UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended May 28, 2026
OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to
Commission file number 1-10658

Micron Technology, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**75-1618004**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
8000 S. Federal Way, Boise, Idaho 83716-9632	**(208) 368-4000**
Address of principal executive offices, including zip code	Registrant's telephone number, including area code

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value $0.10 per share	MU	Nasdaq Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	Accelerated Filer	Non-Accelerated Filer	Smaller Reporting Company	Emerging Growth Company
☒	☐	☐	☐	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of outstanding shares of the registrant's common stock as of June 17, 2026 was 1,129,393,151.

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Definitions of Commonly Used Terms

As used herein, "we," "our," "us," and similar terms include Micron Technology, Inc. and its consolidated subsidiaries, unless the context indicates otherwise. All period references are to our fiscal periods unless otherwise indicated. Abbreviations, acronyms, or terms that are commonly used or found in multiple locations throughout this report and include the following:

Term	Definition	Term	Definition
2028 Notes	5.375% Senior Notes due April 2028, repaid October 2025	AI	Artificial intelligence
2029 A Notes	5.327% Senior Notes due February 2029, repaid February 2026	CAC	China's Cyberspace Administration
2029 B Notes	6.750% Senior Notes due November 2029, repaid October 2025	CHIPS Act	U.S. CHIPS and Science Act of 2022
2029 Term Loan A	Senior Term Loan A due January 2029, repaid October 2025	DDR	Double data rate DRAM
2030 Notes	4.663% Senior Notes due February 2030, repaid February 2026	EBITDA	Earnings before interest, taxes, depreciation, and amortization
2031 Notes	5.300% Senior Notes due January 2031	EUV	Extreme ultraviolet lithography
2032 Green Bonds	2.703% Senior Notes due April 2032	HBM	High-bandwidth memory
2032 Notes	5.650% Senior Notes due November 2032	Micron	Micron Technology, Inc. (Parent Company)
2033 A Notes	5.875% Senior Notes due February 2033	OEM	Original equipment manufacturer
2033 B Notes	5.875% Senior Notes due September 2033	R&D	Research and development
2035 A Notes	5.800% Senior Notes due January 2035	Revolving Credit Facility	$2.0 billion Revolving Credit Facility due March 2030
2035 B Notes	6.050% Senior Notes due November 2035	SOFR	Secured Overnight Financing Rate
2041 Notes	3.366% Senior Notes due November 2041	SSD	Solid state drive
2051 Notes	3.477% Senior Notes due November 2051		

Micron Technology, Inc. is an industry leader in innovative memory and storage solutions transforming how the world uses information to enrich life for all. With a relentless focus on our customers, technology leadership, manufacturing, and operational excellence, Micron delivers a rich portfolio of high-performance DRAM, NAND, and NOR memory and storage products. Every day, the innovations that our people create fuel the data economy, enabling advances in artificial intelligence (AI) and compute-intensive applications that unleash opportunities — from the data center to the intelligent edge and across the client and mobile user experience.

Micron®, any associated logos, and all other Micron trademarks are the property of Micron. Other product names or trademarks that are not owned by Micron are for identification purposes only and may be the trademarks of their respective owners.

Available Information

Investors and others should note that we announce material, non-public information through a variety of means, including our investor relations website (investors.micron.com), filings with the U.S. Securities and Exchange Commission ("SEC"), press releases, public conference calls, blog posts (micron.com/about/blog), posts on X (@MicronTech), and webcasts. We use these channels to achieve broad, non-exclusionary distribution of information to the public and for complying with our disclosure obligations under Regulation FD. Therefore, we encourage investors, the media, and others interested in our company to review the information we post on such channels. Web links throughout this document are inactive textual references provided for convenience only, and the content on the referenced websites is not incorporated herein by reference and does not constitute a part of this Quarterly Report on Form 10-Q.

Forward-Looking Statements

This Form 10-Q contains trend information and other forward-looking statements that involve a number of risks and uncertainties. Such forward-looking statements may be identified by words such as “anticipate,” “expect,” “intend,” “pledge,” “committed,” “plan,” “opportunities,” “future,” “believe,” “target,” “on track,” “estimate,” “continue,” “likely,” “may,” “will,” “would,” “should,” “could,” and variations of such words and similar expressions. However, the absence of these words or similar expressions does not mean that a statement is not forward-looking. Specific forward-looking statements include, but are not limited to, statements regarding expected production ramp of certain products; plans to invest in research and development; anticipated technological developments and improvements in our products; potential change and impact in our effective tax rate; expectations related to construction, acquisition, expansion, and ramping of production and the contribution to our ability to supply customers of our facilities, including new memory manufacturing fabs in the United States; expectations regarding our strategic customer agreements and their impact on our financial results; estimated capital expenditures; payment of purchase obligations; receipt, timing, and utilization of government incentives and our ability to satisfy conditions attached to these incentives; the payment of future cash dividends; market conditions, including anticipated supply and demand conditions, and profitability in our industry; future demand for our products and factors that may impact such demand, including developments in AI; the potential impact of business, economic, political, legal, and regulatory developments upon our global operations, including tariffs and trade regulations; and the sufficiency of our cash and investments. Our actual results could differ materially from our historical results and those discussed in the forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, those identified in Part II. Other Information, Item 1A. Risk Factors.

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

Micron Technology, Inc.
Consolidated Statements of Operations

(In millions, except per share amounts)
(Unaudited)

	Quarter Ended		Nine Months Ended	
	May 28, 2026	May 29, 2025	May 28, 2026	May 29, 2025
Revenue	$ 41,456	$ 9,301	$ 78,959	$ 26,063
Cost of goods sold	6,400	5,793	18,502	16,244
Gross margin	35,056	3,508	60,457	9,819
Research and development	1,316	965	3,737	2,751
Selling, general, and administrative	407	318	1,088	891
Other operating (income) expense, net	15	56	43	61
Operating income	33,318	2,169	55,589	6,116
Interest income	215	135	509	350
Interest expense	—	(123)	(106)	(353)
Other non-operating income (expense), net	(321)	(68)	(559)	(90)
	33,212	2,113	55,433	6,023
Income tax (provision) benefit	(4,978)	(235)	(8,178)	(695)
Equity in net income (loss) of equity method investees	9	7	13	10
Net income	$ 28,243	$ 1,885	$ 47,268	$ 5,338
Earnings per share				
Basic	$ 25.03	$ 1.69	$ 41.97	$ 4.79
Diluted	24.67	1.68	41.40	4.75
Number of shares used in per share calculations				
Basic	1,128	1,118	1,126	1,114
Diluted	1,145	1,125	1,142	1,123

See accompanying notes to consolidated financial statements.

Micron Technology, Inc.
Consolidated Statements of Comprehensive Income (Loss)
(In millions)
(Unaudited)

	Quarter Ended		Nine Months Ended	
	May 28, 2026	May 29, 2025	May 28, 2026	May 29, 2025
Net income	$ 28,243	$ 1,885	$ 47,268	$ 5,338
Other comprehensive income (loss), net of tax				
Gains (losses) on derivative instruments	68	149	15	93
Unrealized gains (losses) on investments	(11)	(3)	(8)	(3)
Pension liability adjustments	(1)	—	(1)	(1)
Other comprehensive income (loss)	56	146	6	89
Total comprehensive income	$ 28,299	$ 2,031	$ 47,274	$ 5,427

See accompanying notes to consolidated financial statements.

Micron Technology, Inc.
Consolidated Balance Sheets

(In millions, except par value amounts)
(Unaudited)

As of	May 28, 2026	August 28, 2025
Assets		
Cash and cash equivalents	$ 24,995	$ 9,642
Short-term investments	1,027	665
Receivables	31,025	9,265
Inventories	8,567	8,355
Other current assets	1,123	914
Total current assets	66,737	28,841
Long-term marketable investments	4,106	1,629
Property, plant, and equipment	56,426	46,590
Operating lease right-of-use assets	683	736
Intangible assets	473	453
Deferred tax assets	700	616
Goodwill	1,150	1,150
Other noncurrent assets	3,837	2,783
Total assets	$ 134,112	$ 82,798
Liabilities and equity		
Accounts payable and accrued expenses	$ 15,521	$ 9,649
Current debt	582	560
Other current liabilities	3,385	1,245
Total current liabilities	19,488	11,454
Long-term debt	5,140	14,017
Noncurrent operating lease liabilities	654	701
Noncurrent unearned government incentives	1,020	1,018
Other noncurrent liabilities	7,086	1,443
Total liabilities	33,388	28,633
Commitments and contingencies		
Shareholders' equity		
Common stock, $0.10 par value, 3,000 shares authorized, 1,275 shares issued and 1,129 outstanding (1,266 shares issued and 1,122 outstanding as of August 28, 2025)	128	127
Additional capital	14,442	13,339
Retained earnings	94,682	48,583
Treasury stock, 146 shares held (144 shares as of August 28, 2025)	(8,502)	(7,852)
Accumulated other comprehensive income (loss)	(26)	(32)
Total equity	100,724	54,165
Total liabilities and equity	$ 134,112	$ 82,798

See accompanying notes to consolidated financial statements.

Micron Technology, Inc.
Consolidated Statements of Changes in Equity

(In millions, except per share amounts)
(Unaudited)

	Quarter Ended May 28, 2026						
	Common Stock						
	Number of Shares	Amount	Additional Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity
Balance as of February 26, 2026	1,274	$ 127	$ 14,092	$ 66,824	$ (8,502)	$ (82)	$ 72,459
Net income	—	—	—	28,243	—	—	28,243
Other comprehensive income (loss), net	—	—	—	—	—	56	56
Stock issued under equity compensation plans	2	1	(1)	—	—	—	—
Stock-based compensation expense	—	—	355	—	—	—	355
Repurchase of stock – withholdings on employee equity awards	(1)	—	(4)	(213)	—	—	(217)
Dividends and dividend equivalents declared ($0.15 per share)	—	—	—	(172)	—	—	(172)
Balance as of May 28, 2026	1,275	$ 128	$ 14,442	$ 94,682	$ (8,502)	$ (26)	$ 100,724

	Quarter Ended May 29, 2025						
	Common Stock						
	Number of Shares	Amount	Additional Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity
Balance as of February 27, 2025	1,262	$ 126	$ 12,711	$ 43,839	$ (7,852)	$ (191)	$ 48,633
Net income	—	—	—	1,885	—	—	1,885
Other comprehensive income (loss), net	—	—	—	—	—	146	146
Stock issued under equity compensation plans	2	—	1	—	—	—	1
Stock-based compensation expense	—	—	253	—	—	—	253
Repurchase of stock – withholdings on employee equity awards	(1)	—	(5)	(34)	—	—	(39)
Dividends and dividend equivalents declared ($0.115 per share)	—	—	—	(131)	—	—	(131)
Balance as of May 29, 2025	1,263	$ 126	$ 12,960	$ 45,559	$ (7,852)	$ (45)	$ 50,748

Micron Technology, Inc.
Consolidated Statements of Changes in Equity

(In millions, except per share amounts)
(Unaudited)

	Nine Months Ended May 28, 2026						
	Common Stock						
	Number of Shares	Amount	Additional Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity
Balance as of August 28, 2025	1,266	$ 127	$ 13,339	$ 48,583	$ (7,852)	$ (32)	$ 54,165
Net income	—	—	—	47,268	—	—	47,268
Other comprehensive income (loss), net	—	—	—	—	—	6	6
Stock issued under equity compensation plans	12	1	178	—	—	—	179
Stock-based compensation expense	—	—	954	—	—	—	954
Repurchase of stock – repurchase program	—	—	—	—	(650)	—	(650)
Repurchase of stock – withholdings on employee equity awards	(3)	—	(29)	(733)	—	—	(762)
Dividends and dividend equivalents declared ($0.38 per share)	—	—	—	(436)	—	—	(436)
Balance as of May 28, 2026	1,275	$ 128	$ 14,442	$ 94,682	$ (8,502)	$ (26)	$ 100,724

	Nine Months Ended May 29, 2025						
	Common Stock						
	Number of Shares	Amount	Additional Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity
Balance as of August 29, 2024	1,253	$ 125	$ 12,115	$ 40,877	$ (7,852)	$ (134)	$ 45,131
Net income	—	—	—	5,338	—	—	5,338
Other comprehensive income (loss), net	—	—	—	—	—	89	89
Stock issued under equity compensation plans	13	1	152	—	—	—	153
Stock-based compensation expense	—	—	722	—	—	—	722
Repurchase of stock – withholdings on employee equity awards	(3)	—	(29)	(262)	—	—	(291)
Dividends and dividend equivalents declared ($0.345 per share)	—	—	—	(394)	—	—	(394)
Balance as of May 29, 2025	1,263	$ 126	$ 12,960	$ 45,559	$ (7,852)	$ (45)	$ 50,748

See accompanying notes to consolidated financial statements.

Micron Technology, Inc.
Consolidated Statements of Cash Flows

(In millions)
(Unaudited)

Nine Months Ended	May 28, 2026	May 29, 2025
Cash flows from operating activities		
Net income	$ 47,268	$ 5,338
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation expense and amortization of intangible assets	6,862	6,203
Stock-based compensation	954	722
Change in operating assets and liabilities:		
Receivables	(19,953)	(123)
Inventories	(212)	148
Accounts payable and accrued expenses	3,329	38
Other current liabilities	2,139	(681)
Other noncurrent liabilities	5,203	259
Other	112	(109)
Net cash provided by operating activities	45,702	11,795
Cash flows from investing activities		
Expenditures for property, plant, and equipment	(19,602)	(10,199)
Purchases of available-for-sale securities	(4,072)	(1,203)
Proceeds from government incentives	2,989	1,294
Proceeds from maturities and sales of available-for-sale securities	1,233	1,249
Other	(236)	(30)
Net cash used for investing activities	(19,688)	(8,889)
Cash flows from financing activities		
Repayments of debt	(9,380)	(3,604)
Repurchases of common stock - withholdings on employee equity awards	(762)	(290)
Repurchases of common stock - repurchase program	(650)	—
Payments of dividends to shareholders	(437)	(392)
Proceeds from issuance of debt	—	4,430
Other	583	70
Net cash provided by (used for) financing activities	(10,646)	214
Effect of changes in currency exchange rates on cash, cash equivalents, and restricted cash	8	(3)
Net increase in cash, cash equivalents, and restricted cash	15,376	3,117
Cash, cash equivalents, and restricted cash at beginning of period	9,646	7,052
Cash, cash equivalents, and restricted cash at end of period	$ 25,022	$ 10,169
Supplemental disclosure		
Non-cash acquisitions of finance lease right-of-use assets	$ 32	$ 1,247

See accompanying notes to consolidated financial statements.

Micron Technology, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All tabular amounts in millions, except per share amounts)
(Unaudited)

Note 1. Significant Accounting Policies

For a discussion of our significant accounting policies, see Part II, Item 8. Financial Statements and Supplementary Data, Notes to Consolidated Financial Statements, Note 1. Significant Accounting Policies of our Annual Report on Form 10-K for the year ended August 28, 2025. There have been no changes to our significant accounting policies since our Annual Report on Form 10-K for the year ended August 28, 2025.

Basis of Presentation

The accompanying consolidated financial statements include the accounts of Micron Technology, Inc. and our consolidated subsidiaries and have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), consistent in all material respects with those applied in our Annual Report on Form 10-K for the year ended August 28, 2025.

In the opinion of our management, the accompanying unaudited consolidated financial statements contain all necessary adjustments, consisting of a normal recurring nature, to fairly state the financial information set forth herein. Certain reclassifications have been made to prior-period amounts to conform to current-period presentation.

Our fiscal year is the 52- or 53-week period ending on the Thursday closest to August 31. Fiscal year 2026 contains 53 weeks and fiscal year 2025 contains 52 weeks. Our fourth quarter of fiscal year 2026 contains 14 weeks. All period references are to our fiscal periods unless otherwise indicated. These interim financial statements should be read in conjunction with the consolidated financial statements and accompanying notes included in our Annual Report on Form 10-K for the year ended August 28, 2025.

Note 2. Recently Issued Accounting Standards

In December 2023, the FASB issued ASU 2023-09 (ASC Topic 740), *Improvements to Income Tax Disclosures*. This ASU requires disaggregated income tax disclosures on the rate reconciliation and income taxes paid. This ASU will be effective for our annual reporting for 2026 on a prospective basis, with retrospective application permitted. Adoption of this new guidance will result in expanded disclosures in the Notes to Consolidated Financial Statements.

In November 2024, the FASB issued ASU 2024-03 (ASC Topic 220), *Disaggregation of Income Statement Expenses*. This ASU requires disclosure of certain expenses in the notes to the financial statements. This ASU will be effective for our annual reporting for 2028 on a prospective basis, with retrospective application permitted. Adoption of this new guidance will result in expanded disclosures in the Notes to Consolidated Financial Statements.

In September 2025, the FASB issued ASU 2025-06 (ASC Topic 350), *Targeted Improvements to the Accounting for Internal-Use Software*. This ASU makes targeted improvements to the accounting for internal-use software and will be effective for the first quarter of 2029, with early adoption permitted. This ASU provides for adoption on a prospective basis, with retrospective or modified retrospective application permitted. We are evaluating the timing and effects of our adoption of this new guidance on our financial statements.

In December 2025, the FASB issued ASU 2025-10 (ASC Topic 832), *Accounting for Government Grants Received by Business Entities*. This ASU establishes the accounting and presentation for government grants received by a business entity. The ASU will be effective for the first quarter of 2030, with early adoption permitted. This ASU provides for adoption either on a modified prospective, modified retrospective, or retrospective basis. We are evaluating the timing and effects of our adoption of this new guidance on our financial statements.

Note 3. Variable Interest Entities

Certain third-party special purpose entities (the "Lease SPEs") facilitate equipment lease financing transactions between us and various financial institutions. Neither we nor the financial institutions have an equity interest in the Lease SPEs, which are variable interest entities. The arrangements are financing vehicles and we do not bear any significant risks from variable interests with the Lease SPEs. We do not have the power to direct the activities of the Lease SPEs that most significantly impact their economic performance and, as such, we do not consolidate them. We had approximately $1.34 billion and $1.58 billion of financial lease liabilities and right-of-use assets under these arrangements as of May 28, 2026 and August 28, 2025, respectively.

Note 4. Cash and Investments

All of our short-term investments and long-term marketable investments were classified as available for sale as of the dates noted below. Cash and cash equivalents and the fair values of our available-for-sale securities, which approximated amortized costs, were as follows:

	As of May 28, 2026				As of August 28, 2025			
	Cash and Cash Equivalents	Short-term Investments	Long-term Marketable Investments[1]	Total Fair Value	Cash and Cash Equivalents	Short-term Investments	Long-term Marketable Investments[1]	Total Fair Value
Cash	$ 18,427	$ —	$ —	$ 18,427	$ 7,875	$ —	$ —	$ 7,875
Level 1[2]								
Money market funds	70	—	—	70	410	—	—	410
Level 2[3]								
Certificates of deposit	6,180	6	—	6,186	1,292	6	—	1,298
Corporate bonds	68	844	2,982	3,894	23	559	1,047	1,629
Asset-backed securities	—	74	1,083	1,157	—	31	521	552
Commercial paper	247	50	—	297	33	26	—	59
Government securities	3	53	41	97	9	43	61	113
	24,995	$ 1,027	$ 4,106	$ 30,128	9,642	$ 665	$ 1,629	$ 11,936
Restricted cash[4]	27				4			
Cash, cash equivalents, and restricted cash	$ 25,022				$ 9,646			

(1) *The maturities of long-term marketable investments primarily range from one to five years, except for asset-backed securities which are not due at a single maturity date.*
(2) *The fair value of Level 1 securities is measured based on quoted prices in active markets for identical assets.*
(3) *The fair value of Level 2 securities is measured using information obtained from pricing services, which obtain quoted market prices for similar instruments, non-binding market consensus prices that are corroborated by observable market data, or various other methodologies, to determine the appropriate value at the measurement date. We perform supplemental analysis to validate information obtained from these pricing services. No adjustments were made to the fair values indicated by such pricing information as of May 28, 2026 or August 28, 2025.*
(4) *Restricted cash is included in other current assets.*

Gross realized gains and losses from sales of available-for-sale securities were not material for any period presented.

