

Dear Investor/Analyst/Shareholder,

Thank you for your support for Phison (8299TT). Please see the details of our consolidated earnings of 3Q22 and the operating results for October below:

Phison Electronics (8299TT), a leading provider of NAND controller and NAND storage solutions, announced today (11/4) its consolidated financial results for the third quarter of 2022 and the operating results for October. Consolidated revenue in the third quarter was NT\$14.575 billion, an increase of -13% compared to the same period last year (YoY), and the cumulative revenue for the year reached NT\$47.966 billion, an increase of nearly 5% compared with the same period last year, a record high for the same period in history; the gross profit in the third quarter was NT\$3.559 billion, and the cumulative gross profit for the year was NT\$13.901 billion, with an annual growth rate of -3%, the second highest in history. In addition, the gross profit margin in the third quarter was 24.42% (the cumulative gross profit margin in the first three quarters reached 28.98%, the second highest in history), the net profit after tax was NT\$1.192 billion, and the EPS was NT\$6.13.

3Q22 Earnings	NT\$	Growth Rate	Remarks
Consolidated Revenue	14.575 bn	-13% YoY	Second highest over the same period in history
Gross Profit	3.559 bn	-33% YoY	Second highest over the same period in history
Net profit after tax	1.192 bn	-50% YoY	
EPS (NT\$)	6.13	/	
Cumulative EPS for the first three quarters (NT\$)	26.42	/	Second highest over the same period in history

Compared with the same period last year (YoY), the overall controller shipments in the third quarter of 2022 increased by nearly 7%, of which the total PCIe SSD controller shipments increased by nearly 11%; in addition, the total shipments of memory bits (Total Bits) accumulated to the third quarter of the year increased by nearly 1%, all hitting a record high for the same period.

3Q22 Business Highlights	YoY	Remarks
Total shipments of overall controller	7 %	A record high over the same period in history
Total shipments of PCIe SSD controller	11 %	A record high over the same period in history
Cumulative (Jan. to Sep.) total memory bit shipments	1 %	A record high over the same period in history

K.S.Pua, CEO of Phison, said that the loss of inventory prices caused by the slowdown in market demand has affected Phison's third-quarter gross profit margin by about 5%, which is a short-term effect. In other words, in the long run, Phison's financial health and profitability are still relatively stable.

K.S.Pua went on to explain that, despite the current economic downturn, Phison has continued to make gains in the field of design services, including applications such as servers, automotive systems, PCs, and mobile phones, and has successively received various customized projects. Furthermore, Phison continues to help customers around the world through its world's first and only "NAND controller and storage development resource sharing platform" to build the best storage solutions for various storage applications, and at the same time continue to expand the market share of controller ICs and NAND storage modules, and eventually expand the scale of Phison's revenue.

K.S.Pua emphasized that it is a fact that market conditions are not good, but Phison is pursuing long-term stable development and profitability, and no matter how bad the market is, it will eventually pass; in other words, the R&D investment required for various customized design service demands of Phison customers may have an impact on short-term benefits, but in the long run, it will help Phison to enhance the added value and customer satisfaction to customers. This will further stabilize the foundation of Phison's long-term revenue and profitability, which will also be the main axis and growth momentum of Phison's future development.

Last but not least, Phison also at the same time announced the operating results for October 2022, with consolidated revenue of NT\$4.206 billion, an annual growth rate of -30% (YoY). The annual cumulative revenue to October reached NT\$52.172 billion, an annual growth of nearly 1% (YoY), a new high for the same period.

PHISON 8299TT	Sales Revenue (NT\$bn)	YoY	Remarks
October 2022	4.206	-30 %	
Jan. to Oct. 2022	52.172	1 %	Record high for the same period

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[PHISON's Quick Facts]

- Over 21 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 NT\$100 billion through the 5+5 growth strategy
- The global market share of SSD controller exceeds 20%
- \$2.23B USD sales revenue in 2021.
- 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.

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.