

Dear Investor/Analyst/Shareholder,

Thank you for your support for Phison (8299TT). Please see the details of our August 2022 revenue below:

Phison Electronics (8299TT), a leading manufacturer of NAND controllers and NAND storage solutions, announced today (9/6) its operating results for August 2022, with consolidated revenue of NT\$4.423 billion, an annual growth rate of -22% (YoY). The annual cumulative revenue reached NT\$43.157 billion in August, with an annual growth of 8% (YoY), which was a new high for the same period.

| PHISON 8299TT | Sales Revenue (NT\$bn) | YoY | Remarks |
|----------------------|-------------------------------|------------|-----------------------------------|
| August 2022 | 4.423 | -22 % | Third highest for the same period |
| Jan. to August 2022 | 43.157 | 8 % | Record high for the same period |

Compared with the same period last year (YoY), the total shipments of SATA and PCIe SSD modules in August increased by nearly 8%, and the total shipments of industrial controllers increased by more than 3%. In addition, the annual growth rate of the total PCIe SSD controller shipments from the year to August exceeded 24%, and the total memory bits shipments (Total Bits) also increased by nearly 3%, both hitting new highs for the same period in history.

| PHISON July 2022 Business Highlights | YoY | Remark |
|---|------------|----------------------------------|
| Total shipments of SATA and PCIe SSD modules | 8 % | |
| Total shipments of industrial-grade controller | 3 % | |
| Jan. to July 2022 of total shipments of PCIe SSD controller | 24 % | Record high over the same period |
| Jan. to July 2022 of total NAND shipments (Total Bits) | 3 % | Record high over the same period |

K.S.Pua, CEO of Phison, explained that it is a fact that the current slowdown in market demand has caused the entire industry chain to face adjustment of inventory levels. Even though Phison has already transformed into the customized storage market (for example, server, automotive, industrial, gaming, Embedded ODM, etc.) and tried to reduce the impact of market fluctuations, due to the prosperity of the semiconductor industry in the past two years, the storage needs of consumers and enterprises have been greatly satisfied. Furthermore, coupled with factors such as inflation, war, and epidemic control, the current slowdown in demand seems predictable.

According to a recent market research firm's report, the decline in NAND Flash wafer contract prices in the third quarter is expected to expand to 30-35%. If the market

research firm's estimates are correct, all NAND makers will likely face losses; in other words, NAND makers' costs and profits will be under severe pressure. According to historical experience, NAND makers may start production reduction plans in the near future under the pressure of losses to maintain a balance between supply and demand.

K.S.Pua went on to emphasize that the current economic slowdown is the best time to test the resilience of companies, as Warren Buffett said: "Only when the tide goes out do you discover who's been swimming naked." Phison has experienced various challenges from the imbalance of supply and demand in the NAND industry, including the financial crisis in 2008, the collapse of NAND prices from the end of 2015 to 2016, and the outbreak of COVID-19 in early 2020. Phison has not only survived the difficulties every time, but also achieved significant operational growth after each wave of demand recovery. All of them prove Phison's solid R&D investment, diversified product line, business model, and healthy financial structure. Looking forward to the future, Phison will uphold the past experience, continue to expand R&D investment, deploy advanced controller technology, strengthen the application of product lines, and grasp the growth opportunities of the next wave of economic recovery.

[PHISON IR Distribution List Application Form]

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[PHISON's Quick Facts]

- Over 20 years experiences in NAND controller IC design and module integration.
- Over 3,500 employees globally, and more than 70% are engineers.
- Nearly 2,000 memory-related patents globally.
- Target long-term revenue of over NT\$100 billion through the 5+5 growth strategy
- Exceeds 20% of the global market share of SSD controllers
- US\$2.23B sales revenue in 2021.
- [Unique business model](#) that can produce consistently strong cashflow and profits over long-term NAND memory market cycles.
- Committed to maintaining 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.

To know more about Phison, please visit [Phison Website](#) or [Phison Q&A](#) for details.

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[Forward-looking Statements]

Information included in this press release that are not historical in nature are "forward-looking statements". Phison cautions readers that forward-looking statements are based on Phison's reasonable knowledge and current expectations, and are subject to various risks and uncertainties. Actual results may differ materially from those contained in such forward-looking statements for a variety of reasons including without limitation, risks associated with demand and supply change, manufacturing and supply capacity, design-win, time to market, market competition, industrial cyclicality, customer's financial condition, exchange rate fluctuation, legal actions, amendments of the laws and regulations, global economy change, natural disasters, and other unexpected events which may disrupt Phison's business and operations. Accordingly, readers should not place reliance on any forward-looking statements. Except as required by law, Phison undertakes no obligation to update any forward-looking statement, whether as a result of new information, future events, or otherwise.