

**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 December 2, 2021

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

(State or other jurisdiction of incorporation or organization)

8000 S. Federal Way, Boise, Idaho

(Address of principal executive offices)

(Registrant's telephone number, including area code)

75-1618004

(I.R.S. Employer Identification No.)

83716-9632

(Zip Code)

(208) 368-4000

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
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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 January 3, 2022 was 1,119,777,110.

Micron Corporate Profile

Founded on October 5, 1978

Headquartered in
Boise, Idaho, USA

4th

Largest semiconductor company
in the world, excluding IP/software
revenue*

135

On the 2021 Fortune 500

48,500+

Patents granted and growing***

17

Countries**

11

Manufacturing sites*** and
14 customer labs**

~43,000

Team members**

*Gartner Market Share: Semiconductors by
End Market, Worldwide, 2020 (April 2021)

**Micron data as of September 2, 2021

***Micron data as of November 19, 2021

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It's All About Data

Data is today's new business currency, and memory and storage are a critical foundation for the data economy. Memory and storage innovations are transforming society and enabling significant value for all.

Who We Are

Micron designs, develops and manufactures industry-leading memory and storage products. By providing foundational capability for AI and 5G across data center, the intelligent edge, and consumer devices, we unlock innovation across industries including healthcare, automotive and communications. Our technology and expertise are central to maximizing value from cutting-edge computing applications and new business models which disrupt and advance the industry.

Our Vision

As a global leader in memory and storage solutions, we are transforming how the world uses information to enrich life for all. By advancing technologies to collect, store and manage data with unprecedented speed and efficiency, we lead the transformation of data to intelligence. In a world of change, we remain nimble, delivering products that help inspire the world to learn, communicate and advance faster than ever.

Our Commitment

Our customers depend on our innovative solutions every day. We dedicate ourselves to demonstrating our environmental conscience, an inclusive team culture where all voices are heard and respected, and engaging in our communities to enrich life for all.

Global Product Portfolio

DRAM | NAND | NOR | Solid-State Drives | Graphics and High Bandwidth Memory (HBM) | Managed NAND and Multichip Packages

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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. Abbreviations, terms, or acronyms are commonly used or found in multiple locations throughout this report and include the following:

Term	Definition	Term	Definition
2023 Notes	2.497% Senior Notes due 2023	Inotera	Inotera Memories, Inc.
2024 Notes	4.640% Senior Notes due 2024	Intel	Intel Corporation
2024 Term Loan A	Senior Term Loan A due 2024	LIBOR	London Interbank Offered Rate
2026 Notes	4.975% Senior Notes due 2026	LPDRAM	Low-Power DRAM
2027 Notes	4.185% Senior Notes due 2027	MCP	Multichip packaged solutions with managed NAND and LPDRAM
2029 Notes	5.327% Senior Notes due 2029	Micron	Micron Technology, Inc. (Parent Company)
2030 Notes	4.663% Senior Notes due 2030	MTU	Micron Technology Utah, LLC
2032 Green Bonds	2.703% Senior Notes due 2032	Qimonda	Qimonda AG
2041 Notes	3.366% Senior Notes due 2041	Revolving Credit Facility	\$2.5 billion Revolving Credit Facility due May 2026
2051 Notes	3.477% Senior Notes due 2051	SOFR	Secured Overnight Financing Rate
DDR	Double Data Rate DRAM	SSD	Solid State Drive
EUV	Extreme ultraviolet lithography	TI	Texas Instruments Incorporated
IMFT	IM Flash Technologies, LLC		

Micron Technology, Inc., including its consolidated subsidiaries, 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 through our Micron® and Crucial® brands. Every day, the innovations that our people create fuel the data economy, enabling advances in artificial intelligence and 5G applications that unleash opportunities — from the data center to the intelligent edge and across the client and mobile user experience.

Micron, Crucial, any associated logos, and all other Micron trademarks are the property of Micron. Intel and 3D XPoint are trademarks of Intel Corporation or its subsidiaries. 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 financial information about our business and products through a variety of means, including our investor relations website (investors.micron.com), filings with the U.S. Securities and Exchange Commission (the “SEC”), press releases, public conference calls, 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.

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," "plans," "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 such as those made regarding the impact of coronavirus disease 2019, including variant strains ("COVID-19") to our business, including in Xi'an China; the sufficiency of our cash and investments; the payment of future cash dividends; capital spending in 2022; and funding of sustainability-focused projects. 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)

Three months ended	December 2, 2021	December 3, 2020
Revenue	\$ 7,687	\$ 5,773
Cost of goods sold	4,122	4,037
Gross margin	3,565	1,736
Research and development	712	647
Selling, general, and administrative	259	214
Restructure and asset impairments	38	8
Other operating (income) expense, net	(75)	1
Operating income	2,631	866
Interest income	10	10
Interest expense	(45)	(48)
Other non-operating income (expense), net	(75)	13
	2,521	841
Income tax (provision) benefit	(219)	(51)
Equity in net income (loss) of equity method investees	4	13
Net income	\$ 2,306	\$ 803
Earnings per share		
Basic	\$ 2.06	\$ 0.72
Diluted	2.04	0.71
Number of shares used in per share calculations		
Basic	1,119	1,115
Diluted	1,130	1,135

See accompanying notes to consolidated financial statements.

Micron Technology, Inc.

Consolidated Statements of Comprehensive Income

(In millions)

(Unaudited)

Three months ended	December 2, 2021	December 3, 2020
Net income	\$ 2,306	\$ 803
Other comprehensive income (loss), net of tax		
Gains (losses) on derivative instruments	(86)	40
Gains (losses) on investments	(7)	(1)
Other comprehensive income (loss)	(93)	39
Total comprehensive income	\$ 2,213	\$ 842

See accompanying notes to consolidated financial statements.

Micron Technology, Inc.

Consolidated Balance Sheets

(In millions, except par value amounts)

(Unaudited)

As of	December 2, 2021	September 2, 2021
Assets		
Cash and equivalents	\$ 8,680	\$ 7,763
Short-term investments	900	870
Receivables	5,250	5,311
Inventories	4,827	4,487
Assets held for sale	13	974
Other current assets	521	502
Total current assets	20,191	19,907
Long-term marketable investments	1,817	1,765
Property, plant, and equipment	35,155	33,213
Operating lease right-of-use assets	574	551
Intangible assets	347	349
Deferred tax assets	746	782
Goodwill	1,228	1,228
Other noncurrent assets	1,188	1,054
Total assets	\$ 61,246	\$ 58,849
Liabilities and equity		
Accounts payable and accrued expenses	\$ 5,470	\$ 5,325
Current debt	118	155
Other current liabilities	924	944
Total current liabilities	6,512	6,424
Long-term debt	6,904	6,621
Noncurrent operating lease liabilities	523	504
Noncurrent unearned government incentives	767	808
Other noncurrent liabilities	632	559
Total liabilities	15,338	14,916
Commitments and contingencies		
Micron shareholders' equity		
Common stock, \$0.10 par value, 3,000 shares authorized, 1,220 shares issued and 1,120 outstanding (1,216 shares issued and 1,119 outstanding as of September 2, 2021)	122	122
Additional capital	9,564	9,453
Retained earnings	41,267	39,051
Treasury stock, 100 shares held (97 shares as of September 2, 2021)	(4,954)	(4,695)
Accumulated other comprehensive income (loss)	(91)	2
Total equity	45,908	43,933
Total liabilities and equity	\$ 61,246	\$ 58,849

See accompanying notes to consolidated financial statements.

Micron Technology, Inc.

Consolidated Statements of Changes in Equity

(In millions)
(Unaudited)

	Common Stock					Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity
	Number of Shares	Amount	Additional Capital	Retained Earnings	Treasury Stock		
Balance at September 2, 2021	1,216	\$ 122	\$ 9,453	\$ 39,051	\$ (4,695)	\$ 2	\$ 43,933
Net income	—	—	—	2,306	—	—	2,306
Other comprehensive income (loss), net	—	—	—	—	—	(93)	(93)
Stock issued under stock plans	5	—	5	—	—	—	5
Stock-based compensation expense	—	—	118	—	—	—	118
Repurchase of stock	(1)	—	(12)	(90)	(259)	—	(361)
Balance at December 2, 2021	1,220	\$ 122	\$ 9,564	\$ 41,267	\$ (4,954)	\$ (91)	\$ 45,908

	Common Stock					Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity
	Number of Shares	Amount	Additional Capital	Retained Earnings	Treasury Stock		
Balance at September 3, 2020	1,194	\$ 119	\$ 8,917	\$ 33,384	\$ (3,495)	\$ 71	\$ 38,996
Net income	—	—	—	803	—	—	803
Other comprehensive income (loss), net	—	—	—	—	—	39	39
Stock issued under stock plans	5	1	33	—	—	—	34
Stock-based compensation expense	—	—	92	—	—	—	92
Repurchase of stock	(1)	—	(8)	(49)	—	—	(57)
Balance at December 3, 2020	1,198	\$ 120	\$ 9,034	\$ 34,138	\$ (3,495)	\$ 110	\$ 39,907

See accompanying notes to consolidated financial statements.

Micron Technology, Inc.

Consolidated Statements of Cash Flows

(in millions)

(Unaudited)

Three months ended	December 2, 2021	December 3, 2020
Cash flows from operating activities		
Net income	\$ 2,306	\$ 803
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation expense and amortization of intangible assets	1,671	1,487
Stock-based compensation	118	92
(Gain) loss on debt repurchases and conversions	83	—
Change in operating assets and liabilities		
Receivables	67	251
Inventories	(344)	130
Accounts payable and accrued expenses	(42)	(753)
Deferred income taxes, net	54	(24)
Other	25	(19)
Net cash provided by operating activities	3,938	1,967
Cash flows from investing activities		
Expenditures for property, plant, and equipment	(3,265)	(2,738)
Purchases of available-for-sale securities	(528)	(1,002)
Proceeds from sale of Lehi, Utah fab	893	—
Proceeds from maturities of available-for-sale securities	313	216
Proceeds from sales of available-for-sale securities	124	45
Proceeds from government incentives	55	40
Other	(77)	21
Net cash provided by (used for) investing activities	(2,485)	(3,418)
Cash flows from financing activities		
Repayments of debt	(1,949)	(84)
Repurchases of common stock - repurchase program	(259)	—
Payments of dividends to shareholders	(112)	—
Repurchases of common stock - withholdings on employee equity awards	(102)	(57)
Payments on equipment purchase contracts	(78)	(97)
Proceeds from issuance of debt	2,000	—
Other	(13)	24
Net cash provided by (used for) financing activities	(513)	(214)
Effect of changes in currency exchange rates on cash, cash equivalents, and restricted cash	(6)	27
Net increase (decrease) in cash, cash equivalents, and restricted cash	934	(1,638)
Cash, cash equivalents, and restricted cash at beginning of period	7,829	7,690
Cash, cash equivalents, and restricted cash at end of period	\$ 8,763	\$ 6,052

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)

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 – Significant Accounting Policies” of our Annual Report on Form 10-K for the year ended September 2, 2021. There have been no changes to our significant accounting policies since our Annual Report on Form 10-K for the year ended September 2, 2021.

Basis of Presentation

The accompanying consolidated financial statements include the accounts of Micron 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 September 2, 2021.

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 years 2022 and 2021 each contain 52 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 September 2, 2021.

Lehi, Utah Fab and 3D XPoint

In the second quarter of 2021, we updated our portfolio strategy to further strengthen our focus on memory and storage innovations for the data center market. In connection therewith, we determined that there was insufficient market validation to justify the ongoing investments required to commercialize 3D XPoint at scale. Accordingly, we ceased development of 3D XPoint technology and engaged in discussions with potential buyers for the sale of our facility located in Lehi, Utah that was dedicated to 3D XPoint production. As a result, we classified the property, plant, and equipment as held for sale as of the second quarter of 2021 and ceased depreciating the assets. On June 30, 2021, we announced a definitive agreement to sell our Lehi facility to TI and closed the sale on October 22, 2021.

In the first quarter of 2022, we received \$893 million from TI for the sale of the Lehi facility and disposed of \$918 million of net assets, consisting primarily of property, plant, and equipment of \$921 million; \$55 million of other assets, consisting primarily of a receivable for reimbursement of property taxes, equipment spare parts, and raw materials; and \$58 million of liabilities, consisting primarily of a finance lease obligation. As a result of the disposition of the Lehi facility and other related adjustments, we recognized a loss of \$23 million included in restructure and asset impairments in the first quarter of 2022.

In the third quarter of 2021, we recognized a charge of \$435 million included in restructure and asset impairments in connection with the definitive agreement with TI (and a tax benefit of \$104 million included in income tax (provision) benefit) to write down the assets held for sale to the expected consideration, net of estimated selling costs. In the second quarter of 2021, we also recognized a charge of \$49 million in cost of goods sold to write down 3D XPoint inventory in connection with our decision to cease further development of this technology.

Cash and Investments

Substantially all of our marketable debt and equity investments were classified as available-for-sale as of the dates noted below. Cash and equivalents and the fair values of our available-for-sale investments, which approximated amortized costs, were as follows:

As of	December 2, 2021				September 2, 2021			
	Cash and Equivalents	Short-term Investments	Long-term Marketable Investments ⁽¹⁾	Total Fair Value	Cash and Equivalents	Short-term Investments	Long-term Marketable Investments ⁽¹⁾	Total Fair Value
Cash	\$ 6,516	\$ —	\$ —	\$ 6,516	\$ 5,796	\$ —	\$ —	\$ 5,796
Level 1 ⁽²⁾								
Money market funds	105	—	—	105	38	—	—	38
Level 2 ⁽³⁾								
Certificates of deposits	1,996	63	—	2,059	1,907	69	—	1,976
Corporate bonds	1	510	1,155	1,666	9	429	1,134	1,572
Asset-backed securities	—	81	559	640	8	95	509	612
Government securities	16	169	103	288	1	190	122	313
Commercial paper	46	77	—	123	4	87	—	91
	8,680	\$ 900	\$ 1,817	\$ 11,397	7,763	\$ 870	\$ 1,765	\$ 10,398
Restricted cash ⁽⁴⁾	83				66			
Cash, cash equivalents, and restricted cash	\$ 8,763				\$ 7,829			

⁽¹⁾ The maturities of long-term marketable securities range from one to four years.

⁽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 December 2, 2021 or September 2, 2021.

⁽⁴⁾ Restricted cash is included in other current assets and other noncurrent assets and primarily relates to certain government incentives received prior to being earned and for which restrictions lapse upon achieving certain performance conditions.

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

In addition to the amounts included in the table above, we had \$167 million and \$153 million of non-marketable equity investments without a readily determinable fair value that were included in other noncurrent assets as of December 2, 2021 and September 2, 2021, respectively.

Receivables

As of	December 2, 2021	September 2, 2021
Trade receivables	\$ 4,924	\$ 4,920
Income and other taxes	217	264
Other	109	127
	\$ 5,250	\$ 5,311

Inventories

As of	December 2, 2021	September 2, 2021
Finished goods	\$ 610	\$ 513
Work in process	3,661	3,469
Raw materials and supplies	556	505
	<u>\$ 4,827</u>	<u>\$ 4,487</u>

Effective as of the beginning of the second quarter of 2021, we changed our method of inventory costing from average cost to FIFO. The change to FIFO was not material to any prior periods, and as such, prior periods were not retrospectively adjusted.

Property, Plant, and Equipment

As of	December 2, 2021	September 2, 2021
Land	\$ 280	\$ 280
Buildings	15,440	14,776
Equipment ⁽¹⁾	54,271	51,902
Construction in progress ⁽²⁾	1,440	1,517
Software	1,096	987
	<u>72,527</u>	<u>69,462</u>
Accumulated depreciation	<u>(37,372)</u>	<u>(36,249)</u>
	<u>\$ 35,155</u>	<u>\$ 33,213</u>

⁽¹⁾ Includes costs related to equipment not placed into service of \$3.15 billion as of December 2, 2021 and \$1.99 billion as of September 2, 2021.

⁽²⁾ Includes building-related construction, tool installation, and software costs for assets not placed into service.

Intangible Assets and Goodwill

As of	December 2, 2021		September 2, 2021	
	Gross Amount	Accumulated Amortization	Gross Amount	Accumulated Amortization
Product and process technology	\$ 643	\$ (296)	\$ 633	\$ (284)
Goodwill	1,228		1,228	

In the first quarters of 2022 and 2021, we capitalized \$18 million and \$22 million, respectively, for product and process technology with weighted-average useful lives of 11 years and 10 years, respectively. Amortization expense was \$20 million for both the first three months of 2022 and 2021. Expected amortization expense is \$55 million for the remainder of 2022, \$63 million for 2023, \$56 million for 2024, \$36 million for 2025, and \$27 million for 2026.

Leases

Operating lease costs include short-term and variable lease expenses. Short-term, variable leases, and sublease income are not material for the periods presented. The components of lease expense are presented below:

Three months ended	December 2, 2021	December 3, 2020
Finance lease cost		
Amortization of right-of-use asset	\$ 25	\$ 16
Interest on lease liability	6	5
Operating lease cost	29	27
	<u>\$ 60</u>	<u>\$ 48</u>

Supplemental cash flow information related to leases was as follows:

Three months ended	December 2, 2021	December 3, 2020
Cash flows used for operating activities		
Finance leases	\$ 5	\$ 6
Operating leases	27	27
Cash flows used for financing activities from financing leases	20	21
Noncash acquisitions of right-of-use assets		
Finance leases	198	61
Operating leases	39	7

Supplemental balance sheet information related to leases was as follows:

As of	December 2, 2021	September 2, 2021
Finance lease right-of-use assets (included in property, plant, and equipment and assets held for sale)	\$ 886	\$ 766
Current operating lease liabilities (included in accounts payable and accrued expenses)	58	55
Weighted-average remaining lease term (in years)		
Finance leases	6	5
Operating leases	7	7
Weighted-average discount rate		
Finance leases	2.69 %	3.14 %
Operating leases	2.63 %	2.63 %

Maturities of lease liabilities existing as of December 2, 2021 were as follows:

For the year ending	Finance Leases	Operating Leases
Remainder of 2022	\$ 103	\$ 53
2023	123	72
2024	98	66
2025	83	53
2026	83	49
2027 and thereafter	565	407
Less imputed interest	(129)	(119)
	<u>\$ 926</u>	<u>\$ 581</u>

The table above excludes any lease liabilities for leases that have been executed but have not yet commenced. As of December 2, 2021, we had such lease liabilities relating to (1) operating lease payment obligations of \$147 million for the initial 10-year lease term for a building, and (2) finance lease obligations of \$324 million over a weighted-average period of 14 years for gas supply arrangements deemed to contain embedded leases. We will recognize right-of-use assets and associated lease liabilities at the time such assets become available for our use.

Accounts Payable and Accrued Expenses

As of	December 2, 2021	September 2, 2021
Accounts payable	\$ 1,896	\$ 1,744
Property, plant, and equipment	2,105	1,887
Salaries, wages, and benefits	700	984
Income and other taxes	448	364
Other	321	346
	<u>\$ 5,470</u>	<u>\$ 5,325</u>

Debt

As of	December 2, 2021					September 2, 2021		
	Stated Rate	Effective Rate	Net Carrying Amount			Net Carrying Amount		
			Current	Long-Term	Total	Current	Long-Term	Total
2024 Term Loan A	0.965 %	1.00 %	\$ —	\$ 1,186	\$ 1,186	\$ —	\$ 1,186	\$ 1,186
2026 Notes	4.975 %	5.07 %	—	498	498	—	498	498
2027 Notes ⁽¹⁾	4.185 %	4.27 %	—	883	883	—	901	901
2029 Notes	5.327 %	5.40 %	—	697	697	—	696	696
2030 Notes	4.663 %	4.73 %	—	846	846	—	846	846
2032 Green Bonds	2.703 %	2.77 %	—	994	994	—	—	—
2041 Notes	3.366 %	3.41 %	—	496	496	—	—	—
2051 Notes	3.477 %	3.52 %	—	496	496	—	—	—
Finance lease obligations	N/A	2.69 %	118	808	926	155	649	804
2023 Notes	N/A	N/A	—	—	—	—	1,247	1,247
2024 Notes	N/A	N/A	—	—	—	—	598	598
			<u>\$ 118</u>	<u>\$ 6,904</u>	<u>\$ 7,022</u>	<u>\$ 155</u>	<u>\$ 6,621</u>	<u>\$ 6,776</u>

⁽¹⁾ In 2021, we entered into fixed-to-floating interest rate swaps on the 2027 Notes with an aggregate \$900 million notional amount equal to the principal amount of the 2027 Notes. The resulting variable interest paid is at a rate equal to SOFR plus approximately 3.33%. The fixed-to-floating interest rate swaps are accounted for as fair value hedges, as a result, the carrying value of our 2027 Notes reflects adjustments in fair value.

Debt Activity

The table below presents the effects of issuances and prepayments of debt in the first quarter of 2022:

	Increase (Decrease) in Principal	Increase (Decrease) in Carrying Value	Increase (Decrease) in Cash	Gain (Loss)
Issuances				
2032 Green Bonds	\$ 1,000	\$ 994	\$ 994	\$ —
2041 Notes	500	496	496	—
2051 Notes	500	496	496	—
Prepayments				
2023 Notes	(1,250)	(1,247)	(1,281)	(34)
2024 Notes	(600)	(598)	(647)	(49)
	<u>\$ 150</u>	<u>\$ 141</u>	<u>\$ 58</u>	<u>\$ (83)</u>

Senior Unsecured Notes

On November 1, 2021, we issued \$2.00 billion aggregate principal amount of unsecured 2032 Green Bonds, 2041 Notes, and 2051 Notes in a public offering. Issuance costs for these notes were \$14 million.

We may redeem our 2026 Notes, 2027 Notes, 2029 Notes, 2030 Notes, 2032 Green Bonds, 2041 Notes, and 2051 Notes (the "Senior Unsecured Notes"), in whole or in part, at our option prior to their respective maturity date at a redemption price equal to the greater of (i) 100% of the principal amount of the notes to be redeemed and (ii) the present value of the remaining scheduled payments of principal, in each case plus accrued interest. We may also redeem any series of our Senior Unsecured Notes, in whole or in part, at a price equal to par between two and six months prior to maturity in accordance with the respective terms of such series.

Each series of Senior Unsecured Notes contains covenants that, among other things, limit, in certain circumstances, our ability and/or the ability of our restricted subsidiaries (which are generally domestic subsidiaries in which we own at least 80% of the voting stock and which own principal property, as defined in the indenture governing such notes) to (1) create or incur certain liens; (2) enter into certain sale and lease-back transactions; and (3) consolidate with or merge with or into, or convey, transfer, or lease all or substantially all of our properties and assets, to another entity. These covenants are subject to a number of limitations and exceptions. Additionally, if a change of control triggering event occurs, as defined in the indentures governing our Senior Unsecured Notes, we will be required to offer to purchase such notes at 101% of the outstanding aggregate principal amount plus accrued interest up to the purchase date.

Revolving Credit Facility

As of December 2, 2021, \$2.50 billion was available to us under the Revolving Credit Facility and no amounts were outstanding. Any amounts outstanding under the Revolving Credit Facility would mature in May 2026 and amounts borrowed may be prepaid any time without penalty. Any amounts drawn under the Revolving Credit Facility would generally bear interest at a rate equal to LIBOR plus 1.00% to 1.75%, depending on our corporate credit ratings.

Maturities of Notes Payable

As of December 2, 2021, maturities of notes payable were as follows:

Remainder of 2022	\$	—
2023		—
2024		—
2025		1,188
2026		500
2027 and thereafter		4,450
Unamortized discounts		(29)
Hedge accounting fair value adjustment		(13)
	\$	<u>6,096</u>

Contingencies

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.

On August 12, 2014, MLC Intellectual Property, LLC filed a patent infringement action against Micron in the U.S. District Court for the Northern District of California. The complaint alleges that Micron infringes a single U.S. patent and seeks damages, attorneys' fees, and costs. On November 5, 2021, the District Court dismissed MLC's claims with prejudice pursuant to a stipulation of dismissal filed by the parties.