Non-marketable Equity Investments

In addition to the amounts included in the table above, we had $185 million and $194 million of non-marketable equity investments without a readily determinable fair value that were included in other noncurrent assets as of May 28, 2026 and August 28, 2025, respectively. Our non-marketable equity investments are recorded at cost

minus impairment, if any, adjusted for qualifying observable price changes. Subsequent to May 28, 2026, we purchased non-marketable equity securities in a leading AI company.

Note 5. Receivables

As of	May 28, 2026	August 28, 2025
Trade receivables	$ 26,894	$ 7,163
Government incentives	3,408	1,572
Income and other taxes	517	436
Other	206	94
	$ 31,025	$ 9,265

Note 6. Inventories

As of	May 28, 2026	August 28, 2025
Finished goods	$ 621	$ 1,094
Work in process	6,960	6,401
Raw materials and supplies	986	860
	$ 8,567	$ 8,355

Note 7. Property, Plant, and Equipment

As of	May 28, 2026	August 28, 2025
Land	$ 420	$ 420
Buildings	23,741	22,173
Equipment[1]	88,113	79,934
Construction in progress[2]	10,935	5,518
Software	1,782	1,651
	124,991	109,696
Accumulated depreciation	(68,565)	(63,106)
	$ 56,426	$ 46,590

(1) Includes costs related to equipment not placed into service of $4.20 billion as of May 28, 2026 and $4.05 billion as of August 28, 2025.
(2) Primarily includes building-related construction and tool installation.

On November 19, 2025, we finalized an incentive arrangement for the expansion of our Singapore manufacturing facilities, followed by a second arrangement on April 17, 2026, for the expansion of our Singapore R&D. Under both arrangements, we will receive government support for qualified capital spending and labor costs. The incentive arrangements may be subject to reduction, recapture, or termination if certain conditions are not met. Terms and conditions are subject to the confidentiality provisions of the incentive arrangements.

In March 2026, we completed the acquisition of a wafer fabrication facility in Tongluo, Miaoli County, Taiwan, from Powerchip Semiconductor Manufacturing Corporation for total cash consideration of $1.8 billion.

Note 8. Accounts Payable and Accrued Expenses

As of	May 28, 2026	August 28, 2025
Accounts payable	$ 3,649	$ 3,132
Property, plant, and equipment	6,914	4,391
Income and other taxes	2,795	628
Salaries, wages, and benefits	1,884	1,116
Other	279	382
	$ 15,521	$ 9,649

Note 9. Debt

	As of May 28, 2026					As of August 28, 2025		
			Net Carrying Amount			Net Carrying Amount		
	Stated Rate	Effective Rate	Current	Long-Term	Total	Current	Long-Term	Total
2031 Notes	5.300 %	5.41 %	$ —	$ 261	$ 261	$ —	$ 995	$ 995
2032 Green Bonds	2.703 %	2.77 %	—	996	996	—	996	996
2032 Notes	5.650 %	5.79 %	—	70	70	—	496	496
2033 A Notes	5.875 %	5.96 %	—	175	175	—	746	746
2033 B Notes	5.875 %	6.01 %	—	213	213	—	892	892
2035 A Notes	5.800 %	5.90 %	—	135	135	—	992	992
2035 B Notes	6.050 %	6.14 %	—	219	219	—	1,241	1,241
2041 Notes	3.366 %	3.41 %	—	497	497	—	497	497
2051 Notes	3.477 %	3.52 %	—	486	486	—	496	496
2028 Notes	N/A	N/A	—	—	—	—	540	540
2029 Term Loan A	N/A	N/A	—	—	—	—	982	982
2029 A Notes	N/A	N/A	—	—	—	—	698	698
2029 B Notes	N/A	N/A	—	—	—	—	1,168	1,168
2030 Notes	N/A	N/A	—	—	—	—	794	794
Finance lease obligations	N/A	4.72 %	582	2,088	2,670	560	2,484	3,044
			$ 582	$ 5,140	$ 5,722	$ 560	$ 14,017	$ 14,577

As of May 28, 2026, the fair value of our outstanding debt instruments approximated the carrying value of our debt. The fair value of our debt instruments was estimated based on Level 2 inputs, including the trading price of our notes when available, discounted cash flows, and interest rates based on similar debt issued by parties with credit ratings similar to ours.

Debt Activity

The table below presents the effects of debt prepayment activity in the first nine months of 2026:

	Transaction Date	Decrease in Principal	Decrease in Carrying Value	Decrease in Cash
Prepayments				
2028 Notes	October 24, 2025	$ (542)	$ (541)	$ (562)
2029 B Notes	October 24, 2025	(1,159)	(1,168)	(1,276)
2029 Term Loan A	October 27, 2025	(984)	(982)	(984)
2051 Notes	January 23, 2026	(10)	(10)	(7)
2029 A Notes	February 20, 2026	(700)	(698)	(726)
2030 Notes	February 23, 2026	(796)	(794)	(816)
2031 Notes	April 3, 2026	(738)	(734)	(773)
2032 Notes	April 3, 2026	(429)	(426)	(456)
2033 A Notes	April 3, 2026	(574)	(571)	(616)
2033 B Notes	April 3, 2026	(685)	(679)	(734)
2035 A Notes	April 3, 2026	(864)	(857)	(921)
2035 B Notes	April 3, 2026	(1,030)	(1,022)	(1,114)
		$ (8,511)	$ (8,482)	$ (8,985)

In connection with these prepayments, we recognized losses in other non-operating income (expense) of $323 million and $500 million for the third quarter and first nine months of 2026, respectively.

Revolving Credit Facility

On May 6, 2026, we reduced our borrowing capacity under the Revolving Credit Facility from $3.50 billion to $2.00 billion. As of May 28, 2026, no amounts were outstanding under the Revolving Credit Facility. Borrowing under the Revolving Credit Facility would generally bear interest at a rate equal to adjusted term SOFR plus 0.875% to 1.50%, depending on our corporate credit ratings. Any amounts outstanding under the Revolving Credit Facility would mature on March 12, 2030 and amounts borrowed may be prepaid without penalty. Any obligations under the Revolving Credit Facility would be unsecured.

The Revolving Credit Facility requires us to maintain, on a consolidated basis, a net leverage ratio of total net indebtedness to adjusted EBITDA, as defined in the Revolving Credit Facility agreement and calculated as of the last day of each fiscal quarter, not to exceed 3.25 to 1.00, subject to a temporary four fiscal quarter increase in such maximum ratio to 3.75 to 1.00 following certain material acquisitions.

Note 10. Contingencies

We are currently a party to legal actions other than those described below arising from the normal course of business, none of which are expected to have a material adverse effect on our business, results of operations, or financial condition.

Patent Matters

As is typical in the semiconductor and other high-tech industries, from time to time, others have asserted, and may in the future assert, that our products or manufacturing processes infringe upon their intellectual property rights. A description of certain claims is below.

On April 28, 2021, Netlist, Inc. (“Netlist”) filed two patent infringement actions against Micron, Micron Semiconductor Products, Inc. (“MSP”), and Micron Technology Texas, LLC (“MTEC”) in the U.S. District Court for the Western District of Texas (“W.D. Tex.”). The first complaint alleges that one U.S. patent is infringed by certain of our non-volatile dual in-line memory modules. The second complaint alleges that three U.S. patents are infringed by certain of our load-reduced dual in-line memory modules (“LRDIMMs”). Each complaint seeks injunctive relief, damages, attorneys’ fees, and costs. On March 31, 2022, Netlist filed a patent infringement complaint against Micron and Micron Semiconductor (Deutschland) GmbH (“MSG”) in Düsseldorf Regional Court alleging that two German

patents are infringed by certain of our LRDIMMs. The complaint seeks damages, costs, and injunctive relief. In rulings issued on March 7, 2024 and November 7, 2024, the Federal Patent Court in Germany declared both patents invalid. Netlist appealed those rulings. On May 21, 2026, the appeals court affirmed the ruling of invalidity of the first patent. The appeal regarding the second patent has not yet been decided.

On June 10, 2022, Netlist filed a patent infringement complaint against Micron, MSP, and MTEC in the U.S. District Court for the Eastern District of Texas ("E.D. Tex.") alleging that six U.S. patents are infringed by certain of our memory modules and HBM products. On August 1, 2022, Netlist filed a second patent infringement complaint against the same defendants in E.D. Tex. alleging that one U.S. patent is infringed by certain of our LRDIMMs. On August 15, 2022, Netlist amended the second complaint to assert that two additional U.S. patents are infringed by certain of our LRDIMMs. The complaints in E.D. Tex. seek injunctive relief, damages, and attorneys' fees. On May 23, 2024, following a four-day trial regarding the second complaint filed by Netlist in the E.D. Tex., a jury rendered a verdict that Micron's memory modules infringe two asserted patents—U.S. Patent No. 7,619,912 ("the '912 patent") and U.S. Patent No. 11,093,417 ("the '417 patent")—and found that Micron should pay $425 million for infringement of the '912 patent and $20 million for infringement of the '417 patent. On July 9, 2025, Micron filed a notice that it will appeal the judgment. On April 17, 2024, the Patent Trial and Appeal Board ("PTAB") of the United States Patent and Trademark Office ("USPTO") issued a final written decision ("FWD") finding unpatentable the sole asserted claim of the '912 patent. On September 10, 2024, Netlist filed a notice that it will appeal the ruling that the '912 patent is unpatentable to the U.S. Court of Appeals for the Federal Circuit ("Federal Circuit"). On July 30, 2024, the USPTO issued a FWD finding unpatentable all asserted claims of the '417 patent. On December 10, 2024, Netlist filed a notice that it will appeal the ruling that the '417 patent is unpatentable to the Federal Circuit. In the case of each of the '912 and '417 patents, if the United States Court of Appeals for the Federal Circuit affirms the FWD, then the affirmed FWD will preclude any pending actions asserting infringement of such patent (including enforcement of the infringement verdict).

On May 19, 2025, Netlist filed a complaint against Micron, MSP, and MTEC in E.D. Tex. alleging that one U.S. patent is infringed by our HBM products. On July 8, 2025, Netlist amended the complaint to allege that one additional U.S. patent is infringed by certain of our DIMMs. On March 6, 2026, the E.D. Tex. transferred the case to the United States District Court for the District of Delaware ("D. Del.") pursuant to a motion by Micron to dismiss or transfer for improper venue. On July 28, 2025, Netlist filed an additional complaint against Micron, MSP, and MTEC in E.D. Tex. alleging that one U.S. patent is infringed by certain of our DIMMs. On April 1, 2026, the E.D. Tex. transferred the additional case to D. Del. These complaints seek damages, attorneys' fees, and other equitable relief.

On January 23, 2023, BeSang Inc. filed a patent infringement complaint against Micron in E.D. Tex. The complaint alleges that one U.S. patent is infringed by certain of our 3D NAND and SSD products. The complaint seeks an injunction, damages, attorneys' fees, and costs. On September 17, 2025, the District Court issued a judgment that the accused products do not infringe the asserted patent. On October 17, 2025, BeSang filed a notice of appeal of the District Court's judgment.

On November 9, 2023, Yangtze Memory Technologies Company, Ltd. ("YMTC") filed a patent infringement complaint against Micron and one of its subsidiaries in the U.S. District Court for the Northern District of California ("N.D. Cal."). The complaint alleges that eight U.S. patents are infringed by certain of our 3D NAND products. The complaint seeks an injunction, damages, attorneys' fees, and costs. On January 22, 2024, Micron Semiconductor (Shanghai) Co., Ltd. ("MSS") was served with three patent infringement complaints filed by YMTC in Beijing Intellectual Property Court and on February 27, 2024, Micron was served with the same complaints. The complaints assert that Micron and MSS infringed three Chinese patents owned by YMTC by importing, selling, offering for sale, and assisting others to sell certain 3D NAND products and SSDs in China. The complaint seeks an injunction, damages, attorneys' fees, and costs. On July 12, 2024, YMTC filed a second complaint against Micron and its subsidiary in N.D. Cal. The second complaint alleges that eleven U.S. patents are infringed by certain of our 3D NAND and DDR5 DRAM products. The complaint seeks an injunction, damages, attorneys' fees, and costs. On September 11, 2024, MSS was served with five patent infringement complaints filed by YMTC in Shanghai Intellectual Property Court. The complaints assert that Micron and MSS infringed five Chinese patents owned by YMTC by importing, selling, offering for sale, and assisting others to sell certain 3D NAND products and SSDs in China. The complaint seeks an injunction, damages, attorneys' fees, and costs.

On October 6, 2025, YMTC filed several patent infringement complaints against Micron and certain of its subsidiaries alleging that the Company's manufacture, importation, sale, offering for sale, and/or assisting others to

sell certain NAND and DRAM products infringe certain patents owned by YMTC. Specifically, YMTC filed the following complaints: A patent infringement complaint against Micron, MSP, and MTEC in E.D. Tex. alleging that seven patents are infringed by certain of our 3D NAND products and one patent is infringed by certain of our LPDRAM products; a patent infringement complaint in the London Chancery Division of the English High Court against Micron and Micron Europe Limited ("MEL") alleging that three patents are infringed by certain of our NAND and DRAM products; three complaints against Micron and various combinations of subsidiaries, including MEL, MSP, MSG, and Micron Semiconductor France SAS in the Unified Patent Court in Dusseldorf, Germany, alleging that three patents are infringed by certain of our 3D NAND and LPDRAM products; and five complaints against Micron, MEL, and MSG in Munich Regional Court in Munich, Germany, alleging that five patents are infringed by certain of our 3D NAND products. Each of the complaints filed against us by YMTC on October 6, 2025, seeks an injunction, attorneys' fees, damages, and costs.

On June 30, 2025, Advanced Memory Technologies, LLC ("AMT") filed a patent infringement complaint against Micron in W.D. Tex. alleging that four U.S. patents are infringed by certain of our DRAM and NAND products. On November 4, 2025, AMT amended the complaint to allege that a fifth patent is infringed by certain of our DRAM products. The complaint seeks an injunction, damages, attorneys' fees, and costs.

On March 6, 2026, Nextech Semiconductor, LLC ("Nextech") filed a patent infringement complaint against Micron and MSP in W.D. Tex. alleging that six U.S. patents are infringed by certain of our DRAM, NAND, and SSD products. The complaint seeks an injunction, damages, attorneys' fees and costs.

The above lawsuits pertain to substantially all of our DRAM, NAND, and other memory and storage products we manufacture, which account for substantially all of our revenue.

Securities Class Action Matters

On January 9, 2025, a putative class action complaint was filed against Micron and certain officers in the U.S. District Court for the Southern District of Florida for alleged violations of the Securities Exchange Act of 1934. On April 3, 2025, the case was transferred to the United States District Court for the District of Idaho ("D. Idaho"), and on May 23, 2025, an amended complaint was filed in D. Idaho. The amended complaint alleged that defendants made materially false or misleading statements regarding industry supply and demand dynamics and the demand for Micron's products. On February 3, 2026, the court dismissed the amended complaint but granted plaintiffs leave to file a further amended complaint. On April 3, 2026, the plaintiffs voluntarily dismissed the case.

Shareholder Derivative Matters

On February 20 and 21, 2025, two shareholder derivative complaints were filed against certain directors and officers of Micron, allegedly on behalf of and for the benefit of Micron, in D. Idaho. The complaints alleged violations of the Securities Exchange Act of 1934, breach of fiduciary duty, unjust enrichment, insider trading, abuse of control, and waste of corporate assets and were based on substantially the same statements asserted in the securities class action. On April 28, 2025, the complaints were consolidated and on May 14, 2025, the consolidated action was stayed. Following the dismissal of the securities class action, the consolidated action was dismissed.

On September 8, 2025, a substantially similar shareholder derivative complaint was filed in D. Del. On April 24, 2026, the action was dismissed.

Other Matters

On June 7, 2025, YMTC filed a complaint against Micron and DCI Group AZ, LLC in the U.S. District Court for the District of Columbia. The complaint alleges that the defendants engaged in false advertising, product disparagement, and unfair competition regarding YMTC's 3D NAND flash products in violation of the Lanham Act. The complaint seeks injunctive relief, damages, disgorgement of profits, attorneys' fees, and costs.

On January 16, 2026, Neighbors for a Better Micron and Jobs to Move America filed a petition in the Supreme Court of New York against Micron, one of our subsidiaries, Onondaga County Industrial Development Agency ("OCIDA"), and certain other state and local government entities. The petition challenges certain aspects of OCIDA's environmental review of the Company's planned construction of up to four fabs in Clay, New York, and seeks a judgment to annul, vacate, and void all permits, approvals, and findings issued by the named government entities related to the project. The petition further seeks costs and attorneys' fees.

In the normal course of business, we are a party to a variety of agreements pursuant to which we may be obligated to indemnify another party. It is not possible to predict the maximum potential amount of future payments under these types of agreements due to the conditional nature of our obligations and the unique facts and circumstances involved in each particular agreement. Historically, our payments under these types of agreements have not had a material adverse effect on our business, results of operations, or financial condition.

Contingency Assessment

We are unable to predict the outcome of any of the matters noted above and cannot make a reasonable estimate of the potential loss or range of possible losses. A determination that our products or manufacturing processes infringe the intellectual property rights of others or entering into a license agreement covering such intellectual property could result in significant liability and/or require us to make material changes to our products and/or manufacturing processes. Any of the foregoing, as well as the resolution of any other legal matter noted above, could have a material adverse effect on our business, results of operations, or financial condition.

Note 11. Equity

Common Stock Repurchases

Our Board of Directors has authorized the discretionary repurchase of up to $10 billion of our outstanding common stock through open-market purchases, block trades, privately-negotiated transactions, derivative transactions, and/or pursuant to Rule 10b5-1 trading plans. The repurchase authorization has no expiration date, does not obligate us to acquire any common stock, and is subject to market conditions, restrictions applicable under our CHIPS Act direct funding agreements, and our ongoing determination of the best use of available cash. No shares were repurchased in the third quarter of 2026. We repurchased 2.5 million shares of our common stock for $650 million in first nine months of 2026. Through May 28, 2026, we had repurchased an aggregate of $7.84 billion under the authorization. Amounts repurchased are included in treasury stock.

Dividends

We declared and paid dividends of $0.115 per share in the first and second quarters of 2026 and $0.15 per share in the third quarter of 2026. On June 24, 2026, our Board of Directors declared a quarterly dividend of $0.15 per share, payable in cash on July 21, 2026, to shareholders of record as of the close of business on July 6, 2026.

Note 12. Derivative Instruments

	Notional or Contractual Amount	Fair Value[1] of Assets[2]	Fair Value[1] of Liabilities[3]
As of May 28, 2026			
Derivative instruments with hedge accounting designation			
Cash flow currency hedges	$ 4,096	$ 7	$ (106)
Cash flow commodity hedges	406	105	(7)
Fair value currency hedges	5,568	19	—
Derivative instruments without hedge accounting designation			
Non-designated currency hedges	12,431	15	(48)
		$ 146	$ (161)
As of August 28, 2025			
Derivative instruments with hedge accounting designation			
Cash flow currency hedges	$ 3,271	$ 41	$ (64)
Cash flow commodity hedges	393	19	(20)
Fair value currency hedges	3,049	1	(10)
Derivative instruments without hedge accounting designation			
Non-designated currency hedges	3,477	3	(18)
		$ 64	$ (112)

(1) Forward and swap contracts are measured at fair value based on market-based observable inputs, including market spot and forward rates, interest rates, and credit-risk spreads (Level 2).
(2) Included in receivables and other noncurrent assets.
(3) Included in accounts payable and accrued expenses and other noncurrent liabilities.

