

3Q25 Consolidated Financial Report Announcement

Phison discloses Taiwan-International Financial Reporting Standards (TIFRS) financial measures and also provides Non-Taiwan-International Financial Reporting Standards (Non-TIFRS)^{Note1} 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.

3Q25: Taiwan-International Financial Reporting Standards (TIFRS) Financial Measures

- ◆ The consolidated operating revenue for this quarter was NT\$18.137 billion, an increase of 1.4% from the previous quarter and an increase of 30.1% compared to the same period last year.
- ◆ The consolidated gross margin rate for this quarter was 32.4%, an increase of 3.3% from the previous quarter and an increase of 3.2% compared to the same period last year.
- ◆ The consolidated operating income for this quarter was NT\$1.424 billion, a decrease of 39.3% from the previous quarter and an increase of 16.6% compared to the same period last year.
- ◆ The consolidated net income for this quarter was NT\$2.227 billion; with earnings per share of NT\$10.75.

Consolidated Revenue

Phison Electronics announced financial results of third-quarter ended September 30, 2025. The consolidated operating revenue for the third-quarter of 2025 was NT\$18.137 billion, representing an increase of 1.4% compared to the previous quarter and an increase of 30.1% compared to the same period last year.

Consolidated Gross Profit and Gross Margin

The consolidated gross profit for this quarter was NT\$5.878 billion, reflecting a 13.0% increase from the previous quarter and a 44.2% increase from the same period last year.

The consolidated gross margin for the quarter was 32.4%, making a 3.3% increase from the previous quarter and a 3.2% increase from the same period last year.

Consolidated Operating Expenses

The operating expenses for this quarter amounted to NT\$4.454 billion (24.6% of revenue), compared to NT\$2.853 billion (15.9% of revenue) in the previous quarter and NT\$2.854 billion (20.5% of revenue) for the same period last year.

Operating expenses for the quarter included:

- ◆ R&D expenses totaled NT\$3.707 billion (20.4% of operating revenue), which is higher than the previous quarter's NT\$2.248 billion (12.6% of operating revenue) and higher than the same period last year's NT\$2.161 billion (15.5% of operating

- ◆ Marketing expenses amounted to NT\$0.375 billion (2.1% of operating revenue), higher than the previous quarter's NT\$0.370 billion (2.1% of operating revenue) and close to the same period last year's NT\$0.375 billion (2.7% of operating revenue).
- ◆ General and administrative expenses amounted to NT\$0.310 billion (1.7% of operating revenue), higher than the previous quarter's NT\$0.210 billion (1.2% of operating revenue) and higher than the same period last year's NT\$0.214 billion (1.5% of operating revenue).

Consolidated Operating Income and Operating Margin

The operating income for this quarter was NT\$1.424 billion, which was a decrease of 39.3% from the previous quarter and an increase of 16.6% from the same period last year. The operating profit margin for this quarter was 7.9%, lower than the previous quarter's 13.1% and lower than the same period last year's 8.8%.

Consolidated Non-Operating Income (loss) and Income Tax

The non-operating incomes for this quarter was NT\$1.231 billion, or 6.8% 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\$0.428 billion.

Consolidated Net Income, Net Profit Margin and EPS

The net income for this quarter was NT\$2.227 billion, an increase of 199.0% from the previous quarter and an increase of 222.1% from the same period last year. The net profit margin for this quarter was 12.3%, higher than the previous quarter's 4.2% and higher than the same period last year's 5.0%.

Earnings per share (EPS) for this quarter was NT\$10.75, higher than the previous quarter's NT\$3.60 and higher than the same period last year's NT\$3.37.

Consolidated Cash and Financial Assets-Current

Cash and Financial assets at fair value-current at the end of this quarter was NT\$13.703 billion, which presents 18.6% of total assets. Cash and Financial assets at fair value-current was NT\$14.077 billion and NT\$15.762 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\$117.28 billion, with an average

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

Consolidated Inventory

The net inventory at the end of this quarter amounted to NT\$31.527 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 224 days (calculated based on the average net inventory for this quarter and the annualized cost of goods sold), which is higher than the 221 days of the previous quarter and lower than the 232 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 October 2025

October consolidated revenue reached NT\$7.065 billion, representing an 8% month-over-month (MoM) increase and a 90% year-over-year (YoY) increase. In October, total PCIe SSD controller shipments grew 280% YoY. Cumulative revenue for the first ten months of the year reached NT\$56.931 billion, up 14% YoY, marking a record high for the same period.

Market Overview

K.S. Pua, CEO of Phison Electronics, stated that the NAND storage market continues to face tight supply. Driven by global demand for AI and high-performance computing, NAND manufacturers remain conservative on production capacity expansion. In addition, elevated DRAM and HBM pricing has further constrained NAND production capacity, resulting in longer delivery lead times. In this environment, Phison continues to strengthen its focus on mid-to-high-end NAND storage markets, leveraging product differentiation and technology innovation to avoid price-driven competition. We are also working closely with supply chain partners and customers to ensure stable supply and to meet global demand to the greatest extent possible.

K.S.Pua further emphasized that on the demand side, cloud service providers (CSPs) are steadily increasing adoption of enterprise SSDs, and Phison's continued penetration into global server customer ecosystems is expanding the contribution from our enterprise storage business. In the mobile device market, Phison's eMMC and UFS product lines continue to gain market share, and our automotive UFS solutions have begun ramping up shipments, which is expected to positively contribute to revenue. Meanwhile, demand from PC OEM and mobile customers for NAND controller ICs remains strong, keeping supply tight. Looking ahead, Phison will continue to strengthen its technological capabilities and localized service advantages, seize growth opportunities, and drive long-term sustainable business performance.

【Supplemental Information】

Reconciliations of TIFRS Results to Non-TIFRS Results

NT\$/million		3Q25	2Q25	3Q24	Q/Q (%)	Y/Y (%)
TIFRS	Operating Profit	1,424	2,346	1,222	(39.3%)	16.6%
	Operating Profit Margin (%)	7.85%	13.11%	8.76%		
Reconciliations	Shares-based payment (reversal)	39	(1)	27		
Non-TIFRS	Operating Profit	1,463	2,345	1,249	(37.6%)	17.1%
	Operating Profit Margin (%)	8.07%	13.11%	8.96%		

TIFRS	Net Income	2,227	745	691	199.0%	222.1%
	Net Income (%)	12.28%	4.16%	4.96%		
	Basic EPS (NT\$)	10.75	3.6	3.37		
Reconciliations	Shares-based payment (reversal)	39	(1)	27		
	Tax effect	(6)	-	(4)		
Non-TIFRS	Net Income	2,260	744	714	203.8%	216.5%
	Net Income (%)	12.46%	4.16%	5.12%		
	Basic EPS (NT\$)	10.92	3.6	3.49		

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, 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 25 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-retail" 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.

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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.