On December 15, 2014, Innovative Memory Solutions, Inc. filed a patent infringement action against Micron in the U.S. District Court for the District of Delaware. The complaint alleges that a variety of our NAND products infringe eight U.S. patents and seeks damages, attorneys' fees, and costs. Subsequently, six patents were invalidated or withdrawn, leaving two asserted patents in the District Court.

On March 19, 2018, Micron Semiconductor (Xi'an) Co., Ltd. ("MXA") was served with a patent infringement complaint filed by Fujian Jinhua Integrated Circuit Co., Ltd. ("Jinhua") in the Fuzhou Intermediate People's Court in Fujian Province, China (the "Fuzhou Court"). On April 3, 2018, Micron Semiconductor (Shanghai) Co. Ltd. ("MSS") was served with the same complaint. The complaint alleges that MXA and MSS infringe a Chinese patent by manufacturing and selling certain Crucial DDR4 DRAM modules. The complaint seeks an order requiring MXA and MSS to destroy inventory of the accused products and equipment for manufacturing the accused products in China; to stop manufacturing, using, selling, and offering for sale the accused products in China; and to pay damages of 98 million Chinese yuan plus court fees incurred.

On March 21, 2018, MXA was served with a patent infringement complaint filed by United Microelectronics Corporation ("UMC") in the Fuzhou Court. On April 3, 2018, MSS was served with the same complaint. The complaint alleges that MXA and MSS infringe a Chinese patent by manufacturing and selling certain Crucial DDR4 DRAM modules. The complaint seeks an order requiring MXA and MSS to destroy inventory of the accused products and equipment for manufacturing the accused products in China; to stop manufacturing, using, selling, and offering for sale the accused products in China; and to pay damages of 90 million Chinese yuan plus court fees incurred. On November 26, 2021, pursuant to a settlement agreement between UMC and Micron, UMC filed an application to the Fuzhou Court to withdraw its complaints against MXA and MSS.

On April 3, 2018, MSS was served with another patent infringement complaint filed by Jinhua and an additional complaint filed by UMC in the Fuzhou Court. The additional complaints allege that MSS infringes two Chinese patents by manufacturing and selling certain Crucial MX300 SSDs. The complaint filed by UMC seeks an order requiring MSS to destroy inventory of the accused products and equipment for manufacturing the accused products in China; to stop manufacturing, using, selling, and offering for sale the accused products in China; and to pay damages of 90 million Chinese yuan plus court fees incurred. The complaint filed by Jinhua seeks an order

requiring MSS to destroy inventory of the accused products and equipment for manufacturing the accused products in China; to stop manufacturing, using, selling, and offering for sale the accused products in China; and to pay damages of 98 million Chinese yuan plus court fees incurred. On November 26, 2021, pursuant to a settlement agreement between UMC and Micron, UMC filed an application to the Fuzhou Court to withdraw its complaint against MSS.

On July 5, 2018, MXA and MSS were notified that the Fuzhou Court granted a preliminary injunction against those entities that enjoins them from manufacturing, selling, or importing certain Crucial and Ballistix-branded DRAM modules and solid-state drives in China. The affected products made up slightly more than 1% of our annualized revenue in 2018. We are complying with the ruling and have requested the Fuzhou Court to reconsider or stay its decision.

On May 4, 2020, Flash-Control, LLC filed a patent infringement action against Micron in the U.S. District Court for the Western District of Texas. The complaint alleges that four U.S. patents are infringed by unspecified DDR4 SDRAM, NVRDIMM, NVDIMM, 3D XPoint, and/or SSD products that incorporate memory controllers and flash memory. The complaint seeks damages, attorneys' fees, and costs. On July 21, 2020, in a separate matter, the District Court ruled that two of the four asserted patents are invalid, and on July 14, 2021, the U.S. Court of Appeals for the Federal Circuit affirmed the ruling of invalidity.

On April 28, 2021, Netlist, Inc. filed two patent infringement actions against Micron, Micron Semiconductor Products, Inc. and Micron Technology Texas, LLC in the U.S. District Court for the Western District of Texas. The first complaint alleges that a single 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. Each complaint seeks injunctive relief, damages, attorneys' fees, and costs.

On May 10, 2021, Vervain, LLC filed a patent infringement action against Micron, Micron Semiconductor Products, Inc., and Micron Technology Texas, LLC in the U.S. District Court for the Western District of Texas. The complaint alleges that four U.S. patents are infringed by certain SSD products. The complaint seeks injunctive relief, damages, attorneys' fees, and costs.

Among other things, 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.

Qimonda

On January 20, 2011, Dr. Michael Jaffé, administrator for Qimonda's insolvency proceedings, filed suit against Micron and Micron Semiconductor B.V. ("Micron B.V."), in the District Court of Munich, Civil Chamber. The complaint seeks to void, under Section 133 of the German Insolvency Act, a share purchase agreement between Micron B.V. and Qimonda signed in fall 2008, pursuant to which Micron B.V. purchased substantially all of Qimonda's shares of Inotera (the "Inotera Shares"), representing approximately 18% of Inotera's outstanding shares at that time, and seeks an order requiring us to re-transfer those shares to the Qimonda estate. The complaint also seeks, among other things, to recover damages for the alleged value of the joint venture relationship with Inotera and to terminate, under Sections 103 or 133 of the German Insolvency Code, a patent cross-license between us and Qimonda entered into at the same time as the share purchase agreement.

Following a series of hearings with pleadings, arguments, and witnesses on behalf of the Qimonda estate, on March 13, 2014, the court issued judgments: (1) ordering Micron B.V. to pay approximately \$1 million in respect of certain Inotera Shares sold in connection with the original share purchase; (2) ordering Micron B.V. to disclose certain information with respect to any Inotera Shares sold by it to third parties; (3) ordering Micron B.V. to disclose the benefits derived by it from ownership of the Inotera Shares, including in particular, any profits distributed on the Inotera Shares and all other benefits; (4) denying Qimonda's claims against Micron for any damages relating to the joint venture relationship with Inotera; and (5) determining that Qimonda's obligations under the patent cross-license agreement are canceled. In addition, the court issued interlocutory judgments ordering, among other things: (1) that Micron B.V. transfer to the Qimonda estate the Inotera Shares still owned by Micron B.V. and pay to the Qimonda estate compensation in an amount to be specified for any Inotera Shares sold to third parties; and (2) that Micron B.V. pay the Qimonda estate as compensation an amount to be specified for benefits derived by Micron B.V. from ownership of the Inotera Shares. The interlocutory judgments had no immediate, enforceable effect and Micron, accordingly, has been able to continue to operate with full control of the Inotera Shares subject to further

developments in the case. On April 17, 2014, Micron and Micron B.V. filed a notice of appeal with the German Appeals Court challenging the District Court's decision. After opening briefs, the Appeals Court held a hearing on the matter on July 9, 2015, and thereafter appointed an independent expert to perform an evaluation of Dr. Jaffé's claims that the amount Micron paid for Qimonda was less than fair market value. On January 25, 2018, the court-appointed expert issued a report concluding that the amount paid by Micron was within an acceptable fair-value range. The Appeals Court held a subsequent hearing on April 30, 2019, and on May 28, 2019, the Appeals Court remanded the case to the expert for supplemental expert opinion. On March 31, 2020, the expert presented a revised opinion to the Appeals Court which reaffirmed the earlier view that the amount paid by Micron was still within an acceptable range of fair value. On March 4, 2021, the Appeals Court issued an order setting forth a new legal view that whether the 2008 sale of Inotera Shares is voidable depends on the question whether, in October 2008, Qimonda had a restructuring plan in place, and whether Micron was aware of and reasonably relied on that restructuring plan sufficient to form a belief that Qimonda was not imminently illiquid.

Antitrust Matters

On April 27, 2018, a complaint was filed against Micron and other DRAM suppliers in the U.S. District Court for the Northern District of California. Subsequently, two substantially identical cases were filed in the same court. The lawsuits purported to be on behalf of a nationwide class of indirect purchasers of DRAM products. On September 3, 2019, the District Court granted Micron's motion to dismiss and allowed the plaintiffs the opportunity to file a consolidated, amended complaint. On October 28, 2019, the plaintiffs filed a consolidated, amended complaint that purported to be on behalf of a nationwide class of indirect purchasers of DRAM products. The amended complaint asserted claims based on alleged price-fixing of DRAM products under federal and state law during the period from June 1, 2016 to at least February 1, 2018, and sought treble monetary damages, costs, interest, attorneys' fees, and other injunctive and equitable relief. On December 21, 2020, the District Court dismissed the plaintiffs' claims and entered judgment against them. On January 19, 2021, the plaintiffs filed a notice of appeal to the U.S. Court of Appeals for the Ninth Circuit. On May 3, 2021, several plaintiffs filed a substantially identical complaint in the U.S. District Court for the Northern District of California purportedly on behalf of a nationwide class of indirect purchasers of DRAM products. On July 19, 2021, the District Court dismissed the May 3, 2021 complaint pursuant to an agreement between the plaintiffs and Micron providing that the plaintiffs may refile the complaint if the District Court's December 21, 2020 dismissal order is not affirmed on appeal.

On June 26, 2018, a complaint was filed against Micron and other DRAM suppliers in the U.S. District Court for the Northern District of California. Subsequently, four substantially identical cases were filed in the same court. On October 28, 2019, the plaintiffs filed a consolidated, amended complaint. The consolidated complaint purported to be on behalf of a nationwide class of direct purchasers of DRAM products. The consolidated complaint asserted claims based on alleged price-fixing of DRAM products under federal and state law during the period from June 1, 2016 through at least February 1, 2018, and sought treble monetary damages, costs, interest, attorneys' fees, and other injunctive and equitable relief. On December 21, 2020, the District Court granted Micron's motion to dismiss and granted the plaintiffs permission to file a further amended complaint. On January 11, 2021, the plaintiffs filed a further amended complaint asserting substantially the same claims and seeking the same relief. On September 3, 2021, the District Court granted Micron's motion to dismiss the further amended complaint with prejudice. On October 1, 2021, the plaintiffs filed a notice of appeal to the U.S. Court of Appeals for the Ninth Circuit.

Additionally, six cases have been filed in the following Canadian courts on the dates indicated: Superior Court of Quebec (April 30, 2018 and May 3, 2018), the Federal Court of Canada (May 2, 2018), the Ontario Superior Court of Justice (May 15, 2018), and the Supreme Court of British Columbia (May 10, 2018). The plaintiffs in these cases are individuals seeking certification of class actions on behalf of direct and indirect purchasers of DRAM in Canada (or regions of Canada) between June 1, 2016 and February 1, 2018. The substantive allegations in these cases are similar to those asserted in the cases filed in the United States.

On May 15, 2018, the Chinese State Administration for Market Regulation ("SAMR") notified Micron that it was investigating potential collusion and other anticompetitive conduct by DRAM suppliers in China. On May 31, 2018, SAMR made unannounced visits to our sales offices in Beijing, Shanghai, and Shenzhen to seek certain information as part of its investigation. We are cooperating with SAMR in its investigation.

Securities Matters

On March 5, 2019, a derivative complaint was filed by a shareholder against certain current and former officers and directors of Micron, allegedly on behalf of and for the benefit of Micron, in the U.S. District Court for the District of Delaware alleging securities fraud, breaches of fiduciary duties, and other violations of law involving misrepresentations about purported anticompetitive behavior in the DRAM industry. The complaint seeks damages, fees, interest, costs, and other appropriate relief.

On February 9, 2021, a derivative complaint was filed by a shareholder against Sanjay Mehrotra and other current and former directors of Micron, allegedly on behalf of and for the benefit of Micron, in the U.S. District Court for the District of Delaware alleging violations of securities laws, breaches of fiduciary duties, and other violations of law involving allegedly false and misleading statements about Micron's commitment to diversity and progress in diversifying its workforce, executive leadership, and Board of Directors. The complaint seeks damages, fees, interest, costs, and an order requiring Micron to take various actions to allegedly improve its corporate governance and internal procedures.

Other

On December 5, 2017, Micron filed a complaint against UMC and Jinhua in the U.S. District Court for the Northern District of California. The complaint alleged that UMC and Jinhua violated the Defend Trade Secrets Act, the civil provisions of the Racketeer Influenced and Corrupt Organizations Act, and California's Uniform Trade Secrets Act by misappropriating Micron's trade secrets and other misconduct. Micron's complaint sought damages, restitution, disgorgement of profits, injunctive relief, and other appropriate relief. On January 3, 2022, pursuant to a settlement agreement between UMC and Micron, the District Court dismissed Micron's claims against UMC.

On June 13, 2019, current Micron employee, Chris Manning, filed a putative class action lawsuit on behalf of Micron employees subject to the Idaho Wage Claim Act who earned a performance-based bonus after the conclusion of 2018 whose performance rating was calculated based upon a mandatory percentage distribution range of performance ratings. On July 12, 2019, Manning and three other Company employees filed an amended complaint as putative class action representatives. On behalf of themselves and the putative class, Manning and the three other plaintiffs assert claims for violation of the Idaho Wage Claim Act, breach of contract, breach of the covenant of good faith and fair dealing, and fraud. On June 24, 2020, the court entered judgment in favor of Micron based on the statute of limitations, and the plaintiffs filed a notice of appeal on July 23, 2020.

On July 31, 2020, Micron and Intel entered into a binding arbitration agreement under which the parties agreed to present to an arbitral panel various financial disputes related to the IMFT joint venture between Micron and Intel, which ended October 31, 2019, and to other agreements relating to the joint development, production, and sale of non-volatile memory products. Each party alleges that the other owes damages relating to allegations of breach of one or more agreements.

On July 13, 2015, Allied Telesis, Inc. and Allied Telesis International (Asia) Pte Ltd. filed a complaint against Micron in the Superior Court of California in Santa Clara alleging breach of implied and express warranties and fraudulent inducement to contract arising from plaintiffs' purchase of certain allegedly defective DDR1 products between 2008 and 2010. Through subsequent amendments to the complaint, the plaintiffs substituted Allied Telesis K.K. as plaintiff, withdrew the warranty claims, and added claims of fraudulent concealment, negligent misrepresentation, negligence, and strict products liability. The plaintiff's amended complaint seeks an unspecified award of damages, including punitive damages and lost profits. On September 3, 2020, the Superior Court granted summary judgment dismissing the claims for negligence and strict products liability and denied summary judgment as to the claims for negligent misrepresentation, fraudulent concealment, and fraudulent inducement to contract. On November 15, 2021, the Superior Court granted summary judgment dismissing the claims for negligent misrepresentation and fraudulent inducement to contract. A trial regarding plaintiff's claim for fraudulent concealment is scheduled to begin on January 10, 2022.

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.

We are unable to predict the outcome of the patent matters, Qimonda matter, antitrust matters, securities matters, binding arbitration with Intel, or any other 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.

We are currently a party to legal actions other than those described in this note 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.

Equity

Micron Shareholders' 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 and our ongoing determination of the best use of available cash. In the first quarter of 2022, we repurchased 3.6 million shares of our common stock for \$259 million. Through December 2, 2021, we had repurchased an aggregate of \$4.30 billion under the authorization. The shares repurchased were recorded as treasury stock.

Dividends: In the first quarter of 2022, we paid dividends of \$112 million (\$0.10 per share) that were declared in the fourth quarter of 2021. On December 17, 2021, our Board of Directors declared a quarterly dividend of \$0.10 per share, payable in cash on January 18, 2022, to shareholders of record as of the close of business on January 3, 2022.

Accumulated Other Comprehensive Income: Changes in accumulated other comprehensive income by component for the three months ended December 2, 2021 were as follows:

	Gains (Losses) on Derivative Instruments	Pension Liability Adjustments	Unrealized Gains (Losses) on Investments	Cumulative Foreign Currency Translation Adjustment	Total
As of September 2, 2021	\$ (22)	\$ 22	\$ 1	\$ 1	\$ 2
Other comprehensive income before reclassifications	(100)	—	(9)	—	(109)
Amount reclassified out of accumulated other comprehensive income	(3)	—	—	—	(3)
Tax effects	17	—	2	—	19
Other comprehensive income (loss)	(86)	—	(7)	—	(93)
As of December 2, 2021	\$ (108)	\$ 22	\$ (6)	\$ 1	\$ (91)

Fair Value Measurements

The estimated fair values and carrying values of our outstanding debt instruments were as follows:

As of	December 2, 2021		September 2, 2021	
	Fair Value	Carrying Value	Fair Value	Carrying Value
Notes	\$ 6,550	\$ 6,096	\$ 6,584	\$ 5,973

The fair values of our debt instruments were 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.

Derivative Instruments

As of	Notional or Contractual Amount	Fair Value of	
		Assets ⁽¹⁾	Liabilities ⁽²⁾
As of December 2, 2021			
Derivative instruments with hedge accounting designation			
Cash flow currency hedges	\$ 5,469	\$ 19	\$ (118)
Cash flow commodity hedges	55	—	(1)
Fair value interest rate hedges	900	—	(13)
Derivative instruments without hedge accounting designation			
Non-designated currency hedges	1,858	2	(6)
		<u>\$ 21</u>	<u>\$ (138)</u>
As of September 2, 2021			
Derivative instruments with hedge accounting designation			
Cash flow currency hedges	\$ 3,601	\$ 10	\$ (66)
Cash flow commodity hedges	45	2	—
Fair value interest rate hedges	900	5	—
Derivative instruments without hedge accounting designation			
Non-designated currency hedges	996	3	(2)
		<u>\$ 20</u>	<u>\$ (68)</u>

⁽¹⁾ Included in receivables and other noncurrent assets.

⁽²⁾ Included in accounts payable and accrued expenses and other noncurrent liabilities.

Derivative Instruments with Hedge Accounting Designation

Cash Flow Hedges: We utilize forward and swap contracts that generally mature within two years designated as cash flow hedges for our exposure to changes in currency exchange rates or commodity prices for certain capital expenditures and manufacturing costs. 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). We do not use derivative instruments for speculative purposes. We recognized losses of \$100 million and gains of \$47 million for the first quarters of 2022 and 2021, respectively, in accumulated other comprehensive income from cash flow hedges. As of December 2, 2021, we expect to reclassify \$59 million of pre-tax losses related to cash flow hedges from accumulated other comprehensive income into earnings in the next 12 months.

Fair Value Hedges: We utilize fixed-to-floating interest rate swaps designated as fair value hedges to minimize certain exposures to changes in the fair value of fixed-rate debt that result from fluctuations in benchmark interest rates. Interest rate swaps are measured at fair value based on market-based observable inputs including interest rates and credit-risk spreads (Level 2). 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. When a derivative is no longer designated as a fair value hedge for any reason, including termination and maturity, the remaining unamortized difference between the carrying value of the hedged item at that time and the face value of the hedged item is amortized to earnings over the remaining life of the hedged item, or immediately if the hedged item has matured or been extinguished. The effects of fair value hedges on our consolidated statements of operations, recognized in interest expense, were not significant for the periods presented.

Derivative Instruments without Hedge Accounting Designation

Currency Derivatives: We generally utilize a rolling hedge strategy with currency forward contracts that mature within three months 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. Currency forward contracts are valued at fair values based on the middle of bid and ask prices of dealers or exchange quotations (Level 2). 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. The amounts recognized for derivative instruments without hedge accounting designation were not significant for the periods presented.

Equity Plans

As of December 2, 2021, 98 million shares of our common stock were available for future awards under our equity plans.

Restricted Stock and Restricted Stock Units (“Restricted Stock Awards”)

In the first quarter of 2022, our Board of Directors approved dividend equivalent rights for invested restricted stock units awarded on or after October 13, 2021. Restricted Stock Awards activity is summarized as follows:

Three months ended	December 2, 2021	December 3, 2020
Restricted stock award shares granted	10	10
Weighted-average grant-date fair value per share	\$ 70.42	\$ 50.78

Stock-based Compensation Expense

Stock based compensation expense recognized in our statements of operations is presented below. Stock-based compensation expense of \$36 million and \$30 million was capitalized and remained in inventory as of December 2, 2021 and September 2, 2021, respectively.

Three months ended	December 2, 2021	December 3, 2020
Stock-based compensation expense by caption		
Cost of goods sold	\$ 43	\$ 41
Research and development	38	24
Selling, general, and administrative	35	27
Restructure	(5)	—
	<u>\$ 111</u>	<u>\$ 92</u>
Stock-based compensation expense by type of award		
Restricted stock awards	\$ 96	\$ 77
ESPP	14	12
Stock options	1	3
	<u>\$ 111</u>	<u>\$ 92</u>

As of December 2, 2021, \$1.21 billion of total unrecognized compensation costs for unvested awards, before the effect of any future forfeitures, was expected to be recognized through the first quarter of 2026, resulting in a weighted-average period of 1.5 years.

Revenue and Customer Contract Liabilities

Revenue by Technology

Three months ended	December 2, 2021	December 3, 2020
DRAM	\$ 5,587	\$ 4,056
NAND	1,878	1,574
Other (primarily 3D XPoint memory and NOR)	222	143
	<u>\$ 7,687</u>	<u>\$ 5,773</u>

See "Segment and Other Information" for disclosure of disaggregated revenue by market segment.

Customer Contract Liabilities

Contract liabilities from customer advance payments made to secure product in future periods were \$74 million as of December 2, 2021 and as of September 2, 2021, and were reported within other current liabilities. Revenue recognized during the first quarter of 2022 from the ending balance of 2021 was \$63 million from meeting performance obligations by shipping against customer advances.

Revenue is primarily recognized at a point in time when control of the promised goods is transferred to our customers in an amount that reflects the consideration we expect to be entitled to in exchange for those goods. Substantially all contracts with our customers are short-term in duration at fixed, negotiated prices with payment generally due shortly after delivery. From time to time, we have contracts with initial terms that include performance obligations that extend beyond one year. As of December 2, 2021, our future performance obligations beyond one year were not significant.

As of December 2, 2021 and September 2, 2021, other current liabilities included \$824 million and \$846 million for estimates of consideration payable to customers, respectively, including estimates for pricing adjustments and returns.

Restructure and Asset Impairments

Three months ended	December 2, 2021	December 3, 2020
Restructure and asset impairments	\$ 38	\$ 8

Restructure and asset impairments for the first quarter of 2022 primarily related to the sale of our Lehi, Utah facility. See “Lehi, Utah Fab and 3D XPoint.”

Other Non-Operating Income (Expense), Net

Three months ended	December 2, 2021	December 3, 2020
Gain (loss) on investments	\$ 10	\$ 14
Gain (loss) on debt repurchases and conversions	(83)	—
Other	(2)	(1)
	<u>\$ (75)</u>	<u>\$ 13</u>

Income Taxes

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

Three months ended	December 2, 2021	December 3, 2020
Income before taxes	\$ 2,521	\$ 841
Income tax (provision) benefit	(219)	(51)
Effective tax rate	8.7 %	6.1 %

We operate in a number of jurisdictions outside the United States, including Singapore, where we have tax incentive arrangements. These incentives expire, in whole or in part, at various dates through 2034 and are conditional, in part, upon meeting certain business operations and employment thresholds. The effect of tax incentive arrangements reduced our tax provision by \$290 million (benefiting our diluted earnings per share by \$0.26) for the first quarter of 2022, and by \$56 million (\$0.05 per diluted share) for the first quarter of 2021.

As of December 2, 2021, gross unrecognized tax benefits were \$680 million, substantially all of which would affect our effective tax rate in the future, if recognized. Amounts accrued for interest and penalties related to uncertain tax positions were not significant for any period presented. We are currently under audit by the U.S. Internal Revenue Service for our 2018 and 2019 tax years. We believe that adequate amounts of taxes and related interest and penalties have been provided.