Derivative Instruments with Hedge Accounting Designation

Cash Flow Hedges: We utilize forward contracts that generally mature within two years designated as cash flow hedges to minimize our exposure to changes in currency exchange rates or commodity prices for certain capital expenditures and manufacturing costs.

Fair Value Hedges: We utilize currency forward contracts that generally mature within one year designated as fair value hedges to minimize our exposure to changes in currency exchange rates for non-U.S.-dollar-denominated cash and investments in debt securities. The fair value of our hedged cash and investments in debt securities was $5.54 billion and $3.05 billion as of May 28, 2026 and August 28, 2025, respectively. The changes in the fair values of derivatives designated as fair value hedges and the offsetting changes in the underlying fair values of the hedged items are both recognized in earnings.

Derivative Instruments without Hedge Accounting Designation

Currency Derivatives: We generally utilize a rolling hedge strategy with currency forward contracts that mature within one year to hedge our exposures of monetary assets and liabilities from changes in currency exchange rates. At the end of each reporting period, monetary assets and liabilities denominated in currencies other than the U.S. dollar are remeasured into U.S. dollars and the associated outstanding forward contracts are marked to market. Realized and unrealized gains and losses on derivative instruments without hedge accounting designation, as well as the changes in the underlying monetary assets and liabilities from changes in currency exchange rates, are included in other non-operating income (expense), net.

Gains and losses from our derivative instruments were not material for the periods presented.

Note 13. Equity Compensation Plans

As of May 28, 2026, 48 million shares of our common stock were available for future awards under our equity compensation plans, including 7 million shares approved for issuance under our employee stock purchase plan ("ESPP").

Restricted Stock and Restricted Stock Units ("Restricted Stock Awards")

Nine Months Ended	May 28, 2026	May 29, 2025
Restricted stock award shares granted	7	11
Weighted-average grant-date fair value per share	$ 227.18	$ 100.25

Employee Stock Purchase Plan ("ESPP")

Employees purchased 2 million shares in each six-month ESPP offering period that ended in the second quarter of 2026 and 2025 at a share price of $92.77 and $78.63, respectively.

Stock-based Compensation Expense

Stock-based compensation expense recognized in our statements of operations is presented below. Stock-based compensation expense of $132 million and $96 million was capitalized and remained in inventory as of May 28, 2026 and August 28, 2025, respectively.

	Quarter Ended		Nine Months Ended	
	May 28, 2026	May 29, 2025	May 28, 2026	May 29, 2025
Stock-based compensation expense by caption				
Cost of goods sold	$ 143	$ 115	$ 371	$ 294
Research and development	129	89	355	254
Selling, general, and administrative	69	59	192	165
	$ 341	$ 263	$ 918	$ 713
Stock-based compensation expense by type of award				
Restricted stock awards	$ 309	$ 239	$ 829	$ 643
ESPP	32	24	89	70
	$ 341	$ 263	$ 918	$ 713

As of May 28, 2026, $2.13 billion of total unrecognized compensation costs for unvested awards, before the effect of any future forfeitures, was expected to be recognized through the third quarter of 2030, resulting in a weighted-average period of 1.2 years.

Note 14. Revenue and Customer Contract Liabilities

Revenue by Technology

	Quarter Ended		Nine Months Ended	
	May 28, 2026	May 29, 2025	May 28, 2026	May 29, 2025
DRAM	$ 31,328	$ 7,071	$ 60,908	$ 19,594
NAND	9,943	2,155	17,683	6,251
Other (primarily NOR)	185	75	368	218
	$ 41,456	$ 9,301	$ 78,959	$ 26,063

See Item 1. Financial Statements, Notes to Consolidated Financial Statements, Note 17. Segment and Other Information for disclosure of disaggregated revenue by market segment.

We recently executed certain strategic customer agreements, including agreements executed subsequent to May 28, 2026. These agreements are structured as take-or-pay agreements, with binding commitments for specific volumes over the multi-year contract terms and include contractually enforceable volumes. Pricing for most agreements is either fixed, or is subject to minimum and maximum pricing. A minority of the agreements do not have any fixed pricing or price bands, as pricing for those agreements is subject to market conditions.

Our remaining performance obligations disclosure is based on minimum committed volumes and minimum pricing and is not expected to be indicative of future revenue under these contracts. Agreements without fixed pricing or price bands are not included in the remaining performance obligations disclosure. As a practical expedient, we have excluded contracts that have an original term of one year or less from our remaining performance obligations disclosure.

As of May 28, 2026, the transaction price allocated to our remaining performance obligations was approximately $5 billion, of which $422 million has been recognized as contract liabilities. Contract liabilities primarily consisted of customer deposits associated with strategic customer agreements for which revenue has not yet been recognized and are primarily included in other noncurrent liabilities. As of August 28, 2025, our remaining performance obligations were not material. Approximately one-third of the remaining performance obligations as of May 28, 2026 are expected to be recognized as revenue over the next twelve months.

As of May 28, 2026 and August 28, 2025, other current liabilities included $3.32 billion and $1.19 billion, respectively, for estimates of consideration payable to customers, including pricing adjustments and returns.

Note 15. Income Taxes

Our income tax (provision) benefit consisted of the following:

	Quarter Ended		Nine Months Ended	
	May 28, 2026	May 29, 2025	May 28, 2026	May 29, 2025
Income before taxes	$ 33,212	$ 2,113	$ 55,433	$ 6,023
Income tax (provision) benefit	(4,978)	(235)	(8,178)	(695)
Effective tax rate	15.0 %	11.1 %	14.8 %	11.5 %

The change in our effective tax rate for the third quarter and first nine months of 2026, as compared to the corresponding periods of 2025, was primarily due to the 15% minimum tax Pillar Two Model Rules ("Pillar Two"). Singapore enacted legislation to implement Pillar Two, effective for us in 2026, which largely offsets the benefit from our Singapore tax incentive arrangements.

On July 4, 2025, the One Big Beautiful Bill Act ("OBBBA") was enacted, introducing broad changes to the U.S. tax code, including modifications to corporate and international tax provisions, which primarily are effective for us beginning in 2026 and 2027. The aggregate impact of the OBBBA remains uncertain. We will continue to monitor future developments, including regulatory guidance and interpretations, which could have a material impact on our income tax provision.

Other noncurrent liabilities included $5.79 billion and $648 million related to income taxes payable as of May 28, 2026 and August 28, 2025, respectively.

Note 16. Earnings Per Share

	Quarter Ended		Nine Months Ended	
	May 28, 2026	May 29, 2025	May 28, 2026	May 29, 2025
Net income – Basic and Diluted	$ 28,243	$ 1,885	$ 47,268	$ 5,338
Weighted-average common shares outstanding – Basic	1,128	1,118	1,126	1,114
Dilutive effect of equity compensation plans	17	7	16	9
Weighted-average common shares outstanding – Diluted	1,145	1,125	1,142	1,123
Earnings per share				
Basic	$ 25.03	$ 1.69	$ 41.97	$ 4.79
Diluted	24.67	1.68	41.40	4.75

Antidilutive potential common shares excluded from the computation of diluted earnings per share, that could dilute basic earnings per share in the future, were not material for the third quarter or first nine months of 2026 and were 7 million shares and 10 million shares for the third quarter and first nine months of 2025, respectively.

Note 17. Segment and Other Information

Segment information reported herein is consistent with the way our Chief Executive Officer, who is our Chief Operating Decision Maker ("CODM"), assesses the performance of our segments based on segment revenue, cost of goods sold, operating expenses, and operating income. The segment information reported herein is regularly provided to and reviewed and evaluated by our CODM to budget, forecast, and decide how to allocate resources for capital investments, human capital, and other strategic investments across our segments.

We have the following four business units, which are based on market segments and our reportable segments:

- ***Cloud Memory Business Unit ("CMBU"):*** Focused on memory solutions for large hyperscale cloud customers, and HBM for all data center customers.
- ***Core Data Center Business Unit ("CDBU"):*** Focused on memory solutions for mid-tier cloud, enterprise, and OEM data center customers and storage solutions for all data center customers.
- ***Mobile and Client Business Unit ("MCBU"):*** Focused on memory and storage solutions for the mobile and client segments.
- ***Automotive and Embedded Business Unit ("AEBU"):*** Focused on memory and storage solutions for the automotive, industrial, and consumer segments.

Our other operations do not meet the thresholds of a reportable segment and are reported under All Other. Certain operating expenses directly associated with the activities of a specific segment are charged to that segment. Other indirect operating income and expenses are generally allocated to segments based on their respective percentage of cost of goods sold or forecasted wafer production. Certain income and expenses are not allocated to segments because our CODM does not consider these amounts in the assessment of the performance of our segments. Substantially all of the unallocated amounts are related to stock-based compensation. We do not identify or report internally our assets (other than goodwill) or capital expenditures by segment, nor do we allocate gains and losses from equity method investments, interest, other non-operating income or expense items, or taxes to segments.

Quarter Ended May 28, 2026	CMBU	CDBU	MCBU	AEBU	All Other	Unallocated	Total
Revenue	$ 13,769	$ 11,524	$ 11,521	$ 4,634	$ 8	$ —	$ 41,456
Cost of goods sold	2,278	1,537	1,463	975	4	143	6,400
Gross margin	11,491	9,987	10,058	3,659	4	(143)	35,056
Research and development	592	391	107	96	—	130	1,316
Selling, general, and administrative	108	79	81	70	—	69	407
Other operating (income) expense, net	(2)	(2)	(3)	—	1	21	15
Operating income	$ 10,793	$ 9,519	$ 9,873	$ 3,493	$ 3	$ (363)	$ 33,318

Quarter Ended May 29, 2025	CMBU	CDBU	MCBU	AEBU	All Other	Unallocated	Total
Revenue	$ 3,386	$ 1,530	$ 3,255	$ 1,127	$ 3	$ —	$ 9,301
Cost of goods sold	1,415	956	2,467	837	3	115	5,793
Gross margin	1,971	574	788	290	—	(115)	3,508
Research and development	337	223	201	114	1	89	965
Selling, general, and administrative	61	45	105	49	(1)	59	318
Other operating (income) expense, net	—	(1)	—	1	(2)	58	56
Operating income	$ 1,573	$ 307	$ 482	$ 126	$ 2	$ (321)	$ 2,169

Nine Months Ended May 28, 2026	CMBU	CDBU	MCBU	AEBU	All Other	Unallocated	Total
Revenue	$ 26,802	$ 19,590	$ 23,487	$ 9,062	$ 18	$ —	$ 78,959
Cost of goods sold	6,097	4,155	5,090	2,776	13	371	18,502
Gross margin	20,705	15,435	18,397	6,286	5	(371)	60,457
Research and development	1,628	1,040	409	302	—	358	3,737
Selling, general, and administrative	274	177	263	182	—	192	1,088
Other operating (income) expense, net	(1)	—	(1)	—	—	45	43
Operating income	$ 18,804	$ 14,218	$ 17,726	$ 5,802	$ 5	$ (966)	$ 55,589

Nine Months Ended May 29, 2025	CMBU	CDBU	MCBU	AEBU	All Other	Unallocated	Total
Revenue	$ 8,981	$ 5,652	$ 8,099	$ 3,319	$ 12	$ —	$ 26,063
Cost of goods sold	4,025	3,072	6,260	2,579	10	298	16,244
Gross margin	4,956	2,580	1,839	740	2	(298)	9,819
Research and development	851	644	671	330	1	254	2,751
Selling, general, and administrative	146	147	290	144	(1)	165	891
Other operating (income) expense, net	—	—	1	1	1	58	61
Operating income	$ 3,959	$ 1,789	$ 877	$ 265	$ 1	$ (775)	$ 6,116

Depreciation and amortization expense included in operating income was as follows:

	Quarter Ended		Nine Months Ended	
	May 28, 2026	May 29, 2025	May 28, 2026	May 29, 2025
CMBU	$ 780	$ 548	$ 2,291	$ 1,600
CDBU	550	361	1,534	1,193
MCBU	678	877	2,005	2,361
AEBU	353	306	1,024	1,040
All Other	2	2	5	5
Unallocated	1	—	3	4
	$ 2,364	$ 2,094	$ 6,862	$ 6,203

Revenue from one customer was 10% and 16% (primarily included in the CMBU segment) of total revenue for the first nine months of 2026 and 2025, respectively.

As of May 28, 2026 and August 28, 2025, CMBU, CDBU, MCBU, and AEBU had goodwill of $654 million, $109 million, $284 million, and $103 million, respectively.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This discussion should be read in conjunction with the consolidated financial statements and accompanying notes for the year ended August 28, 2025. All period references are to our fiscal periods unless otherwise indicated. Our fiscal year is the 52- or 53-week period ending on the Thursday closest to August 31. Fiscal 2026 contains 53 weeks and fiscal 2025 contains 52 weeks. The third quarter of 2026 contains 13 weeks and the fourth quarter of 2026 contains 14 weeks. All tabular dollar amounts are in millions, except per share amounts.

Overview

Micron Technology, Inc. is an industry leader in innovative memory and storage solutions transforming how the world uses information to enrich life for all. With a relentless focus on our customers, technology leadership, and manufacturing and operational excellence, Micron delivers a rich portfolio of high-performance DRAM, NAND, and NOR memory and storage products. Every day, the innovations that our people create fuel the data economy, enabling advances in artificial intelligence (AI) and compute-intensive applications that unleash opportunities — from the data center to the intelligent edge and across the client and mobile user experience.

We manufacture our products at wholly-owned facilities and also utilize subcontractors for certain manufacturing processes. Our global network of manufacturing centers of excellence not only allows us to benefit from scale while streamlining processes and operations, but it also brings together some of the world's brightest talent to work on the most advanced memory technology. Centers of excellence bring expertise together in one location, providing an efficient support structure for end-to-end manufacturing, with quicker cycle times, in partnership with teams, such as R&D, product development, human resources, procurement, and supply chain. For our locations in Singapore and Taiwan, this is also a combination of bringing fabrication and back-end manufacturing together. We continue to make significant investments to develop proprietary product and process technology, which generally increases bit density per wafer and reduces per-bit manufacturing costs of each generation of product. We continue to introduce new generations of products that offer improved performance characteristics, including higher data transfer rates, advanced packaging solutions, lower power consumption, improved read/write reliability, and increased memory density.

We face intense competition in the semiconductor memory and storage markets. To remain competitive, we must continuously develop and implement new products and technologies and decrease manufacturing costs in spite of inflationary pressures, changing technologies, rapid market changes, and regulatory uncertainty. Our success is largely dependent on obtaining returns on our R&D investments, efficient utilization of our manufacturing infrastructure, development and integration of advanced product and process technologies, market acceptance of our diversified portfolio of semiconductor-based memory and storage solutions, and efficient capital spending.

Product Technologies

Our product portfolio of memory and storage solutions, advanced solutions, and storage platforms is based on our high-performance semiconductor memory and storage technologies, including DRAM, NAND, and NOR. We sell our products through our business units into various markets in numerous forms, including components, modules, SSDs, managed NAND, multi-chip packages, and wafers. Many of our system-level solutions combine NAND, a controller, firmware, and in some cases DRAM.

DRAM: DRAM products are dynamic random access memory semiconductor devices with low latency that provide high-speed data retrieval with a variety of performance characteristics. DRAM products lose content when power is turned off ("volatile") and are most commonly used in the data center, client PC, graphics, industrial, mobile, and automotive markets. DRAM products include High-Bandwidth Memory ("HBM"), which is a 3D stacked DRAM architecture that utilizes through-silicon via ("TSV") connections for more efficient communication giving it the ability to achieve a higher bandwidth while consuming less power compared to other memory types.

NAND: NAND products are non-volatile, re-writeable semiconductor storage devices that provide high-capacity, low-cost storage with a variety of performance characteristics. NAND is used in SSDs for the data center, client PC, consumer, and automotive markets, and in removable storage markets. Managed NAND is used in smartphones

and other mobile devices, and in the consumer, automotive, and embedded markets. Low-density NAND is ideal for applications like automotive, surveillance, machine-to-machine, automation, printer, and home networking.

NOR: NOR products are non-volatile, re-writable semiconductor memory devices that provide fast read speeds. NOR is most commonly used for reliable code storage (e.g., boot, application, operating system, and execute-in-place code in an embedded system) and for frequently changing small data storage and is ideal for automotive, industrial, and consumer applications.

Industry Conditions

Memory and Storage Demand

AI-driven memory and storage growth is outpacing industry supply. In the third quarter of 2026, we continued to benefit from substantial improvements in pricing and margins, reflecting strong demand growth, driven in large part by the continued advancement of AI. The AI-driven growth in the data center has accelerated demand for memory and storage at a rate greater than our ability and the industry's ability to increase supply. This has led to decisions on supply allocation that may impact certain customers and end markets as the overall market demand for memory and storage exceeds overall industry supply. Robust overall DRAM and NAND demand and constrained supply has led to increased pricing and improved the profitability across our portfolio.

Strategic Customer Agreements

The evolving industry landscape, characterized by strong long-term customer demand for memory solutions and structurally constrained supply growth, has elevated the strategic importance of memory to our customers' product roadmaps. As customers increasingly seek to secure committed long-term access to advanced memory technology and committed long-term memory supply, we have experienced increased customer engagement in strategic commitments. In the third and fourth quarters of 2026, we entered into, and expect to continue to enter into, strategic customer agreements. These agreements provide customers contracted supply assurance and greater pricing visibility, and provide us higher visibility and improved stability in our business performance.

Strategic customer agreements are structured as take-or-pay agreements, with binding commitments for specific volumes over the multi-year contract terms. Pricing for most agreements is either fixed, or is subject to minimum and maximum pricing. The largest agreements generally have a ceiling price for existing products that approximates the market price in the second calendar quarter of 2026, and a floor price through the term of the agreement. A minority of the agreements do not have any fixed pricing or price bands, as pricing for those agreements is subject to market conditions.

We expect gross margins from our strategic customer agreements with price bands, even at floor pricing levels, to yield gross margins well above our peak quarterly margins in any past cycle. Accordingly, we believe these agreements accelerate the transformation of our business model and will significantly enhance the durability and predictability of our financial performance.

Results of Operations

Consolidated Results

	Third Quarter 2026		Second Quarter 2026		Third Quarter 2025		Nine Months Ended 2026		2025	
Revenue	$ 41,456	100 %	$ 23,860	100 %	$ 9,301	100 %	$ 78,959	100 %	$ 26,063	100 %
Cost of goods sold	6,400	15 %	6,105	26 %	5,793	62 %	18,502	23 %	16,244	62 %
Gross margin	35,056	85 %	17,755	74 %	3,508	38 %	60,457	77 %	9,819	38 %
Research and development	1,316	3 %	1,250	5 %	965	10 %	3,737	5 %	2,751	11 %
Selling, general, and administrative	407	1 %	344	1 %	318	3 %	1,088	1 %	891	3 %
Other operating (income) expense, net	15	— %	26	— %	56	1 %	43	— %	61	— %
Operating income	33,318	80 %	16,135	68 %	2,169	23 %	55,589	70 %	6,116	23 %
Interest income (expense), net	215	1 %	123	1 %	12	— %	403	1 %	(3)	— %
Other non-operating income (expense), net	(321)	(1)%	(98)	— %	(68)	(1)%	(559)	(1)%	(90)	— %
Income tax (provision) benefit	(4,978)	(12)%	(2,371)	(10)%	(235)	(3)%	(8,178)	(10)%	(695)	(3)%
Equity in net income (loss) of equity method investees	9	— %	(4)	— %	7	— %	13	— %	10	— %
Net income	$ 28,243	68 %	$ 13,785	58 %	$ 1,885	20 %	$ 47,268	60 %	$ 5,338	20 %

Total Revenue: Total revenue for the third quarter and first nine months of 2026 was impacted by the factors described in the section titled "Industry Conditions—Memory and Storage Demand" above.

