

Dear Investor/Analyst/Shareholder,

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

KEY TAKEAWAYS

- Mar. 2020 revenue totaled NT\$5,539mn, up 70% YoY, setting new monthly high sales record.
- Accumulated revenue for Jan.- Mar. 2020 reached NT\$12,867mn, up 38% YoY, hitting second highest quarterly sales record.
- Total PCIe SSD controller ICs shipment grew by more than 580% YoY, refreshing new monthly sales record.

Phison's March 2020 revenue totaled NT\$5,539mn, up 70% YoY, setting history record high in a single month. Accumulated revenue for Jan. - Mar. 2020 reached NT\$12,867mn, with an annual growth rate (YoY) of nearly 38%, hitting a second record high in a single quarter. It shows under the influence of coronavirus (COVID-19) in the first quarter, although China, Europe, and the U.S. have successively adjusted the epidemic prevention deployment, Phison was able to adapt its strategy against the tide and expand market share, as expected.

PHISON 8299	Consolidated Sales (NT\$mn)	YoY	Remarks
March 2020	5,539	70 %	New Monthly High Sales Record
1Q 2020	12,867	38 %	Second Highest Quarterly Sales Record

Compared with the same period last year (YoY), the total shipments of controller ICs grew by more than 14% in March, and the total shipments of PCIe SSD controller ICs grew by more than 580%, refreshing history record high. Furthermore, the high-end industrial embedded storage business is driven by the demand for electronic medical equipment such as respirator for epidemic prevention and the application of embedded systems, which results in the total shipment of industrial controller ICs has grown by nearly 180%. In addition, accumulated shipment of total memory bits for Jan. to Mar. has also increased more than 45% YoY due to increased market share.

Mar. 20 Business Highlights (PHISON 8299)	YoY	Remarks
Total Controller ICs Shipment	14 %	
Total PCIe SSD Controller ICs Shipment	580 %	New Monthly High Sales Record
Total Industrial Controller ICs Shipment	180 %	
Accumulated Total Memory Bits Shipment for Jan.-Mar.	45 %	

K.S. Pua, CEO and Chairman of Phison, said that electronic medical equipment has always been one of the embedded storage application markets that Phison has been working on. The characteristics of this market are not only a small amount of diversity, but also more focused on product customization and related verification. Although it is not known how long the epidemic will continue to spread, we will continue to utilize our technologies and hope to contribute to the epidemic prevention. Moreover, Phison will continue to work hard in the coming quarters to minimize the impact of the epidemic.

Impact for PHISON under the coronavirus situation can be analyzed by **4 phases**:

- **Phase 1 (before mid-March):** After China started to isolate among cities and provinces, NAND storage demand was increased for Taiwan companies, such as Phison, by the orders offsetting from Europe and U.S., and then market share increased.
- **Phase 2 (after mid-March):** While Europe and U.S. started to put on lockdown and shutdown factories, China resumed work gradually. The increased NAND storage demand in China partially offsets the loss from Europe and U.S.
- **Phase 3 (after mid-April):** Work-from-Home-related NAND storage demands such as NB, gaming, and cloud servers have been slowly rising due to the influence of coronavirus (COVID-19) across countries that put on lockdown. Coupled with the storage demand for medical equipment derived from the epidemic, it alleviates the downturn in storage demand caused by the overall consumer market and economic slowdown. However, in the second quarter, Phison's revenue will depend on the speed of the epidemic control and global resumption of work. Phison maintains conservative and does not rule out the possibility that revenue will be affected by the epidemic.
- **Phase 4 (after the global economy returns):** Delayed consumption caused by the epidemic may cause short-term massive consumption after the epidemic has been brought under control and the countries are gradually resuming work, which will drive a wave of storage demand growth. The overall demand for NAND storage will also return to normal after global economic activity returns to normal.

[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]

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 cyclicalities, 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.