Earnings Per Share

Three months ended	December 2, 2021	December 3, 2020
Net income attributable to Micron – Basic and Diluted	\$ 2,306	\$ 803
Weighted-average common shares outstanding – Basic	1,119	1,115
Dilutive effect of equity plans and convertible notes	11	20
Weighted-average common shares outstanding – Diluted	1,130	1,135
Earnings per share		
Basic	\$ 2.06	\$ 0.72
Diluted	2.04	0.71

Antidilutive potential common stock shares that could dilute basic earnings per share in the future were 3 million and 2 million for the first quarters of 2022 and 2021, respectively.

Segment and Other Information

Segment information reported herein is consistent with how it is reviewed and evaluated by our chief operating decision maker. We have the following four business units, which are our reportable segments:

Compute and Networking Business Unit (“CNBU”): Includes memory products sold into client, cloud server, enterprise, graphics, and networking markets.

Mobile Business Unit (“MBU”): Includes memory and storage products sold into smartphone and other mobile-device markets.

Storage Business Unit (“SBU”): Includes SSDs and component-level solutions sold into enterprise and cloud, client, and consumer storage markets, and other discrete storage products sold in component and wafer form.

Embedded Business Unit (“EBU”): Includes memory and storage products sold into automotive, industrial, and consumer markets.

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. 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.

Three months ended	December 2, 2021	December 3, 2020
Revenue		
CNBU	\$ 3,406	\$ 2,546
MBU	1,907	1,501
SBU	1,150	911
EBU	1,220	809
All Other	4	6
	<u>\$ 7,687</u>	<u>\$ 5,773</u>
Operating income (loss)		
CNBU	\$ 1,524	\$ 483
MBU	624	370
SBU	152	4
EBU	422	116
All Other	3	—
	<u>2,725</u>	<u>973</u>
Unallocated		
Stock-based compensation	(116)	(92)
Restructure and asset impairments	(38)	(8)
Other	60	(7)
	<u>(94)</u>	<u>(107)</u>
Operating income	<u>\$ 2,631</u>	<u>\$ 866</u>

Certain Concentrations

Revenue from Kingston Technology Company, Inc. was 10% of total revenue for the first three months of 2022.

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 included in our Annual report on Form 10-K for the year ended September 2, 2021. 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 years 2022 and 2021 each contain 52 weeks. All tabular dollar amounts are in millions, except per share amounts.

Overview

Micron Technology, Inc., including its consolidated subsidiaries, 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 through our Micron® and Crucial® brands. Every day, the innovations that our people create fuel the data economy, enabling advances in artificial intelligence and 5G 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 to perform certain manufacturing processes. We make significant investments to develop proprietary product and process technology, which are implemented in our manufacturing facilities. Advancements in product and process technology generally increase the density per wafer and reduce 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.

The introduction of 176-layer NAND and 1 α (1-alpha) DRAM represent major technology breakthroughs for our company and the first time in our history that we have achieved industry leadership across these two flagship technologies. In 2021, we introduced our industry leading 1 α memory node, the world's most advanced memory node in high-volume production. This advancement has been realized across our standard compute DRAM and LPDRAM product lines. We also launched 176-layer NAND-based solutions into the market in 2021. Our managed NAND and SSD products incorporate NAND, a controller, firmware, and in some cases, DRAM. An increasing portion of our SSDs incorporate proprietary controllers and firmware that we have developed. We are shipping these new memory and storage products in volume, and we have partnered with customers to provide value-added innovation, speed market adoption of our new solutions, and prepare the ecosystem for broad adoption of our offerings across markets. Development of advanced technologies enables us to diversify our product portfolio toward a richer mix of differentiated, high-value solutions and to target high-growth markets and specific customer requirements across data center, intelligent edge, client, and mobile environments.

We face intense competition in the semiconductor memory and storage markets and to remain competitive we must continuously develop and implement new products and technologies and decrease manufacturing costs. Our success is largely dependent on obtaining returns on our research and development ("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.

Lehi, Utah Fab and 3D XPoint

In the second quarter of 2021, we updated our portfolio strategy to further strengthen our focus on memory and storage innovations for the data center market. In connection therewith, we determined that there was insufficient market validation to justify the ongoing investments required to commercialize 3D XPoint at scale. Accordingly, we ceased development of 3D XPoint technology and engaged in discussions with potential buyers for the sale of our facility located in Lehi, Utah that was dedicated to 3D XPoint production. As a result, we classified the property, plant, and equipment as held for sale as of the second quarter of 2021 and ceased depreciating the assets. On June 30, 2021, we announced a definitive agreement to sell our Lehi facility to TI and closed the sale on October 22, 2021.

In the first quarter of 2022, we received \$893 million from TI for the sale of the Lehi facility and disposed of \$918 million of net assets, consisting primarily of property, plant, and equipment of \$921 million; \$55 million of other assets, consisting primarily of a receivable for reimbursement of property taxes, equipment spare parts, and raw materials; and \$58 million of liabilities, consisting primarily of a finance lease obligation. As a result of the disposition of the Lehi facility and other related adjustments, we recognized a loss of \$23 million included in restructure and asset impairments in the first quarter of 2022.

In the third quarter of 2021, we recognized a charge of \$435 million included in restructure and asset impairments in connection with the definitive agreement with TI (and a tax benefit of \$104 million included in income tax (provision) benefit) to write down the assets held for sale to the expected consideration, net of estimated selling costs. In the second quarter of 2021, we also recognized a charge of \$49 million in cost of goods sold to write down 3D XPoint inventory in connection with our decision to cease further development of this technology.

Impact of COVID-19 on Our Business

Events surrounding the ongoing COVID-19 pandemic initially resulted in a reduction in economic activity across the globe, and the timing and extent of the ongoing economic recovery remains uncertain. As a result, we have experienced volatility in the markets that our products are sold into, driven by the move to a stay-at-home economy and fluctuations in consumer and business spending, which has affected demand for certain of our products. The

ultimate extent to which COVID-19 will impact our business depends on future developments, which are highly uncertain and very difficult to predict, including the effectiveness and utilization of vaccines for COVID-19 and its variants, the severity of COVID-19 and its variants, and the effectiveness of the actions to contain or limit their spread.

From the start of the COVID-19 pandemic, we proactively implemented preventative protocols, which we continuously assess and update for changes in conditions and emerging trends. These preventative protocols are intended to safeguard our team members, contractors, suppliers, customers, distributors, and communities, and to ensure business continuity. Government restrictions or severe outbreaks can impact our operations at certain sites. For example, our Xi'an, China facility and the facility of our subcontractor in Xi'an have recently been required to operate at reduced staffing and capacity levels due to COVID-19 quarantines and other public health protocols, though we expect to return to normal staffing and production levels as the situation in Xi'an improves. While our other global manufacturing sites are currently operating with close to full staff and at normal capacity levels, our facilities or those of our subcontractors could be required to temporarily curtail production levels or temporarily cease operations based on government mandates or our health and safety protocols. We may be required, or deem it to be in the best interest of our employees, customers, partners, suppliers, and stakeholders, to alter our business operations in order to maintain a healthy and safe environment. It is not clear what potential effects any such alterations or modifications may have on our business, including effects on our customers, employees, or on our financial results. We are following government policies and recommendations designed to slow the spread of COVID-19 and remain committed to the health and safety of our team members, contractors, suppliers, customers, distributors, and communities.

We continuously assess our efforts to respond to the COVID-19 pandemic, which have included the following:

- In locations experiencing continued community COVID-19 infections, we prohibit onsite visitors and are generally requiring team members to work from home where possible or practical. Where work from home is not possible, all on-site team members must complete health questionnaires, pass through thermal scanning equipment to ensure they do not have an elevated body temperature, and adhere to physical distancing requirements, mask protocols, and team member separation protocols. We have also enhanced our contact tracing, significantly decreased business travel, and where possible, made ventilation and other health and safety enhancements at our facilities, and provided COVID-19 testing and vaccinations for our team members.
- We required that all U.S. employees and, in addition, contractors that enter our U.S. buildings and certain other locations, be fully vaccinated against COVID-19, subject to disability and religious exemptions.
- We continue to work closely with our customer base to best match our supply to changing market conditions.
- We evaluate our supply chain and communicate with our suppliers to identify supply gaps and have taken steps to provide continuity, to the extent possible. In some cases, we have added alternative suppliers, executed long-term supply agreements, and increased our on-hand inventory of raw materials needed in our operations.
- We have added assembly and test capacity to provide redundant manufacturing capability through our network of captive operations and external partners.
- We have evaluated all our construction projects across our global manufacturing operations and enacted protocols to enhance the safety of our team members, suppliers, and contractors.
- We have developed strategies and implemented measures to respond to a variety of potential economic scenarios, such as limitations on new hiring and business travel and reductions of discretionary spending.
- We are working with government authorities in the jurisdictions where we operate and continuing to monitor our operations in an effort to ensure we follow government requirements, relevant regulations, industry standards, and best practices to help safeguard our team members, while safely continuing operations at our sites across the globe.

We believe these actions are appropriate and prudent to safeguard our team members, contractors, suppliers, customers, and communities, while allowing us to safely continue operations. We cannot predict how the steps we, our team members, government entities, suppliers, or customers take in response to the COVID-19 pandemic will ultimately impact our business, outlook, or results of operations.

Product Technologies

Our product portfolio of memory and storage solutions, is based on our high-performance semiconductor memory and storage technologies, including DRAM, NAND, and NOR. We sell our products into various markets through our business units in numerous forms, including wafers, components, modules, SSDs, managed NAND, and MCP products. Our system-level solutions, including SSDs and managed NAND, 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 client, cloud server, enterprise, networking, graphics, industrial, and automotive markets. LPDRAM products, which are engineered to meet standards for performance and power consumption, are sold into smartphone and other mobile-device markets (including client markets for Chromebooks and notebook PCs), as well as into the automotive, industrial, and consumer markets.

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 enterprise and cloud, client, and consumer markets and in removable storage markets. Managed NAND is used in smartphones and other mobile devices, and in 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.

Results of Operations

Consolidated Results

	First Quarter 2022		Fourth Quarter 2021		First Quarter 2021	
Revenue	\$ 7,687	100%	\$ 8,274	100%	\$ 5,773	100%
Cost of goods sold	4,122	54%	4,362	53%	4,037	70%
Gross margin	3,565	46%	3,912	47%	1,736	30%
Research and development	712	9%	705	9%	647	11%
Selling, general, and administrative	259	3%	236	3%	214	4%
Restructure and asset impairments	38	—%	22	—%	8	—%
Other operating (income) expense, net	(75)	(1)%	(6)	—%	1	—%
Operating income	2,631	34%	2,955	36%	866	15%
Interest income (expense), net	(35)	—%	(38)	—%	(38)	(1)%
Other non-operating income (expense), net	(75)	(1)%	19	—%	13	—%
Income tax (provision) benefit	(219)	(3)%	(230)	(3)%	(51)	(1)%
Equity in net income (loss) of equity method investees	4	—%	14	—%	13	—%
Net income	\$ 2,306	30%	\$ 2,720	33%	\$ 803	14%

Total Revenue: Total revenue for the first quarter of 2022 decreased 7% as compared to the fourth quarter of 2021 primarily due to decreases in both DRAM and NAND sales. Sales of DRAM products for the first quarter of 2022 decreased 8% as compared to the fourth quarter of 2021 primarily due to a mid-single-digit percent decrease in bit shipments and a low-single-digit percent decline in average selling prices. Sales of NAND products for the first

quarter of 2022 decreased 5% as compared to the fourth quarter of 2021 primarily due to a mid-single-digit percent decline in average selling prices. For the first quarter of 2022, DRAM and NAND bit shipments were adversely impacted by weakness in demand from some customers due to their shortages of non-memory components.

Total revenue for the first quarter of 2022 increased 33% as compared to the first quarter of 2021 primarily due to increases in both DRAM and NAND sales. Sales of DRAM products for the first quarter of 2022 increased 38% as compared to the first quarter of 2021 primarily due to a mid-20% increase in average selling prices and increases in bit shipments in the low-10% range. Sales of NAND products for the first quarter of 2022 increased 19% as compared to the first quarter of 2021 primarily due to increases in bit shipments in the mid-10% range and a mid-single-digit percent increase in average selling prices.

Overall Gross Margin: Our overall gross margin percentage decreased to 46% for the first quarter of 2022 from 47% for the fourth quarter of 2021, primarily due to decreases in DRAM and NAND average selling prices partially offset by cost reductions resulting from strong execution in delivering products featuring advanced technologies.

Our overall gross margin percentage increased to 46% for the first quarter of 2022 from 30% for the first quarter of 2021, primarily due to increases in average selling prices and cost reductions. Our gross margins in the first quarter of 2021 included an approximate 2% adverse impact from MTU underutilization costs. MTU underutilization costs adversely affected gross margins by less than 1% in each of the fourth quarter of 2021 and the first quarter of 2022 due to cessation of depreciation on MTU assets. See "Item 1. Financial Statements – Notes to Consolidated Financial Statements – Lehi, Utah Fab and 3D XPoint."

Revenue by Business Unit

	First Quarter 2022		Fourth Quarter 2021		First Quarter 2021	
CNBU	\$ 3,406	44%	\$ 3,794	46%	\$ 2,546	44%
MBU	1,907	25%	1,892	23%	1,501	26%
SBU	1,150	15%	1,203	15%	911	16%
EBU	1,220	16%	1,360	16%	809	14%
All Other	4	—%	25	—%	6	—%
	<u>\$ 7,687</u>		<u>\$ 8,274</u>		<u>\$ 5,773</u>	

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

Changes in revenue for each business unit for the first quarter of 2022 as compared to the fourth quarter of 2021 were as follows:

- CNBU revenue decreased 10% primarily due to declines in average selling prices for DRAM and decreases in bit shipments due to lower sales to client markets.
- MBU revenue increased 1% primarily due to a slight increase in mobile DRAM sales.
- SBU revenue decreased 4% primarily due to decreases in bit shipments of component products.
- EBU revenue decreased 10% primarily due to decreases in bit shipments as a result of customer shortages of non-memory components and other supply constraints.

Changes in revenue for each business unit for the first quarter of 2022 as compared to the first quarter of 2021 were as follows:

- CNBU revenue increased 34% primarily due to higher average selling prices for DRAM and broad-based increases in bit shipments across markets.
- MBU revenue increased 27% primarily due to higher average selling prices for mobile DRAM and increases in bit shipments for high-value mobile MCP products.
- SBU revenue increased 26% primarily due to increases in bit shipments for NAND products and higher average selling prices for NAND.
- EBU revenue increased 51% primarily due to increases in bit shipments driven by strong demand growth in automotive, industrial, and consumer markets and improved pricing in industrial and consumer markets.

Operating Income (Loss) by Business Unit

	First Quarter 2022		Fourth Quarter 2021		First Quarter 2021	
CNBU	\$ 1,524	45%	\$ 1,761	46%	\$ 483	19%
MBU	624	33%	656	35%	370	25%
SBU	152	13%	175	15%	4	—%
EBU	422	35%	467	34%	116	14%
All Other	3	75%	14	56%	—	—%
	<u>\$ 2,725</u>		<u>\$ 3,073</u>		<u>\$ 973</u>	

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

Changes in operating income or loss for each business unit for the first quarter of 2022 as compared to the fourth quarter of 2021 were as follows:

- CNBU operating income decreased primarily due to lower average selling prices and decreases in bit shipments, partially offset by manufacturing cost reductions.
- MBU operating income decreased primarily due to NAND price declines and higher DRAM costs associated with new product transitions, partially offset by NAND cost reductions.
- SBU operating income decreased primarily due to decreases in bit shipments.
- EBU operating income decreased primarily due to decreases in bit shipments.

Changes in operating income or loss for each business unit for the first quarter of 2022 as compared to the first quarter of 2021 were as follows:

- CNBU operating income increased primarily due to higher average selling prices, increases in bit shipments, manufacturing cost reductions, and lower MTU underutilization costs.
- MBU operating income increased primarily due to increases in DRAM average selling prices and increases in bit shipments.
- SBU operating income increased primarily due to manufacturing cost reductions, increases in average selling prices, and increases in bit shipments.
- EBU operating income increased primarily due to improved pricing in industrial and consumer markets, cost reductions from an increasing mix of leading edge bits, and higher bit shipments.

Operating Expenses and Other

Research and Development: R&D expenses vary primarily with the number of development and pre-qualification wafers processed, the cost of advanced equipment dedicated to new product and process development, and personnel costs. 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 and reliability. R&D expenses can vary significantly depending on the timing of product qualification.

R&D expenses for the first quarter of 2022 were relatively unchanged as compared to the fourth quarter of 2021 as increases in employee compensation were substantially offset by reductions in volumes of development and pre-qualification wafers. R&D expenses for the first quarter of 2022 increased 10% as compared to the first quarter of 2021 primarily due to increases in employee compensation and higher volumes of development and prequalification wafers.

Selling, General, and Administrative: SG&A expenses for the first quarter of 2022 increased 10% as compared to the fourth quarter of 2021 primarily due to increases in employee compensation. SG&A expenses for the first quarter of 2022 increased 21% as compared to the first quarter of 2021 primarily due to increases in employee compensation, legal fees, and advertising.

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

	First Quarter 2022	Fourth Quarter 2021	First Quarter 2021
Income before taxes	\$ 2,521	\$ 2,936	\$ 841
Income tax (provision) benefit	(219)	(230)	(51)
Effective tax rate	8.7 %	7.8 %	6.1 %

Our effective tax rate for the first quarter of 2022 increased as compared to the fourth and first quarters of 2021 primarily as a result of the geographic mix of our earnings.

We operate in a number of jurisdictions outside the United States, including Singapore, where we have tax incentive arrangements. These incentives expire, in whole or in part, at various dates through 2034 and are conditional, in part, upon meeting certain business operations and employment thresholds. The effect of tax incentive arrangements reduced our tax provision by \$290 million (benefiting our diluted earnings per share by \$0.26) for the first quarter of 2022, by \$381 million (\$0.33 per diluted share) for the fourth quarter of 2021, and by \$56 million (\$0.05 per diluted share) for the first quarter of 2021.

The United States government is considering various tax reform proposals that, if enacted, contain provisions that could increase our tax expense. We continue to monitor the legislative process and the potential impact of the proposed legislation to our overall global effective tax rate and financial statements.

See "Item 1. Financial Statements – Notes to Consolidated Financial Statements – Income Taxes."

Other: Further discussion of other items can be found in "Item 1. Financial Statements – Notes to Consolidated Financial Statements."

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. We are continuously evaluating alternatives for efficiently funding our capital expenditures and ongoing operations. We expect, from time to time, to engage in a variety of financing transactions for such purposes, including the issuance of securities. As of December 2, 2021, \$2.50 billion was available to draw under our Revolving Credit Facility.

Cash and marketable investments totaled \$11.40 billion as of December 2, 2021 and \$10.40 billion as of September 2, 2021. Our 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 December 2, 2021, \$4.05 billion of our cash and marketable investments was held by our foreign subsidiaries.

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 in 2022 for property, plant, and equipment, net of partner contributions, to be between \$11 billion and \$12 billion, and we expect the timing of our capital expenditures to be weighted more toward the first half of 2022. Capital expenditures for 2022 are driven by our continued 176-layer NAND transition, pilot line enablement for next generation NAND and DRAM, and continued infrastructure and prepayments to support the introduction of EUV lithography. Actual amounts for 2022 will vary depending on market conditions. As of December 2, 2021, we had purchase obligations of approximately \$3.76 billion for the acquisition of property, plant, and equipment, of which approximately \$3.57 billion is expected to be paid within one year. For a description of other contractual obligations, such as debt and leases, see "Item 1. Financial Statements – Notes to Consolidated Financial Statements – Leases" and "– Debt."

On November 1, 2021, we issued \$1 billion in aggregate principal amount of unsecured 2032 Green Bonds. Over time, we intend to allocate an amount equal to the net proceeds to fund eligible sustainability-focused projects involving renewable energy, green buildings, energy efficiency, water management, pollution control, and a circular economy.

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 a Rule 10b5-1 trading plan. The repurchase authorization has no expiration date, does not obligate us to acquire any common stock, and is subject to market conditions and our ongoing determination of the best use of available cash. Through December 2, 2021, we have repurchased an aggregate of \$4.30 billion of the authorized amount. See “Item 1. Financial Statements – Notes to Consolidated Financial Statements – Equity.”

On December 17, 2021, our Board of Directors declared a quarterly dividend of \$0.10 per share, payable in cash on January 18, 2022, to shareholders of record as of the close of business on January 3, 2022. 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, 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

	First Quarter	
	2022	2021
Net cash provided by operating activities	\$ 3,938	\$ 1,967
Net cash provided by (used for) investing activities	(2,485)	(3,418)
Net cash provided by (used for) financing activities	(513)	(214)
Effect of changes in currency exchange rates on cash, cash equivalents, and restricted cash	(6)	27
Net increase in cash, cash equivalents, and restricted cash	<u>\$ 934</u>	<u>\$ (1,638)</u>

Operating Activities: Cash provided by operating activities reflects net income adjusted for certain non-cash items, including depreciation expense, amortization of intangible assets, asset impairments, 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 quarter of 2022 as compared to the first quarter of 2021 was primarily due to higher net income adjusted for non-cash items and less of a decrease in accounts payable and accrued expenses from timing of payments, partially offset by an increase in inventories.

Investing Activities: For the first quarter of 2022, net cash used for investing activities consisted primarily of \$3.27 billion of expenditures for property, plant, and equipment; inflows of \$55 million of partner contributions for capital expenditures; \$893 million of net inflows from the sale of the Lehi, Utah fab; and \$91 million of net outflows from purchases, sales, and maturities of available-for-sale securities.

For the first quarter of 2021, net cash used for investing activities consisted primarily of \$2.74 billion of expenditures for property, plant, and equipment; inflows of \$40 million of partner contributions for capital expenditures; and \$741 million of net outflows from purchases, sales, and maturities of available-for-sale securities.

Financing Activities: For the first quarter of 2022, net cash used for financing activities included \$1.95 billion of repayments of debt primarily to redeem the 2023 Notes and 2024 Notes, \$259 million for the acquisition of 3.6 million shares of our common stock under our \$10 billion share repurchase authorization, \$112 million of cash payments of dividends to shareholders, \$102 million used for stock repurchases related to tax withholdings for employee equity awards, and \$78 million of payments on equipment purchase contracts. Cash used for financing activities was partially offset by aggregate proceeds of \$2.00 billion from the issuance of the unsecured 2032 Green Bonds, 2041 Notes, and 2051 Notes. See “Item 1. Financial Statements – Notes to Consolidated Financial Statements – Debt.”

For the first quarter of 2021, net cash used for financing activities consisted primarily of \$97 million for payments on equipment purchase contracts and \$84 million for repayments of debt.

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 September 2, 2021. There have been no changes to our critical accounting estimates since our Annual Report on Form 10-K for the year ended September 2, 2021.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are affected by changes in currency exchange and interest rates. We are exposed to interest rate risk related to our indebtedness and our investment portfolio. As of December 2, 2021 and September 2, 2021, we had fixed-rate debt of \$4.0 billion and \$3.9 billion, respectively, and as a result, the fair value of our debt fluctuates with changes in market interest rates. In the first quarter of 2022, we issued new debt and repaid other debt, which significantly increased the average remaining maturity of our fixed-rate debt resulting in increased variability of its fair value from interest rate changes. We estimate that, as of December 2, 2021 and September 2, 2021, a decrease in market interest rates of 1% would increase the fair value of our fixed-rate debt by approximately \$430 million and \$200 million, respectively.

For further discussion about market risk and sensitivity analysis related to changes in 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 September 2, 2021.

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 first quarter of 2022, 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 – Item 3. Legal Proceedings” of our Annual Report on Form 10-K for the year ended September 2, 2021 and the sections titled “Part I. Financial Information – Item 1. Financial Statements – Notes to Consolidated Financial Statements – 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

- the effects of the COVID-19 pandemic;
- volatility in average selling prices of our products;
- our ability to maintain or improve gross margins;
- the highly competitive nature of our industry;
- our ability to develop and produce new and competitive memory and storage technologies, products, and markets;
- dependency on specific customers, concentration of revenue with a select number of customers, and customers who are located internationally;
- our international operations, including geopolitical risks;
- limited availability and quality of materials, supplies, and capital equipment and dependency on third-party service providers for ourselves and our customers;
- products that fail to meet specifications, are defective, or are incompatible with end uses;
- disruptions to our manufacturing process from operational issues, natural disasters, or other events;
- breaches of our security systems or products, or those of our customers, suppliers, or business partners;
- attracting, retaining, and motivating highly skilled employees;
- achieving or maintaining certain performance obligations associated with incentives from various governments;
- future acquisitions and/or alliances;
- restructure charges;
- responsible sourcing requirements and related regulations; and
- a downturn in the worldwide economy.

