

Dear Investor/Analyst/Shareholder,

Thank you for your support for Phison (TPEX: 8299). Please see the details of our February, 2020 revenue below:

KEY TAKEAWAYS

- Feb. 2020 revenue totaled NT\$4,002mn, up **48% YoY**.
- Accumulated revenue for Jan.- Feb. 2020 totaled NT\$7,328mn, up **21% YoY**.
- PHISON's main RD center and most manufacturing partners are in Taiwan, **minimizing** the impact from the coronavirus.
- NAND module shipment remains growth of **36% YoY**.
- Both PCIe SSD module hits growth of **130% YoY** (shipment) and **200% YoY** (revenue), showing high-performance storage demand raises.
- Both high-end embedded storage hits growth of **120% YoY** (shipment) and **40% YoY** (revenue), indicating PHISON is expanding in higher-margin markets

Phison's February 2020 revenue totaled **NT\$4,002mn, up 48% YoY**. Accumulated revenue for Jan. - Feb. 2020 totaled **NT\$7,328mn, up 21% YoY** even facing coronavirus epidemic.

Consolidated Sales (NT\$mn)	Feb.-20	Feb.-19	YoY	Jan.-Feb. 2020	Jan.-Feb. 2019	YoY
Phison (TPEX 8299)	4,002	2,710	48%	7,328	6,068	21%

Regarding the coronavirus outbreak, we have taken all necessary safety precautions. The health and safety of our employees is the top priority. Our main RD center and most of our module manufacturing facilities are in Taiwan, and all operations are currently normal. Therefore, the operation and revenue are on the track to expand as expected globally. Global customers continue to place orders stably and no sign of cutting orders due to coronavirus.

Breaking down the shipment and revenue details, total memory module shipment grows over 36% YoY, and SSD and eMMC module shipment grows nearly 72%. Furthermore, PCIe SSD module shipment increases nearly 130%, demonstrating high-end PCIe SSD storage demand is raising rapidly. Plus, revenue of PCIe SSD module also hits over 200% YoY growth.

Feb.-20 Highlights	YoY
Total Memory Module Shipment	36 %
SSD and eMMC Module Shipment	72 %
PCIe SSD Module Shipment	130 %
PCIe SSD Module Revenue	200 %
NAND Storage Revenue in Embedded Applications	40 %
NAND Storage Shipment in Embedded Applications	120 %
Annual-Accumulated Total Bits Shipment	37 %

Speaking of high-end storage market (embedded applications), not only the total revenue of embedded storage maintains a nearly 40% YoY growth, higher-margin embedded-related module shipment even hits 120% YoY growth, showing PHISON is raising market share in global high-end NAND storage market. Additionally, annual-accumulated total bits shipment hikes nearly 37% YoY growth, indicating both NAND storage capacity and quantity are growing as expected.

Given the current strength in demand for SSD from datacenter, enterprise applications, and the expected introduction of new gaming consoles by leading brands in 2H20, according to market intelligence provider, NAND flash pricing and demand trends are currently favorable.

Best regards,

[PHISON's Quick Facts]

- **Over 20 years** experiences in NAND controller IC design and module integration.
- Over 2,000 employees globally, and more than **75% are engineers**
- **Over 1900** memory-related patent globally.
- **3 major focuses:** enterprise, embedded, and consumer market.
- **600M** average annual controller shipment.
- **\$1.45B** sales revenue in 2019 (no debt).
- **Confident** that our unique business model can produce consistently strong cashflows and profits over the long-term amidst NAND memory market cycles.
- **Strongly** maintain long-term partnerships with our global NAND flash supply sources and with our downstream module customers.

[About PHISON]

Phison Electronics Corp. (TPEX:8299) is a global leader in NAND Flash controller IC and storage solutions. We provide a variety of services from controller design, system integration, IP licensing to total turnkey solutions, covering applications across SSD (PCIe/SATA/PATA), eMMC, UFS, SD and USB interfaces, reaching out to consumer, industrial and enterprise markets. As an active member of industry associations, Phison is on the Board of Directors for SDA, ONFI, UFSA and a contributor for JEDEC, PCI-SIG, MIPI, NVMe and IEEE-SA.

Our Website: <https://www.phison.com/en/company/about-us>

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[Forward-looking Statements]

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