

1Q25 Consolidated Financial Report and April Revenue Announcement

Phison discloses Taiwan-International Financial Reporting Standards (TIFRS) financial measures and also provides Non-Taiwan-International Financial Reporting Standards (Non-TIFRS)^{Note 1} financial measures as supplemental information. Non-TIFRS financial information should be considered in addition to, not as a substitute for, TIFRS financial information. Earnings distribution is made in accordance with financial statements based on TIFRS.

1Q25: Taiwan-International Financial Reporting Standards (TIFRS) Financial Measures

- ◆ **The consolidated operating revenue for this quarter was NT\$13.839 billion, an increase of 10.1% from the previous quarter and a decrease of 16.3% compared to the same period last year.**
- ◆ **The consolidated gross margin rate for this quarter was 30.9%, an increase of 0.1% from the previous quarter and a decrease of 3.0% compared to the same period last year.**
- ◆ **The consolidated operating income for this quarter was NT\$1.162 billion, an increase of 223.9% from the previous quarter and a decrease of 7.2% compared to the same period last year.**
- ◆ **The consolidated net income for this quarter was NT\$1.141 billion; with earnings per share of NT\$5.53.**

Consolidated Revenue

Phison Electronics announced financial results of first-quarter ended March 31, 2025. The consolidated operating revenue for the first-quarter of 2025 was NT\$13.839 billion, representing an increase of 10.1% compared to the previous quarter and a decrease of 16.3% compared to the same period last year.

Consolidated Gross Profit and Gross Margin

The consolidated gross profit for this quarter was NT\$4.281 billion, reflecting a 10.4% increase from the previous quarter and a 23.7% decrease from the same period last year.

The consolidated gross margin for the quarter was 30.9%, making a 0.1% increase from the previous quarter and a 3.0% decrease from the same period last year.

Consolidated Operating Expenses

The operating expenses for this quarter amounted to NT\$3.119 billion (22.5% of revenue), compared to NT\$4.813 billion (38.3% of revenue) in the previous quarter and NT\$4.355 billion (26.4% of revenue) for the same period last year.

Operating expenses for the quarter included:

- ◆ R&D expenses totaled NT\$2.566 billion (18.5% of operating revenue), which is lower than the previous quarter's NT\$4.035 billion (32.1% of operating revenue) and lower

than the same period last year's NT\$3.536 billion (21.4% of operating revenue).

- ◆ Marketing expenses amounted to NT\$0.347 billion (2.5% of operating revenue), lower than the previous quarter's NT\$0.510 billion (4.1% of operating revenue) and lower than the same period last year's NT\$0.409 billion (2.5% of operating revenue).
- ◆ General and administrative expenses amounted to NT\$0.244 billion (1.8% of operating revenue), lower than the previous quarter's NT\$0.348 billion (2.8% of operating revenue) and lower than the same period last year's NT\$0.449 billion (2.7% of operating revenue).

Consolidated Operating Income and Operating Margin

The operating income for this quarter was NT\$1.162 billion, which was an increase of 223.9% from the previous quarter and a decrease of 7.2% from the same period last year. The operating profit margin for this quarter was 8.4%, higher than the previous quarter's -7.5% and higher than the same period last year's 7.6%.

Consolidated Non-Operating Income (loss) and Income Tax

The non-operating incomes for this quarter was NT\$0.189 billion, or 1.4% of operating revenue. This was mainly due to the gains and losses of investments for using the equity method, the net foreign exchange gains and gains and losses on financial assets at fair value through profit or loss. The income tax expense for this quarter was NT\$0.210 billion.

Consolidated Net Income, Net Profit Margin and EPS

The net income for this quarter was NT\$1.141 billion, a decrease of 52.3% from the previous quarter and a decrease of 52.9% from the same period last year. The net profit margin for this quarter was 8.2%, lower than the previous quarter's 19.0% and lower than the same period last year's 14.6%.

Earnings per share (EPS) for this quarter was NT\$5.53, lower than the previous quarter's NT\$11.63 and lower than the same period last year's NT\$12.02.

Consolidated Cash and Financial Assets-Current

Cash and Financial assets at fair value-current at the end of this quarter was NT\$18.538 billion, which presents 25.8% of total assets. Cash and Financial assets at fair value-current was NT\$20.726 billion and NT\$15.262 billion at the end of the previous quarter and the same period last year, respectively. Financial assets-current portfolio includes funds, domestic listed stocks, derivatives and so on.

Consolidated Accounts Receivable

The net accounts receivable at the end of this quarter was NT\$8.921 billion, with an average

accounts receivable turnover of 56 days (calculated based on the average net receivables for this quarter and the annualized current sales revenue), which is higher than the 55 days of the previous quarter and higher than the 54 days of the same period last year.

Consolidated Inventory

The net inventory at the end of this quarter amounted to NT\$28.176 billion. The company's inventory is mostly applied to the Non-Retail market. The company will continue to closely monitor market demand and adjust inventory according to its strategies.

The average inventory turnover days for this quarter is 253 days (calculated based on the average net inventory for this quarter and the annualized cost of goods sold), which is higher than the 225 days of the previous quarter and higher than the 228 days of the same period last year.