Risks Related to Intellectual Property and Litigation

- protecting our intellectual property and retaining key employees who are knowledgeable of and develop our intellectual property;
- legal proceedings and claims;
- allegations of anticompetitive conduct;
- risks associated with our former IMFT joint venture with Intel;
- 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; and
- alleged patent infringement complaints in Chinese courts.

Risks Related to Laws and Regulations

- 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.

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 timing of our common stock repurchases and payment of cash dividends and resulting impacts.

Risks Related to Our Business, Operations, and Industry

The effects of the COVID-19 pandemic could adversely affect our business, results of operations, and financial condition.

The effects of the public health crisis caused by the COVID-19 pandemic and the measures being taken to limit COVID-19's spread are uncertain and difficult to predict, but may include, and in some cases, have included and may continue to include:

- A decrease in short-term and/or long-term demand and/or pricing for our products and global economic volatility that could reduce demand and/or pricing for our products, resulting from the spread of COVID-19 and/or the actions taken by governments, businesses, and/or the general public in an effort to limit exposure to and the spread of COVID-19, such as travel restrictions, quarantines, and business shutdowns or slowdowns;
- Negative impacts to our operations, including:
 - reductions in production levels, R&D activities, product development, technology transitions, yield enhancement activities, and qualification activities with our customers, resulting from our efforts to mitigate the impact of COVID-19 through measures we have enacted at our locations around the world in an effort to protect our employees' and contractors' health and well-being, including working from home, limiting the number of meeting attendees, reducing the number of people in certain of our sites at any one time, quarantines of team members, contractors, or vendors who are at risk of contracting, or have contracted, COVID-19, and limiting employee travel;
 - increased costs resulting from our efforts to mitigate the impact of COVID-19 through physical-distancing measures, working from home, upgrades to our sites, COVID-19 testing and vaccination, enhanced cleaning measures, and the increased use of personal protective equipment at our sites;
 - increased costs, business disruptions, attrition, and/or reduced employee morale resulting from our requirement that all U.S. employees and, in addition, contractors that enter our U.S. buildings and certain other locations, be fully vaccinated against COVID-19, subject to disability and religious exemptions, as a condition of working for us;
 - increased costs for, or unavailability of, transportation, raw materials, components, electricity and/or other energy sources, or other inputs necessary for the operation of our business;
 - reductions in, or cessation of operations at any site or in any jurisdiction resulting from government restrictions on movement and/or business operations or our measures to prevent and/or mitigate the spread of COVID-19 at one or more of our sites, such as we have experienced at some of our facilities from time to time since the start of the COVID-19 pandemic, including currently at our and our subcontractor's respective facilities in Xi'an, China;
 - our inability to continue, or increased costs of, construction projects due to delays in obtaining materials, equipment, labor, engineering services, government permits, or any other essential aspect of projects, which could impact our ability to introduce new technologies, reduce costs, or meet customer demand; and
 - disruptions to our supply chain in connection with the sourcing and transportation of materials, components, equipment and engineering support, and services from or in geographic areas that have been impacted by COVID-19, by efforts to contain the spread of COVID-19, or by follow-on effects on the worldwide supply chain;
- Deterioration of worldwide credit and financial markets that could: limit our ability to obtain external financing to fund our operations and capital expenditures; result in losses on our holdings of cash and investments due to failures of financial institutions and other parties; or result in a higher rate of losses on our accounts receivable due to credit defaults.

While several COVID-19 vaccines have been approved and are available for use in the United States and certain other countries, we are unable to predict how widely utilized the vaccines ultimately will be, whether they will be effective in preventing the symptoms and spread of COVID-19 (including its variant strains), and when or if normal economic activity and business operations will resume.

These effects, alone or taken together, could have a material adverse effect on our business, results of operations, or financial condition. The continuation of the pandemic or expanded or recurring outbreaks could exacerbate the adverse impact of such measures.

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, including dramatic declines as noted in the table below, and may continue to experience such volatility in the future. 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. Average selling prices for our products that decline faster than our costs could have a material adverse effect on our business, results of operations, or financial condition.

	DRAM	NAND
	(percentage change in average selling prices)	
2021 from 2020	8 %	(12)%
2020 from 2019	(34)%	(9)%
2019 from 2018	(30)%	(47)%
2018 from 2017	36 %	(13)%
2017 from 2016	18 %	(10)%

We may be unable to maintain or improve gross margins.

Our gross margins are dependent, in part, upon continuing decreases in per gigabit manufacturing costs achieved through improvements in our manufacturing processes and product designs, including, but not limited to, process line-width, additional 3D memory layers, additional bits per cell (i.e., cell levels), architecture, number of mask layers, number of fabrication steps, and yield. In future periods, we may be unable to reduce our per gigabit manufacturing costs at sufficient levels to maintain or improve gross margins. Factors that may limit our ability to maintain or reduce costs include, but are not limited to, strategic product diversification decisions affecting product mix, the 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, technological barriers, changes in process technologies, new products that may require relatively larger die sizes, start-up or other costs associated with capacity expansion, and higher costs of goods and services due to inflationary pressures or market conditions.

Many factors may result in a reduction of our output or a delay in ramping production, which could 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, declining selling prices, and changes in supply agreements. A significant portion of our manufacturing costs are fixed and do not vary proportionally with changes in production output. As a result, lower utilization and corresponding increases in our per gigabit manufacturing costs may adversely affect our gross margins, business, results of operations, or financial condition.

Per gigabit manufacturing costs may also be affected by a broader product portfolio, which may have smaller production quantities and shorter product lifecycles. Our business and the markets we serve are subject to rapid technological changes and material fluctuations in demand based on end-user preferences. As a result, we may have work in process or finished goods inventories that could become obsolete or in amounts that are in excess of our customers' demand. Consequently, we may incur charges in connection with obsolete or excess inventories. In addition, due to the customized nature of certain of the 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 in future periods.

In addition, if we are unable to supply sufficient quantities of 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 inability to maintain or improve gross margins could have a material adverse effect on our business, results of operations, or financial condition.

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 Intel; Samsung Electronics Co., Ltd.; SK hynix Inc.; Kioxia Holdings Corporation; and Western Digital Corporation. Some of our competitors are large corporations or conglomerates that may have 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. In addition, some governments may provide, or 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. In particular, we face the threat of increasing competition as a result of significant investment in the semiconductor industry by the Chinese government and various state-owned or affiliated entities that is intended to advance China's stated national policy objectives. In addition, the Chinese government may restrict us from participating in the China market or may prevent us from competing effectively with Chinese companies. Some of our competitors may use aggressive pricing to obtain market share or take business of our key customers.

We and our competitors generally seek to increase wafer capacity, improve yields, and reduce die size in their product designs which may result in significant increases in worldwide supply and downward pressure on prices. Increases in worldwide supply of semiconductor memory and storage also result from fabrication capacity expansions, either by way of new facilities, increased capacity utilization, or reallocation of other semiconductor production to semiconductor memory and storage production. Our competitors may increase capital expenditures resulting in future increases in worldwide supply. We, and some of our competitors, have plans to ramp, or are constructing or ramping, production at new 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. 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 and produce new and competitive memory and storage technologies.

Our key semiconductor memory and storage products and technologies face technological barriers to continue to meet long-term customer needs. These barriers include potential limitations on stacking additional 3D memory layers, increasing bits per cell (i.e., cell levels), meeting higher density requirements, and improving power consumption and reliability. We may face technological barriers to continue to shrink our products at our current or historical rate, which has generally reduced per-unit 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. There can be no assurance of the following:

- that we will be successful in developing competitive new semiconductor memory and storage technologies;
- that we will be able to cost-effectively manufacture new products;
- that we will be able to successfully market these technologies; and
- that margins generated from sales of these products will allow us to recover costs of development efforts.

We develop and produce advanced memory and storage technologies and there can be no assurance that our efforts to develop and market new product technologies will be successful. Unsuccessful efforts to develop new memory and storage technologies could have a material adverse effect on our business, results of operations, or financial condition.

A significant portion of our revenue is concentrated with a select number of customers.

In each of the last three years, approximately one-half of our total revenue was from our top ten customers. A disruption in our relationship with any of these customers could adversely affect our business. We could experience fluctuations in our customer base or the mix of revenue by customer as markets and strategies evolve. Our customers' demand for our products may fluctuate due to factors beyond our control. In addition, any consolidation of our customers could reduce the number of customers to whom our products may be sold. Our inability to meet our customers' requirements or to qualify our products with them could adversely impact our revenue. A meaningful change in the inventory strategy of our customers, particularly those in China, could impact our industry bit demand growth outlook. The loss of, or restrictions on our ability to sell to, one or more of our major customers, such as occurred with our former customer, Huawei Technologies, Co. Ltd. ("Huawei"), or any significant reduction in orders from, or a shift in product mix by, customers 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 sales and operations that could materially adversely affect our business, results of operations, or financial condition.

In 2021, 56% of our revenue was from sales to customers who have headquarters located outside the United States. We ship our products to the locations specified by our customers. Customers with global supply chains and operations may request we deliver products to countries where they own or operate production facilities or to countries where they utilize third-party subcontractors or warehouses. As a result, 89% of our revenue in 2021 was from products shipped to customer locations outside the United States.

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. Our operations, and the global supply chain of the technology industry, are subject to a number of risks, including the effects of actions and policies of various governments across our global operations and supply chain. For example, political, economic, or other actions may adversely affect our operations in Taiwan. A majority of our DRAM production output in 2021 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.

In addition, the U.S. government has in the past restricted American firms from selling products and software to certain of our customers and may in the future impose similar bans or other restrictions on sales to one or more of our significant customers. These restrictions may not prohibit our competitors from selling similar products to our customers, which may result in our loss of sales and market share. Even when 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 while complying with such restrictions.

Our international sales and operations are subject to a variety of risks, including:

- export and import duties, changes to import and export regulations, customs regulations and processes, and restrictions on the transfer of funds, including currency controls in China, which could negatively affect the amount and timing of payments from certain of our customers and, as a result, our cash flows;
- imposition of bans on sales of goods or services to one or more of our significant foreign customers;
- public health issues (for example, an outbreak of a contagious disease such as COVID-19, Severe Acute Respiratory Syndrome ("SARS-CoV"), avian and swine influenza, measles, or Ebola);
- compliance with U.S. and international laws involving international operations, including the Foreign Corrupt Practices Act of 1977, as amended, export and import laws, and similar rules and regulations;
- theft of intellectual property;
- political and economic instability, including the effects of disputes between China and Taiwan;

- government actions or civil unrest preventing the flow of products, including delays in shipping and obtaining products, cancellation of orders, or loss or damage of products;
- problems with the transportation or delivery of products;
- 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 foreign governments;
- changes in economic policies of foreign governments; and
- difficulties in staffing and managing international operations.

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.

Our business, results of operations, or financial condition could be adversely affected by the limited availability and quality of materials, supplies, 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. Various factors could impact the availability of materials or components such as chemicals, silicon wafers, gases, photoresist, controllers, substrates, lead frames, printed circuit boards, targets, and reticle glass blanks. 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. 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, logistic carriers, and other service providers. Although we have certain long-term contracts with some of our suppliers, many of these contracts do not provide for long-term capacity 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 and/or quantity, our suppliers may allocate capacity to their other customers and capacity and/or materials may not be available when we need it or at reasonable prices. Inflationary pressures and shortages, such as those the market is currently experiencing, may 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.

Certain materials are primarily available in a limited number of countries, including rare earth elements, minerals, and metals available primarily from China. Trade disputes or other political conditions, economic conditions, or public health issues, such as COVID-19, may limit our ability to obtain such materials. Although these rare earth and other materials are generally available from multiple suppliers, China is the predominant producer of certain of these materials. If China were to restrict or stop exporting these materials, 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 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 tariffs, embargoes, or other trade restrictions, as well as laws and regulations enacted in response to concerns regarding climate change, conflict minerals, responsible sourcing practices, public health crises, contagious disease outbreaks, 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.

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. For example, some PC customers have adjusted their memory and storage purchases due to shortages of non-memory components that are needed to complete PC builds. In addition, recently several automotive manufacturers have experienced shortages of non-memory semiconductor-based components from other suppliers, forcing a curtailment of their production lines and a reduction in memory and storage purchases from us. Reduction, cancellation, or alteration of the timing of customer purchases 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 at new facilities 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 significant 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.

New product and market development may be unsuccessful.

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 made significant investments in product and process technology and anticipate expending significant resources for new semiconductor product and system-level solution development over the next several years. Additionally, 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. As a result, our product demand forecasts may be impacted significantly by the strategic actions of our 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.

It is important that we deliver products in a timely manner with increasingly advanced performance characteristics 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. Such factors have included, and may include in the future, the effects of the public health crisis caused by the COVID-19 pandemic and the measures being taken to limit COVID-19's spread. 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 that:

- our product development efforts will be successful;
- we will be able to cost-effectively manufacture new products;
- we will be able to successfully market these products;
- 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;
- we will be able to introduce new products into the market and qualify them with our customers on a timely basis; or
- margins generated from sales of these products will allow us to recover costs of development efforts.

Our unsuccessful efforts to develop new products and solutions could have a material adverse effect on our business, results of operations, or financial condition.

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 identifying and 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. If we fail to identify or develop products on a timely basis, or at all, that comply with our customers' specifications or achieve design wins with our customers, we may experience a significant adverse impact on our revenue and margins. 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 and managed NAND, typically results in higher per-unit manufacturing costs 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 exceed our 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 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 nonconforming, 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; 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.

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 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 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, and China. As a result of the necessary interdependence within our network of manufacturing facilities, an operational disruption at one of our or a subcontractor'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, 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, including droughts, earthquakes, tsunamis, or other occurrences, such as the recent Taiwan drought, that could disrupt operations, resulting in increased costs, or disruptions to our or our suppliers' or customers' manufacturing operations. In addition, our suppliers and customers also have operations in such locations. Other events, including political or public health crises, such as an outbreak of contagious diseases like COVID-19, SARS-CoV, avian and swine influenza, measles, or Ebola, 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. For example, our facility and a facility operated by one of our subcontractors in Xi'an, China have recently been required to operate at reduced staffing and capacity levels due to COVID-19 quarantines and other public health protocols, which has temporarily reduced output levels from those facilities. 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. The events noted above have occurred from time to time and 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.

Breaches of our security systems or products, 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 large amounts of data relating to our customers and employees, including sensitive personal information. Unauthorized persons or employees may gain access to our facilities or network systems to steal trade secrets or other proprietary information, compromise confidential information, create system disruptions, or cause shutdowns. Through cyberattacks of varying degrees on technology infrastructure and systems, unauthorized parties may obtain access to computer systems, networks, and data, including cloud-based platforms. The technology infrastructure and systems of our suppliers, vendors, service providers, cloud solution providers, and partners have in the past experienced, and may in the future experience, such attacks. Cyberattacks can include ransomware, computer denial-of-service attacks, worms, 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. 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. Breaches of our physical security, attacks on our network systems, or breaches or attacks on our customers, suppliers, or business partners who have confidential or sensitive information regarding us and our customers and suppliers, could result in significant losses and damage our reputation with customers and suppliers and may expose us to litigation if the confidential information of our customers, suppliers, or employees is compromised.

Our products are also targets for cyberattacks, including those products utilized in cloud-based environments. While some of our products contain encryption or security algorithms to protect third-party content or user-generated data stored on our products, these products could still be hacked or the encryption schemes could be compromised, breached, or circumvented by motivated and sophisticated attackers. Further, our products contain sophisticated hardware and firmware and applications that may contain security vulnerabilities or defects in design or manufacture, including "bugs" and other problems that could interfere with the intended operation of our products. To the extent our products are hacked, or the encryption schemes are compromised or breached, this could harm our business by requiring us to employ additional resources to fix the errors or defects, exposing us to litigation, claims, and harm to our reputation.

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

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

To remain competitive, we must attract, retain, and motivate executives and other highly skilled, diverse employees, as well as effectively manage or plan for succession for key employees. Competition for experienced employees in our industry continues to be intense. Hiring and retaining qualified executives, engineers, technical staff, sales representatives, and other employees is critical to our business. If other employers are perceived as offering a greater degree of workplace flexibility or other employment benefits to employees than us, we may experience difficulty in attracting, retaining, and motivating the employees needed for our business operations. Our inability to attract, retain, and motivate executives and other employees or effectively manage or plan for succession of key employees may inhibit our ability to maintain or expand our business operations. In September 2021, we required that all U.S. employees and, in addition, contractors that enter our U.S. buildings and certain other locations, be fully vaccinated against COVID-19, subject to disability and religious exemptions, as a condition of working for us. Like many others in our industry, we are experiencing an increase in undesired attrition and this vaccine requirement, combined with many other factors that are influencing a very tight labor market and competition for talent across our industry, may be contributing to this increase. To the extent we experience significant attrition and are unable to timely replace employees, we could experience a loss of critical skills and reduced employee morale, potentially resulting in business disruptions or increased expenses to address any disruptions. Additionally, changes to immigration policies in the numerous countries in which we operate, including the United States, as well as restrictions on global travel as a result of local or global public health crises requiring quarantines or other precautions to limit exposure to infectious diseases, may limit our ability to hire and/or retain talent in, or transfer talent to, specific locations. If our total compensation programs and workplace culture cease to be viewed as

competitive and inclusive, our ability to attract, retain, and motivate employees could be weakened, which could have a material adverse effect on our business, results of operations, or financial condition.

Our incentives from various governments are conditional upon achieving or maintaining certain performance obligations and are subject to reduction, termination, or clawback.

We have received, and may in the future continue to receive, 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, or production in those regions. These incentives may take various forms, including grants, loan subsidies, and tax arrangements, and typically require us to perform or maintain certain levels of investment, capital spending, employment, technology deployment, or research and development activities to qualify for such incentives. We may be unable to obtain significant future incentives to continue to fund a portion of our capital expenditures and operating costs, without which our cost structure would be adversely impacted. We also cannot guarantee that we will successfully achieve performance obligations required to qualify for these incentives or that the granting agencies will provide such funding. These incentive arrangements 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. The incentives we receive could be subject to reduction, termination, or clawback, and any decrease or clawback of government incentives could have a material adverse effect on our business, results of operations, or financial condition.

We may make future acquisitions and/or alliances, which involve numerous risks.

Acquisitions and the formation or operation of alliances, 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 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 or restrictions on the conduct of our business or the acquired business;
- inability to realize synergies or other expected 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 resource, or other policies or practices; and
- impairment of acquired intangible assets, goodwill, or other assets as a result of changing business conditions, technological advancements, or worse-than-expected performance of the acquired business.

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, including the risks pertaining to funding, assumption of liabilities, integration challenges, and increases in debt that may accompany such transactions. Acquisitions of, or alliances with, technology companies are inherently risky and may not be successful and could have a material adverse effect on our business, results of operations, or financial condition.

We may incur restructuring charges in future periods.

From time to time, we have, and may in the future, enter into restructure initiatives in order to, among other items, streamline our operations, 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 our restructure activities and may incur additional restructure charges or other losses in future periods associated with other initiatives. For example, we recognized significant restructuring charges in connection with the sale of our Lehi facility. See “Part I. Financial Information – Item 1. Financial Statements – Notes to Consolidated Financial Statements – Lehi, Utah Fab and 3D XPoint.” In connection with any restructure initiatives, we could incur restructure charges, loss of production output, loss of key personnel, disruptions in our operations, and difficulties in the timely delivery of products, which could have a material adverse effect on our business, results of operations, or financial condition.

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 environmental, social, and governance 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.

A downturn in the worldwide economy may harm our business.

Downturns in the worldwide economy, due to inflation or other factors, have harmed our business in the past 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 these or other 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, we may experience a decrease in short-term and/or long-term demand and/or pricing for our products.

A deterioration of conditions in 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. As a result, downturns in the worldwide economy 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 of 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.

Additionally, our ability to maintain and develop intellectual property is dependent upon our ability to attract, develop, and retain highly skilled employees. Global competition for such skilled employees in our industry is intense. A decline in our operating results and/or stock price may adversely affect our ability to retain key employees whose compensation is dependent, in part, upon the market price of our common stock, achieving certain performance metrics, levels of company profitability, or other financial or company-wide performance. 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.

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

Legal 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 proceedings and claims that arise out of the ordinary conduct of our business or otherwise, both domestically and internationally. See “Part I. Financial Information – Item 1. Financial Statements – Notes to Consolidated Financial Statements – Contingencies.” Any claim, with or without merit, could result in significant legal fees that could negatively impact our financial results, disrupt our operations, and require significant attention from our management. We may be associated with and subject to litigation, claims, or arbitration disputes arising from, or as a result of:

- our relationships with vendors or customers, supply agreements, 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; 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, 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 could also be subject to claims of alleged violations of securities laws. 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 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.

We are subject to allegations of anticompetitive conduct.

On April 27, 2018, a complaint was filed against Micron and other DRAM suppliers in the U.S. District Court for the Northern District of California. Subsequently, two substantially identical cases were filed in the same court. The lawsuits purported to be on behalf of a nationwide class of indirect purchasers of DRAM products. On September 3,

2019, the District Court granted Micron's motion to dismiss and allowed the plaintiffs the opportunity to file a consolidated, amended complaint. On October 28, 2019, the plaintiffs filed a consolidated, amended complaint that purported to be on behalf of a nationwide class of indirect purchasers of DRAM products. The amended complaint asserted claims based on alleged price-fixing of DRAM products under federal and state law during the period from June 1, 2016 to at least February 1, 2018, and sought treble monetary damages, costs, interest, attorneys' fees, and other injunctive and equitable relief. On December 21, 2020, the District Court dismissed the plaintiffs' claims and entered judgment against them. On January 19, 2021, the plaintiffs filed a notice of appeal to the U.S. Court of Appeals for the Ninth Circuit. On May 3, 2021, several plaintiffs filed a substantially identical complaint in the U.S. District Court for the Northern District of California purportedly on behalf of a nationwide class of indirect purchasers of DRAM products. On July 19, 2021, the District Court dismissed the May 3, 2021 complaint pursuant to an agreement between the plaintiffs and Micron providing that the plaintiffs may refile the complaint if the District Court's December 21, 2020 dismissal order is not affirmed on appeal.

On June 26, 2018, a complaint was filed against Micron and other DRAM suppliers in the U.S. District Court for the Northern District of California. Subsequently, four substantially identical cases were filed in the same court. On October 28, 2019, the plaintiffs filed a consolidated, amended complaint. The consolidated complaint purported to be on behalf of a nationwide class of direct purchasers of DRAM products. The consolidated complaint asserted claims based on alleged price-fixing of DRAM products under federal and state law during the period from June 1, 2016 through at least February 1, 2018, and sought treble monetary damages, costs, interest, attorneys' fees, and other injunctive and equitable relief. On December 21, 2020, the District Court granted Micron's motion to dismiss and granted the plaintiffs permission to file a further amended complaint. On January 11, 2021, the plaintiffs filed a further amended complaint asserting substantially the same claims and seeking the same relief. On September 3, 2021, the District Court granted Micron's motion to dismiss the further amended complaint with prejudice. On October 1, 2021, the plaintiffs filed a notice of appeal to the U.S. Court of Appeals for the Ninth Circuit.

Additionally, six cases have been filed in the following Canadian courts: Superior Court of Quebec, the Federal Court of Canada, the Ontario Superior Court of Justice, and the Supreme Court of British Columbia. The substantive allegations in these cases are similar to those asserted in the cases filed in the United States.

