

Dear Investor/Analyst/Shareholder,

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

KEY TAKEAWAYS

- Apr. 2020 revenue totaled NT\$3,579mn, up 16% YoY.
- Accumulated revenue for Jan.- Apr. 2020 reached NT\$16,446mn, up 33% YoY.
- The cumulative total memory bit shipments (Total Bits) for Jan. to Apr. 2020 grew by nearly 30%, hitting a record high for the same period in history.

Phison’s April 2020 revenue totaled NT\$3,579mn, up 16% YoY. Accumulated revenue for Jan. - Apr. 2020 reached NT\$16,446mn, with an annual growth rate (YoY) of nearly 33%. It demonstrates that Phison’s global market share continues to rise steadily. Although the coronavirus (COVID-19) has caused a global economic slowdown and may affect revenue in the coming months or even quarters, Phison will make every effort to reduce the impact of the outbreak on operations

PHISON 8299	Consolidated Sales (NT\$mn)	YoY
April 2020	3,579	16 %
Jan. to Apr. 2020	16,446	33 %

Compared with the same period last year (YoY), the total revenue of controller ICs raised by more than 45% in April, and the overall SSD controller shipments grew by nearly 45%, of which the total growth of PCIe SSD controller shipments exceeded 210%, which indicates that the demand for high-speed storage continues to rise steadily. In addition, regarding the high-end industrial and embedded storage market that Phison long-term cultivates, due to the relatively stable market characteristics, coupled with the demand for electronic medical equipment and network equipment derived from the epidemic, the overall industrial controller shipments grew by nearly 200%. The cumulative total memory bit shipments (Total Bits) for Jan. to Apr. also increased by nearly 30% due to the growth in market share, which has hit a record high for the same period in history.

Apr. 2020 Business Highlights (PHISON 8299)	YoY	Remarks
Total Controller ICs Revenue	45 %	
Total SSD Controller ICs Shipment	45 %	
Total PCIe SSD Controller ICs Shipment	210 %	
Total Industrial Controller ICs Shipment	200 %	
Accumulated Total Memory Bits Shipment for Jan.-Apr.	30 %	Hit a record high for the same period in history

K.S. Pua, CEO and Chairman of Phison, said that with the efforts of the government and all the people fighting the coronavirus, the result of Taiwan's epidemic prevention is a successful story to the world. Additionally, Phison's main production partners are all located in Taiwan, so it can maintain stable production and shipment, and minimize the impact of the epidemic. Although the global economy is still slowed down by the epidemic, the outbreak has also directly stimulated the demand for WFH (work-from-home) economy such as NB, network equipment, game consoles, and cloud servers. Therefore, the overall NAND market conditions remained stable. In addition, Phison will continue to maintain its own epidemic prevention measures, protect the health of employees, and prepare for the next wave of growth.

[4 Phases to Analyze the Impact of coronavirus for Phison]

- **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.

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.