Total revenue for the third quarter of 2026 increased 74% as compared to the second quarter of 2026, primarily due to increases in sales of both DRAM and NAND products.

- Sales of DRAM products increased 67%, primarily due to a low-60% range increase in average selling prices and a low-single-digit percentage range increase in bit shipments.
- Sales of NAND products increased 99%, primarily due to a mid-80% range increase in average selling prices and a mid-single-digit percentage range increase in bit shipments.

Total revenue for the third quarter of 2026 increased 346% as compared to the third quarter of 2025, primarily due to increases in sales of both DRAM and NAND products.

- Sales of DRAM products increased 343%, primarily due to a low-260% range increase in average selling prices and a low-20% range increase in bit shipments.
- Sales of NAND products increased 361%, primarily due to a mid-310% increase in average selling prices and a low-double-digit increase in bit shipments.

Total revenue for the first nine months of 2026 increased 203% as compared to the first nine months of 2025, primarily due to increases in sales of both DRAM and NAND products.

- Sales of DRAM products increased 211%, primarily due to an approximate 140% increase in average selling prices and an approximate 30% increase in bit shipments.
- Sales of NAND products increased 183%, primarily due to an approximate 130% increase in average selling prices and a low-20% range increase in bit shipments.

Consolidated Gross Margin: Our consolidated gross margin has been impacted by the factors described in the section titled "Industry Conditions—Memory and Storage Demand." Our consolidated gross margin percentage increased to 85% for the third quarter of 2026 from 74% for the second quarter of 2026 as a result of improvements in margins for both DRAM and NAND products. Margins improved primarily due to increases in average selling prices and also benefited from continued strong execution and favorable mix.

Our consolidated gross margin percentage improved to 85% for the third quarter of 2026 from 38% for the third quarter of 2025 and improved to 77% for the first nine months of 2026 from 38% for the first nine months of 2025. Improvements in our consolidated gross margins for the third quarter and first nine months of 2026 as compared to corresponding periods of 2025 were due to improvements in margins for both DRAM and NAND products. Margins improved, primarily due to increases in average selling prices and, to a lesser extent, favorable mix and manufacturing cost reductions.

Revenue by Business Unit

	Third Quarter 2026		Second Quarter 2026		Third Quarter 2025		Nine Months Ended 2026		2025	
CMBU	$ 13,769	33 %	$ 7,749	32 %	$ 3,386	36 %	$ 26,802	34 %	$ 8,981	34 %
CDBU	11,524	28 %	5,687	24 %	1,530	16 %	19,590	25 %	5,652	22 %
MCBU	11,521	28 %	7,711	32 %	3,255	35 %	23,487	30 %	8,099	31 %
AEBU	4,634	11 %	2,708	11 %	1,127	12 %	9,062	11 %	3,319	13 %
All other	8	— %	5	— %	3	— %	18	— %	12	— %
	$ 41,456		$ 23,860		$ 9,301		$ 78,959		$ 26,063	

Percentages of total revenue may not total 100% due to rounding.

Changes in revenue for each business unit for the third quarter of 2026 as compared to the second quarter of 2026 were as follows:

- CMBU revenue increased 78%, primarily due to increases in average selling prices and bit shipments.
- CDBU revenue increased 103%, primarily due to increases in average selling prices and favorable mix.
- MCBU revenue increased 49%, primarily due to increases in average selling prices, partially offset by lower bit shipments.
- AEBU revenue increased 71%, primarily due to increases in average selling prices and bit shipments.

Changes in revenue for each business unit for the third quarter and first nine months of 2026 as compared to the corresponding periods of 2025 were as follows:

- CMBU revenue increased 307% and 198%, respectively, primarily due to increases in average selling prices and bit shipments.
- CDBU revenue increased 653% and 247%, respectively, primarily due to increases in average selling prices and bit shipments.
- MCBU revenue increased 254% and 190%, respectively, primarily due to increases in average selling prices, partially offset by lower bit shipments.
- AEBU revenue increased 311% and 173%, respectively, primarily due to increases in average selling prices and bit shipments.

Operating Income by Business Unit

	Third Quarter 2026		Second Quarter 2026		Third Quarter 2025		Nine Months Ended 2026		2025	
CMBU	$ 10,793	78 %	$ 5,127	66 %	$ 1,573	46 %	$ 18,804	70 %	$ 3,959	44 %
CDBU	9,519	83 %	3,809	67 %	307	20 %	14,218	73 %	1,789	32 %
MCBU	9,873	86 %	5,836	76 %	482	15 %	17,726	75 %	877	11 %
AEBU	3,493	75 %	1,682	62 %	126	11 %	5,802	64 %	265	8 %
All other	3	38 %	1	20 %	2	67 %	5	28 %	1	8 %
	$ 33,681		$ 16,455		$ 2,490		$ 56,555		$ 6,891	

Percentages reflect operating income as a percentage of revenue for each business unit.

Changes in operating income for each business unit for the third quarter of 2026 as compared to the second quarter of 2026 were as follows:

- CMBU operating income was higher, primarily due to increases in average selling prices and higher bit shipments.
- CDBU operating income was higher, primarily due to increases in average selling prices.
- MCBU operating income was higher, primarily due to increases in average selling prices and favorable mix, partially offset by lower bit shipments.
- AEBU operating income was higher, primarily due to increases in average selling prices, higher bit shipments, and favorable mix.

Changes in operating income for each business unit for the third quarter and first nine months of 2026 as compared to the corresponding periods of 2025 were as follows:

- CMBU operating income was higher, primarily due to increases in average selling prices, higher bit shipments, and manufacturing cost reductions.
- CDBU operating income was higher, primarily due to increases in average selling prices, higher bit shipments, and manufacturing cost reductions.
- MCBU operating income was higher, primarily due to increases in average selling prices and manufacturing cost reductions, partially offset by lower bit shipments.
- AEBU operating income was higher, primarily due to increases in average selling prices, higher bit shipments, and manufacturing cost reductions.

Operating Expenses and Other

Research and Development: R&D expenses vary primarily with the number of development and pre-qualification wafers processed and end-product solutions developed, personnel costs, and the cost of advanced equipment dedicated to new product and process development. Because of the lead times necessary to manufacture our products, we typically begin to process wafers before completion of performance and reliability testing. Development of a product is deemed complete when it is qualified through internal reviews and tests for performance, functionality, and reliability. R&D expenses can vary significantly depending on the timing of product qualification and product specifications.

R&D expenses for the third quarter of 2026 increased 5% as compared to the second quarter of 2026, primarily due to increases in employee compensation. R&D expenses for the third quarter and first nine months of 2026 both increased 36%, as compared to the corresponding periods of 2025, primarily due to higher volumes of development and pre-qualification wafers, as we ramp R&D investments in support of long-term opportunities in memory and storage, and increases in employee compensation.

Selling, General, and Administrative: SG&A expenses for the third quarter of 2026 increased 18% as compared to the second quarter of 2026, primarily due to increases in employee compensation. SG&A expenses for the third quarter and first nine months of 2026 increased 28% and 22%, respectively, as compared to the corresponding periods of 2025, primarily due to increases in employee compensation.

Interest Income (Expense), Net: Interest income (expense) improved in the third quarter of 2026 as compared to the second quarter of 2026 and for the third quarter and first nine months of 2026 as compared to the corresponding periods of 2025, primarily due to a decrease in interest expense due to lower debt balances and an increase in interest income due to higher cash and investments balances.

Income Taxes: Our income tax (provision) benefit consisted of the following:

	Third Quarter 2026	Second Quarter 2026	Third Quarter 2025	Nine Months Ended 2026	Nine Months Ended 2025
Income before taxes	$ 33,212	$ 16,160	$ 2,113	$ 55,433	$ 6,023
Income tax (provision) benefit	(4,978)	(2,371)	(235)	(8,178)	(695)
Effective tax rate	15.0 %	14.7 %	11.1 %	14.8 %	11.5 %

The change in our effective tax rate for the third quarter of 2026, as compared to the second quarter of 2026 was primarily due to changes in profitability, which reduced the relative impact of discrete tax benefits. The change in our effective tax rate for the third quarter and first nine months of 2026, as compared to the corresponding periods of 2025, was primarily due to the 15% minimum tax Pillar Two Model Rules ("Pillar Two"). Singapore enacted legislation to implement Pillar Two, effective for us in 2026, which largely offsets the benefit from our Singapore tax incentive arrangements.

On July 4, 2025, the One Big Beautiful Bill Act ("OBBBA") was enacted, introducing broad changes to the U.S. tax code, including modifications to corporate and international tax provisions, which primarily are effective for us beginning in 2026 and 2027. The aggregate impact of the OBBBA remains uncertain. We will continue to monitor future developments, including regulatory guidance and interpretations, which could have a material impact on our income tax provision. Further changes in the tax laws of foreign jurisdictions could arise as a result of the base erosion and profit-shifting project, including Pillar Two, undertaken by the Organisation for Economic Co-operation and Development. We continue to monitor for additional guidance and legislative changes related to Pillar Two in the jurisdictions where we operate.

Various tax reforms are being considered in multiple jurisdictions that, if enacted, contain provisions that could materially impact our tax expense. We continue to monitor the potential impact of these various tax reform proposals to our overall global effective tax rate and financial statements.

Other: Further information can be found in the following notes contained in Item 1. Financial Statements, Notes to Consolidated Financial Statements:

- Note 9. Debt
- Note 13. Equity Compensation Plans

Liquidity and Capital Resources

Our primary sources of liquidity are cash generated from operations and financing obtained from capital markets and financial institutions. Cash generated from operations is highly dependent on selling prices for our products, which can vary significantly from period to period. Cash and marketable investments totaled $30.13 billion as of May 28, 2026, and $11.94 billion as of August 28, 2025. Our cash and investments consist primarily of bank deposits, money market funds, and liquid investment-grade, fixed-income securities, which are diversified among industries and individual issuers. To mitigate credit risk, we invest through high-credit-quality financial institutions and by policy generally limit the concentration of credit exposure by restricting the amount of investments with any single obligor. As of May 28, 2026, $5.40 billion of our cash and marketable investments was held by our foreign subsidiaries.

We recently executed certain strategic customer agreements, including agreements executed subsequent to May 28, 2026. These agreements include binding commitments for specific volumes over the multi-year contract terms. Strategic customer agreements often include substantial customer deposits and related financial commitments. In connection with these strategic customer agreements, we expect to receive cash deposits and related financial commitments of $22 billion for agreements concluded to date. Approximately $18 billion of these commitments will be in the form of cash deposits.

We continuously evaluate alternatives for efficiently funding our capital expenditures and ongoing operations. As of May 28, 2026, $2.00 billion was available to draw under our Revolving Credit Facility. Funding of certain significant capital projects is also supported by the receipt of government incentives. Our incentives are conditioned upon achieving or maintaining certain outcomes and satisfying compliance requirements and are subject to reduction, termination, or clawback.

To develop new product and process technology, support future growth, achieve operating efficiencies, and maintain product quality, we must continue to invest in manufacturing technologies, facilities and equipment, and R&D. We estimate capital expenditures for property, plant, and equipment, net of proceeds from government incentives, to be approximately $27 billion in 2026. Actual amounts for 2026 will vary depending on market conditions and may vary from quarter to quarter due to the timing of expenditures and proceeds from government incentives. As of May 28, 2026, we had purchase obligations of approximately $2.93 billion for the acquisition of property, plant, and equipment, substantially all of which is expected to be paid within one year. For a description of other contractual obligations, such as finance leases and debt, see Item 1. Financial Statements, Notes to Consolidated Financial Statements, Note 9. Debt.

In addition to the supply capacity we generate through our proprietary product and process technology that increases bit density per wafer, we will need to add new DRAM wafer capacity to support projected memory demand in the second half of the decade and beyond. Following the enactment of the CHIPS Act, we announced plans to invest in leading-edge memory manufacturing sites in Idaho and New York, based on CHIPS Act support through grants and investment tax credits.

As part of this plan, in September 2022, we broke ground on a leading-edge memory manufacturing fab in Boise, Idaho. Construction of the fab began in October 2023, with first DRAM wafer output projected in mid-calendar 2027. In June 2025, in connection with certain amendments to our CHIPS Act agreements, we announced plans for a second leading-edge memory manufacturing fab in Idaho to serve growing market demand fueled by AI. We plan to begin construction of the second Idaho fab in 2026, and expect initial wafer output by late calendar 2028.

Our investment plan for New York includes construction of a leading-edge DRAM memory manufacturing site, consisting of up to four fabs to be built over the next 20-plus years, in Clay, New York. In January 2026, we broke ground on our first New York fab, which will provide supply in 2030 and beyond. We expect these new fabs to be key to meeting our requirements for additional wafer capacity, in line with industry demand trends and our objective of maintaining stable bit share.

On December 9, 2024, we entered into direct funding agreements with the U.S. Department of Commerce for up to $6.1 billion in direct funding pursuant to the CHIPS Act for a planned fab in Boise, Idaho, and two planned fabs in Clay, New York. On June 11, 2025, we entered into amendments to the direct funding agreements to add a second planned fab in Boise, Idaho, and allocate certain award funding to the second planned Idaho fab from the $6.1 billion grants previously awarded under the December 2024 direct funding agreements. The direct funding for up to $6.1 billion remains unchanged. On June 11, 2025, we also entered into a direct funding agreement with the U.S. Department of Commerce for up to $275 million in direct funding to expand and modernize our fab in Manassas, Virginia. The grants under the funding agreements represent total CHIPS Act grants of up to $6.4 billion in connection with our U.S. manufacturing expansion and modernization projects. In addition, we announced plans to bring advanced HBM packaging capabilities to the United States.

In addition to the CHIPS Act direct funding, we receive a 35% investment tax credit on qualified investments in U.S. semiconductor manufacturing under the CHIPS Act. We have also signed a non-binding term sheet with the State of New York that provides for up to $5.5 billion in funding for the planned four-fab facility over the next 20-plus years through a combination of tax credits for qualified capital investments and incentives for eligible new job wages.

Outside the United States, we are investing in manufacturing technologies, facilities and equipment, and R&D, and advancing our global back-end assembly and test network. These investments support our product portfolio and

extend our ability to meet global market demand in the future. Planned investments and those underway include the following:

- ***India:*** Our assembly and test facility in Gujarat commenced commercial shipments and will start ramping production in 2026;
- ***Japan:*** We are modernizing our Hiroshima manufacturing facility to support future DRAM nodes and AI memory production;
- ***Singapore:*** We broke ground in January 2025 on an HBM advanced packaging facility to meaningfully expand our total advanced packaging capacity beginning in the first half of calendar 2027. In January 2026, we broke ground on an additional advanced wafer fab facility located within our existing NAND manufacturing complex. This facility will provide additional cleanroom space when it becomes operational in the second half of calendar 2028, helping address growing market demand for NAND technology driven by the rapid expansion of AI and data-centric applications; and
- ***Taiwan:*** We are modernizing and expanding our production capacity for DRAM and HBM products to meet rising market demand. In March 2026, we completed the acquisition of a wafer fabrication facility in Tongluo, Miaoli County, Taiwan, from Powerchip Semiconductor Manufacturing Corporation for cash consideration of $1.8 billion. We expect this site to support meaningful product shipments from the existing fab beginning in mid-calendar 2027. Adding to the existing fab, we have begun construction of a similar-sized second cleanroom at this site.

In certain countries outside of the U.S, we receive or expect to receive, government incentives related to our investments. The amounts of these government incentives generally offset a portion of our planned investments and require us to meet certain conditions in order to receive such incentives.

Our Board of Directors has authorized the discretionary repurchase of up to $10 billion of our outstanding common stock through open-market purchases, block trades, privately-negotiated transactions, derivative transactions, and/or pursuant to Rule 10b5-1 trading plans. Through May 28, 2026, we had repurchased an aggregate of $7.84 billion under the authorization. The repurchase authorization has no expiration date, does not obligate us to acquire any common stock, and is subject to market conditions, restrictions applicable under our CHIPS Act direct funding agreements, and our ongoing determination of the best use of available cash. See Item 1. Financial Statements, Notes to Consolidated Financial Statements, Note 11. Equity.

On June 24, 2026, our Board of Directors declared a quarterly dividend of $0.15 per share, payable in cash on July 21, 2026, to shareholders of record as of the close of business on July 6, 2026. The declaration and payment of any future cash dividends are at the discretion and subject to the approval of our Board of Directors. Our Board of Directors' decisions regarding the amount and payment of dividends will depend on many factors, including, but not limited to, our financial condition, results of operations, capital requirements, business conditions, debt service obligations, contractual restrictions, industry practice, legal requirements, regulatory constraints, and other factors that our Board of Directors may deem relevant.

We expect that our cash and investments, cash flows from operations, funding from government incentives, customer deposits under strategic customer agreements, and available financing will be sufficient to meet our requirements at least through the next 12 months and thereafter for the foreseeable future.

Cash Flows

Nine Months Ended	May 28, 2026	May 29, 2025
Net cash provided by operating activities	$ 45,702	$ 11,795
Net cash used for investing activities	(19,688)	(8,889)
Net cash provided by (used for) financing activities	(10,646)	214
Effect of changes in currency exchange rates on cash, cash equivalents, and restricted cash	8	(3)
Net increase in cash, cash equivalents, and restricted cash	$ 15,376	$ 3,117

Operating Activities: Cash provided by operating activities reflects net income adjusted for certain non-cash items, including depreciation expense, amortization of intangible assets, and stock-based compensation, and the effects of changes in operating assets and liabilities.

The increase in cash provided by operating activities for the first nine months of 2026 as compared to the first nine months of 2025 was primarily due to higher net income in the current year adjusted for non-cash items, an increase in accounts payable and accrued expenses mostly related to property, plant and equipment and income and other taxes, an increase in other current liabilities resulting mainly from higher consideration payable to customers for pricing adjustments, and an increase in noncurrent liabilities largely due to higher noncurrent income taxes payable related to the implementation of Pillar Two. These increases were partially offset by a significant increase in receivables due to higher revenue in the first nine months of 2026.

Investing Activities: For the first nine months of 2026, net cash used for investing activities consisted primarily of $19.60 billion of expenditures for property, plant, and equipment and $2.84 billion of net outflows from purchases, maturities, and sales of available-for-sale securities, partially offset by $2.99 billion of proceeds from government incentives to offset capital expenditures.

For the first nine months of 2025, net cash used for investing activities consisted primarily of $10.20 billion of expenditures for property, plant, and equipment, partially offset by $1.29 billion of proceeds from government incentives to offset capital expenditures.

Financing Activities: For the first nine months of 2026, net cash used for financing activities consisted primarily of $9.38 billion of repayments of debt, which included the prepayment in full of the 2028 Notes, 2029 Term Loan A, 2029 A Notes, 2029 B Notes, and 2030 Notes and the partial prepayments of the 2031 Notes, 2032 Notes, 2033 A Notes, 2033 B Notes, 2035 A Notes, and 2035 B Notes; $762 million for the repurchases of common stock for withholdings on employee equity awards; $650 million for the acquisition of 2.5 million shares of our common stock under our share repurchase authorization; and $437 million for payments of dividends to shareholders. See Item 1. Financial Statements, Notes to Consolidated Financial Statements, Note 9. Debt.

For the first nine months of 2025, net cash provided by financing activities consisted primarily of $1.68 billion of proceeds from the issuance of the 2029 Term Loan A; approximately $1.25 billion of proceeds from the issuance of the 2035 B Notes; approximately $1.00 billion of proceeds from the issuance of the 2035 A Notes; and $499 million of proceeds from the issuance of the 2032 Notes; partially offset by $3.60 billion of repayments of debt; $392 million for payments of dividends to shareholders; and $290 million for the repurchases of common stock for withholdings on employee equity awards.

Critical Accounting Estimates

For a discussion of our critical accounting estimates, see Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations, Critical Accounting Estimates of our Annual Report on Form 10-K for the year ended August 28, 2025. There have been no significant changes to our critical accounting estimates since our Annual Report on Form 10-K for the year ended August 28, 2025.

