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July 17, 2025

Company Name: Kioxia Holdings Corporation
Representative: Representative Director
President and CEO Nobuo Hayasaka
Securities Code: 285A, TSE Prime
Contact: General Manager of Disclosure Division Makoto Sonoda
Telephone: 03-6478-2539

Notice Regarding the Finalization of the Capital Structure Restructuring Plan, Repurchase and Cancellation of Treasury Shares (Series 1 and Series 2 Preferred Shares), and Execution of a Loan Agreement with Financial Covenants

(Repurchase of Treasury Shares Pursuant to the Provisions of the Articles of Incorporation in Accordance with Article 459, Paragraph 1 of the Companies Act)

We hereby announce that, pursuant to the delegation approved by the Board of Directors on July 14, 2025, determination of the issuance terms of USD-denominated unsecured notes to be issued in overseas markets (hereinafter, the "Bonds"). In addition, the Board of Directors today resolved, pursuant to Article 157, Paragraph 1 of the Companies Act, to repurchase our non-convertible preferred shares, namely Series 1 (Kou) Preferred Shares and Series 2 (Otsu) Preferred Shares (hereinafter, the "Preferred Shares"), and to cancel the acquired treasury shares in accordance with Article 178 of the same Act. We also resolved to enter into a loan agreement with financial covenants (hereinafter, the "Loan Agreement").

Using the proceeds from the issuance of the Bonds, our company plans to repurchase all of the Preferred Shares held by Development Bank of Japan Inc. (hereinafter, "DBJ") pursuant to Article 459, Paragraph 1 of the Companies Act and Article 60 of our Articles of Incorporation. Furthermore, we plan to refinance our existing term loans (hereinafter, the "Existing Term Loans") borrowed from Sumitomo Mitsui Banking Corporation and others, by obtaining new unsecured term loans from a syndicate of banks consisting of Sumitomo Mitsui Banking Corporation, MUFG Bank, Ltd., Mizuho Bank, Ltd., and DBJ (hereinafter, the "Banks").

Through the Refinancing Plan, we aim to achieve Reduction of capital costs and enhancement of cash flow generation capacity / Extension of repayment periods and smoothing of repayment schedules / Improvement of terms and conditions related to debt covenants / Release of collateral associated with the Existing Term Loans / Diversification of financing methods.

Details Below

【The terms and conditions of the Bonds】

	USD-denominated 5-year senior notes (with subsidiary guarantors)	USD-denominated 8-year senior notes (with subsidiary guarantors)
① Principal amount	USD 1.1Bn	USD 1.1Bn
② Interest rate	6.25% per year	6.625% per year
③ Interest rate after currency swap	3.2934% per year	3.6638% per year
④ Offering price	100% of principal amount	
⑤ Maturity date	July 24, 2030	July 24, 2033
⑥ Paying date	July 24, 2025	
⑦ Offering	The notes will be offered in overseas markets, centered on the United States, Europe, and Asia (however, in the United States, sales will be limited to qualified institutional investors in accordance with Rule 144A under the United States Securities Act of 1933, as amended).	
⑧ Listing	Singapore Exchange Securities Trading Limited	
⑨ Credit rating	BB+ (S&P), BB+ (Fitch)	
⑩ Subsidiary guarantors	Kioxia Corporation, Kioxia Systems Co., Ltd., Kioxia Energy Management Corporation	

【Overview of repurchase of Series 1 and Series 2 preferred shares】

① Type of shares	Series 1 (Kou) and Series 2 (Otsu) preferred shares
② Number of repurchase shares	Series 1 (Kou) preferred shares: 1,200 shares Series 2 (Otsu) preferred shares: 1,800 shares
③ Repurchase price per share	Series 1 (Kou) preferred shares: JPY 109,792,630 per share Series 2 (Otsu) preferred shares: 110,353,201 per share
④ Aggregate repurchase amount	JPY 330,386,917,800
⑤ Repurchase date	July 25, 2025

【Overview of cancellation of Series 1 and Series 2 preferred shares】

① Type of cancellation share	Series 1 (Kou) preferred shares: 1,200 shares Series 2 (Otsu) preferred shares: 1,800 shares
② Cancellation date	July 25, 2025

【Loan Agreement with Financial Covenants】

1. Reason for Entering into a Loan Agreement with Financial Covenants

Through the Refinancing Plan, including the execution of the Loan Agreement with financial covenants, we aim to achieve Reduction of capital costs and enhancement of cash flow generation capacity / Extension of repayment periods and smoothing of repayment schedules / Improvement of terms and conditions related to debt covenants / Release of collateral associated with the Existing Term Loans / Diversification of financing methods.

2. Overview of the Loan Agreement

	Term Loan		Revolving Credit Facility
	Facility A	Facility B	
① Contract execution date	July 17, 2025		
② Contracting party	The Banks		
③ Lenders	The Banks		The Banks excl. DBJ
④ Principal amount	JPY 320.0Bn	JPY 127.5Bn	JPY 210.0Bn
⑤ Interest rate	TIBOR + Margin		
⑥ Loan disbursement date	July 25, 2025		—
⑦ Repayment schedule	JPY 20.0Bn per 3 months	July 31, 2029	End of the interest period
⑧ Collateral	No collateral to be provided to the lenders in relation to the Loan Agreement		

3. Financial Covenants in the Loan Agreement

Each of the Loan Agreements includes the following financial covenants

- i) The Group shall not have negative consolidated profit for the year in any two consecutive full fiscal years
- ii) That the total equity on the consolidated statement of financial position exceeds the greater of 500 billion yen or 75% of the total equity as of the same period in the previous fiscal year.
- iii) The "Consolidated Leverage Ratio" shall not exceed the figures in the table below for two consecutive quarters

September 30, 2025	3.25:1
March 31, 2026	3.25:1
September 30, 2026	3.00:1
March 31, 2027	3.00:1
September 30, 2027	3.00:1
March 31, 2028	3.00:1
September 30, 2028	2.75:1
March 31, 2029	2.75:1

[Definitions and calculation formulas]

- ① "Consolidated" means the amount in the consolidated financial statements prepared in accordance with IFRS.
- ② "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.
 - Reference Period: The 12-month period ending on the date indicated in the table above.

4. Future outlook

We believe that the impact of the Loan Agreement on our consolidated financial results for the fiscal year ending March 2026 will be minimal. However, if any material facts requiring disclosure arise in the future, we will promptly make the necessary announcements.

* This press release does not constitute an offer or sale of securities in the United States. The securities referred to above have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"). The securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The securities referred to above will not be publicly offered or sold in the United States.