB ASP

GB cost reduction

Market share

GLOBAL REVENUE EXPOSURE



View explanation of regional hierarchies here

MS ALPHA MODELS

2/5 MOST — 3 Month Horizon

the highest favored Quintile and 5 is the least favored Quintile

RISKS TO PT/RATING

RISKS TO UPSIDE

Greater-than-expected improvement in NAND flash S/D on AI-driven growth in end demand and supply-side adjustments
SSD market share gains

RISKS TO DOWNSIDE

Longer-than-expected deterioration in NAND S/D on declining end demand, capacity expansion by Chinese companies
Japanese yen appreciation (we estimate one yen appreciation against US$ lowers OP by about Y14bn quarterly)

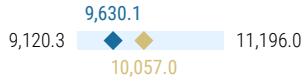
OWNERSHIP POSITIONING

Inst. Owners, % Active 82.9%

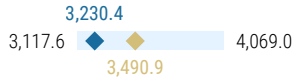
MS ESTIMATES VS. CONSENSUS

FY Mar 2027e

Sales / Revenue (¥, bn)



EPS (¥)



Mean

Risk Reward Reference links

1. View explanation of Options Probabilities methodology - Options_Probabilities_Exhibit_Link.pdf

2. View descriptions of Risk Rewards Themes - RR_Themes_Exhibit_Link.pdf

3. View explanation of regional hierarchies - GEG_Exhibit_Link.pdf

4. View explanation of Theme/Exposure methodology - ESG_Sustainable_Solutions_External_Link.pdf

5. View explanation of HERS methodology - ESG_HERS_External_Link.pdf