Recently Issued Accounting Standards

See Part I, Item 1. Financial Statements, Notes to Consolidated Financial Statements, Note 2. Recently Issued Accounting Standards.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

For further discussion about market risk and sensitivity analysis related to changes in interest rates and currency exchange rates, see Part II, Item 7A. Quantitative and Qualitative Disclosures About Market Risk in our Annual Report on Form 10-K for the year ended August 28, 2025. There have been no material changes to our market risk during the nine months ended May 28, 2026.

ITEM 4. CONTROLS AND PROCEDURES

An evaluation was carried out under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this report. Based upon that evaluation, the principal executive officer and principal financial officer concluded that those disclosure controls and procedures were effective to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act are recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to our management, including the principal executive officer and principal financial officer, to allow timely decisions regarding disclosure.

During the third quarter of 2026, there were no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

For a discussion of legal proceedings, see Part I. Financial Information, Item 1. Financial Statements, Notes to Consolidated Financial Statements, Note 10. Contingencies and Item 1A. Risk Factors in this Quarterly Report on Form 10-Q.

SEC regulations require disclosure of certain proceedings related to environmental matters unless we reasonably believe that the related monetary sanctions, if any, will be less than a specified threshold. We use a threshold of $1 million for this purpose.

ITEM 1A. RISK FACTORS

In addition to the factors discussed elsewhere in this Form 10-Q, this section discusses important factors which could cause actual results or events to differ materially from those contained in any forward-looking statements made by us. The order of presentation is not necessarily indicative of the level of risk that each factor poses to us. Any of these factors could have a material adverse effect on our business, results of operations, financial condition, or stock price. Our operations could also be affected by other factors that are presently unknown to us or not considered significant.

Risk Factor Summary

Risks Related to Our Business, Operations, and Industry

- volatility in average selling prices of our products;
- a range of factors that may adversely affect our gross margins;
- our international operations, including geopolitical risks;
- the highly competitive nature of our industry;
- our ability to develop, produce, and supply new and competitive memory and storage technologies and products;
- realizing expected returns from capacity expansions;
- achieving or maintaining certain outcomes and the compliance requirements associated with incentives from various governments;
- availability and quality of materials, supplies, electrical power, gas, water, and capital equipment, or dependency on third-party service providers;
- a downturn or ongoing adverse conditions in regional or worldwide economies;
- disruptions to our manufacturing processes from operational issues, natural disasters, or other events;
- dependency on certain customers, including international customers, and end markets;
- products that fail to meet specifications, are defective, or are incompatible with end uses;
- breaches of our security systems or products, systems failures, interruptions, delays in service, catastrophic events, and resulting interruptions of our systems or those of our customers, suppliers, or business partners;
- uncertainties and outcomes associated with the use and evolution of AI;
- attracting, retaining, and motivating highly skilled employees;
- responsible sourcing requirements and related regulations;
- sustainability and governance expectations or standards;
- acquisitions and/or strategic transactions and investments; and
- restructure plans may not realize expected savings or other benefits.

Risks Related to Intellectual Property and Litigation

- protecting our intellectual property and retaining key employees who are knowledgeable about and develop our intellectual property;
- legal, regulatory and administrative investigations, inquiries, proceedings, and claims; and
- claims that our products or manufacturing processes infringe or otherwise violate the intellectual property rights of others or failure to obtain or renew license agreements covering such intellectual property.

Risks Related to Laws and Regulations

- impacts of government actions and compliance with tariffs, trade restrictions, and/or trade regulations;
- tax expense and tax laws in key jurisdictions; and
- compliance with laws, regulations, or industry standards, including environmental considerations.

Risks Related to Capitalization and Financial Markets

- our ability to generate sufficient cash flows or obtain access to external financing;
- our debt obligations;
- changes in foreign currency exchange rates;
- counterparty default risk;
- volatility in the trading price of our common stock; and
- fluctuations in the amount and frequency of our common stock repurchases and payment of cash dividends and resulting impacts.

Risks Related to Our Business, Operations, and Industry

Volatility in average selling prices for our semiconductor memory and storage products may adversely affect our business.

We have experienced significant volatility in our average selling prices and may continue to experience such volatility in the future. Over the past five fiscal years, annual percentages changes in DRAM average selling prices have ranged from an increase in the low 40% range to a decrease in the high 40% range. DRAM average selling prices increased approximately 140% for the first nine months of 2026 compared to the first nine months of 2025. In the past five fiscal years, annual percentage changes in NAND average selling prices have ranged from an increase in the low 30% range to a decrease in the low 50% range. NAND average selling prices increased approximately 130% for the first nine months of 2026 compared to the first nine months of 2025. In some prior periods, average selling prices for our products have been below our manufacturing costs, and we may experience such circumstances in the future. Significant declines in average selling prices in future periods could have a material adverse effect on our business, results of operations, or financial condition.

Our gross margins may be adversely affected by a range of factors.

In addition to the impact of our average selling prices, our gross margins are dependent, in part, upon continuing decreases in per gigabit manufacturing costs, which is primarily achieved through improvements in our manufacturing processes and product designs. Factors that may limit our ability to reduce our per gigabit manufacturing costs at sufficient levels to prevent deterioration of or improve gross margins include, but are not limited to:

- strategic product diversification decisions affecting product mix;
- increasing complexity of our product portfolio, which may impact operational costs;
- increasing complexity of manufacturing processes;
- difficulties in transitioning to smaller line-width process technologies or additional 3D memory layers or NAND cell levels;
- process complexity, including number of mask layers and fabrication steps;
- manufacturing yield and defect density;
- technological barriers;
- changes in process technologies;
- new products that may require relatively larger die sizes or advanced packaging technologies;
- start-up or other costs associated with capacity expansions;
- regional cost differences that may become more pronounced when we transition the manufacture of certain products within our global network;
- higher costs of goods and services due to, among other things, inflationary pressures, regulatory actions, including tariffs or trade restrictions, increased input costs, or market conditions; and
- higher manufacturing costs per gigabit due to fabrication facility underutilization, lower wafer output, and insufficient volume to run new technology nodes to achieve cost optimization.

Many factors may result in a reduction of our output or a delay in ramping production, which have in the past and could in the future lead to underutilization of our production assets. These factors may include, among others, a weak demand environment, industry oversupply, inventory surpluses, difficulties in ramping emerging technologies, supply chain disruptions, and delays from equipment suppliers. A significant portion of our manufacturing costs are fixed and do not vary proportionally with changes in production output. As a result, lower utilization, lower wafer output, and corresponding increases in our per gigabit manufacturing costs could result in higher inventory carrying costs, and have had, and may continue to have, an adverse effect on our gross margins, business, results of operations, or financial condition.

We operate in a dynamic and rapidly evolving industry where the timeframes for product transitions, facility expansions, production ramps, and supply chain shifts are increasingly compressed. To remain competitive, we must continuously develop and implement new products and technologies and decrease manufacturing costs in spite of inflationary pressures and regulatory uncertainty. As we streamline our production and shift capacity to

leading-edge nodes, we face execution risks that could impact our ability to meet customer demand and maintain market coverage.

There can be no assurance we will be able to do the following:

- timely identify and address technology inflections and market changes;
- accurately forecast demand and inventory levels of our customers or distributors;
- timely ramp production as we transition our operations footprint to new fabrication facilities;
- maintain operational flexibility in response to unforeseen changes in customer demand; and
- maintain supply scalability during downturns in the semiconductor markets in which we compete as we streamline our product portfolio to drive further fabrication efficiencies.

Our ability to execute on multiple transitions simultaneously, while maintaining supply continuity, quality standards, and cost competitiveness, is critical to sustaining our market position. If we do not successfully anticipate technology inflections and respond to changes in customer requirements and market changes, our business, results of operations, or financial condition could be materially adversely affected. Any misalignment between forecasted and actual demand, or delays in ramping new technologies, could result in elevated inventory levels, underutilized capacity, and gross margin pressure.

We have a broad portfolio of products to address our customers' needs, which span multiple market segments and are subject to rapid technological changes. Our manufacturing costs on a per gigabit basis vary across our portfolio as they are largely influenced by the technology node in which the solution was developed. We strive to balance our demand and supply for each technology node, but the dynamics of our markets and our customers can create periods of imbalance, which can lead us to carry elevated inventory levels and underutilized capacity. Consequently, we may incur charges in connection with obsolete or excess inventories, or we may not fully recover our costs, which would reduce our gross margins. In addition, due to the customized nature of certain products we manufacture, we may be unable to sell certain finished goods inventories to alternative customers or manufacture in-process inventory to different specifications, which may result in excess and obsolescence charges or loss of revenue in future periods.

In addition, if we are unable to supply products that meet customer design and performance specifications, we may be required to sell such products at lower average selling prices, which may reduce our gross margins. Our gross margins may also be impacted by shifts in product mix, driven by our strategy to optimize our portfolio to best respond to changing market dynamics.

Our industry goes through cycles with demand changes that are not fully aligned to the available supply in the market. We may not be able to predict or quickly respond to trends in the dynamics of our markets and our customers or changes in customer demand, which could negatively impact our gross margin. Although AI is a relatively new demand driver for our products, it is evolving rapidly, and the expected timing and amount of demand related to AI can change significantly. As a result, it may be difficult to accurately forecast such demand, and we have incurred and expect to continue to incur costs in anticipation of demand that ultimately may not materialize or may not be sustained. Additionally, periods of sustained higher prices for memory and storage products may reduce demand or result in our customers modifying product designs to reduce memory and storage content or seeking alternative technologies and solutions. If demand for our products materializes but is lower than expected, we may not be able to reduce our costs in response, which would adversely impact our gross margins. If demand exceeds our forecast, we may be unable to increase supply sufficiently to meet such demand, which could result in a loss of revenue or damage to customer relationships. Our inability to align supply with demand could have a material adverse effect on our business, results of operations, or financial condition.

We face geopolitical and other risks associated with our international operations that could materially adversely affect our business, results of operations, or financial condition.

In addition to our U.S. operations, a substantial portion of our operations are conducted in Taiwan, Singapore, Japan, Malaysia, China, and India, and many of our customers, suppliers, and vendors also operate internationally. In 2025, approximately one-third of our revenue was from sales to customers who have headquarters located outside the United States, while approximately 80% of our revenue in 2025 was from products shipped to customer locations outside the United States.

Our international operations are subject to a number of risks, including:

- restrictions on sales of goods or services to one or more of our significant foreign customers;
- export and import duties, changes to import and export regulations, customs regulations and processes, and restrictions on the transfer of funds, including currency controls and global tariffs, which could negatively affect the amount and timing of payments from certain of our customers and, as a result, our cash flows;
- compliance with U.S. and international laws involving international operations, including the Foreign Corrupt Practices Act of 1977, as amended, sanctions and anti-corruption laws, export and import laws, intellectual property, cybersecurity and data privacy laws, and similar rules and regulations;
- theft of intellectual property;
- political and economic instability, including instability resulting from domestic and international conflicts;
- government actions, civil unrest, or international conflicts preventing the flow of products and materials, including delays in shipping and obtaining products and materials, cancellation of orders, or loss or damage of products;
- public perception of governments in the regions where we operate;
- problems with the transportation or delivery of products and materials;
- issues arising from cultural or language differences and labor unrest;
- longer payment cycles and greater difficulty in collecting accounts receivable;
- compliance with trade, technical standards, and other laws in a variety of jurisdictions;
- contractual and regulatory limitations on the ability to maintain flexibility with staffing levels;
- disruptions to manufacturing or R&D activities as a result of actions imposed by governments;
- changes in economic policies of foreign governments;
- loss of market share in foreign jurisdictions resulting from political and regulatory uncertainty regarding possible trade restrictions, domestic sourcing initiatives, or other government actions;
- difficulties in staffing and managing international operations; and
- public health issues.

If we or our customers, suppliers, or vendors are impacted by any of these risks, it could have a material adverse effect on our business, results of operations, or financial condition.

Following the May 2023 decision of its cybersecurity review of our products sold in China, the CAC determined that critical information infrastructure operators in China may not purchase Micron products, impacting our revenue with companies headquartered in mainland China and Hong Kong, including direct sales, as well as indirect sales through distributors. Further actions by the Chinese government, through CAC action or other means, could impact revenue inside or outside China, or our operations in China, or our ability to ship products to our customers, any of which could have a material adverse effect on our business, results of operations, or financial condition.

In addition, the U.S. government has in the past and continues to restrict American firms, including us, from selling products and software to certain of our customers and may in the future impose similar restrictions on one or more of our significant customers. We may not be able to fully prevent the unauthorized resale, diversion, or misuse of our products by third parties. These restrictions may not prohibit our competitors from selling similar products to our customers, which may result in a loss of sales and market share. Even as such restrictions are lifted, financial or other penalties or continuing export restrictions imposed with respect to our customers could have a continuing negative impact on our future revenue and results of operations, and we may not be able to recover any customers or market share we lose, or make such recoveries at acceptable average selling prices, while complying with such restrictions.

Political, economic, or other actions may adversely affect our operations in Taiwan. A majority of our DRAM production output in 2025 was from our fabrication facilities in Taiwan, and any loss of output could have a material adverse effect on us. Any political, economic, or other actions may also adversely affect our customers and the technology industry supply chain, for which Taiwan is a central hub, and as a result, could have a material adverse impact on us.

The semiconductor memory and storage markets are highly competitive.

We face intense competition in the semiconductor memory and storage markets from a number of companies, including Samsung Electronics Co., Ltd.; SK hynix Inc.; Kioxia Holdings Corporation; Sandisk Corporation; ChangXin Memory Technologies, Inc. ("CXMT"); and Yangtze Memory Technologies Co., Ltd. ("YMTC"). Our competitors may use aggressive pricing to obtain market share. Some of our competitors are large corporations or conglomerates that may operate in jurisdictions with lower labor and compliance costs and may have a larger market share and greater resources to invest in technology, capitalize on growth opportunities, and withstand downturns in the semiconductor markets in which we compete. Consolidation of industry competitors could put us at a competitive disadvantage as our competitors may benefit from increased manufacturing scale and a stronger product portfolio. Alternatively, new entrants into the memory and storage market could have a significant adverse impact on our competitive position. We operate in different jurisdictions than our competitors and may be impacted by unfavorable changes in currency exchange rates, import/export restrictions, and other trade regulations, including tariffs.

In addition, governments have provided, and may continue to provide, significant assistance, financial or otherwise, to some of our competitors or to new entrants and may intervene in support of national industries and/or competitors. As a result, we face the threat of increasing competition and DRAM and NAND oversupply due to significant investment in the semiconductor industry, including by the Chinese government and various state-owned or affiliated entities, such as CXMT and YMTC. In addition, the CAC's decision that critical information infrastructure operators in China may not purchase Micron products had an adverse impact on our ability to compete effectively in China and elsewhere.

We intend to advance our process technology to increase bit output per wafer, improve yields, and increase wafer supply. In addition, our competitors may increase capital expenditures resulting in future increases in worldwide supply. We, and some of our competitors, have plans to construct new fabrication facilities and/or ramp production at existing fabrication facilities. Increases in worldwide supply of semiconductor memory and storage, if not accompanied by commensurate increases in demand, could lead to declines in average selling prices for our products and could materially adversely affect our business, results of operations, or financial condition. Additionally, rapid technological change in markets we serve could contribute to shortened product life cycles and a decline in average selling prices of our products. If competitors are more successful at developing or implementing new product or process technology, their products could have cost or performance advantages.

The competitive nature of our industry could have a material adverse effect on our business, results of operations, or financial condition.

Our future success depends on our ability to develop, produce, and supply new and competitive memory and storage technologies and products in a dynamic market environment.

Our key semiconductor memory and storage technologies face technological barriers to continue to meet long-term customer needs. These barriers include achieving acceptable yields and quality for HBM products with their multiple chip layers, potential limitations on stacking additional 3D memory layers, increasing bits per cell (i.e., cell levels), meeting higher density requirements, developing advanced packaging solutions, improving power consumption and reliability, and delivering advanced features and higher performance. We may face technological barriers to continue to shrink our products at our current or historical rate, which has generally reduced per gigabit cost. We have invested and expect to continue to invest in R&D for new and existing products and process technologies, such as EUV lithography, to continue to deliver advanced product requirements. Such new technologies can add complexity and risk to our schedule and may affect our costs and production output. We may be unable to recover our investment in R&D or otherwise realize the economic benefits of reducing die size or increasing memory and storage densities. Our competitors are working to develop new memory and storage technologies that may offer performance and/or cost advantages to existing technologies and render existing technologies obsolete. Accordingly, our future success may depend on our ability to develop and produce viable and competitive new memory and storage technologies.

We are developing new products, including system-level memory and storage products and solutions, which complement our traditional products or leverage their underlying design or process technology. We have invested and expect to continue to invest in new semiconductor product and system-level solution development. We are increasingly differentiating our products and solutions to meet the specific demands of our customers, which increases our reliance on our customers' ability to accurately forecast the needs and preferences of their customers.

In addition, our ability to successfully introduce new products often requires us to make product specification decisions multiple years in advance of when new products enter the market. Recent technologies, such as generative AI models have emerged, and while they have driven increased demand for HBM and other advanced products in the data center and other markets, the long-term trajectory is unknown and associated demand may fluctuate. Due to the higher performance and more complex manufacturing process, HBM requires a higher number of wafers and more cleanroom space to produce the same number of bits as conventional DRAM in the same technology node. If demand for HBM weakens and suppliers shift capacity from HBM to conventional DRAM, this could result in a significant increase in conventional DRAM supply. An oversupplied DRAM market may lead to downward pressure on pricing, which could adversely impact our financial results. Conversely, as the demand for DRAM, HBM, or any of our other products has increased and may continue to increase, we may be unable to increase supply sufficiently to meet such demand. Our ability to meet demand is influenced by numerous factors, including changes in product development cycles, cleanroom capacity, ramping technologies, and evolving customer requirements. When demand exceeds our supply, we have been and may be unable to scale supply sufficiently, requiring us to make decisions about manufacturing priorities, as well as customer and market supply allocations. Periods of constrained supply, insufficient customer supply allocations, or elevated pricing for memory and storage products may strain long-term customer relationships, result in disruptions to downstream markets and supply chains and, where such products are viewed as critical inputs to certain industries, lead to legal or other disputes or government and regulatory focus. If these conditions persist, they could limit or severely restrict our ability to sell our product into certain end markets in the future.

Our product demand may also be impacted significantly by the strategic actions of our customers. It is important that we deliver products in a timely manner that meet customer requirements at the time our customers are designing and evaluating samples for their products. If we do not meet their product design schedules, our customers may exclude us from further consideration as a supplier for those products. The process to develop new products requires us to demonstrate advanced functionality, performance, and reliability, often well in advance of a planned ramp of production, in order to secure design wins with our customers. Many factors may negatively impact our ability to meet anticipated timelines and/or expected or required quality standards with respect to the development of certain of our products. In addition, some of our components have long lead times, requiring us to place orders up to a year in advance of anticipated demand. Such long lead times increase the risk of excess inventory or loss of sales in the event our forecasts vary substantially from actual demand.

There can be no assurance of the following:

- we will be successful in developing competitive new semiconductor memory and storage technologies and products;
- we will be able to cost-effectively manufacture new products;
- we will be able to successfully achieve revenue targets for these technologies;
- margins and cash flows generated from sales of these products will allow us to recover costs of development efforts;
- we will be able to establish or maintain key relationships with customers, or that we will not be prohibited from working with certain customers, for specific chip set or design requirements;
- we will accurately predict and design products that meet our customers' specifications; or
- we will be able to introduce new products into the market and qualify them with our customers on a timely basis.

Unsuccessful efforts to develop new memory and storage technologies and products could have a material adverse effect on our business, results of operations, or financial condition.

We may not be able to achieve expected returns from capacity expansions.