Note1: Non-TIFRS financial information should be considered in addition to, not as a substitute for, TIFRS financial information. Reconciliations between TIFRS and Non-TIFRS results include share-based compensation, tax effect and other items. Further information is included in supplemental information.

Revenue for April 2025

Phison's consolidated revenue for April reached NT\$6.003 billion, representing a 5% month-over-month increase and a 16% year-over-year growth. Cumulative revenue for the year through April amounted to NT\$19.841 billion, marking the third-highest level for the same period in company history.

Market Overview

K.S. Pua, CEO of Phison Electronics, stated that the company's performance in the first quarter of 2025 was as expected, reaching a seasonal low due to the Lunar New Year holidays and the traditional off-season for the industry. However, since February, the impact of NAND flash production cuts by NAND manufacturers has gradually emerged, leading to improved market supply and demand dynamics. This has driven a steady recovery in overall demand month by month, laying a solid foundation for operations throughout the year.

In response to market changes, Phison proactively began building a healthy inventory level in the fourth quarter of 2024 to prepare for the anticipated rebound in the NAND market in 2025. This inventory strategy not only helps stabilize the supply chain but also allows Phison to respond more flexibly to the growing demands of its global customers.

Looking ahead to the second quarter of 2025, demand recovery is clearly visible across key application sectors such as PCs, smartphones, and industrial applications. In particular, the rebound in the PC market has further driven strong momentum for PCIe 4.0 SSD controllers, which are currently experiencing a supply shortage, indicating that the industry is gradually returning to

However, we have also observed a resurgence in tariff-related concerns in the international trade environment, leading some customers to adopt a more cautious stance. In response, Phison has launched a more aggressive international communication strategy to closely coordinate with global customers, helping them manage potential risks and jointly maintain a stable and competitive supply chain configuration.

Phison will continue to focus on its vertically integrated strengths in controllers and modules to flexibly adapt to market fluctuations. The company is also actively promoting its exclusive patented edge AI solution, aiDAPTIV+, to help customers accelerate AI-driven digital transformation, expand market presence, and enhance operational resilience. As the market gradually recovers, we maintain a cautiously optimistic outlook for the remainder of 2025 and look forward to creating value and pursuing growth together with our customers and partners.

【Supplemental Information】

Reconciliations of TIFRS Results to Non-TIFRS Results

NT\$/million		1Q25	4Q24	1Q24	Q/Q (%)	Y/Y (%)
TIFRS	Operating Profit	1,162	(937)	1,252	223.9%	(7.2%)
	Operating Profit Margin (%)	8.39%	(7.46%)	7.57%		
Reconciliations	Shares-based payment (reversal)	(3)	8	1,271		
	The costs and expenses corresponding to the gains of disposal of HSG shares	-	1,701	-		
Non-TIFRS	Operating Profit	1,159	772	2,523	50.1%	(54.1%)
	Operating Profit Margin (%)	8.37%	6.14%	15.27%		

TIFRS	Net Income	1,141	2,392	2,420	(52.3%)	(52.9%)
	Net Income (%)	8.24%	19.02%	14.64%		
	Basic EPS (NT\$)	5.53	11.63	12.02		
Reconciliations	Shares-based payment (reversal)	(3)	8	1,271		
	The costs and expenses corresponding to the gains of disposal of HSG shares	-	1,701	-		
	The gains of disposal of HSG shares	-	(4,290)	-		
	Tax effect	-	713	(182)		
Non-TIFRS	Net Income	1,138	524	3,509	117.2%	(67.6%)
	Net Income (%)	8.22%	4.17%	21.23%		
	Basic EPS (NT\$)	5.52	2.55	17.43		

Phison Announcement
March 7th 2025



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Non-TIFRS results include share-based compensation, amortization of acquisition related assets, tax effect and other items. Earnings distribution is made in accordance with financial statements based on TIFRS.

Note2: Sums may not equal totals due to rounding.

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[PHISON's Quick Facts]

- Over 23 years experiences in NAND controller IC design and module integration.
- Over 4,000 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%
- The global market share of automotive-grade controller exceeds 40%
- Phison, along with NAND makers such as KIOXIA, Micron, Western Digital, Samsung, SK Hynix, and others, are long-term partners.
- Over 70% of Phison's revenue contribution comes from "non-consumer" NAND storage applications, including servers, automotive systems, embedded systems, industrial applications, gaming consoles, and generative AI, allowing Phison to maintain relatively stable revenue and profitability despite fluctuations in the NAND industry.
- Phison's mastery of the entire NAND industry ecosystem, including its relationships with upstream NAND makers, supply chain partners for NAND controllers and storage modules, and downstream NAND storage application customers, represents invaluable and irreplaceable value that Phison brings to its global clients and partners. It is also a key advantage that enables Phison to stand firm in the NAND industry.

[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.

PHISON Spokesperson

Antonio Yu

TEL: 037-586-896 #10019

Mobile: 0979-105-026

Email: antonioyu@phison.com

PHISON Deputy Spokesperson

Kuo-Ting Lu

TEL: 037-586-896 #26022

Mobile: 0979-075-330

Email: kuoting_lu@phison.com

[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.