On May 15, 2018, the Chinese State Administration for Market Regulation ("SAMR") notified Micron that it was investigating potential collusion and other anticompetitive conduct by DRAM suppliers in China. On May 31, 2018, SAMR made unannounced visits to our sales offices in Beijing, Shanghai, and Shenzhen to seek certain information as part of its investigation. We are cooperating with SAMR in its investigation.

We are unable to predict the outcome of these matters and therefore cannot estimate the range of possible loss. The final resolution of these matters could result in significant liability and could have a material adverse effect on our business, results of operations, or financial condition.

We face risks associated with our former IMFT joint venture with Intel.

We face risks from our arbitration proceeding with Intel in connection with our former IMFT joint venture, in which we and Intel have made claims against each other for damages relating to the joint venture. For information regarding the arbitration proceeding, see "Part I. Financial Information – Item 1. Financial Statements – Notes to Consolidated Financial Statements – Contingencies." The foregoing 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, having made, 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 – 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.

We have been served with complaints in Chinese courts alleging patent infringement.

We have been served with complaints in Chinese courts alleging that we infringe certain Chinese patents by manufacturing and selling certain products in China. The complaints seek orders requiring us to destroy inventory of the accused products and equipment for manufacturing the accused products in China; to stop manufacturing, using, selling, and offering for sale the accused products in China; and to pay damages plus court fees.

We are unable to predict the outcome of these assertions of infringement made against us 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 operations in China, products, and/or manufacturing processes. Any of the foregoing 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 – Contingencies.”

The acquisition of our ownership interest in Inotera from Qimonda AG (“Qimonda”) has been challenged by the administrator of the insolvency proceedings for Qimonda.

In January 2011, Dr. Michael Jaffé, administrator for Qimonda’s insolvency proceedings, filed suit against Micron and Micron Semiconductor B.V. (“Micron B.V.”), in the District Court of Munich, Civil Chamber. The complaint seeks to void a share purchase agreement between Micron B.V. and Qimonda signed in 2008, pursuant to which Micron B.V. purchased substantially all of Qimonda’s shares of Inotera, representing approximately 18% of Inotera’s outstanding shares at that time, and seeks an order requiring us to re-transfer those shares to the Qimonda estate. The complaint also seeks, among other things, to recover damages for the alleged value of the joint venture relationship with Inotera and to terminate a patent cross-license between us and Qimonda entered into at the same time as the share purchase agreement. See “Part I. Financial Information – Item 1. Financial Statements – Notes to Consolidated Financial Statements – Contingencies” for further information regarding the matter.

We are unable to predict the outcome of the matter and cannot make a reasonable estimate of the potential loss or range of possible losses. The final resolution of this lawsuit could result in the loss of the Inotera shares or monetary damages, unspecified damages based on the benefits derived by Micron B.V. from the ownership of the Inotera shares, and/or the termination of the patent cross-license, which could have a material adverse effect on our business, results of operations, or financial condition.

Risks Related to Laws and Regulations

Increases in tariffs or other trade restrictions or taxes on our or our customers' products or equipment and supplies could have an adverse impact on our operations.

In 2021, 89% of our revenue was from products shipped to customer locations outside the United States. We also purchase a significant portion of equipment and supplies from suppliers outside the United States. Additionally, a significant portion of our facilities are located outside the United States, including in Taiwan, Singapore, Japan, Malaysia, and China.

The United States and other countries have levied tariffs and taxes on certain goods. General trade tensions between the United States and China have been escalating, with U.S. tariffs on Chinese goods and retaliatory Chinese tariffs on U.S. goods. Some of our products are included in these tariffs. Higher duties on existing tariffs and further rounds of tariffs have been announced or threatened by U.S. and Chinese leaders. Additionally, the United States has threatened to impose tariffs on goods imported from other countries, which could also impact certain of our customers' or our operations. If the United States were to impose current or additional tariffs on components that we or our suppliers source, our cost for such components would increase. We may also incur increases in manufacturing costs and supply chain risks due to our efforts to mitigate the impact of tariffs on our customers and our operations. Additionally, tariffs on our customers' products could impact their sales of such end products, resulting in lower demand for our products.

We cannot predict what further actions may ultimately be taken with respect to tariffs or trade relations between the United States and other countries, what products may be subject to such actions, or what actions may be taken by other countries in retaliation. Further changes in trade policy, tariffs, additional taxes, 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, or inhibit our ability to sell products or purchase necessary equipment and supplies, which could have a material adverse effect on our business, results of operations, or financial condition.

Trade regulations have restricted our ability to sell our products to several customers, could restrict our ability to sell our products to other customers or in certain markets, or could otherwise restrict our ability to conduct operations.

International trade disputes have led, and may continue to lead, to new and increasing trade barriers and other protectionist measures 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 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. Increasing protectionism, economic nationalism, and national security concerns may lead to further changes in trade policy, domestic sourcing initiatives, 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.

Escalating tensions between the United States and China have led to increased trade restrictions and have affected customer ordering patterns. For example, the U.S. Bureau of Industry and Security ("BIS") enacted broad trade restrictions with respect to Huawei that prevent us and many other companies from shipping products to Huawei. We cannot predict whether the BIS or other U.S. or foreign government entities will enact similar restrictions with respect to other customers, markets, or products. We may not be able to replace the lost revenue opportunities associated with such restrictions.

The United States has also imposed other restrictions on the export of U.S. regulated products and technology to certain Chinese technology companies, including certain of our customers. These restrictions have reduced our sales, and continuing or future restrictions could adversely affect our financial results, result in reputational harm to us due to our relationship with such companies, or lead such companies to develop or adopt technologies that compete with our products. It is difficult to predict what further trade-related actions governments may take, and we may be unable to quickly and effectively react to such actions. For example, U.S. legislation has expanded the power of the U.S. Department of Commerce to restrict the export of "emerging and foundational technologies" yet to be identified, which could impact our current or future products.

Trade disputes and protectionist measures, or continued uncertainty about such matters, could result in declining consumer confidence and slowing economic growth or recession, and could cause our customers to reduce, cancel, or alter the timing of their purchases with us. Sustained trade tensions could lead to long-term changes in global trade and technology supply chains, which could adversely affect our business and growth prospects. Trade restrictions that may be imposed by the United States, China, or other countries may impact our business in ways we cannot reasonably quantify, including that some of our customers' products which incorporate our solutions may also be impacted. In addition, further increases in trade restrictions or barriers may negatively impact our revenue, and any licenses we have received or could receive in the future could be rendered ineffective. Any such changes may have an 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 government investigations, 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.

We may incur additional tax expense or become subject to additional tax exposure.

We operate in a number of jurisdictions outside the United States, including Singapore, where we have tax incentive arrangements that are conditional, in part, upon meeting certain business operations and employment thresholds. Our domestic and international taxes are dependent upon the geographic mix of our earnings among these jurisdictions. Our provision for income taxes and cash tax liabilities in the future could be adversely affected by numerous factors, including challenges by tax authorities to our tax positions and intercompany transfer pricing arrangements, failure to meet performance obligations with respect to tax incentive agreements, expanding our operations in various countries, and changes in tax laws and regulations. Additionally, we file income tax returns with the U.S. federal government, various U.S. states, and various other jurisdictions throughout the world and certain tax returns may remain open to examination for several years. The results of audits and examinations of previously filed tax returns and continuing assessments of our tax exposures may have an adverse effect on our provision for income taxes and cash tax liability. The foregoing items could have a material adverse effect on our business, results of operations, or financial condition.

A change in tax laws in key jurisdictions could materially increase our tax expense.

We are subject to income taxes in the United States and many foreign jurisdictions. 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. For example, our effective tax rate increased from 1.2% for 2018 to 9.8% for 2019 primarily as a result of tax reform by the United States. Additionally, various levels of government are increasingly focused on tax reform and other legislative actions to increase tax revenue. The United States government is considering various tax reform proposals that, if enacted, contain provisions that could increase our tax expense. Further changes in the tax laws of foreign jurisdictions could arise as a result of the base erosion and profit shifting project undertaken by the Organisation for Economic Co-operation and Development, which represents a coalition of member countries and recommended changes to numerous long-standing tax principles. If implemented by taxing authorities, such changes, as well as changes in U.S. federal and state tax laws or in taxing jurisdictions' administrative interpretations, decisions, policies, and positions, could have a material adverse effect on our business, results of operations, or financial condition.

We and others are subject to a variety of laws, regulations, or industry standards, including with respect to climate change, that may have a material adverse effect on our business, results of operations, or financial condition.

The manufacturing of our products requires the use of facilities, equipment, and materials that are subject to a broad array of laws and regulations in numerous jurisdictions in which we operate. 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.

Climate change concerns and the potential resulting environmental impact may result in new environmental, health, and safety laws and regulations that may affect us, our suppliers, and our customers. Such laws or regulations could cause us to 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 items detailed in this risk factor, we could experience the following:

- suspension of production or sales of our products;
- remediation costs;
- alteration of our manufacturing processes;
- regulatory penalties, fines, and 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.

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, average selling prices, and manufacturing costs. 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.

We estimate capital expenditures in 2022 for property, plant, and equipment, net of partner contributions, will be between approximately \$11 billion and \$12 billion. Investments in capital expenditures may not generate expected returns or cash flows. In addition, we invest our capital in areas that we believe best align with our business strategy and will yield future profitability. 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. 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, which could have a material adverse effect on our business, results of operations, or financial condition.

In the past we have utilized external sources of financing when needed. As a result of our debt levels, expected debt amortization, and general 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 may 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 future 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, 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 restructure of our capital structure. As of December 2, 2021 we had debt with a carrying value of \$7.02 billion and \$2.50 billion of our Revolving Credit Facility was available to us. 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 working capital, capital expenditures, acquisitions, R&D expenditures, payment of dividends, and other business activities;
- result in certain of our debt instruments being accelerated to be immediately due and payable or being deemed to be in default if certain terms of default are triggered, such as applicable cross payment default and/or cross-acceleration provisions;
- adversely impact our credit rating, which could increase future borrowing costs;
- 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 semiconductor memory and storage industry conditions; and
- increase our exposure to interest rate risk from variable rate indebtedness.

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, we may need to refinance or restructure 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.

Across our global operations, significant transactions and balances are denominated in currencies other than the U.S. dollar (our reporting currency), primarily the euro, Malaysian ringgit, Singapore dollar, New Taiwan dollar, and yen. In addition, a significant portion of our manufacturing costs are denominated in foreign currencies. 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 estimates by us or 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, and broad market and industry fluctuations.

Our operating results have fluctuated in the past and will continue to do so, sometimes materially. Many of the matters discussed in this Risk Factors section could impact our operating results in any fiscal quarter or year. If our operating results fall below our forecasts and the expectations of public market analysts and investors, the trading price of our common stock may decline.

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 fully consummate 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 will diminish our cash reserves.

The amount, timing, and execution of our share repurchases pursuant to our share repurchase authorization may fluctuate based on our operating results, cash flows, and priorities for the use of cash for other purposes. For example, we repurchased 3.6 million shares for \$259 million in the first three months of 2022, 15.6 million shares for \$1.2 billion in 2021, 3.6 million shares for \$176 million in 2020, and 66.4 million shares for \$2.66 billion in 2019. These other purposes 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. Although our Board of Directors has authorized share repurchases of up to \$10 billion of our outstanding common stock, the authorization does not obligate us to repurchase any common stock.

We cannot guarantee that our share repurchase authorization will be fully consummated 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 will diminish our cash reserves.

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.

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

In May 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 and our ongoing determination of the best use of available cash.

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)
September 3, 2021 – October 7, 2021	863,075	\$ 72.97	863,075	
October 8, 2021 – November 4, 2021	2,022,720	\$ 68.76	2,022,720	
November 5, 2021 – December 2, 2021	729,707	\$ 78.11	729,707	
	<u>3,615,502</u>	\$ 71.65	<u>3,615,502</u>	\$5,703

Shares of common stock withheld as payment of withholding taxes and exercise prices in connection with the vesting or exercise of equity awards are also treated as common stock repurchases. Those withheld shares of common stock are not required to be disclosed under Item 703 of Regulation S-K and accordingly are excluded from the amounts in the table above.

ITEM 6. EXHIBITS

Exhibit Number	Description of Exhibit	Filed Herewith	Form	Period Ending	Exhibit/ Appendix	Filing Date
4.1	<u>Fourth Supplemental Indenture, dated as of November 1, 2021, by and between Micron Technology, Inc. and U.S. Bank National Association, as Trustee</u>		8-K		4.2	11/1/21
4.2	<u>Form of Note for Micron Technology, Inc.'s 2.703% Senior Notes due 2032 (included in Exhibit 4.1)</u>		8-K		4.3	11/1/21
4.3	<u>Form of Note for Micron Technology, Inc.'s 3.366% Senior Notes due 2041 (included in Exhibit 4.1)</u>		8-K		4.4	11/1/21
4.4	<u>Form of Note for Micron Technology, Inc.'s 3.477% Senior Notes due 2051 (included in Exhibit 4.1)</u>		8-K		4.5	11/1/21
10.1*	<u>2007 Equity Incentive Plan Forms of Agreement and Terms and Conditions</u>	X				
31.1	<u>Rule 13a-14(a) Certification of Chief Executive Officer</u>	X				
31.2	<u>Rule 13a-14(a) Certification of Chief Financial Officer</u>	X				
32.1	<u>Certification of Chief Executive Officer Pursuant to 18 U.S.C. 1350</u>	X				
32.2	<u>Certification of Chief Financial Officer Pursuant to 18 U.S.C. 1350</u>	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				

* Indicates management contract or compensatory plan or arrangement.

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: January 6, 2022

By: */s/ David A. Zinsner*

David A. Zinsner
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)

**AMENDED AND RESTATED 2007 EQUITY INCENTIVE PLAN
RESTRICTED STOCK UNIT AGREEMENT**

NOTICE OF RESTRICTED STOCK UNIT GRANT

Unless otherwise defined herein, the terms defined in the Micron Technology, Inc. Amended and Restated 2007 Equity Incentive Plan (the "Plan") will have the same defined meanings in this Restricted Stock Unit Agreement which includes the Notice of Restricted Stock Unit Grant (the "Notice of Grant"), the Terms and Conditions of Restricted Stock Unit Grant, attached hereto as Exhibit A, and all other exhibits, appendices, and addenda attached hereto (collectively, the "Award Agreement").

Participant Name:
Address:

The undersigned Participant has been granted the right to receive a Restricted Stock Unit Award, subject to the terms and conditions of the Plan and this Award Agreement, as follows:

Grant Number: _____

Date of Grant: _____

Vesting Commencement Date: _____

Total Number of Shares Subject to
Restricted Stock Units: _____

Vesting Schedule:

Subject to any acceleration provisions contained in the Plan or set forth below, the Restricted Stock Units will be scheduled to vest in accordance with the following schedule:

[Insert Vesting Schedule.]

If Participant's Continuous Status as a Participant ends for any reason before Participant vests in all or some of the Restricted Stock Units, the unvested Restricted Stock Units and Participant's right to acquire any Shares hereunder will terminate and never will vest, unless specifically provided otherwise in this Award Agreement or in another written agreement between Participant and Micron Technology, Inc. (the "Company") or any of its Subsidiaries or Parents, as applicable (provided that any such other written agreement must have been duly authorized and signed by an officer of the Company or any of its Subsidiaries or Parents).

By Participant electronically accepting this Agreement or manually signing this Agreement (in either case, as and in the manner specified by the Company), Participant and the Company agree that (1) this Restricted Stock Unit Award is granted under and governed by the terms and conditions of the Plan and this Award Agreement, which constitutes an Award

Certificate for purposes of the Plan, (2) Participant acknowledges that Participant has received a copy of the Plan and the prospectus for the Plan (and/or that Participant has electronic access to a copy of the Plan and prospectus), (3) Participant acknowledges that Participant has reviewed the Plan, the related prospectus, and this Award Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to signing or accepting this Award Agreement, and fully understands all provisions of the Plan and this Award Agreement, and (4) Participant agrees to accept as binding, conclusive, and final all decisions or interpretations of the Committee upon any questions relating to the Plan and this Award Agreement.

[PARTICIPANT

Signature

Printed Name][Note: delete for electronic acceptance form]

EXHIBIT A

TERMS AND CONDITIONS OF RESTRICTED STOCK UNIT GRANT

1. Grant of Restricted Stock Units. The Company hereby grants to the individual (“Participant”) named in the Notice of Restricted Stock Unit Grant of this Award Agreement (the “Notice of Grant”) a Restricted Stock Unit Award under the Plan, subject to the terms and conditions of this Award Agreement and the Plan, which is incorporated herein by reference. Subject to Section 16.2 of the Plan, in the event of a conflict between the terms and conditions of the Plan and this Award Agreement, the terms and conditions of the Plan shall prevail.

2. Company’s Obligation to Pay. Each Restricted Stock Unit represents the right to receive a Share on the date it vests. Unless and until the Restricted Stock Units will have vested in the manner set forth in Section 3 or 4, Participant will have no right to payment of any such Restricted Stock Units. Prior to actual payment of any vested Restricted Stock Units, such Restricted Stock Unit will represent an unsecured obligation of the Company, payable (if at all) only from the general assets of the Company.

3. Vesting Schedule. Except as provided in Section 4, and subject to Section 5, the Restricted Stock Units awarded by this Award Agreement will vest in accordance with the vesting provisions set forth in the Notice of Grant, subject to Participant remaining in Continuous Status as a Participant through the applicable vesting date.

4. Payment after Vesting.

(a) General Rule. Subject to Section 8, any Restricted Stock Units that vest will be paid to Participant (or in the event of Participant’s death, to his or her properly designated beneficiary or estate) in Shares. Subject to this Section 4 and Section 9, such vested Restricted Stock Units shall be paid in Shares as soon as administratively practicable after vesting, but in each such case within thirty (30) days following the vesting date (such payment date being the “Settlement Date”). In no event will Participant be permitted, directly or indirectly, to specify the taxable year of payment of any Restricted Stock Units payable under this Award Agreement.

(b) Acceleration.

(i) Death or Disability. If Participant’s Continuous Status as a Participant ends on account of Participant’s death or Participant becoming Disabled, any Restricted Stock Units that both were unexpired and unvested as of the date of cessation of Continuous Status as a Participant, will vest on such date.

(ii) Change in Control. If a Change in Control occurs before Participant’s Continuous Status as a Participant ends, any Restricted Stock Units that both were unexpired and unvested as of immediately preceding the Change in Control, will vest upon the consummation of the Change in Control unless, as determined by the Committee (as constituted immediately prior to the Change in Control), such Restricted Stock Units have been assumed by the Surviving Corporation, if any, or otherwise equitably converted or substituted in the Change in Control. For the purposes of this Award Agreement, the Restricted Stock Units will be considered assumed if, following the Change in Control, this Award Agreement confers the right to receive, for each Share subject to the Award Agreement immediately prior to the Change in

Control, the consideration (whether shares, cash, or other securities or property) received in the Change in Control by holders of Shares for each Share held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if such consideration received in the Change in Control is not solely shares (or other applicable equity interests) of the Surviving Corporation or its parent, the Committee may, with the consent of the Surviving Corporation, provide for the consideration to be received upon the payout of each Restricted Stock Unit to be solely shares (or other applicable equity interests) of the Surviving Corporation or its parent equal in fair market value at the time of the Change in Control to the per Share consideration received by holders of Shares in the Change in Control.

(iii) Termination following a Change in Control. If (A) a Change in Control occurs before Participant's Continuous Status as a Participant ends, (B) as determined by the Committee (as constituted immediately prior to the Change in Control), any Restricted Stock Units that, both were unexpired and unvested as of the date of the Change in Control, were assumed by the Surviving Corporation or otherwise equitably converted or substituted in the Change in Control, and (C) Participant's employment with the Company (or any Surviving Corporation, as applicable) and all Affiliates is terminated by the Company (or any such Surviving Corporation or Affiliate, as applicable) without Cause within one (1) year after the effective date of the Change in Control, then any Restricted Stock Units that both were unexpired and unvested as of immediately preceding the termination of employment, will vest upon the termination of employment.

(iv) Discretionary Acceleration. The Committee, in its discretion, may accelerate the vesting of the balance, or some lesser portion of the balance, of the unvested Restricted Stock Units at any time, subject to the terms of the Plan. If so accelerated, such Restricted Stock Units will be considered as having vested as of the date specified by the Committee. If Participant is a U.S. taxpayer, the payment of Shares vesting pursuant to this Section 4(b) shall in all cases be paid at a time or in a manner that is exempt from, or complies with, Code Section 409A ("Section 409A"). The prior sentence may be superseded in a future agreement or amendment to this Award Agreement only by direct and specific reference to such sentence.

(v) Notwithstanding anything in the Plan or this Award Agreement or any other agreement (whether entered into before, on, or after the Grant Date), if the vesting of the balance, or some lesser portion of the balance, of the Restricted Stock Units is accelerated in connection with the cessation of Participant's status as an employee, officer, director or consultant (a "Service Provider") (provided that such termination is a "separation from service" within the meaning of Section 409A, as determined by the Committee), other than due to Participant's death, and if (x) Participant is a U.S. taxpayer and a "specified employee" within the meaning of Section 409A at the time of such termination as a Service Provider and (y) the payment of such accelerated Restricted Stock Units will result in the imposition of additional tax under Section 409A if paid to Participant on or within the six (6) month period following the cessation of Participant's status as a Service Provider, then the payment of such accelerated Restricted Stock Units will not be made until the date six (6) months and one (1) day following the date of cessation of Participant's status as a Service Provider, unless Participant dies following his or her termination as a Service Provider, in which case, the Restricted Stock Units will be paid in Shares to Participant's estate as soon as practicable following his or her death.

(c) Section 409A. It is the intent of this Award Agreement that it and all payments and benefits to U.S. taxpayers hereunder be exempt from, or comply with, the requirements of Section 409A so that none of the Restricted Stock Units provided under this Award Agreement or Shares issuable thereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities herein will be interpreted to be so exempt or so comply. Each payment payable under this Award Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2). However, in no event will the Company or any of its Parent or Subsidiaries have any liability or obligation to reimburse, indemnify, or hold harmless Participant for any taxes, penalties, and interest that may be imposed, or other costs that may be incurred, as a result of Section 409A.

5. Forfeiture Upon Cessation of Continuous Status as a Participant. Unless specifically provided otherwise in this Award Agreement or in another written agreement between Participant and the Company or any of its Subsidiaries or Parents (provided that any such other written agreement must have been duly authorized and signed by an officer of the Company or any of its Subsidiaries or Parents), as applicable, if Participant's Continuous Status as a Participant ceases for any or no reason, the then-unvested Restricted Stock Units awarded by this Award Agreement will be forfeited at no cost to the Company and Participant will have no further rights thereunder. The date of forfeiture will be the date of cessation of Continuous Status as a Participant.

6. Tax Consequences. Participant has reviewed with Participant's own tax advisers the U.S. federal, state, local, and non-U.S. tax consequences of this Award Agreement and any potential related transactions. Participant agrees that Participant is relying solely on such advisors with respect to such matters and not on any statements or representations of the Company or any of its agents, written or oral. Participant understands that Participant (and not the Company) shall be solely responsible for Participant's own tax liability that may arise as a result of this Award Agreement and related transactions.

7. Death of Participant. Any distribution or delivery to be made to Participant under this Award Agreement will, if Participant is then deceased, be made to Participant's designated beneficiary under such procedures as the Committee may specify from time to time or, if the Committee does not permit beneficiary designations or no beneficiary survives Participant, to the administrator or executor of Participant's estate. Any such transferee must furnish the Company with (a) written notice of his or her status as transferee, and (b) evidence satisfactory to the Company to establish the validity of the transfer and compliance with any laws or regulations pertaining to said transfer.