We continue to expand our production capacity in the United States and in other regions where we operate, in large part, to meet expected demand for our products. These expansion projects are multi-year projects that require significant lead time and commitment of capital well in advance of achieving any returns. Semiconductor fabs are complex, capital-intensive projects and require specialized knowledge, expertise, experience, and skill sets to construct and operate.

Our construction projects are highly dependent on available sources of materials and specialized equipment, as well as labor, skilled sub-contractors, and other service providers. Increasing demand, supply constraints, inflation, tariffs, trade restrictions, and other market conditions could result in shortages and higher costs. Additionally, difficulties in obtaining labor, skilled sub-contractors and other service providers, or other resources could result in delays in completion of our construction projects and cost increases, including costs to operate these facilities, and could impair our ability to meet customer demand and result in loss of market share to competitors.

In the United States and in certain other regions, fab building has been uncommon in recent years. Concurrent semiconductor expansion projects across the industry introduce significant competition for the limited pool of construction talent with requisite expertise and experience in these regions. As such, expanding production capacity in the United States and certain other regions may introduce more challenges than we would experience in geographies with more established ecosystems.

In addition, these expansions involve several risks, including the following:

- inability to meet capital expenditure requirements for capacity expansions, including during periods of relatively low free cash flow generation, resulting from challenging memory and storage industry conditions;
- unavailability of necessary funding, which may include external sources;
- inability to realize expected grants, investment tax credits, and other government incentives, including through the CHIPS Act and other national, international, state, and local grants;
- potential changes in laws or provisions of grants, investment tax credits, and other government incentives, including the CHIPS Act;
- delays and potential restrictions related to environmental and other government regulations or permits;
- potential restrictions on expanding in certain geographies;
- inability to complete construction as scheduled and within budget;
- inability to attract, retain and motivate key talent;
- inability to timely ramp production in a cost-effective manner;
- increases to our cost structure until new production is ramped to adequate scale; and
- insufficient customer demand to utilize our increased capacity.

From time to time, we have experienced impacts from certain of the above items and, because these risks are a characteristic of our business, we expect to experience them in the future. Depending on the nature and extent of the impact from these risks, we may be unable to produce sufficient capacity in the expected timeframe which could result in delays in the completion of our construction projects and increased costs, including costs to operate these facilities.

We have a broad portfolio of products to address our customers' needs, which span multiple market segments and are subject to rapid technological changes. We invest our capital in areas that we believe best align with our business strategy and optimize future returns. Investments in capital expenditures may not generate expected returns or cash flows. Significant judgment is required to determine which capital investments will result in optimal returns, and we could invest in projects that are ultimately less profitable than those projects we do not select. Our strategic decision-making process involves careful evaluation and prioritization of investments to ensure alignment with our long-term goals. Additionally, we may choose to exit business or market segments that do not provide us with optimal returns. As we streamline our product portfolio, we may face execution risks that could impact our ability to support demand and maintain share in certain markets. Further, as we continue to optimize the efficiency of our fabrication facilities to support demand from leading edge notes, any delays in completion and ramping of new production facilities, or failure to optimize our investment choices, could significantly impact our ability to realize expected returns on our capital expenditures.

Any of the above factors could have a material adverse effect on our business, results of operations, or financial condition.

Our incentives from various governments are conditioned upon achieving or maintaining certain outcomes and satisfying compliance requirements and are subject to reduction, termination, or clawback, and could impose certain limitations on our business.

We have received, and expect to receive in the future, benefits and incentives from national, state, and local governments in various regions of the world designed to encourage us to establish, maintain, or increase investment, workforce, research and development, or production in those regions. However, there is no guarantee that such government incentives and benefits will continue to be available in the future on the same terms, terms that are acceptable to us or at all and existing incentives could be modified or terminated by government authorities. In addition, we have discretion in the timing of use of certain of these incentives. If we choose to exercise such discretion due to the cyclicality of our business or other factors, we may not be able to fully utilize these incentives. Our future business plans may be impacted by obtaining these government incentives, which may take various forms, including grants, subsidies, loans, and tax arrangements, and typically require us to achieve or maintain certain levels of investment, capital spending, employment, technology deployment or development milestones, construction or production milestones, or research and development activities to qualify for such incentives or could restrict us from undertaking certain activities. We may fail to achieve these milestones, in a timely manner or at all, due to a variety of factors, some of which may be outside of our control, including a cyclical downturn in our business or global downturn. Failure to achieve such milestones could result in up to all of certain incentives being clawed back, in some cases along with interest and/or loss of project assets. In some cases, these incentives have additional terms and conditions regarding our business operations or governance that are required to be satisfied as a condition to receive incentives or disbursements. Compliance with these terms and conditions may add complexity to our operations and increase our costs and failure to comply could result in termination of incentive programs or clawbacks of incentive amounts received, in some cases along with interest and/or loss of project assets.

We may be unable to obtain sufficient future incentives to continue to fund a portion of our capital expenditures and operating costs, without which our cost structure may be adversely impacted and planned capital expenditures and research and development expenditures may be affected. For example, in December 2024, we entered into direct funding agreements, providing funds for the construction of fab facilities in Idaho and New York, with the United States Department of Commerce (the "Department") under the Department's CHIPS Incentives Program established pursuant to the CHIPS Act. In June 2025, such agreements were subsequently amended to expand our investments, and we entered into a direct funding agreement to provide funds to expand and modernize our fab in Virginia. The awards under the direct funding agreements are subject to various conditions, and we may not receive the funding expected on the same terms or at all. We cannot guarantee that we will successfully achieve or maintain outcomes or satisfy the compliance requirements to qualify for these incentives or that the granting agencies will provide or continue to provide such funding.

These incentive arrangements, including the funding agreements, typically provide the granting agencies with rights to audit our compliance with their terms and obligations. Such audits could result in modifications to, or termination of, the applicable incentive program. In addition, the incentives we receive, including the funding agreements, are in some cases subject to reduction, termination, or clawback under certain circumstances, and any decrease or clawback of government incentives could have a material adverse effect on our business, results of operations, or financial condition.

Our business, results of operations, or financial condition could be adversely affected by the availability and quality of materials, supplies, electrical power, gas, water, and capital equipment, or dependency on third-party service providers.

Our supply chain and operations are dependent on the availability of materials that meet exacting standards and the use of third parties to provide us with components and services. We generally have multiple sources of supply for our materials and services. However, only a limited number of suppliers are capable of delivering certain materials, components, and services that meet our standards and, in some cases, materials, components, or services are provided by a single or sole source, and we may be unable to qualify new suppliers on a timely basis. The availability of materials or components, such as chemicals, silicon wafers, gases, photoresists, semiconductors, substrates, lead frames, printed circuit boards, targets, and reticle glass blanks is impacted by various factors. These factors could include a shortage of raw materials or a disruption in the processing or purification of those raw materials into finished goods. Shortages or increases in lead times have occurred in the past, are currently occurring with respect to some materials and components, and may occur from time to time in the future because of the nature of the industry. Constraints within our supply chain for certain materials and integrated circuit components could limit our bit shipments, which could have a material adverse effect on our business, results of operations, or financial condition.

Our manufacturing processes are also dependent on our relationships with third-party manufacturers of controllers, analog integrated circuits, and other components used in some of our products and with outsourced semiconductor foundries, assembly and test providers, contract manufacturers, logistics carriers, and other service providers, including providers of maintenance for our advanced semiconductor manufacturing equipment and providers of electricity and other utilities. Although we have certain long-term contracts with some of our suppliers, many of these contracts do not provide for long-term capacity or pricing commitments. To the extent we do not have firm commitments from our third-party suppliers over a specific time period or for any specific capacity, quantity, and/or pricing, our suppliers may allocate capacity to their other customers and capacity and/or materials may not be available when needed or at reasonable prices. Inflationary pressures may continue to increase costs for materials, supplies, and services. Regardless of contract structure, large swings in demand may exceed our contracted supply and/or our suppliers' capacity to meet those demand changes, resulting in a shortage of parts, materials, or capacity needed to manufacture our products. In periods of shortage, we may not be able to obtain the needed supply in a timely manner or we may be required to incur increased costs in order to meet our contractual commitments and demand from our customers or experience a decrease in revenue. In addition, if any of our suppliers were to cease operations or become insolvent, this could impact their ability to provide us with necessary supplies, and we may not be able to obtain the needed supply in a timely manner or at all from other providers.

Certain materials are primarily available in a limited number of countries, including rare earth elements, minerals, and metals. Trade disputes, geopolitical tensions, economic circumstances, political conditions, or public health issues may limit our ability to obtain such materials. Although these rare earth and other materials are generally available from multiple suppliers, China is a predominant producer of these materials. China has restricted export of certain of these materials and may in the future continue to restrict, expand restrictions, or stop exporting these or other materials, and as a result, our suppliers' ability to obtain such supply may be constrained, and we may be unable to obtain sufficient quantities, or obtain supply in a timely manner or at a commercially reasonable cost. Constrained supply of rare earth elements, minerals, and metals may restrict our ability to manufacture certain of our products and make it difficult or impossible to compete with other semiconductor memory and storage manufacturers who are able to obtain sufficient quantities of these materials from China.

We and/or our suppliers and service providers could be affected by regional conflicts, acts of war, civil unrest, labor disruptions, sanctions, tariffs, embargoes, or other trade restrictions, and retaliatory actions in response to such actions, as well as laws and regulations enacted in response to concerns regarding climate change, conflict minerals, responsible sourcing practices, public health crises, or other matters, which could limit the supply of our materials and/or increase the cost. Environmental regulations could limit our ability to procure or use certain chemicals or materials in our operations or products. In addition, disruptions in transportation lines could delay our receipt of materials. Our ability to procure components to repair equipment essential for our manufacturing processes could also be negatively impacted by various restrictions or disruptions in supply chains, among other items. The disruption of our supply of materials, components, or services, or the extension of our lead times could have a material adverse effect on our business, results of operations, or financial condition.

Our operations are dependent on a reliable and uninterrupted supply of electrical power, gas, and water to our manufacturing facilities. Any power shortages, capacity constraints, prolonged outages, or significant or unexpected increases in the cost of power could have a material adverse effect on our business, results of operations, or financial condition.

Our operations are dependent on our ability to procure advanced semiconductor manufacturing equipment that enables the transition to lower cost manufacturing processes. For certain key types of equipment, including photolithography tools, we are sometimes dependent on a single supplier. From time to time, we have experienced difficulties in obtaining some equipment on a timely basis due to suppliers' limited capacity. Our inability to obtain equipment on a timely basis could adversely affect our ability to transition to next generation manufacturing processes and reduce our costs. Delays in obtaining equipment could also impede our ability to ramp production and could increase our overall costs of a ramp. Our inability to obtain advanced semiconductor manufacturing equipment in a timely manner could have a material adverse effect on our business, results of operations, or financial condition.

Our construction projects to expand production and R&D capacity are highly dependent on available sources of labor, materials, equipment, and services. Increasing demand, supply constraints, inflation, and other market conditions could result in increasing shortages and higher costs for these items. Difficulties in obtaining these resources could result in delays in completion of our construction projects and cost increases, which could have a material adverse effect on our business, results of operations, or financial condition.

Our inability to source materials, supplies, capital equipment, or third-party services could affect our overall production output and our ability to fulfill customer demand. Significant or prolonged shortages of our products could halt customer manufacturing and damage our relationships with these customers. Any damage to our customer relationships as a result of a shortage of our products could have a material adverse effect on our business, results of operations, or financial condition.

Similarly, if our customers experience disruptions to their supplies, materials, components, or services, or the extension of their lead times, they may reduce, cancel, or alter the timing of their purchases with us, which could have a material adverse effect on our business, results of operations, or financial condition.

Downturns or ongoing adverse conditions in regional or worldwide economies may harm our business.

Downturns or ongoing adverse conditions in regional or worldwide economies, due to inflation, geopolitics, changes in government borrowing or spending, trade disputes, war, major central bank policy actions, including interest rate increases, public health crises, or other factors, have harmed our business in the past, and current and future downturns could also adversely affect our business. Adverse economic conditions affect demand for devices that incorporate our products, such as personal computers, smartphones, automobiles, and servers. Reduced demand for memory and storage products could result in significant decreases in our average selling prices and product sales. In addition, to the extent our customers or distributors have elevated inventory levels or are impacted by a deterioration in credit markets, we may experience a decrease in short-term and/or long-term demand resulting in industry oversupply and declines in pricing for our products.

A deterioration of conditions in regional or worldwide credit markets could limit our ability to obtain external financing to fund our operations and capital expenditures. In addition, we may experience losses on our holdings of cash and investments due to failures of financial institutions and other parties. Difficult economic conditions may also result in a higher rate of losses on our accounts receivable due to credit defaults. Additionally, our current or potential future customers may experience cash flow problems and as a result may modify, delay, or cancel plans to purchase our products. Any inability of our current or potential future customers to pay us for our products may adversely affect our earnings and cash flow. As a result, downturns or ongoing adverse conditions in regional or worldwide economies could have a material adverse effect on our business, results of operations, or financial condition.

If our manufacturing process is disrupted by operational issues, natural disasters, or other events, our business, results of operations, or financial condition could be materially adversely affected.

We and our subcontractors and suppliers manufacture products using highly complex processes that require technologically advanced equipment and continuous modification to improve yields and performance. Difficulties in the manufacturing process or the effects from a shift in product mix can reduce yields or disrupt production and may increase our per gigabit manufacturing costs. We and our subcontractors and suppliers maintain operations and continuously implement new product and process technology at manufacturing facilities, which are widely dispersed in multiple locations in several countries, including the United States, Singapore, Taiwan, Japan, Malaysia, China, and India. As a result of the necessary interdependence within our network of manufacturing facilities, an operational disruption at one of our or a subcontractor's or supplier's facilities may have a disproportionate impact on our ability to produce many of our products.

From time to time, there have been disruptions in our manufacturing operations as a result of power outages, improperly functioning equipment and facilities, disruptions in supply of raw materials or components, or equipment failures. We have manufacturing and other operations in locations subject to natural occurrences and possible climate changes, such as severe and variable weather and geological events resulting in increased costs, or disruptions to our manufacturing operations or those of our suppliers or customers. In addition, climate change may pose physical risks to our manufacturing facilities or our suppliers' facilities, including increased extreme weather events that could result in supply delays or disruptions. Other events, including political or public health crises, such as an outbreak of contagious diseases, may also affect our production capabilities or that of our suppliers, including as a result of quarantines, closures of production facilities, lack of supplies, or delays caused by restrictions on travel or shipping. Events of the types noted above have occurred from time to time and, because these risks are a characteristic of our business, they may occur in the future. As a result, in addition to disruptions to operations, our insurance premiums may increase or we may not be able to fully recover any sustained losses through insurance.

If production is disrupted for any reason, manufacturing yields may be adversely affected, or we may be unable to meet our customers' requirements and they may purchase products from other suppliers. This could result in a significant increase in manufacturing costs, loss of revenue, or damage to customer relationships, any of which could have a material adverse effect on our business, results of operations, or financial condition.

A significant portion of our revenue is concentrated with certain customers and end markets.

In 2025, over half of our total revenue came from our top ten customers. Among our end markets, approximately one-half of our total revenue was concentrated in the data center end market. A disruption in our relationship with any of our top customers or a significant decrease in demand for our data center products, including due to disruptions or delays in the build-out of data centers by our customers and partners, or in the overall data center end market, could adversely affect our business. The build-out of data centers by our customers and partners requires significant energy capacity, water, and capital, and any shortage of these and other necessary resources, any stakeholder opposition to data center development, or any delays in the build-out of data centers, could impact our future revenue and financial performance. In addition, access to capital for our customers could be constrained, which may cause companies to face difficulties securing financing for large-scale infrastructure projects. These limitations could delay customer and partner deployments or reduce the scale of accelerated computing and AI adoption, which could have a material adverse effect on our business, results of operations, and financial condition.

We could experience fluctuations in our customer base or the mix of revenue by customer or end market, as markets and strategies evolve. Demand for our products may fluctuate due to factors beyond our control. Our inability to qualify our products to meet customer or end market requirements could adversely impact our revenue. A meaningful change in inventory strategy by our top customers or in certain end markets could impact our industry bit demand growth outlook. In addition, any consolidation of our customers or consolidation of significant end markets could limit the opportunity for sale of our products. Additionally, we have entered into, and expect to continue to enter into, strategic customer agreements with certain customers with binding commitments for specific volumes over the multi-year contract terms. Pricing for most agreements is either fixed, or is subject to minimum and maximum pricing. The largest agreements generally have a ceiling price for existing products and a floor price through the term of the agreement. A minority of the agreements do not have any fixed pricing or price bands, as pricing for those agreements is subject to market conditions. In connection with these customer agreements, we have received, and expect to continue to receive, customer deposits and other related financial commitments. Any failure to perform our obligations under these arrangements could subject us to contractual damages or other

financial consequences. These arrangements could also constrain our available supply and limit our flexibility to respond to changes in market conditions, and if customers fail to meet their purchase commitments, we may need to enforce our contractual rights, which could result in litigation or disputes that adversely effect our business, customer relationships, or both, and any such disputes could have a material adverse effect on our business, results of operations, or financial condition. Further, if we are unable to satisfy customer demand and customers are required to purchase products from our competitors, they may shift immediate and future purchases to such competitors, which could harm our customer relationships and adversely impact our access to certain end markets. The loss of, or restrictions on our ability to sell to, one or more of our major customers or in certain end markets, or any significant reduction in orders or a shift in product mix, could have a material adverse effect on our business, results of operations, or financial condition. See Part I. Financial Information, Item 1. Financial Statements, Notes to Consolidated Financial Statements, Note 17. Segment and Other Information.

Increases in sales of system solutions may increase our dependency upon specific customers and our costs to develop, qualify, and manufacture our system solutions.

Our development of system-level memory and storage products is dependent, in part, upon successfully meeting our customers' specifications for those products. Developing and manufacturing system-level products with specifications unique to a customer increases our reliance upon that customer for purchasing our products at sufficient volumes and prices in a timely manner. Even if our products meet customer specifications, our sales of system-level solutions are dependent upon our customers choosing our products over those of our competitors and purchasing our products at sufficient volumes and prices. Our competitors' products may be less costly, provide better performance, or include additional features when compared to our products. Our long-term ability to sell system-level memory and storage products is reliant upon our customers' ability to create, market, and sell their products containing our system-level solutions at sufficient volumes and prices in a timely manner. If we fail to successfully develop and market system-level products, our business, results of operations, or financial condition may be materially adversely affected.

Manufacturing system-level solutions, such as SSDs, managed NAND, and HBM, typically results in higher per-unit manufacturing costs and longer cycle time as compared to other products. Even if we are successful in selling system-level solutions to our customers in sufficient volume, we may be unable to generate sufficient profit if our per-unit manufacturing costs are not offset by higher per-unit selling prices. Manufacturing system-level solutions to customer specifications requires a longer development cycle, as compared to discrete products, to design, test, and qualify, which may increase our costs. Some of our system-level solutions are increasingly dependent on sophisticated firmware that may require significant customization to meet customer specifications, which increases our costs and time to market. Additionally, we may need to update our controller and hardware design, as well as our firmware or develop new firmware as a result of new product introductions or changes in customer specifications and/or industry standards, which increases our costs. System complexities and extended warranties for system-level products could also increase our warranty costs. Our failure to cost-effectively manufacture system-level solutions and/or controller, hardware design, and firmware in a timely manner may result in reduced demand for our system-level products and could have a material adverse effect on our business, results of operations, or financial condition.

Products that fail to meet specifications, are defective, or are otherwise incompatible with end uses could impose significant costs on us.

Products that do not meet specifications or that contain, or are perceived by our customers to contain, defects or that are otherwise incompatible with end uses could impose significant costs on us or otherwise materially adversely affect our business, results of operations, or financial condition. From time to time, we experience problems with non-conforming, defective, or incompatible products after we have shipped such products. In recent periods, we have further diversified and expanded our product offerings, which could potentially increase the chance that one or more of our products could fail to meet specifications in a particular application. Our products and solutions may be deemed fully or partially responsible for functionality in our customers' products and may result in sharing or shifting of product or financial liability from our customers to us for costs incurred by the end user as a result of our customers' products failing to perform as specified. In addition, if our products and solutions perform critical functions in our customers' products or are used in high-risk consumer end products, such as autonomous driver assistance programs, home and enterprise security, smoke and noxious gas detectors, medical monitoring equipment, or wearables for child and elderly safety, our potential liability may increase. We could be adversely affected in several ways, including the following:

- we may be required or agree to compensate customers for costs incurred or damages caused by defective or incompatible products and to replace products;
- we could incur a decrease in revenue or adjustment to pricing commensurate with the reimbursement of such costs or alleged damages;
- we could be required to indemnify our customers or end users or we may face other claims, including litigation, which could result in increased costs in defending ourselves and/or paying resulting damages; and
- we may encounter adverse publicity, which could cause a decrease in sales of our products or harm our reputation or relationships with existing or potential customers.

Any of the foregoing items could have a material adverse effect on our business, results of operations, or financial condition.

Breaches of our security systems or products, systems failures, interruptions, delays in service, catastrophic events, and resulting interruptions in the availability of our systems or those of our customers, suppliers, or business partners, could expose us to losses.

We maintain a system of controls over the physical security of our facilities. We also manage and store various proprietary information and sensitive or confidential data relating to our operations. In addition, we process, store, and transmit data relating to our customers, suppliers, and employees, including sensitive personal information. Unauthorized persons, employees, former employees, nation states, or other parties may gain access to our facilities or technology infrastructure and systems through fraudulent means and may steal trade secrets or other proprietary information, compromise confidential information, create system disruptions, or have other impacts. This risk is exacerbated as competitors for talent, particularly engineering talent, attempt to hire our employees. Through cyberattacks on technology infrastructure and systems, unauthorized parties may obtain access to computer systems, networks, and data, including cloud-based platforms. Our technology infrastructure and systems and that of our suppliers, vendors, service providers, cloud solution providers, and partners have in the past experienced, and may in the future experience, such attacks, which could impact our operations. Cyberattacks can include ransomware, denial-of-service attacks, zero-day attacks, supply chain attacks, "phishing" and other forms of social engineering, exploitation of open source software vulnerabilities, and other malicious software programs or other attacks, including those using techniques that change frequently or may be disguised or difficult to detect, or designed to remain dormant until a triggering event, impersonation of authorized users, and efforts to discover and exploit any design flaws, "bugs," security vulnerabilities, as well as intentional or unintentional acts by employees or other insiders with access privileges. The emergence and maturation of AI capabilities may also lead to new and/or more sophisticated methods of attack. Globally, cyberattacks are increasing in number and the attackers are increasingly organized and well-financed, or supported by state actors, and are developing increasingly sophisticated systems to not only attack, but also to evade detection. In addition, geopolitical tensions or conflicts may create a heightened risk of cyberattacks. Breaches of our physical security, including break-ins, sabotage or vandalism, attacks on our technology infrastructure and systems, security breaches or incidents, or attacks on our customers, suppliers, or business partners who maintain or otherwise process confidential or sensitive information regarding us and our customers and suppliers, could result in damage to, or loss, disruption, or unavailability of data

or systems, or inappropriate disclosure, destruction, loss, or other processing of confidential or sensitive information. In addition, our systems and those of our third-party vendors may experience service interruptions, data loss or compromise, and outages for other reasons, including human error, pandemics, fires, other natural disasters, power losses, disruptions in telecommunications services, fraud, military or political conflicts, terrorist attacks and other geopolitical unrest, computer viruses, ransomware, and other malicious software, changes in social, political, or regulatory conditions or in laws and policies, or other changes or events.

Any such event, or the perception it has occurred, may result in significant losses and damage our reputation with customers and suppliers and may expose us to claims, demands, and litigation.

Products and the systems and applications that incorporate or otherwise utilize our products are also targets for cyberattacks. While some of our products contain encryption, security algorithms, or features designed to help protect third-party content, user-generated data stored on our products, or the functionality of our products as intended, systems and applications that utilize these products could be compromised, breached, or circumvented by motivated attackers. Further, our products contain sophisticated hardware, firmware and software (some of which is provided by third parties) that may contain weaknesses or defects in design or manufacture, including "bugs" and other problems that could interfere with the intended operation of our products or be potentially exploited by such attackers. If systems or applications that utilize our products experience a cyberattack, our products are attacked, or our suppliers, third-party service providers, cloud solution providers, or sub-processors are breached or attacked, this could harm our business by requiring us to employ additional resources to remediate the errors or defects, and could expose us to litigation, claims, and harm to our reputation.

We cannot be certain that any applicable insurance coverage we maintain will be adequate or otherwise protect us with respect to claims, expenses, fines, penalties, business loss, data loss, litigation, regulatory actions, or other impacts arising from security breaches or incidents, or that such coverage will continue to be available on acceptable terms or at all. Any of the foregoing security risks could have a material adverse effect on our business, results of operations, or financial condition.

New and evolving laws and regulations relating to cybersecurity, data privacy, digital products, and AI impose requirements for information confidentiality, integrity, availability, personal and proprietary data collection, storage, use, sharing, deletion, and AI systems to be appropriately transparent, fair, secure, responsibly deployed, and accountable. Along with these laws and regulations, standards and market expectations could cause us to incur additional direct costs for compliance, as well as increased indirect costs resulting from our customers', suppliers', or partners' reluctance to share information or solutions due to actual or perceived inadequate controls. As a result of these considerations, we could experience a reduction of production or sales of our products; remediation costs and activities; increased compliance costs; regulatory penalties, fines, civil or criminal sanctions, and other legal liabilities; and reputational challenges. Compliance with, or our failure, or the failure of our third-party sales channel partners or agents, to comply with, laws, regulations, or industry standards could have a material adverse effect on our business, results of operations, or financial condition.

We may be adversely impacted by any of the multiple uncertainties and outcomes associated with the use and evolution of AI.

We are increasingly incorporating AI capabilities into the development of technologies and our business operations, and into our products and services. AI technology is complex and rapidly evolving, and may expose us to significant competitive, legal, regulatory, and other risks. The implementation of AI can be costly and there is no guarantee that our use of AI will enhance our technologies, benefit our business operations, or produce products and services that are preferred by our customers. AI will continue to increase or change the competitive environment in our markets. Our competitors may be more successful in their AI strategy or they may have access to greater AI resources or technology and develop superior products and services.

Additionally, AI algorithms or training methodologies may be flawed, and datasets may contain irrelevant, insufficient or biased information, which can cause errors in outputs. The use of AI in the development of our products could also cause loss of intellectual property, as well as subject us to risks related to intellectual property infringement or misappropriation, data privacy, and cybersecurity. AI is also the subject of an evolving set of legal requirements and regulations, and we may be subject to new and conflicting laws and regulations. In addition, public and governmental perceptions regarding the use and impact of AI may evolve over time. Any of these matters may give rise to legal liability, damage our reputation, and materially harm our business.

We must attract, retain, and motivate highly skilled employees.

To stay competitive, we need a highly skilled, global workforce and effective succession management for key roles. Hiring, retaining, and motivating qualified executives and other skilled talent is critical to our business, and competition can be intense. If our total compensation programs, benefits, and workplace culture are not seen as competitive and inclusive, our ability to attract and retain talent could be compromised.

Intense competition for talent can lead to increased compensation costs. Significant attrition and delays in replacing employees can result in a loss of critical skills, reduced morale, business disruptions, inefficiencies during transitions, and increased expenses. Additionally, changes to immigration policies and travel restrictions due to public health crises or other causes may limit our ability to hire, retain, or transfer talent to specific locations.

Our business success depends on our ability to attract, retain, and motivate key talent. Failure to do so could inhibit our ability to maintain or expand operations and adversely impact our operating results.

Compliance with responsible sourcing requirements and any related regulations could increase our operating costs or limit the supply and increase the cost of certain materials, supplies, and services, and if we fail to comply, customers may reduce purchases from us or disqualify us as a supplier.

We and many of our customers have adopted responsible sourcing programs that require us to meet certain sustainability, governance, or other criteria, and to periodically report on our performance against these requirements, including that we source the materials, supplies, and services we use and incorporate into the products we sell as prescribed by these programs. Many customer programs require us to remove a supplier within a prescribed period if such supplier ceases to comply with prescribed criteria, and our supply chain may at any time contain suppliers at risk of being removed due to non-compliance with responsible sourcing requirements. Some of our customers may elect to disqualify us as a supplier (resulting in a permanent or temporary loss of sales to such customer) or reduce purchases from us if we are unable to verify that our performance or products (including the underlying supply chain) meet the specifications of our customers' responsible sourcing programs on a continuous basis. Meeting responsible sourcing requirements may increase operating requirements and costs or limit the sourcing and availability of some of the materials, supplies, and services we use, particularly when the availability of such materials, supplies, and services is concentrated to a limited number of suppliers. From time to time, we remove suppliers or require our suppliers to remove suppliers from their supply chains based on our responsible sourcing requirements or customer requirements, and we or our suppliers may be unable to replace such removed suppliers in a timely or cost-effective manner. Any inability to replace removed suppliers in a timely or cost-effective manner may affect our ability and/or the cost to obtain sufficient quantities of materials, supplies, and services necessary for the manufacture of our products. Our inability to replace suppliers we have removed in a timely or cost-effective manner or comply with customers' responsible sourcing requirements or with any related regulations could have a material adverse effect on our business, results of operations, or financial condition.

Evolving sustainability and governance expectations or standards or failure to achieve our related goals could adversely affect our business, results of operations, financial condition, or stock price.

In recent years, there has been an increased focus from stakeholders on sustainability and governance matters, including greenhouse gas emissions and climate-related risks, carbon-free electricity, water stewardship, waste management, inclusion, responsible sourcing and supply chain, and human rights. We actively manage these issues and have established and publicly announced certain sustainability goals, commitments, and targets which we may refine or modify further in the future. These goals, commitments, and targets reflect our current plans and aspirations and are not guarantees that we will be able to achieve them. Achieving these goals may entail significant costs, for example, we have entered into several virtual power purchase agreements to obtain renewable energy credits at a cost that will vary based on future prices for electrical power. Evolving stakeholder expectations and our efforts to manage these issues, report on them, and accomplish our goals present numerous operational, regulatory, reputational, financial, legal, and other risks, any of which could have a material adverse impact, including on our reputation and stock price.

Such risks and uncertainties include:

- reputational harm, including damage to our relationships with customers, suppliers, investors, governments, or other stakeholders;

- adverse impacts on our ability to manufacture and sell products and maintain our market share;
- the success of our collaborations with third parties;
- loss of business due to failure to meet our customers' sustainability targets;
- increased risk of litigation, investigations, or regulatory enforcement action;
- unfavorable sustainability and governance ratings or investor sentiment;
- diversion of resources and increased costs to control, assess, and report on sustainability and governance metrics;
- our ability to achieve our goals, commitments, and targets within timeframes announced;
- increased costs to achieve our goals, commitments, and targets;
- unforeseen operational and technological difficulties;
- access to and increased cost of capital; and
- adverse impacts on our stock price.

Opinions, perspectives, and expectations on sustainability and governance matters may differ amongst our stakeholders and may evolve over time. We have been and may continue to be subject to conflicting expectations and views on various matters, and legal requirements and interpretations may change. Any failure, or perceived failure, to meet evolving stakeholder expectations and industry standards or achieve our sustainability and governance goals, commitments, and targets could have an adverse effect on our business, results of operations, financial condition, or stock price.

In addition, external standards for measuring and reporting sustainability metrics may change over time and may result in cost increases, significant revisions to our strategies and targets, or impact our ability to achieve them. We also are or may become subject to new sustainability laws and regulations, such as the State of California's new climate change disclosure rules. Compliance with these laws and regulations, as well as increased scrutiny from regulators, customers, and other stakeholders on our sustainability practices, could result in additional costs and expose us to new risks. Any scrutiny of our sustainability disclosures, our failure to achieve related strategies and targets, or our failure to disclose our sustainability measures consistent with applicable laws and regulations or to the satisfaction of regulators or our stakeholders could negatively impact our reputation or result in penalties, fines, or other adverse consequences.

Acquisitions and/or strategic transactions, including strategic investments, involve numerous risks.

Acquisitions of businesses, enterprises or assets, and strategic transactions, such as joint ventures and other partnering arrangements, involve numerous risks, including the following:

- integrating the operations, technologies, and products of acquired or newly formed entities or strategic partnerships into our operations;
- increasing capital expenditures to upgrade and maintain facilities;
- increased debt levels;
- the assumption of unknown or underestimated liabilities;
- the use of cash to finance a transaction, which may reduce the availability of cash to fund working capital, capital expenditures, R&D expenditures, and other business activities;
- diverting management's attention from daily operations;
- managing larger or more complex operations and facilities and employees in separate and diverse geographic areas;
- hiring and retaining key employees;
- requirements imposed by government authorities in connection with the regulatory review of a transaction, which may include, among other things, divestitures, imposition of significant obligations, or restrictions on the conduct of our business or the acquired business or assets;
- underestimating the costs or overestimating the benefits, including product, revenue, cost and other synergies and growth opportunities that we expect to realize, and we may not achieve those benefits;
- failure to maintain customer, vendor, and other relationships;
- inadequacy or ineffectiveness of an acquired company's internal financial controls, disclosure controls and procedures, compliance programs, and/or environmental, health and safety, anti-corruption, human resources, or other policies or practices; and
- impairment of acquired intangible assets, goodwill, or other assets as a result of changing business conditions or technological advancements.

The global memory and storage industry has experienced consolidation and may continue to consolidate. We engage, from time to time, in discussions regarding potential acquisitions and similar opportunities. To the extent we are successful in completing any such transactions, we could be subject to some or all of the risks described above. Acquisitions of, or strategic transactions with, technology companies or assets are inherently risky and may not be successful and could have a material adverse effect on our business, results of operations, or financial condition.

In addition, we have made, and may continue to make, strategic investments in companies within our ecosystem to further our strategic objectives. These investments subject us to losses on all or part of our investment, earnings volatility, and potential illiquidity of our investments.

We may incur restructure charges in future periods and may not realize expected savings or other benefits from restructure plans.

From time to time, we have because of the nature of our business, and may in the future, enter into restructure initiatives in order to, among other items, streamline our operations, increase our synergies, respond to changes in business conditions, our markets, or product offerings, or to centralize certain key functions. We may not realize expected savings or other benefits from future restructure activities and may incur additional restructure charges or other losses in future periods associated with other initiatives. In connection with any restructure initiatives, we could incur restructure charges, loss of production output or sufficient customer demand to maintain scale, loss of key personnel, disruptions in our operations, difficulties in the timely delivery of products, and loss of customers and local market share, which could have a material adverse effect on our business, results of operations, or financial condition.

Risks Related to Intellectual Property and Litigation

We may be unable to protect our intellectual property or retain key employees who are knowledgeable about and develop our intellectual property.

We maintain a system of controls over our intellectual property, including U.S. and foreign patents, trademarks, copyrights, trade secrets, licensing arrangements, confidentiality procedures, non-disclosure agreements with employees, consultants, and vendors, and a general system of internal controls. Despite our system of controls over our intellectual property, it may be possible for our current or future competitors to obtain, copy, use, or disclose, illegally or otherwise, our product and process technology or other proprietary information. The laws of some foreign countries may not protect our intellectual property to the same degree as do U.S. laws, and our confidentiality, non-disclosure, and non-compete agreements may be unenforceable or difficult and costly to enforce. The use of AI in the development of our products and services could also cause loss of intellectual property, as well as subject us to risks related to intellectual property infringement or misappropriation.

Additionally, our ability to maintain and develop intellectual property is dependent upon our ability to attract, develop, and retain highly skilled employees. If our competitors or future entrants into our industry are successful in hiring our employees, they may directly benefit from the knowledge these employees gained while they were under our employment, and this may also negatively impact our ability to maintain and develop intellectual property.

Our inability to protect our intellectual property or retain key employees who are knowledgeable about and develop our intellectual property could have a material adverse effect on our business, results of operations, or financial condition.

Legal, regulatory, and administrative investigations, inquiries, proceedings, and claims could have a material adverse effect on our business, results of operations, or financial condition.

From time to time, we are subject to various legal, regulatory, and administrative investigations, inquiries, proceedings, and claims that arise out of the ordinary conduct of our business or otherwise, both domestically and internationally. Such claims, investigations, inquiries, and proceedings may include, but are not limited to, allegations of anticompetitive conduct, infringement of intellectual property, and claims related to our compliance with securities and other laws. See Part I. Financial Information, Item 1. Financial Statements, Notes to Consolidated Financial Statements, Note 10. Contingencies.

We may be associated with and subject to litigation, claims, inquiries, investigations, or disputes arising from or as a result of:

- our relationships with vendors or customers, supply agreements and our capacity to supply, or contractual obligations with our subcontractors or business partners;
- the actions of our vendors, subcontractors, or business partners;
- our indemnification obligations, including obligations to defend our customers against third-party claims asserting infringement of certain intellectual property rights, which may include patents, trademarks, copyrights, or trade secrets;
- our compliance with regulatory requirements, including defending against related third-party claims;
- alleged violations of laws or regulations relating to antitrust/competition requirements;
- fluctuations in stock price; and
- the terms of our product warranties or from product liability claims.

As we continue to focus on developing system solutions with manufacturers of consumer products, including autonomous driving, augmented reality, humanoid robots, AI, and others, we may be exposed to greater potential for personal liability claims against us as a result of consumers' use of those products. We, our officers, or our directors have been and could continue to be subject to claims of alleged violations of securities laws.

Expansion of our production capacity is subject to inherent safety risks for our employees and contractors. Expansion and renovation activities may involve accidents, which could result in project delays, litigation, claims or disputes by our contractors and others, as well as increased insurance costs. While the risks of our construction projects are covered by insurance and contractual indemnities from our contractors, we may not have insurance coverage or rights to indemnity for all risks. Additionally, while we maintain insurance coverage for certain claims and liabilities, there can be no assurance that we are adequately insured to protect against all claims and potential liabilities, and we may elect to self-insure with respect to certain matters.

Exposures to various legal proceedings and claims, with or without merit, could require significant attention from our management and could lead to significant costs and expenses as we defend claims, are required to pay damage awards, or enter into settlement agreements, any of which could have a material adverse effect on our business, results of operations, or financial condition.

Claims that our products or manufacturing processes infringe or otherwise violate the intellectual property rights of others, or failure to obtain or renew license agreements covering such intellectual property, could materially adversely affect our business, results of operations, or financial condition.

As is typical in the semiconductor and other high technology industries, from time to time others have asserted, and may in the future assert, that our products or manufacturing processes infringe upon, misappropriate, misuse, or otherwise violate their intellectual property rights. We are unable to predict the outcome of these assertions made against us. Any of these types of claims, regardless of the merits, could subject us to significant costs to defend or resolve such claims and may consume a substantial portion of management's time and attention. As a result of these claims, we may be required to:

- pay significant monetary damages, fines, royalties, or penalties;
- enter into license or settlement agreements covering such intellectual property rights;
- make material changes to or redesign our products and/or manufacturing processes; and/or
- cease manufacturing, selling, offering for sale, importing, marketing, or using products and/or manufacturing processes in certain jurisdictions.

We may not be able to take any of the actions described above on commercially reasonable terms and any of the foregoing results could have a material adverse effect on our business, results of operations, or financial condition. See Part I. Financial Information, Item 1. Financial Statements, Notes to Consolidated Financial Statements, Note 10. Contingencies.