8. Tax Obligations.

(a) Responsibility for Taxes. Participant acknowledges that, regardless of any action taken by the Company or, if different, Participant's employer (the "Employer") or any Parent or Subsidiary to which Participant is providing services (together, the "Service Recipients"), the ultimate liability for any tax and/or social insurance liability obligations and requirements in connection with the Restricted Stock Units, including, without limitation, (i) all federal (including Participant's Federal Insurance Contributions Act (FICA) obligations), state, local and non-U.S. taxes that are required to be withheld by any Service Recipient or other payment of tax-related items related to Participant's participation in the Plan and legally applicable to Participant, (ii) Participant's and, to the extent required by any Service Recipient,

the Service Recipient's fringe benefit tax liability, if any, associated with the grant, vesting, or settlement of the Restricted Stock Units or sale of Shares, and (iii) any other Service Recipient taxes the responsibility for which Participant has, or has agreed to bear, with respect to the Restricted Stock Units (or settlement thereof or issuance of Shares thereunder) (collectively, the "Tax Obligations"), is and remains Participant's sole responsibility and may exceed the amount actually withheld by the applicable Service Recipient(s). Participant further acknowledges that no Service Recipient (A) makes any representations or undertakings regarding the treatment of any Tax Obligations in connection with any aspect of the Restricted Stock Units, including, but not limited to, the grant, vesting or settlement of the Restricted Stock Units, the subsequent sale of Shares acquired pursuant to such settlement and the receipt of any dividends or other distributions, and (B) makes any commitment to and is under any obligation to structure the terms of the grant or any aspect of the Restricted Stock Units to reduce or eliminate Participant's liability for Tax Obligations or achieve any particular tax result. Further, if Participant is subject to Tax Obligations in more than one jurisdiction between the Grant Date and the date of any relevant taxable or tax withholding event, as applicable, Participant acknowledges that the applicable Service Recipient(s) (or former employer, as applicable) may be required to withhold or account for Tax Obligations in more than one jurisdiction. If Participant fails to make satisfactory arrangements for the payment of any required Tax Obligations hereunder at the time of the applicable taxable event (as determined by the Company), Participant acknowledges and agrees that the Shares that otherwise would be delivered to Participant will be permanently forfeited at no cost to the Company.

(b) Tax Withholding and Default Method of Tax Withholding. When Shares are issued as payment for vested Restricted Stock Units, Participant generally will recognize immediate U.S. taxable income if Participant is a U.S. taxpayer. If Participant is a non-U.S. taxpayer, Participant may be subject to applicable taxes in his or her jurisdiction. Unless otherwise determined by the Committee, the minimum amount of Tax Obligations that the Company determines must be withheld with respect to this Award ("Tax Withholding Obligation") will be satisfied by the Company withholding otherwise deliverable Shares having a value approximately equal to the Tax Withholding Obligation (or such greater amount as Participant may elect if permitted by the Committee, if such greater amount would not result in adverse financial accounting consequences).

(c) Committee Discretion. If the Committee determines that Participant cannot satisfy Participant's Tax Withholding Obligation through the default procedure described in Section 8(b) or the Committee otherwise determines to permit or require that Participant satisfy Participant's Tax Withholding Obligation by a method other than through the default procedure set forth in Section 8(b), the Committee may permit or require Participant to satisfy Participant's Tax Withholding Obligation, in whole or in part (without limitation), if permissible by applicable local law, by (i) paying cash, (ii) selling a sufficient number of the Shares otherwise deliverable to Participant through such means as the Company may determine in its sole discretion (whether through a broker or otherwise) on Participant's behalf pursuant to this authorization without further consent (provided that, notwithstanding the preceding, Participant agrees to complete such related steps and procedures as the Company may specify) having a fair market value approximately equal to such Tax Obligations, (iii) having the amount of such Tax Withholding Obligation withheld from Participant's wages or other cash compensation paid to Participant by the applicable Service Recipient(s), (iv) delivering to the Company Shares that Participant owns and that have vested with a fair market value equal to the minimum amount statutorily required to be withheld (or such greater amount as Participant may elect if permitted

by the Committee, if such greater amount would not result in adverse financial accounting consequences), or (v) such other means as the Committee deems appropriate.

(d) Company's Obligation to Deliver Shares. For clarification purposes, in no event will the Company issue Participant any Shares unless and until arrangements satisfactory to the Committee have been made for the payment of Participant's Tax Withholding Obligation. If Participant fails to make satisfactory arrangements for the payment of such Tax Withholding Obligations hereunder at the time any applicable Restricted Stock Units otherwise are scheduled to vest pursuant to Sections 3 or 4 or Participant's Tax Withholding Obligations otherwise become due, Participant will permanently forfeit such Restricted Stock Units to which Participant's Tax Withholding Obligation relates and any right to receive Shares thereunder and such Restricted Stock Units will be returned to the Company at no cost to the Company.

9. Dividend Equivalents. If the Company declares and pays a cash dividend on Shares for which the record date occurs while Restricted Stock Units subject to this Agreement remain outstanding, then certain cash amounts (referred to as "DEUs") will be credited under this Agreement in accordance with this Section 9, but only if Participant remains in Continuous Status as a Participant through the applicable record date for that cash dividend. Subject to the provisions of this Section 9, upon the occurrence of such a cash dividend, the cash amount of each DEU will equal the cash dividend amount per Share paid to stockholders. The aggregate cash amount of the DEUs that will be credited under this Agreement for a particular cash dividend will be determined by the following formula: $X = (A \times B)$; where:

- "X" is the aggregate cash amount of the DEUs to be credited with respect to that cash dividend.
- "A" is the amount of the cash dividend paid by the Company to stockholders with respect to one Share. In other words, this amount is the cash amount of each DEU to be credited with respect to a particular cash dividend.
- "B" is the number of Restricted Stock Units remaining subject to this Agreement as of the cash dividend record date but immediately prior to the application of this Section 9 for that cash dividend.

(a) Vesting of DEUs. Any DEUs credited under this Section 9 will be scheduled to vest as follows: the DEUs will vest on the vesting date for the portion of the Award to which the DEUs are attributable. However, the following exception applies: if a vesting date for the Award already occurred before the cash dividend payment date, then the installment of DEUs that would have vested on the vesting date that already passed instead will be scheduled to vest on the next vesting date under the Award occurring after the cash dividend payment date, if any, otherwise the vesting of such DEUs will be dealt with as provided in Section 9(c) below. Notwithstanding the preceding, on any vesting date, DEUs will vest only if Participant remains in Continuous Status as a Participant through the vesting date and the portion of the Award to which the DEUs are attributable actually vests.

(b) Settlement and General. DEUs credited under this Section 9 will be subject to the same terms and conditions as the other Shares underlying the Restricted Stock Units on which the DEUs were paid, including (but not limited to) being settled at the same time as the settlement of the Restricted Stock Units on which the DEUs were paid (but DEUs will be

paid in cash and be subject to the other provisions of this Section 9 and the Award Agreement). DEUs will not accrue interest and will not be credited with any investment returns related to Shares or otherwise.

(c) Timing. If a Settlement Date occurs after a cash dividend record date, but before the payment date for that dividend, and Participant (if otherwise eligible in accordance with the above provisions of this Section 9) consequently did not receive the cash dividend or any credited DEUs with respect to such Shares issued on the applicable Settlement Date, Participant nevertheless will be entitled to receive cash in lieu of such dividend or DEUs, as determined by the Committee, in its discretion, in an amount determined pursuant to this Section 9, which amount will be immediately paid in cash on the cash dividend payment date (or as soon as reasonably practicable thereafter but not later than thirty (30) days after the cash dividend payment date). For the avoidance of doubt, except as specifically provided in this Section 9(c), no other additional Restricted Stock Units, DEUs or cash will be credited with respect to any Restricted Stock Units that previously vested and were settled.

10. Rights as Stockholder. Neither Participant nor any person claiming under or through Participant will have any of the rights or privileges of a stockholder of the Company in respect of any Shares deliverable hereunder unless and until certificates representing such Shares (which may be in book entry form) have been issued, recorded on the records of the Company or its transfer agents or registrars, and delivered to Participant (including through electronic delivery to a brokerage account). After such issuance, recordation and delivery, Participant will have all the rights of a stockholder of the Company with respect to voting such Shares and receipt of dividends and distributions on such Shares.

11. No Guarantee of Continued Service. PARTICIPANT ACKNOWLEDGES AND AGREES THAT THE VESTING OF THE RESTRICTED STOCK UNITS PURSUANT TO THE VESTING SCHEDULE HEREOF IS EARNED ONLY BY REMAINING IN CONTINUOUS STATUS AS A PARTICIPANT, WHICH UNLESS PROVIDED OTHERWISE UNDER APPLICABLE LAW IS AT THE WILL OF THE APPLICABLE SERVICE RECIPIENT AND NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THIS RESTRICTED STOCK UNIT AWARD OR ACQUIRING SHARES HEREUNDER. PARTICIPANT FURTHER ACKNOWLEDGES AND AGREES THAT THIS AWARD AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREUNDER AND THE VESTING SCHEDULE SET FORTH HEREIN DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS A SERVICE PROVIDER FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL, AND SHALL NOT INTERFERE IN ANY WAY WITH PARTICIPANT'S RIGHT OR THE RIGHT OF ANY SERVICE RECIPIENT TO TERMINATE PARTICIPANT'S RELATIONSHIP AS A SERVICE PROVIDER, SUBJECT TO APPLICABLE LAW, WHICH TERMINATION, UNLESS PROVIDED OTHERWISE UNDER APPLICABLE LAW, MAY BE AT ANY TIME, WITH OR WITHOUT CAUSE.

12. Grant is Not Transferable. Except to the limited extent provided in Section 7 and this Section 12 or as otherwise determined by the Committee, this grant and the rights and privileges conferred hereby cannot be transferred, assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) and will not be subject to sale under execution, attachment or similar process. Upon any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of this grant, or any right or privilege conferred hereby, or upon any attempted sale under any execution, attachment or similar process, except to the limited extent provided in

Section 7 and this Section 12 or as otherwise determined by the Committee, this grant and the rights and privileges conferred hereby immediately will become null and void. Unless and until otherwise determined by the Committee, a transfer pursuant to a qualified domestic relations order (“QDRO”) will be permitted so long as such transfer complies with the QDRO procedures then in effect, as specified by the Committee or the Company.

13. Nature of Grant. In accepting this Award of Restricted Stock Units, Participant acknowledges, understands and agrees that:

(a) the grant of the Restricted Stock Units is voluntary and occasional and does not create any contractual or other right to receive future grants of Restricted Stock Units, or benefits in lieu of Restricted Stock Units, even if Restricted Stock Units have been granted in the past;

(b) all decisions with respect to future Restricted Stock Units or other grants, if any, will be at the sole discretion of the Committee;

(c) Participant is voluntarily participating in the Plan;

(d) the Restricted Stock Units and the Shares subject to the Restricted Stock Units, and the income from and value of same, are not intended to replace any pension rights or compensation;

(e) the Restricted Stock Units and the Shares subject to the Restricted Stock Units, and the income and value of same, are not part of normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, holiday pay, long-service awards, pension or retirement or welfare benefits or similar payments;

(f) unless otherwise agreed with the Company in writing, the Restricted Stock Units and the Shares subject to the Restricted Stock Units, and the income from and value of same, are not granted as consideration for, or in connection with, the service Participant may provide as a director of a Subsidiary;

(g) the future value of the Shares underlying the Restricted Stock Units is unknown, indeterminable, and cannot be predicted;

(h) for purposes of the Restricted Stock Units, Participant's Continuous Status as a Participant will be considered terminated as of the date Participant is no longer actively providing services to the Company or any Parent or Subsidiary (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's employment or service agreement, if any), and unless otherwise expressly provided in this Award Agreement (including by reference in the Notice of Grant to other arrangements or contracts) or determined by the Committee, Participant's right to vest in the Restricted Stock Units under the Plan, if any, will terminate as of such date and will not be extended by any notice period (e.g., Participant's period of service would not include any contractual notice period or any period of “garden leave” or similar period mandated under employment laws in the jurisdiction where Participant is a Service Provider or the terms of

Participant's employment or service agreement, if any, unless Participant is providing bona fide services during such time); the Committee shall have the exclusive discretion to determine when Participant is no longer actively providing services for purposes of the Restricted Stock Units grant (including whether Participant may still be considered to be providing services while on a leave of absence and consistent with local law);

(i) unless otherwise provided in the Plan or by the Committee in its discretion, the Restricted Stock Units and the benefits evidenced by this Award Agreement do not create any entitlement to have the Restricted Stock Units or any such benefits transferred to, or assumed by, another company nor be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares; and

(j) the following provisions apply only if Participant is providing services outside the United States:

(i) the Restricted Stock Units and the Shares subject to the Restricted Stock Units are not part of normal or expected compensation or salary for any purpose;

(ii) Participant acknowledges and agrees that no Service Recipient shall be liable for any foreign exchange rate fluctuation between Participant's local currency and the United States Dollar that may affect the value of the Restricted Stock Units or of any amounts due to Participant pursuant to the settlement of the Restricted Stock Units or the subsequent sale of any Shares acquired upon settlement; and

(iii) no claim or entitlement to compensation or damages shall arise from forfeiture of the Restricted Stock Units resulting from the termination of Participant's status as a Service Provider (for any reason whatsoever whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's employment or service agreement, if any), and in consideration of the grant of the Restricted Stock Units to which Participant is otherwise not entitled, Participant irrevocably agrees never to institute any claim against any Service Recipient, waives his or her ability, if any, to bring any such claim, and releases each Service Recipient from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, Participant shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claim.

14. **No Advice Regarding Grant.** The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding Participant's participation in the Plan, or Participant's acquisition or sale of the Shares underlying the Restricted Stock Units. Participant is hereby advised to consult with his or her own personal tax, legal, and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

15. **Data Privacy.** *Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Participant's personal data as described in this Award Agreement and any other Restricted Stock Unit grant materials by and among, as applicable, the Service Recipients for the exclusive purpose*

of implementing, administering and managing Participant's participation in the Plan.

Participant understands that the Company and the Service Recipient may hold certain personal information about Participant, including, but not limited to, Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all Restricted Stock Units or any other entitlement to Shares awarded, canceled, exercised, vested, unvested, or outstanding in Participant's favor ("Data"), for the exclusive purpose of implementing, administering, and managing the Plan.

Participant understands that Data may be transferred to a stock plan service provider, as may be selected by the Company in the future, assisting the Company with the implementation, administration, and management of the Plan. Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country of operation (e.g., the United States) may have different data privacy laws and protections than Participant's country. Participant understands that if he or she resides outside the United States, he or she may request a list with the names and addresses of any potential recipients of the Data by contacting the Company's Data Privacy Team at [redacted]@micron.com. Participant authorizes the Company, any stock plan service provider selected by the Company, and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering, and managing the Plan to receive, possess, use, retain, and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering, and managing his or her participation in the Plan. Participant understands that Data will be held only as long as is necessary to implement, administer, and manage Participant's participation in the Plan. Participant understands if he or she resides outside the United States, he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data, or refuse or withdraw the consents herein, in any case without cost, by contacting the Company's Data Privacy Team at [redacted]@micron.com in writing. Further, Participant understands that he or she is providing the consents herein on a purely voluntary basis. If Participant does not consent, or if Participant later seeks to revoke his or her consent, his or her status as a Service Provider and career with the Service Recipient will not be adversely affected. The only adverse consequence of refusing or withdrawing Participant's consent is that the Company would not be able to grant Participant Restricted Stock Units or other equity awards or administer or maintain such awards. Therefore, Participant understands that refusing or withdrawing his or her consent may affect Participant's ability to participate in the Plan. For more information on the consequences of Participant's refusal to consent or withdrawal of consent, Participant understands that he or she may contact the Data Privacy Team.

16. Address for Notices. Any notice to be given to the Company under the terms of this Award Agreement will be addressed to the Company at Micron Technology, Inc., 8000 South Federal Way, Boise, Idaho 83716, United States of America; Attention: Corporate Secretary; or at such other address as the Company may hereafter designate in writing.

17. Electronic Delivery and Acceptance. The Company may, in its sole discretion, decide to deliver any documents related to the Restricted Stock Units awarded under the Plan

or future Restricted Stock Units that may be awarded under the Plan by electronic means or require Participant to participate in the Plan by electronic means. Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through any on-line or electronic system established and maintained by the Company or a third party designated by the Company.

18. No Waiver. Either party's failure to enforce any provision or provisions of this Award Agreement shall not in any way be construed as a waiver of any such provision or provisions, nor prevent that party from thereafter enforcing each and every other provision of this Award Agreement. The rights granted both parties herein are cumulative and shall not constitute a waiver of either party's right to assert all other legal remedies available to it under the circumstances.

19. Successors and Assigns. The Company may assign any of its rights under this Award Agreement to single or multiple assignees, and this Award Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Award Agreement shall be binding upon Participant and his or her heirs, executors, administrators, successors and assigns. The rights and obligations of Participant under this Award Agreement may be assigned only with the prior written consent of the Company.

20. Additional Conditions to Issuance of Stock. If at any time the Company will determine, in its discretion, that the listing, registration, qualification or rule compliance of the Shares upon any securities exchange or under any state, federal, or non-U.S. law, the Code and related regulations, or under the rulings or regulations of the United States Securities and Exchange Commission or any other governmental regulatory body or the clearance, consent or approval of the United States Securities and Exchange Commission or any other governmental regulatory authority is necessary or desirable as a condition to the issuance of Shares to Participant (or his or her estate) hereunder, such issuance will not occur unless and until such listing, registration, qualification, rule compliance, clearance, consent or approval will have been completed, effected, or obtained free of any conditions not acceptable to the Company. The Company will use its commercially reasonable efforts to satisfy the requirements and conditions provided in the preceding sentence. Subject to the terms of this Award Agreement and the Plan, the Company shall not be required to issue any certificate or certificates for (or make any entry on the books of the Company or of a duly authorized transfer agent of the Company of) the Shares hereunder prior to the lapse of such reasonable period of time following the date of vesting of the Restricted Stock Units as the Committee may establish from time to time for reasons of administrative convenience.

21. Language. Participant acknowledges that he or she is proficient in the English language, or has consulted with an advisor who is proficient in the English language, so as to enable Participant to understand the provisions of this Award Agreement and the Plan. If Participant has received this Award Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

22. Interpretation. The Committee will have the power to interpret the Plan and this Award Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules (including, but

not limited to, the determination of whether any Restricted Stock Units have vested). All actions taken and all interpretations and determinations made by the Committee in good faith will be final and binding upon Participant, the Company, and all other interested persons. Neither the Committee nor any person acting on behalf of the Committee will be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or this Award Agreement.

23. Captions. Captions provided herein are for convenience only and are not to serve as a basis for interpretation or construction of this Award Agreement.

24. Amendment, Suspension or Termination of the Plan. By accepting this Award, Participant expressly warrants that he or she has received an Award of Restricted Stock Units under the Plan, and has received, read and understood a description of the Plan. Participant understands that the Plan is discretionary in nature and may be amended, suspended, or terminated by the Committee at any time.

25. Modifications to the Award Agreement. This Award Agreement constitutes the entire understanding of the parties on the subjects covered. Participant expressly warrants that he or she is not accepting this Award Agreement in reliance on any promises, representations, or inducements other than those contained herein. The Committee may amend, modify, or terminate the Award and this Award Agreement without approval of Participant; provided, however, that such amendment, modification or termination shall not, without Participant's consent, materially adversely affect Participant's rights under this Award Agreement. Notwithstanding anything to the contrary in the Plan or this Award Agreement, the Company reserves the right (but is not obligated) to revise this Award Agreement as it deems necessary or advisable, in its sole discretion and without the consent of Participant, to comply with Section 409A or to otherwise avoid imposition of any additional tax or income recognition under Section 409A in connection with this Award of Restricted Stock Units. Any such revisions shall be intended, to the extent reasonably practicable, to preserve the material economic benefits of this Award to Participant. Modifications to this Award Agreement can be made only in an express written contract executed by a duly authorized officer of the Company.

26. Governing Law; Venue; Severability. This Award Agreement and the Restricted Stock Units are governed by the internal substantive laws, but not the choice of law rules, of the State of Delaware, USA. For purposes of litigating any dispute that arises under these Restricted Stock Units or this Award Agreement, the parties hereby submit to and consent to the jurisdiction of the State of Idaho, USA and agree that such litigation will be conducted in the courts of Ada County, Idaho, USA or the United States federal courts for the District of Idaho, and no other courts, where this Award Agreement is made and/or to be performed. If any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, the remaining provisions of this Award Agreement shall continue in full force and effect.

27. Entire Agreement. The Plan is incorporated herein by this reference. The Plan and this Award Agreement (including the appendices and exhibits referenced herein) constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof.

28. Country Addendum. Notwithstanding any provisions in this Award Agreement, the Restricted Stock Unit grant shall be subject to any special terms and conditions set forth in an appendix (if any) to this Award Agreement for any country whose laws are applicable to Participant and this Restricted Stock Unit Award (as determined by the Committee in its sole discretion) (the "Country Addendum"). Moreover, if Participant relocates to one of the countries included in the Country Addendum (if any), the special terms and conditions for such country will apply to Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Country Addendum constitutes part of this Award Agreement.

* * *

**MICRON TECHNOLOGY, INC.
AMENDED AND RESTATED 2007 EQUITY INCENTIVE PLAN
RESTRICTED STOCK UNIT AGREEMENT
COUNTRY ADDENDUM**

Terms and Conditions

This Country Addendum includes additional terms and conditions that govern the Award of Restricted Stock Units granted pursuant to the terms and conditions of the Micron Technology, Inc. Amended and Restated 2007 Equity Incentive Plan (the "Plan") and the Restricted Stock Unit Agreement to which this Country Addendum is attached (the "Restricted Stock Unit Agreement") to the extent the individual to whom the Restricted Stock Units were granted ("Participant") resides and/or works in one of the countries listed below. Unless defined in this Country Addendum, defined terms used in this Country Addendum are used as defined in the Restricted Stock Unit Agreement to which this Country Addendum is attached.

If Participant is a citizen or resident of a country other than the one in which Participant is currently working and/or residing, transfers to another country after the grant of the Restricted Stock Units, is a consultant, changes employment status to a consultant, or is considered a resident of another country for local law purposes, the Company, in its discretion, shall determine the extent to which the terms and conditions contained herein shall be applicable to Participant.

Notifications

This Country Addendum also includes information regarding securities, tax and certain other issues of which Participant should be aware with respect to his or her participation in the Plan. The information is based on the securities, tax, and other laws in effect in the respective countries as of October 2021. Such laws often are complex and change frequently. As a result, the Company strongly recommends that Participant not rely on the information in this Country Addendum as the only source of information relating to the consequences of Participant's participation in the Plan because the information may be out of date at the time Participant vests in or receives or sells the Shares covered by the Restricted Stock Units.

In addition, the information contained herein is general in nature and may not apply to Participant's particular situation. The Company cannot assure Participant of any particular result. Accordingly, Participant is advised to seek appropriate professional advice as to how the relevant laws of Participant's country may apply to his or her situation.

Finally, if Participant is a citizen or resident of a country other than the one in which Participant currently is residing and/or working or transfers to another country after the grant of the Restricted Stock Units, or is considered a resident of another country for local law purposes, the information contained herein may not be applicable to Participant in the same manner. In addition, the Company, in its discretion, shall determine the extent to which the terms and conditions contained herein shall apply to Participant under these circumstances.

ALL NON-U.S. COUNTRIES

1. Settlement of Units. Notwithstanding any provision in the Restricted Stock Unit Agreement if Participant is employed and/or resides outside of the United States, the Company, in its sole discretion, may provide for the settlement of the Restricted Stock Units in the form of:
 - (a) a cash payment (in an amount equal to the Fair Market Value of the Shares that corresponds to the vested Restricted Stock Units) to the extent that settlement in Shares (i) is prohibited under local law, (ii) would require Participant or the Company or any of its Affiliates to obtain the approval of any governmental or regulatory body in Participant's country of employment and/or residency, (iii) would result in adverse tax consequences for Participant or the Company or any of its Affiliates or (iv) is administratively burdensome; or
 - (b) Shares, but require Participant to sell such Shares immediately or within a specified period following the end of Participant's Continuous Status as a Participant (in which case, Participant hereby agrees that the Company shall have the authority to issue sale instructions in relation to such Shares on Participant's behalf).
2. Securities Law Compliance. The grant of the Restricted Stock Units and the issuance and delivery of Shares are subject to all applicable laws, rules, and regulations and to such approvals by any governmental agencies or securities exchange as may be required. Notwithstanding any provision of this Restricted Stock Unit Agreement or the Plan, the Company has no liability to deliver any Shares under the Plan or make any payment unless such delivery or payment would comply with all laws and the applicable requirements of any governmental agency, securities exchange, or similar entity, and unless and until Participant has taken all actions required by the Company in connection with the Restricted Stock Units. The Company may impose such restrictions on any Shares issued under the Plan as the Company determines necessary or desirable to comply with all applicable laws, rules, regulations, and other requirements.
3. Insider Trading; Market Abuse Laws. By participating in the Plan, Participant agrees to comply with the Company's policy on insider trading (to the extent that it is applicable to Participant). Participant further acknowledges that, depending on Participant's or his or her broker's country of residence or where the Shares are listed, Participant may be subject to insider trading restrictions and/or market abuse laws which may affect Participant's ability to accept, acquire, sell, or otherwise dispose of Shares, rights to Shares (e.g., Restricted Stock Units) or rights linked to the value of Shares, during such times as Participant is considered to have "inside information" regarding the Company as defined by the laws or regulations in Participant's country. Local insider trading laws and regulations may prohibit the cancellation or amendment of orders Participant places before he or she possessed inside information. Furthermore, Participant could be prohibited from (i) disclosing the inside information to any third party (other than on a "need to know" basis) and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. Participant understands that third parties include fellow employees. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy.

Participant acknowledges that it is Participant's responsibility to comply with any applicable restrictions, and that Participant should therefore consult his or her personal advisor on this matter.

4. Not a Public Offering. The grant of the Restricted Stock Units is not intended to be a public offering of securities in Participant's country of employment (or country of residence, if different). The Company has not submitted any registration statement, prospectus, or other filings with the local securities authorities (unless otherwise required under local law), and the grant of the Restricted Stock Units is not subject to the supervision of the local securities authorities.
5. Repatriation; Compliance with Law. Participant agrees to repatriate all payments attributable to the Shares and/or cash acquired under the Plan in accordance with applicable foreign exchange rules and regulations in Participant's country of employment (and country of residence, if different). In addition, Participant agrees to take any and all actions, and consents to any and all actions taken by the Company and any of its Affiliates, as may be required to allow the Company and any of its Affiliates to comply with local laws, rules and/or regulations in Participant's country of employment (and country of residence, if different). Finally, Participant agrees to take any and all actions as may be required to comply with Participant's personal obligations under local laws, rules, and/or regulations in his or her country of employment (and country of residence, if different).
6. Imposition of Other Requirements. The Company reserves the right to impose other requirements on Participant's participation in the Plan, on the Restricted Stock Units, and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

EUROPEAN UNION (“EU”) / EUROPEAN ECONOMIC AREA (“EEA”) AND THE UNITED KINGDOM

Data Privacy. If Participant resides and/or works in the EU/EEA or the United Kingdom, Section 15 of the Restricted Stock Unit Agreement shall be replaced with the following:

The Company, with its principal executive offices at 8000 South Federal Way, Boise, Idaho 83716, USA is the controller responsible for the processing of Participant's personal data by the Company and the third parties noted below.

(a) Data Collection and Usage. Pursuant to applicable data protection laws, Participant is hereby notified that the Company collects, processes, and uses certain personal information about Participant for the legitimate purpose of implementing, administering, and managing the Plan and generally administering Awards, specifically: Participant's name, home address, email address, date of birth, termination date (if applicable), employee identification number, work country, pay frequency, any Shares or directorships held in the Company, and details of all awards, any entitlement to Shares awarded, canceled, exercised, vested, or outstanding in Participant's favor, which the Company receives from Participant or the Employer (“Personal Data”). In granting Restricted Stock Units under the Plan, the Company will collect,

process, use, disclose, and transfer (collectively, "Processing") Personal Data for purposes of implementing, administering, and managing the Plan. The Company's legal basis for the Processing of Personal Data is the Company's legitimate business interests of managing the Plan, administering purchase rights and complying with its contractual and statutory obligations, as well as the necessity of the Processing for the Company to perform its contractual obligations under this Restricted Stock Unit Agreement and the Plan. Participant's refusal to provide Personal Data would make it impossible for the Company to perform its contractual obligations and may affect Participant's ability to participate in the Plan. As such, by participating in the Plan, Participant voluntarily acknowledges the Processing of Participant's Personal Data as described herein.

(b) Stock Plan Administration Service Provider. The Company may transfer Personal Data to Morgan Stanley, an independent service provider based, in relevant part, in the United States, which may assist the Company with the implementation, administration, and management of the Plan. In the future, the Company may select a different service provider and share Personal Data with another company that serves in a similar manner. The Company's service provider will open an account for Participant to receive and trade Shares acquired under the Plan. The Processing of Personal Data will take place through both electronic and non-electronic means. Personal Data will only be accessible by those individuals requiring access to it for purposes of implementing, administering, and operating the Plan. When receiving Participant's Personal Data, if applicable, Morgan Stanley provides appropriate safeguards in accordance with the Standard Contractual Clauses adopted by the EU Commission or other appropriate cross-border transfer solutions. By participating in the Plan, Participant understands that the service provider will Process Participant's Personal Data for the purposes of implementing, administering, and managing Participant's participation in the Plan.

(c) International Data Transfers. The Plan is administered in the United States, which means it will be necessary for Personal Data to be transferred to, and processed in the United States. When transferring Personal Data to the United States, the Company provides appropriate safeguards in accordance with the Standard Contractual Clauses or other appropriate cross-border transfer solutions. Participant may request a copy of the appropriate safeguards with the service provider or the Company by contacting the Company's Data Privacy Team at [redacted]@micron.com.

(d) Data Retention. The Company will use Personal Data only as long as is necessary to implement, administer, and manage Participant's participation in the Plan or as required to comply with legal or regulatory obligations, including tax and securities laws. When the Company no longer needs Personal Data related to the Plan, the Company will remove it from its systems. If the Company keeps Personal Data longer, it would be to satisfy legal or regulatory obligations and the Company's legal basis would be for compliance with relevant laws or regulations.

(e) Data Subject Rights. To the extent provided by law, Participant has the right to (i) subject to certain exceptions, request access or copies of Personal Data the Company Processes, (ii) request rectification of incorrect Personal Data, (iii) request deletion of Personal Data, (iv) place restrictions on Processing of Personal Data, (v) lodge complaints with competent authorities in Participant's country, and/or (vi) request a list with the names and addresses of any potential recipients of Personal Data. To receive clarification regarding Participant's rights or to exercise Participant's rights, Participant may contact the Company's

Data Privacy Team at [redacted]@micron.com. Participant also has the right to object, on grounds related to a particular situation, to the Processing of Personal Data, as well as opt-out of the Plan herein, in any case without cost, by contacting the Global Stock Team at [redacted]@micron.com or the Data Privacy Team in writing. Participant's provision of Personal Data is a contractual requirement. Participant understands, however, that the only consequence of refusing to provide Personal Data is that the Company may not be able to administer Restricted Stock Units, or grant other awards or administer or maintain such awards. For more information on the consequences of the refusal to provide Personal Data, Participant may contact the Data Privacy Team in writing. Participant may also have the right to lodge a complaint with the relevant data protection supervisory authority.

BELGIUM

No country-specific provisions.

CANADA

Form of Settlement. Notwithstanding anything to the contrary in the Restricted Stock Unit Agreement, this Country Addendum, including Section 1 under "All Non-U.S. Countries", or the Plan, the Restricted Stock Units shall be settled only in Shares (authorized and unissued Shares, treasury Shares or Shares purchased on the open market) (and may not be settled in cash).

Securities Notification. Participant is permitted to sell Shares acquired under the Plan through the designated broker, if any, provided the resale of such Shares takes place outside of Canada.

Tax Withholding. Notwithstanding Section 8(b) of the Restricted Stock Unit Agreement, Participant's Tax Withholding Obligation will not be satisfied by the Company withholding otherwise deliverable Shares. Rather, Participant's Tax Withholding Obligation will be satisfied through an alternate withholding method provided in Section 8(c) of the Restricted Stock Unit Agreement.

Termination of Employment. This provision supplements Section 5 of the Restricted Stock Unit Agreement:

For purposes of the Restricted Stock Units, Participant's Continuous Status as a Participant will be considered to end as of the date Participant is no longer actually employed or otherwise rendering services to the Service Recipients (regardless of the reason and whether or not later found to be invalid or in breach of employment or other laws or the terms of Participant's employment or other service agreement, if any). Unless otherwise extended by the Company, Participant's right to vest in the Restricted Stock Units, if any, will terminate effective as of such date (the "Termination Date"). The Termination Date will not be extended by any common law notice period. Notwithstanding the foregoing, however, if applicable employment standards legislation explicitly requires continued entitlement to vesting during a statutory notice period, Participant's right to vest in the Restricted Stock Units under the Restricted Stock Unit Agreement, if any, will be allowed to continue for that minimum notice period but then immediately terminate effective as of the last day of Participant's minimum statutory notice period.

In the event that the date Participant's Continuous Status as a Participant ends cannot

be reasonably determined under the terms of the Restricted Stock Unit Agreement and/or the Plan, the Company shall have the exclusive discretion to determine when Participant is no longer actively providing services for purposes of the Restricted Stock Units (including whether Participant may still be considered to be providing services while on a leave of absence). Any portion of the award that is not vested on the Termination Date shall be forfeited and be null and void effective on such Termination Date. Unless the applicable employment standards legislation specifically requires, in Participant's case, Participant will not earn or be entitled to any pro-rated vesting for that portion of time before the date on which Participant's service relationship is terminated (as determined under this provision), nor will Participant be entitled to any compensation for lost vesting.

English Language Consent - Quebec. The parties acknowledge that it is their express wish that the Restricted Stock Unit Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Les parties reconnaissent avoir expressément souhaité que la convention ("Restricted Stock Unit Agreement"), ainsi que tous les documents, avis et procédures judiciaires, exécutés, donnés ou intentés en vertu de, ou lié, directement ou indirectement à la présente convention, soient rédigés en langue anglaise.

CHINA

The following terms and conditions apply to Participant if Participant is subject to exchange control restrictions and regulations in China (regardless of Participant's nationality and residency status), including the requirements imposed by the State Administration of Foreign Exchange ("SAFE"), as determined by the Company in its sole discretion:

Restriction on Restricted Stock Units. Notwithstanding the Plan and any other provision of the Restricted Stock Unit Agreement to the contrary, Participant will not be permitted to acquire any Shares under the Plan unless the necessary approval has been obtained from the SAFE and such approval remains effective, as determined by the Company in its sole discretion.

Plan Broker. Participant acknowledges that all Shares acquired under the Plan will be deposited into a designated account established with Morgan Stanley (or any successor Plan broker designated by the Company) on Participant's behalf. Participant further acknowledges that while Participant is actively employed by the Company or any Subsidiary, Participant may sell Shares at any time after they are deposited in such account, but Participant may not transfer Shares out of the brokerage account. If the Company changes its designated broker, Participant acknowledges and agrees that the Company may transfer any Shares issued under the Plan to the new designated broker if necessary for legal or administrative reasons. Participant agrees to sign any documentation necessary to facilitate the transfer.

Sale of Shares. Notwithstanding anything to the contrary in the Plan or the Restricted Stock Unit Agreement, in the event of termination of Participant's Continuous Status as a Participant for any reason, Participant will be required to sell all Shares issued pursuant to the Plan no later than 90 days after the date of the termination of Participant's Continuous Status as a Participant (or such other period as may be required by the SAFE or the Company) (the "Mandatory Sale Date"), and repatriate the sales proceeds to China in the manner designated by the Company.

Participant understands that any Shares which Participant holds under the Plan that have not been sold by the Mandatory Sale Date will automatically be sold by Morgan Stanley (or any successor Plan broker designated by the Company) at the Company's direction (on Participant's behalf pursuant to this authorization without further consent).

Repatriation and Other Exchange Control Requirements. Participant acknowledges and agrees that Participant will be required to immediately repatriate to China the cash proceeds from the sale of Shares which Participant acquires under the Plan through a foreign disbursement account held by Morgan Stanley (or any successor Plan broker designated by the Company) to a special exchange control account established by an Affiliate of the Company in China. Participant further acknowledges and agrees that proceeds from the sale of any Shares or the receipt of any cash dividends may be transferred to such special account prior to being delivered to Participant and that no interest shall be paid with respect to funds held in such account. In this regard, Participant also understands that the proceeds will be delivered to Participant as soon as possible, but there may be delays in distributing the funds to Participant due to exchange control requirements in China. As proceeds will be paid to Participant in either U.S. dollars or Renminbi (at the Company's discretion), Participant understands that he or she may be required to set up and maintain a U.S. dollar bank account in China so that the proceeds may be deposited into this U.S. dollar account. If the proceeds are paid in Renminbi, Participant acknowledges that the Company is under no obligation to secure any particular exchange conversion rate and that the Company may face delays in converting the proceeds to local currency due to exchange control restrictions. Participant agrees to bear any currency fluctuation risk between the time the Shares are sold and the net proceeds are converted into local currency and distributed to Participant. Participant also agrees to bear any remittance fees charged by banks or other financial institutions to handle the payment of Participant's proceeds from the sale of Shares. Participant further agrees to comply with any other requirements that may be imposed by the Company in the future in order to facilitate compliance with exchange control requirements in China. The processes and requirements set forth herein shall continue to apply following the termination of Participant's Continuous Status as a Participant.

Administration. Participant acknowledges that neither the Company nor any of its Affiliates will be liable for any costs, fees, lost interest, or dividends or other losses Participant may incur or suffer resulting from the enforcement of the terms of this Country Addendum or otherwise from the Company's operation and enforcement of the Plan and the Restricted Stock Unit Agreement in accordance with Chinese law including, without limitation, any applicable SAFE rules, regulations, and requirements.

FINLAND

There are no country-specific provisions.

FRANCE

Award Not French-Qualified. Participant understands and acknowledges that the Restricted Stock Units granted under this Restricted Stock Unit Agreement are not intended to qualify for specific tax and social security treatment pursuant to Sections L. 225-197-1 to L. 225-197-6 of the French Commercial Code, as amended.

English Language Consent. The parties acknowledge and agree that it is their express wish that

the Restricted Stock Unit Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Les parties reconnaissent avoir expressément souhaité que la convention ("Restricted Stock Unit Agreement"), ainsi que tous les documents, avis et procédures judiciaires, exécutés, donnés ou intentés en vertu de, ou lié, directement ou indirectement à la présente convention, soient rédigés en langue anglaise.

GERMANY

There are no country-specific provisions.

INDIA

Repatriation Requirement. Participant expressly agrees to repatriate all sale proceeds and dividends attributable to Shares acquired under the Plan in accordance with local foreign exchange rules and regulations. Neither the Company nor any of its Affiliates shall be liable for any fines or penalties resulting from Participant's failure to comply with applicable laws, rules or regulations.

INDONESIA

English Language Consent and Notification: A translation of the documents relating to this grant (i.e., the Plan and the Restricted Stock Unit Agreement) into Bahasa Indonesia can be provided to Participant upon request to: Stock Plan Administrator, Micron Technology, Inc. 8000 South Federal Way, Boise, Idaho 83716, USA. By accepting the grant of the Restricted Stock Units, Participant (i) confirms having read and understood the documents relating to this grant (i.e., the Plan and the Restricted Stock Unit Agreement), which were provided in the English language, (ii) accepts the terms of those documents accordingly, and (iii) agrees not to challenge the validity of this document based on Law No. 24 of 2009 on National Flag, Language, Coat of Arms and National Anthem or the implementing Presidential Regulation (when issued).

Terjemahan dari dokumen-dokumen terkait dengan pemberian ini (yaitu, Program dan Perjanjian) ke Bahasa Indonesia dapat disediakan bagi Peserta berdasarkan permintaan kepada: Stock Plan Administrator, Micron Technology, Inc. 8000 South Federal Way, Boise, Idaho 83716, USA. Dengan menerima pemberian Units, Peserta (i) mengkonfirmasi bahwa dirinya telah membaca dan mengerti dokumen-dokumen yang terkait dengan pemberian ini (yaitu, Program dan Perjanjian) yang disediakan dalam Bahasa Inggris, (ii) menerima syarat-syarat dari dokumen-dokumen tersebut, dan (iii) setuju untuk tidak mengajukan keberatan atas keberlakuan dokumen ini berdasarkan Undang-Undang No. 24 Tahun 2009 tentang Bendera, Bahasa, dan Lambang Negara, Serta Lagu Kebangsaan atau Peraturan Presiden pelaksanaannya (ketika diterbitkan).

IRELAND

No country-specific provisions.

ISRAEL

102 Sub-Plan. The Restricted Stock Units are also subject to any sub-plan for Israeli Participants as may be adopted by the Company (the "Israeli Sub-Plan"), which will be considered part of the Plan. The terms used herein shall have the meaning ascribed to them in the Plan or Israeli Sub-Plan. In the event of any conflict, whether explicit or implied, between the provision of the Restricted Stock Unit Agreement and the Israeli Sub-Plan, the provisions set out in the Israeli Sub-Plan shall prevail. By accepting this grant, Participant acknowledges that a copy of the Israeli Sub-Plan (as applicable) has been provided to Participant.

Additional Covenants and Undertakings. In addition to any covenants and undertaking set out in the Restricted Stock Unit Agreement, Participant also (i) declares that Participant is familiar with Section 102 and the regulations and rules promulgated thereunder, including without limitations the provisions of the tax route applicable to the Restricted Stock Units, and agrees to comply with such provisions, as amended from time to time, provided that if such terms are not met, Section 102 may not apply, and (ii) agrees to the terms and conditions of the Trust Agreement signed between the Trustee and the Company and/or its Affiliates, which is available for Participant's review, during normal working hours, at the Company's or its Affiliates' offices, (iii) acknowledges that releasing the Restricted Stock Units and underlying Shares from the control of the Trustee prior to the termination of the Holding Period (as defined below), if applicable, constitutes a violation of the terms of Section 102 and agrees to bear the relevant sanctions, (iv) authorizes the Company and/or its Affiliates to provide the Trustee with any information required for the purpose of administering the Plan including executing its obligations under the Israeli Tax Ordinance [New Version] – 1961 (the "Ordinance") and the Trust Agreement, including without limitation information about Participant's Restricted Stock Units, underlying Shares, income tax rates, salary, bank account, contact details, and identification number, (v) declares that Participant is a resident of the State of Israel for tax purposes on the grant date and agrees to notify the Company upon any change in the residence address indicated herein and acknowledges that if Participant's engagement with the Company or its Affiliates is terminated and Participant is no longer employed by the Company or any Affiliate, the Restricted Stock Units and underlying Shares shall remain subject to Section 102, the Trust Agreement, the Plan, the Israeli Sub-Plan and the Restricted Stock Unit Agreement; (vi) warrants and undertakes that at the time of grant of the Restricted Stock Units herein, or as a consequence of the grant, Participant is not and will not become a holder of a "controlling interest" in the Company, as such term is defined in Section 32(9) of the Ordinance, and (vii) the grant of the Restricted Stock Units is conditioned upon Participant signing all documents requested by the Company and/or the Trustee.

Capital Gain Awards. Upon approval from the Israeli Tax Authority ("ITA"), the Restricted Stock Units are intended to qualify as Capital Gain Awards under Section 102 of the Ordinance, including the provisions of the Income Tax (Tax Abatement on the Grant of Shares to Employees) Regulations 2003, and any tax ruling or agreement obtained by the Company or the Employer with regard to the Plan (the "Capital Gains Route"), subject to Participant consenting to the requirements of such tax route by accepting the terms of the Restricted Stock Unit Agreement, the grant of the Restricted Stock Units, and any other form of agreement provided and subject further to the compliance with all the terms and conditions of such tax route. In respect of Capital Gain Awards, tax is only due upon sale of the underlying Shares or upon release of the underlying Shares from the holding or control of the Trustee.

Trustee Arrangement. The Restricted Stock Units, the underlying Shares issued upon vesting, and/or any additional rights, including without limitation any right to receive any dividends or any Shares received as a result of an adjustment made under the Plan that may be granted in connection with the Restricted Stock Units (the "Additional Rights"), shall be issued to or controlled by the Trustee for Participant's benefit under the provisions of Section 102 and will be controlled by the Trustee for at least the period stated in Section 102 of the Ordinance and the Income Tax Rules (Tax Benefits in Share Issuance to Employees) 5763-2003 (the "Rules"). In the event the Restricted Stock Units do not meet the requirements of Section 102 of the Ordinance, such Restricted Stock Units and the underlying Shares shall not qualify for the favorable tax treatment under Section 102 of the Ordinance. The Company makes no representations or guarantees that the Restricted Stock Units will qualify for favorable tax treatment and will not be liable or responsible if favorable tax treatment is not available under Section 102 of the Ordinance. Any fees associated with any vesting, sale, transfer, or any act in relation to the Restricted Stock Units shall be borne by Participant and the Trustee and/or the Company and/or any Affiliates shall be entitled to withhold or deduct such fees from payments otherwise due to Participant from the Company or its Affiliate or the Trustee.

Should any provision in the Restricted Stock Unit Agreement disqualify the Restricted Stock Units or the underlying Shares from the beneficial tax treatment pursuant to the provisions of Section 102(b)(2), such provision shall be considered invalid either permanently or until the ITA provides approval of compliance with Section 102.

Restrictions on Sale. In accordance with the requirements of Section 102 of the Ordinance and the Capital Gains Route, Participant agrees not to sell or transfer the underlying Shares or Additional Rights from the Trustee until the end of the required period of time required under Section 102 or any shorter period of time as determined by the ITA (the "Holding Period"). Notwithstanding the above, if any such sale or transfer occurs before the end of the required Holding Period, the sanctions under Section 102 shall apply to and shall be borne by Participant.

Tax Treatment. Upon approval from the ITA, the Restricted Stock Units are intended to be taxed in accordance with the Capital Gains Route of Section 102(b)(2) and 102(b)(3) of the Ordinance, subject to full and complete compliance with the terms of Section 102. Participants with dual residency for tax purposes may be subject to taxation in several jurisdictions.

Any and all taxes imposed in respect of the Restricted Stock Units and/or underlying Shares, including, but not limited to, the grant of the Restricted Stock Units, and/or the vesting, transfer, waiver, or expiration of Restricted Stock Units and/or underlying Shares, and/or the sale of underlying Shares, shall be borne solely by Participant, and in the event of death, by Participant's heirs. The Company, any Affiliate, the Trustee, or anyone on their behalf shall not be required to bear the aforementioned tax, directly or indirectly, nor shall they be required to gross up such tax in Participant's salary or remuneration. The applicable tax shall be withheld from the proceeds of sale of underlying Shares or shall be paid to the Company or its Affiliates or the Trustee by Participant. Notwithstanding the foregoing, each of the Company or its Affiliates or the Trustee shall be entitled to withhold tax as it deems necessary to comply with applicable law and to deduct any tax from payments otherwise due to Participant from the Company or its Affiliates or the Trustee. The ramifications of any future modification of applicable law regarding the taxation of the Restricted Stock Units granted to Participant shall apply to Participant accordingly and Participant shall bear the full cost thereof, unless such

modified laws expressly provide otherwise.

The issuance of the underlying Shares upon the vesting of the Restricted Stock Units or in respect thereto, shall be subject to the full payments of any tax (if applicable).

Securities Law Notification. If required under applicable law, the Company shall use reasonable efforts to receive a securities exemption from the Israeli Securities Authority to avoid the requirement to file an Israeli securities prospectus in relation to the Plan. If such exemption is obtained, copies of the Plan and the Form S-8 registration statement for the Plan as filed with the U.S. Securities and Exchange Commission will be made available by request from the Global Stock Team.