We have a number of intellectual property license agreements. Some of these license agreements require us to make one-time or periodic payments. We may need to obtain additional licenses or renew existing license agreements in the future. We are unable to predict whether these license agreements can be obtained or renewed on terms acceptable to us. The failure to obtain or renew licenses as necessary could have a material adverse effect on our business, results of operations, or financial condition.

Risks Related to Laws and Regulations

Government actions and regulations, such as export restrictions, tariffs, and trade protection measures, may limit our ability to sell our products to certain customers or markets, or could otherwise restrict our ability to conduct operations.

International trade disputes, geopolitical tensions, and military conflicts have led, and continue to lead, to new and increasing export restrictions, trade barriers, tariffs, and other measures, as well as retaliatory actions, that can increase our manufacturing costs, make our products less competitive, reduce demand for our products, limit our ability to sell to certain customers or markets, limit our ability to procure or increase our costs for components or raw materials, impede or slow the movement of our goods across borders, impede our ability to perform R&D activities, or otherwise restrict our ability to conduct operations. Government actions around the world may lead to further changes in trade policy, domestic sourcing initiatives, increases in foreign government incentives supporting domestic businesses, or other formal and informal measures that could make it more difficult to sell our products in, or restrict our access to, some markets and/or customers. For example, following the May 2023 decision of its cybersecurity review of our products sold in China, the CAC determined that critical information infrastructure operators in China may not purchase Micron products, impacting our revenue with companies headquartered in mainland China and Hong Kong, including direct sales, as well as indirect sales through distributors. Further actions by the Chinese government, through CAC action or other means, could impact revenue inside or outside China, or our operations in China, or our ability to ship products to our customers, any of which could have a material adverse effect on our business, results of operations, or financial condition.

We cannot predict what actions may be taken with respect to export regulations, tariffs, or other trade regulations between the United States and other countries, what products or companies may be subject to such actions, or what actions may be taken by other countries in retaliation. Further changes in trade policy, tariffs, restrictions on exports or other trade barriers, or restrictions on supplies, equipment, and raw materials, including rare earth minerals, may limit our ability to produce products, increase our selling and/or manufacturing costs, decrease margins, reduce the competitiveness of our products, reduce customer demand for our products, or inhibit our ability to sell products or purchase necessary equipment and supplies. For example, increasing geopolitical tensions have resulted in new and proposed export controls associated with products, including those that support or enable AI applications, which could, in turn, restrict future sales of certain products to China or other markets, or restrict our ability to obtain equipment, components, and raw materials. Similarly, new and proposed tariffs in the United States, China, or other markets on products, materials, and equipment may increase our selling costs, thus impacting demand for our products. On April 14, 2025, the U.S. Bureau of Industry and Security announced the initiation of investigations into the industry on the effects on U.S. national security of imports of semiconductors under Section 232 of the Trade Expansion Act of 1962. The scope of the industry-wide investigation includes semiconductors, semiconductor manufacturing equipment, and their derivative products, including semiconductor substrates and bare wafers, legacy chips, leading-edge chips, microelectronics, and other components. While the results of this investigation are currently unknown, the investigation may result in industry-wide additional tariffs and trade restrictions, which may adversely impact our business. Such changes may also result in reputational harm to us, the development or adoption of technologies that compete with our products, long-term changes in global trade and technology supply chains, or negative impacts on our customers' products which incorporate our solutions. On February 20, 2026, the administration announced they would initiate new trade investigations under Section 301 of the Trade Act of 1974. While the scope of any such investigations is currently unknown, these proposed investigations may also result in additional tariffs or trade restrictions, which could adversely impact our business. We may take actions to mitigate the impact of increases in tariffs and changes in trade policies, and any such actions could result in additional costs, manufacturing delays, or other difficulties, as well as additional risks, and may not be effective. Any of the effects described in this risk factor could have a material adverse effect on our business, results of operations, or financial condition.

The technology industry is subject to intense media, political, and regulatory scrutiny, which can increase our exposure to reputational hazards, government investigations and measures aimed at addressing market and other challenges, legal actions, and penalties. Although we have policies, controls, and procedures designed to help ensure compliance with applicable laws, there can be no assurance that our employees, contractors, suppliers, or agents will not violate such laws or our policies. Violations of trade laws, restrictions, or regulations can result in fines; criminal sanctions against us or our officers, directors, or employees; prohibitions on the conduct of our business; and damage to our reputation.

Tax-related matters could have a material adverse effect on our business, results of operations, or financial condition.

We are subject to income taxes in the United States and many foreign jurisdictions. Our provision for income taxes and cash tax liabilities in the future could be adversely affected by numerous factors, including changes in the geographic mix of our earnings among jurisdictions, challenges by tax authorities to our tax positions and intercompany transfer pricing arrangements, failure to meet performance obligations with respect to tax incentive agreements, expansion of our operations in various countries, fluctuations in foreign currency exchange rates, adverse resolution of audits and examinations of previously filed tax returns, and changes in tax laws and regulations.

Changes to income tax laws and regulations, or the interpretation of such laws, in any of the jurisdictions in which we operate could significantly increase our effective tax rate and ultimately reduce our cash flows from operating activities and otherwise have a material adverse effect on our financial condition. On July 4, 2025, the One Big Beautiful Bill Act ("OBBBA") was enacted, introducing broad changes to the U.S. tax code, including modifications to corporate and international tax provisions which primarily are effective for us beginning in 2026 and 2027. The aggregate impact of the OBBBA remains uncertain. We will continue to monitor future developments, including regulatory guidance and interpretations, which could have a material impact on our income tax provision. Further changes in the tax laws of foreign jurisdictions could arise as a result of the base erosion and profit-shifting project, including Pillar Two Model Rules ("Pillar Two"), undertaken by the Organisation for Economic Co-operation and Development. We continue to monitor for additional guidance and legislative changes related to Pillar Two in the jurisdictions where we operate.

We and others are subject to a variety of complex and evolving laws, regulations, or industry standards, including with respect to environmental, health, safety, and product considerations, which may have a material adverse effect on our business, results of operations, or financial condition.

The manufacture of our products requires the use of facilities, equipment, chemicals, and materials that are subject to a broad array of laws and regulations in numerous jurisdictions in which we operate. This includes increasing regulations on a class of chemicals known as per- and polyfluoroalkyl substances (PFAS). Additionally, we are subject to a variety of other laws and regulations relative to the construction, maintenance, and operations of our facilities. Any changes in laws, regulations, or industry standards could cause us to incur additional direct costs, as well as increased indirect costs related to our relationships with our customers and suppliers, and otherwise harm our operations and financial condition. Any failure to comply with laws, regulations, or industry standards could adversely impact our reputation and our financial results. Additionally, we engage various third parties as sales channel partners or to represent us or otherwise act on our behalf who are also subject to a broad array of laws, regulations, and industry standards. Our engagement with these third parties may also expose us to risks associated with their respective compliance with laws and regulations.

New and evolving environmental, health, safety, and product considerations, including those related to greenhouse gas emissions and climate change, the purchase, use, and disposal of regulated and/or hazardous chemicals, and the potential resulting environmental, health, or safety impacts, may result in new laws, regulations, or industry standards that may affect us, our suppliers, and our customers. Such laws, regulations, or industry standards could require us to alter our product design, manufacturing, and operations and incur additional direct costs for compliance, as well as increased indirect costs resulting from our customers, suppliers, or both incurring additional compliance costs that are passed on to us. These costs may adversely impact our results of operations and financial condition.

As a result of the considerations detailed in this risk factor, we could experience the following:

- suspension of production or sales of our products;
- limited supplies of chemicals or materials used to make our products;
- remediation costs and activities;
- increased compliance costs;
- alteration of our manufacturing processes;
- regulatory penalties, fines, civil or criminal sanctions, litigation and other legal liabilities; and
- reputational challenges.

While we maintain insurance for certain potential liabilities, such insurance does not cover all types and amounts of potential liabilities and is subject to various exclusions, as well as caps on recoverable amounts. Our insurance may not be adequate or otherwise cover all claims, penalties, fines, expenses, regulatory actions, litigation, sanctions, other liabilities or losses, and may not continue to be available on acceptable terms or at all.

Compliance with, or our failure, or the failure of our third-party sales channel partners or agents, to comply with, laws, regulations, or industry standards could have a material adverse effect on our business, results of operations, or financial condition.

Risks Related to Capitalization and Financial Markets

We may be unable to generate sufficient cash flows or obtain access to external financing necessary to fund our operations, make scheduled debt payments, pay our dividend, and make adequate capital investments.

Our cash flows from operations depend primarily on the volume of semiconductor memory and storage products sold and average selling prices. To develop new product and process technology, support future growth, achieve operating efficiencies, and maintain product quality, we must make significant capital investments in manufacturing technology, capital equipment, facilities, R&D, and product and process technology.

From time to time, we utilize external sources of financing when needed. As a result of our debt levels, expected debt amortization, prevailing interest rates, general capital market, changes in government borrowing or spending, and other economic conditions, it may be difficult for us to obtain financing on terms acceptable to us or at all. We have experienced volatility in our cash flows and operating results and we expect to continue to experience such volatility in the future, which may negatively affect our credit rating. Our credit rating may also be affected by our liquidity, financial results, economic risk, or other factors, which may increase the cost of borrowings and make it difficult for us to obtain financing on terms acceptable to us or at all. There can be no assurance that we will be able to generate sufficient cash flows, access capital or credit markets, or find other sources of financing to fund our operations, make debt payments, refinance our debt, pay our quarterly dividend, and make adequate capital investments to remain competitive in terms of technology development and cost efficiency. Our inability to do any of the foregoing could have a material adverse effect on our business, results of operations, or financial condition.

Debt obligations could adversely affect our financial condition.

We have incurred in the past, and expect to incur in the future, debt to finance our capital investments, business acquisitions, and to realign our capital structure. As of May 28, 2026, we had debt with a carrying value of $5.72 billion and may incur additional debt, including under our $2.00 billion Revolving Credit Facility. Our debt obligations could adversely impact us as follows:

- require us to use a large portion of our cash flow to pay principal and interest on debt, which will reduce the amount of cash flow available to fund our business activities;
- adversely impact our credit rating, which could increase borrowing costs and reduce our ability to raise funds on favorable terms;
- limit our future ability to raise funds for capital expenditures, strategic acquisitions or business opportunities, R&D, and other general corporate requirements;
- restrict our ability to incur specified indebtedness, create or incur certain liens, and enter into sale-leaseback financing transactions;
- increase our vulnerability to adverse economic and industry conditions;
- increase our exposure to rising interest rates from variable rate indebtedness; and
- result in certain of our debt instruments becoming immediately due and payable or being deemed to be in default if applicable cross default, cross-acceleration and/or similar provisions are triggered.

Our ability to meet our payment obligations under our debt instruments depends on our ability to generate significant cash flows or obtain external financing in the future. This, to some extent, is subject to market, economic, financial, competitive, legislative, and regulatory factors, as well as other factors that are beyond our control. There can be no assurance that our business will generate cash flow from operations, or that additional capital will be available to us, in amounts sufficient to enable us to meet our debt payment obligations and to fund other liquidity needs. Additionally, events and circumstances may occur which would cause us to not be able to satisfy applicable draw-down conditions and utilize our Revolving Credit Facility. If we are unable to generate sufficient cash flows to service our debt payment obligations or satisfy our debt covenants, we may need to refinance, restructure, or amend the terms of our debt, sell assets, reduce or delay capital investments, or seek to raise additional capital. If we are unable to implement one or more of these alternatives, we may be unable to meet our debt payment obligations, which could have a material adverse effect on our business, results of operations, or financial condition.

Changes in foreign currency exchange rates could materially adversely affect our business, results of operations, or financial condition.

The substantial majority of our sales are transacted in the U.S. dollar; however, across our global operations, significant transactions and balances are denominated in currencies other than the U.S. dollar (our reporting currency), primarily the Canadian dollar, Chinese yuan, euro, Indian rupee, Japanese yen, Malaysian ringgit, New Taiwan dollar, and Singapore dollar. In addition, a significant portion of our manufacturing costs are denominated in some of the foreign currencies mentioned above. Exchange rates for some of these currencies against the U.S. dollar have been volatile and may be volatile in future periods. If these currencies strengthen against the U.S. dollar, our manufacturing costs could significantly increase. Exchange rates for the U.S. dollar that adversely change against our foreign currency exposures could have a material adverse effect on our business, results of operations, or financial condition.

We are subject to counterparty default risks.

We have numerous arrangements with financial institutions that subject us to counterparty default risks, including cash deposits, investments, and derivative instruments. Additionally, we are subject to counterparty default risk from our customers for amounts receivable from them. As a result, we are subject to the risk that the counterparty will default on its performance obligations. A counterparty may not comply with its contractual commitments which could then lead to its defaulting on its obligations with little or no notice to us, which could limit our ability to mitigate our exposure. Additionally, our ability to mitigate our exposures may be constrained by the terms of our contractual arrangements or because market conditions prevent us from taking effective action. If one of our counterparties becomes insolvent or files for bankruptcy, our ability to recover any losses suffered as a result of that counterparty's default may be limited by the liquidity of the counterparty or the applicable laws governing the bankruptcy proceedings. In the event of such default, we could incur significant losses, which could have a material adverse effect on our business, results of operations, or financial condition.

The trading price of our common stock has been and may continue to be volatile.

Our common stock has experienced substantial price volatility in the past and may continue to do so in the future. Additionally, we, the technology industry, and the stock market as a whole have on occasion experienced extreme stock price and volume fluctuations that have affected stock prices in ways that may have been unrelated to the specific operating performance of individual companies. The trading price of our common stock may fluctuate widely due to various factors, including, but not limited to, actual or anticipated fluctuations in our financial condition and operating results, changes in financial forecasts or estimates by us, other participants in our markets, including our customers and competitors, changes in financial or other market estimates and ratings by securities and other analysts, changes in our capital structure, including issuance of additional debt or equity to the public, interest rate changes, regulatory changes, news regarding our products or products of our competitors, market perception regarding certain technologies, and broad market and industry fluctuations. These fluctuations may not be related to our specific financial or operating performance or our expectations regarding our financial or operating performance. In addition, stock price fluctuations could impact the value of our equity compensation, which could affect our ability to recruit and retain employees.

For these reasons, investors should not rely on recent or historical trends to predict future trading prices of our common stock, financial condition, results of operations, or cash flows. Investors in our common stock may not realize any return on their investment in us and may lose some or all of their investment. Volatility in the trading price of our common stock could also result in the filing of securities class action litigation matters, which could result in substantial costs and the diversion of management time and resources.

The amount and frequency of our share repurchases may fluctuate, and we cannot guarantee that we will purchase all of the shares under our share repurchase authorization, or that it will enhance long-term shareholder value. Share repurchases could also increase the volatility of the trading price of our stock and would diminish our cash reserves.

Although our Board of Directors has authorized share repurchases of up to $10 billion of our outstanding common stock, of which approximately $2.16 billion remains, the authorization does not obligate us to repurchase any common stock. The amount, frequency, and execution of our share repurchases pursuant to our share repurchase authorization may fluctuate based on our operating results, cash flows, restrictions applicable under our CHIPS Act direct funding agreements, and priorities for the use of cash for other purposes. Since repurchases under the authorization began in 2019, our expenditures for share repurchases in any one year have ranged from no repurchases to a high of $2.66 billion of repurchases. Cash uses that could impact our repurchases include, but are not limited to, operational spending, capital spending, acquisitions, and repayment of debt. Other factors, including changes in tax laws, could also impact our share repurchases.

We cannot guarantee that we will purchase all of the shares under our share repurchase authorization or that it will enhance long-term shareholder value. The repurchase authorization could affect the trading price of our stock and increase volatility, and any announcement of a pause in, or termination of, this program may result in a decrease in the trading price of our stock. In addition, this program is a use of cash, which may reduce the availability of cash for other business purposes, including investments, acquisitions, dividends, or repayment of indebtedness.

There can be no assurance that we will continue to declare cash dividends in any particular amounts or at all.

Our Board of Directors has adopted a dividend policy pursuant to which we currently pay a cash dividend on our common shares on a quarterly basis. The declaration and payment of any dividend is subject to the approval of our Board of Directors and our dividend may be discontinued or reduced at any time. There can be no assurance that we will declare cash dividends in the future in any particular amounts, or at all.

Future dividends, if any, and their timing and amount, may be affected by, among other factors: our financial condition, results of operations, capital requirements, business conditions, debt service obligations, contractual restrictions, industry practice, legal requirements, regulatory constraints, and other factors that our Board of Directors may deem relevant. A reduction in or elimination of our dividend payments could have a negative effect on the trading price of our stock. In addition, the payment of dividends is a use of cash, which may reduce the availability of cash for other business purposes, including investments, acquisitions, or repayment of indebtedness.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

In 2018, we announced that our Board of Directors authorized the discretionary repurchase of up to $10 billion of our outstanding common stock through open-market purchases, block trades, privately-negotiated transactions, derivative transactions, and/or pursuant to Rule 10b5-1 trading plans. The repurchase authorization has no expiration date, does not obligate us to acquire any common stock, and is subject to market conditions, restrictions applicable under our CHIPS Act direct funding agreements, and our ongoing determination of the best use of available cash. During the quarter ended May 28, 2026, we did not repurchase any common stock under the authorization and as of May 28, 2026, $2.16 billion of the authorization remained available for the repurchase of our common stock.

Shares of common stock withheld as payment of withholding taxes upon the vesting of restricted stock are also treated as common stock repurchases. Shares withheld as payment of withholding taxes upon the vesting of restricted stock units are not considered repurchases for purposes of this Item and are not required to be reported.

In the third quarter of 2026, shares withheld as payment upon the vesting of restricted stock consisted of the following:

Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Approximate dollar value of shares that may yet be purchased under publicly announced plans or programs (in millions)
February 27, 2026 – March 26, 2026	—	$ —	—	
March 27, 2026 – April 23, 2026	912	465.66	—	
April 24, 2026 – May 28, 2026	—	—	—	
	912	$ 465.66	—	$ 2,156

ITEM 5. OTHER INFORMATION

Securities Trading Plans of Directors and Executive Officers

No directors or officers, as defined in Rule 16a-1(f) of the Exchange Act, adopted and/or terminated a “Rule 10b5-1 trading arrangement” or a “non-Rule 10b5-1 trading arrangement,” as defined in Item 408 of Regulation S-K, during the last fiscal quarter.

Index to Exhibits

Exhibit Number	Description of Exhibit	Filed Herewith	Form	Period Ending	Exhibit/ Appendix	Filing Date
3.1	Restated Certificate of Incorporation, as amended, of the Registrant		10-Q	2/26/26	3.1	3/19/26
3.2	Amended and Restated Bylaws of Registrant as of July 17, 2025		8-K		3.1	7/18/25
10.1^	Waiver and Amendment No. 3 to Direct Funding Agreement, dated February 27, 2026, by and between Micron Idaho Semiconductor Manufacturing (Triton) LLC and U.S. Department of Commerce	X				
10.2^	Waiver and Amendment No. 3 to Direct Funding Agreement, dated February 27, 2026, by and between Micron New York Semiconductor Manufacturing LLC and U.S. Department of Commerce	X				
31.1	Rule 13a-14(a) Certification of Chief Executive Officer	X				
31.2	Rule 13a-14(a) Certification of Chief Financial Officer	X				
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. 1350	X				
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. 1350	X				
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document	X				
101.SCH	Inline XBRL Taxonomy Extension Schema Document	X				
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document	X				
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document	X				
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document	X				
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document	X				
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)	X				

^ Certain portions of this exhibit have been redacted because they are both not material and is the type that the Registrant treats as private or confidential. The Registrant hereby agrees to furnish supplementally to the Securities and Exchange Commission, upon its request, an unredacted copy of this exhibit.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Micron Technology, Inc.
(Registrant)

Date June 24, 2026

By: */s/ Mark Murphy*
Mark Murphy
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

/s/ Scott Allen
Scott Allen
Corporate Vice President and Chief Accounting Officer
(Principal Accounting Officer)