Governing Law. Notwithstanding Section 26 of the Agreement, solely for Israeli tax purposes, the Restricted Stock Unit Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Israel.

ITALY

Plan Document Acknowledgment. In accepting the Restricted Stock Units, Participant acknowledges that he or she has received a copy of the Plan and the Restricted Stock Unit Agreement and has reviewed the Plan and the Restricted Stock Unit Agreement, including this Country Addendum, in their entirety and fully understands and accepts all provisions of the Plan and the Restricted Stock Unit Agreement, including this Country Addendum.

In addition, Participant further acknowledges that he or she has read and specifically and expressly approves without limitation the following clauses in the Restricted Stock Unit Agreement: Section 3 (Vesting Schedule); Section 8 (Tax Obligations); Section 13 (Nature of Grant); Section 21 (Language); Section 26 (Governing Law; Venue; Severability); and the Data Privacy provision under the heading “European Union (‘EU’) / European Economic Area (‘EEA’) and the United Kingdom” in this Country Addendum.

JAPAN

There are no country-specific provisions.

MALAYSIA

There are no country-specific provisions.

NETHERLANDS

There are no country-specific provisions.

PHILIPPINES

Form of Settlement. Pursuant to Section 1 of this Country Addendum section titled “All Non-U.S. Countries”, Participant's Restricted Stock Units shall be settled in the form of a cash payment, except as otherwise determined by the Company.

SINGAPORE

Securities Law Information. The grant of the Restricted Stock Units under the Plan is being made pursuant to the “Qualifying Person” exemption under section 273(1)(f) of the Securities and Futures Act (Chapter 289, 2006 Ed.) (“SFA”). The Plan has not been and will not be lodged or registered as a prospectus with the Monetary Authority of Singapore and is not regulated by any financial supervisory authority pursuant to any legislation in Singapore. Accordingly, statutory liability under the SFA in relation to the content of prospectuses would not apply. Participant should note that the Restricted Stock Units are subject to section 257 of the SFA and Participant will not be able to make any subsequent sale of the underlying Shares in Singapore, or any offer of such subsequent sale of the Shares subject to the Restricted Stock Units in Singapore, unless such sale or offer is made (i) after six (6) months from the date of grant or (ii) pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the SFA.

SOUTH KOREA

No country-specific provisions.

TAIWAN

Securities Law Information. The Restricted Stock Units and the underlying Shares are available only for certain employees of the Company, the Employer, and their Affiliates. It is not a public offer of securities by a Taiwanese company.

UNITED KINGDOM

Tax Obligations. This provision shall supplement Section 8 of the Restricted Stock Unit Agreement:

Without limitation to Section 8 of the Restricted Stock Unit Agreement, Participant agrees that he or she is liable for all Tax Obligations and hereby covenants to pay all such Tax Obligations, as and when requested by the Company, the Employer, or by Her Majesty’s Revenue and Customs (“HMRC”) (or any other tax authority or any other relevant authority). Participant also agrees to indemnify and keep indemnified the Company and the Employer against any Tax Obligations that they are required to pay or withhold or have paid or will pay on Participant’s behalf to HMRC (or any other tax authority or any other relevant authority).

Notwithstanding the foregoing, if Participant is a director or executive officer of the Company (within the meaning of Section 13(k) of the U.S. Securities Exchange Act of 1934, as amended), Participant understands that Participant may not be able to indemnify the Company for the amount of any Tax Obligations not collected from or paid by Participant, if the indemnification could be considered to be a loan. In this case, the Tax Obligations not collected or paid may constitute a benefit to Participant on which additional income tax and National Insurance Contributions (“NICs”) may be payable. Participant understands that Participant will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for paying to the Company or the Employer (as applicable) the amount of any NICs due on this additional benefit, which may be recovered from Participant at any time thereafter by any of the means referred to in Section 8 of the Restricted

Stock Unit Agreement.

**AMENDED AND RESTATED 2007 EQUITY INCENTIVE PLAN
OPTION AGREEMENT
TERMS AND CONDITIONS**

1. Grant of Option. The Company hereby grants to the Optionee named in the notice of grant ("Optionee"), under the Micron Technology, Inc. 2007 Equity Incentive Plan (the "Plan"), stock options to purchase from the Company (the "Options"), on the terms and on conditions set forth in this agreement (this "Agreement"), the number of shares indicated in the notice of grant of the Company's \$0.10 par value common stock, at the exercise price per share set forth in the notice of grant. Capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Plan.

2. General Acknowledgements. By accepting the Options, Optionee hereby acknowledges that he or she has reviewed these Terms and Conditions and the Plan, and is familiar with the provisions thereof. Optionee hereby accepts the Options subject to all the terms and provisions of this Agreement and the Plan. Optionee acknowledges that a Prospectus relating to the Plan was made available for review. Optionee hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions arising under the Plan. Optionee acknowledges that the grant and acceptance of the Options do not constitute an employment agreement and do not assure continuous employment with the Company or any of its Affiliates.

3. Vesting of Options. The Option shall vest (become exercisable) in accordance with the schedule shown in the notice of grant. Notwithstanding the foregoing vesting schedule, all Options shall become fully vested and exercisable (i) upon termination of Optionee's Continuous Status as a Participant by reason of his or her death or Disability, (ii) upon a Change in Control, unless the Options are assumed by the surviving entity or otherwise equitably converted or substituted in connection with the Change in Control; or (iii) if the Options are assumed by the surviving entity or otherwise equitably converted or substituted in connection with a Change in Control, upon the termination of Optionee's employment by the Company without Cause [or Optionee's resignation for "Good Reason" (as defined herein)] within one year after the effective date of the Change in Control. [For purposes of this Agreement, "Good Reason" shall mean any of the following, without Optionee's consent: (i) a material diminution in Optionee's Base Salary (other than an across-the-board reduction in base salary that affects all peer employees); (ii) a material diminution in Optionee's authority, duties, or responsibilities; or (iii) the relocation of Optionee's principal office to a location that is more than twenty-five (25) miles from the location of Optionee's principal office on the effective date of the Change in Control; provided, however, that Good Reason shall not include (A) any relocation of Optionee's principal office which is proposed or initiated by Optionee; or (B) any relocation that results in Optionee's principal place office being closer to Optionee's then-current principal residence. A termination by Optionee shall not constitute termination for Good Reason unless Optionee shall first have delivered to the Company written notice setting forth with specificity the occurrence deemed to give rise to a right to terminate for Good Reason (which notice must be given no later than ninety (90) days after the initial occurrence of such event) (the "Good Reason Notice"), and the Company has not taken action to correct, rescind or otherwise substantially reverse the occurrence supporting termination for Good Reason as identified by Optionee within thirty (30) days following its receipt of such Good Reason Notice. Optionee's date of termination for Good Reason must occur within a period of three hundred and sixty five (365) days after the initial occurrence of an event of Good Reason.]

4. Term of Options and Limitations on Right to Exercise. The term of the Options will be for a period of eight years, expiring at 5:00 p.m., Mountain Time, on the eighth anniversary of the Grant Date (the "Expiration Date"). To the extent not previously exercised, the Options will lapse prior to the Expiration Date upon the earliest to occur of the following circumstances:

(a) Thirty days after the termination of Optionee's Continuous Status as a Participant for any reason other than by reason of Optionee's death or Disability.

(b) Twelve months after termination of Optionee's Continuous Status as Participant by reason of Disability.

(c) Twelve months after the date of Optionee's death, if Optionee dies while employed. Upon Optionee's death, the Options may be exercised by Optionee's beneficiary designated pursuant to the Plan.

The Committee may, prior to the lapse of the Options under the circumstances described in paragraphs (a), (b) or (c) above, extend the time to exercise the Options as determined by the Committee in writing, but in no event beyond the Expiration Date. If Optionee or his or her beneficiary exercises an Option after termination of service, the Options may be exercised only with respect to the Shares that were otherwise vested on Optionee's termination of service.

5. Exercise of Option. The Options shall be exercised by (a) written notice directed to the Global Stock Department of the Company or its designee at the address and in the form specified by the Company from time to time and (b) payment to the Company in full for the Shares subject to such exercise (unless the exercise is a broker-assisted cashless exercise, as described below). If the person exercising an Option is not Optionee, such person shall also deliver with the notice of exercise appropriate proof of his or her right to exercise the Option. Payment for such Shares may be, in (a) cash, (b) Shares previously acquired by the purchaser, (c) withholding of Shares from the Option, or (d) any combination thereof, for the number of Shares specified in such written notice. The value of surrendered or withheld Shares for this purpose shall be the Fair Market Value as of the last trading day immediately prior to the exercise date. To the extent permitted under Regulation T of the Federal Reserve Board, and subject to applicable securities laws and any limitations as may be applied from time to time by the Committee (which need not be uniform), the Options may be exercised through a broker in a so-called "cashless exercise" whereby the broker sells the Option Shares on behalf of Optionee and delivers cash sales proceeds to the Company in payment of the exercise price. In such case, the date of exercise shall be deemed to be the date on which notice of exercise is received by the Company and the exercise price shall be delivered to the Company by the settlement date.

6. Beneficiary Designation. Optionee may, in the manner determined by the Committee, designate a beneficiary to exercise the rights of Optionee hereunder and to receive any distribution with respect to the Options upon Optionee's death. A beneficiary, legal guardian, legal representative, or other person claiming any rights hereunder is subject to all terms and conditions of this Agreement and the Plan, and to any additional restrictions deemed necessary or appropriate by the Committee. If no beneficiary has been designated or survives Optionee, the Options may be exercised by the legal representative of Optionee's estate, and payment shall be made to Optionee's estate. Subject to the foregoing, a beneficiary designation may be

changed or revoked by Optionee at any time.

7. Withholding. The Company or any employer Affiliate has the authority and the right to deduct or withhold, or require Optionee to remit to the employer, an amount sufficient to satisfy federal, state, and local taxes (including Optionee's FICA obligation) required by law to be withheld with respect to any taxable event arising as a result of the exercise of the Options. The withholding requirement may be satisfied, in whole or in part, at the election of the Company, by withholding from the Options Shares having a Fair Market Value on the date of withholding equal to the minimum amount (and not any greater amount) required to be withheld for tax purposes, all in accordance with such procedures as the Company establishes.

8. Limitation of Rights. The Options do not confer to Optionee or Optionee's beneficiary designated pursuant to Section 6 any rights of a stockholder of the Company unless and until Shares are in fact issued to such person in connection with the exercise of the Options. Nothing in this Agreement shall interfere with or limit in any way the right of the Company or any Affiliate to terminate Optionee's service at any time, nor confer upon Optionee any right to continue in the service of the Company or any Affiliate. Optionee waives all and any rights to any compensation or damages for the termination of Optionee's office or employment with the Company or an Affiliate for any reason (including unlawful termination of employment) insofar as those rights arise from Optionee ceasing to have rights in relation to the Options as a result of that termination or from the loss or diminution in value of such rights. The grant of the Options does not give Optionee any right to participate in any future grants of share incentive awards.

9. Stock Reserve. The Company shall at all times during the term of this Agreement reserve and keep available such number of Shares as will be sufficient to satisfy the requirements of this Agreement.

10. Restrictions on Transfer and Pledge. No right or interest of Optionee in the Options may be pledged, encumbered, or hypothecated to or in favor of any party other than the Company or an Affiliate, or shall be subject to any lien, obligation, or liability of Optionee to any other party other than the Company or an Affiliate. The Options are not assignable or transferable by Optionee other than by will or the laws of descent and distribution or pursuant to a domestic relations order that would satisfy Section 414(p)(1)(A) of the Code if such Section applied to an Option under the Plan; provided, however, that the Committee may (but need not) permit other transfers. The Options may be exercised during the lifetime of Optionee only by Optionee or any permitted transferee.

11. Restrictions on Issuance of Shares. If at any time the Committee shall determine in its discretion, that registration, listing or qualification of the Shares covered by the Options upon any Exchange or under any foreign, federal, or local law or practice, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition to the exercise of the Options, the Options may not be exercised in whole or in part unless and until such registration, listing, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Committee.

12. Amendment. The Committee may amend, modify or terminate the Award and this Agreement without approval of Optionee; provided, however, that such amendment, modification or termination shall not, without Optionee's consent, reduce or diminish the value of this award determined as if it had been fully vested and exercised on the date of such

amendment or termination (with the per-share value being calculated as the excess, if any, of the Fair Market Value over the exercise price of the Options).

13. Plan Controls. The terms and conditions contained in the Plan are incorporated into and made a part of this Agreement, and this Agreement shall be governed by and construed in accordance with the Plan. In the event of any actual or alleged conflict between the provisions of the Plan and the provisions of this Agreement, the provisions of the Plan shall be controlling and determinative.

14. Successors. This Agreement shall be binding upon any successor of the Company, in accordance with the terms of this Agreement and the Plan.

15. Severability. If any one or more of the provisions contained in this Agreement is invalid, illegal or unenforceable, the other provisions of this Agreement will be construed and enforced as if the invalid, illegal or unenforceable provision had never been included.

16. Notice. Notices and communications under this Agreement must be in writing and either personally delivered or sent by registered or certified United States mail, return receipt requested, postage prepaid. Notices to the Company must be addressed to: Micron Technology, Inc., 8000 S. Federal Way, P.O. Box 6, Boise, ID 83716-9632, Attn: Corporate Secretary, or any other address designated by the Company in a written notice to Optionee. Notices to Optionee will be directed to the address of Optionee then currently on file with the Company, or at any other address given by Optionee in a written notice to the Company.

17. Data Processing. By accepting the Shares, Optionee gives explicit consent to the Company and other persons who administer the Plan to process and use all personal data relevant to Plan administration, including without limitation his or her name, address, Social Security Number or other applicable tax identification number, and bank and brokerage account details, and to the transfer of any such personal data outside the country in which Optionee works or is employed, including to the United States.

**AMENDED AND RESTATED 2007 EQUITY INCENTIVE PLAN
RESTRICTED STOCK AGREEMENT
TERMS AND CONDITIONS**

1. Grant of Shares. The Company hereby grants to the Grantee named in the notice of award (“Grantee”), subject to the restrictions and the other terms and conditions set forth in the Micron Technology, Inc. 2007 Equity Incentive Plan (the “Plan”) and in this award agreement (this “Agreement”), the number of shares indicated in the notice of award of the Company’s \$0.10 par value common stock (the “Shares”). Capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Plan.

2. General Acknowledgements. By accepting the Shares, Grantee hereby acknowledges that he or she has reviewed these Terms and Conditions and the Plan, and is familiar with the provisions thereof. Grantee hereby accepts the Shares subject to all the terms and provisions of this Agreement and the Plan. Grantee acknowledges that a Prospectus relating to the Plan was made available for review. Grantee hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions arising under the Plan. Grantee acknowledges that the grant and acceptance of the Shares do not constitute an employment agreement and do not assure continuous employment with the Company or any of its Affiliates.

3. Restrictions. The Shares are subject to each of the following restrictions. “Restricted Shares” mean those Shares that are subject to the restrictions imposed hereunder and such restrictions have not then expired or terminated. Restricted Shares may not be sold, transferred, exchanged, assigned, pledged, hypothecated or otherwise encumbered. If Grantee’s Continuous Status as a Participant terminates for any reason other than as set forth in paragraph (b) or (d) of Section 4 hereof, then Grantee shall forfeit all of Grantee’s right, title and interest in and to the Restricted Shares as of the date of termination of such service or employment, and such Restricted Shares shall revert to the Company without further consideration or any act or action by Grantee. The restrictions imposed under this Section shall apply to all shares of the Company’s common stock or other securities issued in connection with any merger, reorganization, consolidation, recapitalization, stock dividend or other change in corporate structure affecting or with respect to the Shares.

4. Expiration and Termination of Restrictions. The restrictions imposed under Section 3 will expire on the earliest to occur of the following (the period prior to such expiration being referred to herein as the “Restricted Period”):

- (a) on the respective expiration dates specified on the notice of award as to the number of Shares specified thereon; provided Grantee remains in Continuous Status as a Participant on each vesting date specified therein; or
- (b) as to all of the Shares, upon termination of Grantee’s Continuous Status as a Participant by reason of death or Disability; or
- (c) as to all of the Shares, upon the occurrence of a Change in Control, if the Shares are not assumed by the surviving entity or otherwise equitably converted or substituted in connection with a Change in Control.

- (d) as to all of the Shares, if the Shares are assumed by the surviving entity or otherwise equitably converted or substituted in connection with a Change in Control, upon the termination of Grantee's employment by the Company without Cause [or Grantee's resignation for "Good Reason" (as defined below)] within one year after the effective date of the Change in Control.

[For purposes of this Agreement, "Good Reason" shall mean any of the following, without Grantee's consent: (i) a material diminution in Grantee's Base Salary (other than an across-the-board reduction in base salary that affects all peer employees); (ii) a material diminution in Grantee's authority, duties, or responsibilities; or (iii) the relocation of Grantee's principal office to a location that is more than twenty-five (25) miles from the location of Grantee's principal office on the effective date of the Change in Control; provided, however, that Good Reason shall not include (A) any relocation of Grantee's principal office which is proposed or initiated by Grantee; or (B) any relocation that results in Grantee's principal place office being closer to Grantee's then-current principal residence. A termination by Grantee shall not constitute termination for Good Reason unless Grantee shall first have delivered to the Company written notice setting forth with specificity the occurrence deemed to give rise to a right to terminate for Good Reason (which notice must be given no later than ninety (90) days after the initial occurrence of such event) (the "Good Reason Notice"), and the Company has not taken action to correct, rescind or otherwise substantially reverse the occurrence supporting termination for Good Reason as identified by Grantee within thirty (30) days following its receipt of such Good Reason Notice. Grantee's date of termination for Good Reason must occur within a period of three hundred and sixty five (365) days after the initial occurrence of an event of Good Reason.]

5. Delivery of Shares. The Shares will be registered in the name of Grantee as of the Grant Date and will be held by the Company during the Restricted Period in certificated or uncertificated form. If a certificate for Restricted Shares is issued during the Restricted Period with respect to such Shares, such certificate shall be registered in the name of Grantee and shall bear a legend in substantially the following form: "This certificate and the shares of stock represented hereby are subject to the terms and conditions (including forfeiture and restrictions against transfer) contained in a Restricted Stock Agreement between the registered owner of the shares represented hereby and Micron Technology, Inc. Release from such terms and conditions shall be made only in accordance with the provisions of such Agreement, copies of which are on file in the offices of Micron Technology, Inc." Stock certificates for the Shares, without the above legend, shall be delivered to Grantee or Grantee's designee upon request of Grantee after the expiration of the Restricted Period, but delivery may be postponed for such period as may be required for the Company with reasonable diligence to comply if deemed advisable by the Company, with registration requirements under the Securities Act of 1933, listing requirements under the rules of an Exchange, and requirements under any other law or regulation applicable to the issuance or transfer of the Shares.

6. Voting and Dividend Rights. Grantee, as beneficial owner of the Shares, shall have full voting rights with respect to the Shares during and after the Restricted Period. Grantee shall accrue cash and non-cash dividends, if any, paid with respect to the Restricted Shares, but the payment of such dividends shall be deferred and held (without interest) by the Company for the account of Grantee until the expiration of the Restricted Period. During the Restricted Period, such dividends shall be subject to the same vesting restrictions imposed under Section 3 as the Restricted Shares to which they relate. Accrued dividends deferred and held pursuant to the foregoing provision shall be paid by the Company to Grantee promptly upon the expiration of

the Restricted Period (and in any event within thirty (30) days of the date of such expiration). If Grantee forfeits any rights he may have under this Agreement in accordance with Section 3, Grantee shall no longer have any rights as a shareholder with respect to the Restricted Shares or any interest therein and Grantee shall no longer be entitled to receive dividends on such stock.

7. Limitation of Rights. Nothing in this Agreement shall interfere with or limit in any way the right of the Company or any Affiliate to terminate Grantee's service at any time, nor confer upon Grantee any right to continue in service of the Company or any Affiliate. Grantee waives all and any rights to any compensation or damages for the termination of Grantee's office or employment with the Company or an Affiliate for any reason (including unlawful termination of employment) insofar as those rights arise from Grantee ceasing to have rights in relation to the Shares as a result of that termination or from the loss or diminution in value of such rights. The grant of the Shares does not give Grantee any right to participate in any future grants of share incentive awards.

8. Payment of Taxes. No later than 30 days after the date of grant of the Shares hereunder, Grantee may make an election to be taxed upon such award under Section 83(b) of the Code. Grantee will, no later than the date as of which any amount related to the Shares first becomes includable in Grantee's gross income for federal income tax purposes, pay to the Company, or make other arrangements satisfactory to the Committee regarding payment of, any federal, state and local taxes of any kind required by law to be withheld with respect to such amount. The obligations of the Company under this Agreement will be conditional on such payment or arrangements, and the Company, and, where applicable, its Affiliates will, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to Grantee. The withholding requirement may be satisfied, in whole or in part, at the election of the Company, by allowing Grantee to surrender to the Company a number of Shares from this Award having a Fair Market Value on the date of withholding equal to the minimum amount (and not any greater amount) required to be withheld for tax purposes, all in accordance with such procedures as the Company establishes.

9. Amendment. The Committee may amend, modify or terminate the Award and this Agreement without approval of Grantee; provided, however, that such amendment, modification or termination shall not, without Grantee's consent, reduce or diminish the value of this Award determined as if it had been fully vested on the date of such amendment or termination.

10. Plan Controls. The terms contained in the Plan are incorporated into and made a part of this Agreement, and this Agreement shall be governed by and construed in accordance with the Plan. In the event of any actual or alleged conflict between the provisions of the Plan and the provisions of this Agreement, the provisions of the Plan shall be controlling and determinative.

11. Successors. This Agreement shall be binding upon any successor of the Company, in accordance with the terms of this Agreement and the Plan.

12. Severability. If any one or more of the provisions contained in this Agreement is deemed to be invalid, illegal or unenforceable, the other provisions of this Agreement will be construed and enforced as if the invalid, illegal or unenforceable provision had never been included.

13. Notice. Notices and communications under this Agreement must be in writing and either personally delivered or sent by registered or certified United States mail, return receipt requested, postage prepaid. Notices to the Company must be addressed to: Micron Technology, Inc., 8000 S. Federal Way, P.O. Box 6, Boise, ID 83716-9632, Attn: Corporate Secretary, or any other address designated by the Company in a written notice to Grantee. Notices to Grantee will be directed to the address of Grantee then currently on file with the Company, or at any other address given by Grantee in a written notice to the Company.

14. Data Processing. By accepting the Shares, Grantee gives explicit consent to the Company and other persons who administer the Plan to process and use all personal data relevant to Plan administration, including without limitation his or her name, address, Social Security Number or other applicable tax identification number, and bank and brokerage account details, and to the transfer of any such personal data outside the country in which Grantee works or is employed, including to the United States.

**RULE 13a-14(a) CERTIFICATION OF
CHIEF EXECUTIVE OFFICER**

I, Sanjay Mehrotra, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Micron Technology, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 6, 2022

/s/ Sanjay Mehrotra

Sanjay Mehrotra
President and Chief Executive Officer and Director

**RULE 13a-14(a) CERTIFICATION OF
CHIEF FINANCIAL OFFICER**

I, David A. Zinsner, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Micron Technology, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 6, 2022

/s/ David A. Zinsner

David A. Zinsner

Executive Vice President and Chief Financial Officer

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. 1350**

I, Sanjay Mehrotra, certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of Micron Technology, Inc. on Form 10-Q for the period ended December 2, 2021, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in the Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Micron Technology, Inc.

Date: January 6, 2022

/s/ Sanjay Mehrotra

Sanjay Mehrotra

President and Chief Executive Officer and Director

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. 1350**

I, David A. Zinsner, certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of Micron Technology, Inc. on Form 10-Q for the period ended December 2, 2021, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in the Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Micron Technology, Inc.

Date: January 6, 2022

/s/ David A. Zinsner

David A. Zinsner

Executive Vice President and Chief Financial Officer