

1Q26 Consolidated Financial Report Announcement 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)^{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.

1Q26: Taiwan-International Financial Reporting Standards (TIFRS) Financial Measures

- ◆ **The consolidated operating revenue for this quarter was NT\$40.967 billion, an increase of 79.7% from the previous quarter and an increase of 196.0% compared to the same period last year.**
- ◆ **The consolidated gross margin rate for this quarter was 61.3%, an increase of 19.6% from the previous quarter and an increase of 30.4% compared to the same period last year.**
- ◆ **The consolidated operating income for this quarter was NT\$14.841 billion, an increase of 345.1% from the previous quarter and an increase of 1,177.5% compared to the same period last year.**
- ◆ **The consolidated net income for this quarter was NT\$15.175 billion; with earnings per share of NT\$68.80.**

Consolidated Revenue

Phison Electronics announced financial results of first-quarter ended March 31, 2026. The consolidated operating revenue for the first-quarter of 2026 was NT\$40.967 billion, representing an increase of 79.7% compared to the previous quarter and an increase of 196.0% compared to the same period last year.

Consolidated Gross Profit and Gross Margin

The consolidated gross profit for this quarter was NT\$25.118 billion, reflecting a 164.4% increase from the previous quarter and a 486.8% increase from the same period last year.

The consolidated gross margin for the quarter was 61.3%, making a 19.6% increase from the previous quarter and a 30.4% increase from the same period last year.

Consolidated Operating Expenses

The operating expenses for this quarter amounted to NT\$10.277 billion (25.1% of revenue), compared to NT\$6.166 billion (27.0% of revenue) in the previous quarter and NT\$3.119 billion (22.5% of revenue) for the same period last year.

Operating expenses for the quarter included:

- ◆ R&D expenses totaled NT\$8.671 billion (21.2% of operating revenue), which is

higher than the previous quarter's NT\$5.254 billion (23.0% of operating revenue) and higher than the same period last year's NT\$2.566 billion (18.5% of operating revenue).

- ◆ Marketing expenses amounted to NT\$0.776 billion (1.9% of operating revenue), higher than the previous quarter's NT\$0.555 billion (2.4% of operating revenue) and higher than the same period last year's NT\$0.347 billion (2.5% of operating revenue).
- ◆ General and administrative expenses amounted to NT\$0.831 billion (2.0% of operating revenue), higher than the previous quarter's NT\$0.438 billion (1.9% of operating revenue) and higher than the same period last year's NT\$0.244 billion (1.8% of operating revenue).

Phison's operating expenses in the first quarter increased compared to both the previous quarter and the same period last year, primarily due to the company's continued strategic investments in long-term technology and product development, including advanced process R&D, mask costs, AI storage and edge AI platform development, as well as talent recruitment and enhanced employee compensation. These investments represent Phison's proactive commitment to future growth opportunities. Phison's continued investment in R&D and talent development will help increase the contribution of high-value products, strengthen the company's competitive advantages, and support long-term revenue and profitability growth. Phison has successfully captured business opportunities arising from the current AI wave and will continue expanding its market share in AI ecosystem-related solutions.

Consolidated Operating Income and Operating Margin

The operating income for this quarter was NT\$14.841 billion, which was an increase of 345.1% from the previous quarter and an increase of 1,177.5% from the same period last year. The operating profit margin for this quarter was 36.2%, higher than the previous quarter's 14.6% and higher than the same period last year's 8.4%.

Consolidated Non-Operating Income (loss) and Income Tax

The non-operating incomes for this quarter was NT\$3.057 billion, or 7.5% 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\$2.723 billion.

Consolidated Net Income, Net Profit Margin and EPS

The net income for this quarter was NT\$15.175 billion, an increase of 227.8% from the previous

quarter and an increase of 1,230.3% from the same period last year. The net profit margin for this quarter was 37.0%, higher than the previous quarter's 20.3% and higher than the same period last year's 8.2%.

Earnings per share (EPS) for this quarter was NT\$68.80, higher than the previous quarter's NT\$21.74 and higher than the same period last year's NT\$5.53.

Consolidated Cash and Financial Assets-Current

Cash and Financial assets at fair value-current at the end of this quarter was NT\$22.575 billion, which presents 16.0% of total assets. Cash and Financial assets at fair value-current was NT\$17.709 billion and NT\$18.538 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\$22.750 billion, with an average accounts receivable turnover of 41 days (calculated based on the average net receivables for this quarter and the annualized current sales revenue), which is lower than the 54 days of the previous quarter and lower than the 56 days of the same period last year.

Consolidated Inventory

The net inventory at the end of this quarter amounted to NT\$72.199 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 315 days (calculated based on the average net inventory for this quarter and the annualized cost of goods sold), which is higher than the 231 days of the previous quarter and higher than the 253 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 2026

Consolidated revenue for April 2026 reached NT\$20.207 billion, representing a 236% year-over-year (YoY) increase, while total PCIe SSD controller shipments in April grew 20% YoY. Cumulative revenue through April 2026 reached NT\$61.174 billion, up 208.32% YoY, both marking record highs for the same period in the company's history.

Market Overview

Phison Electronics (8299TT), a leading provider of NAND controllers and NAND storage solutions, today (May 8) announced its operating results for the first quarter of 2026. Benefiting from

continued strong demand for AI-related applications, Phison's consolidated revenue for the first quarter of 2026 reached NT\$40.967 billion, achieving significant quarter-over-quarter and year-over-year growth. Quarterly earnings per share (EPS) reached NT\$68.8, with both revenue and profitability setting new all-time quarterly records, highlighting the rapidly accelerating wave of AI-driven storage demand.

The global NAND market remains under tight supply conditions, and rising NAND prices have become an industry-wide reality, with no clear signs of easing in the short to medium term. The primary reason is that global NAND manufacturers continue to maintain a conservative and cautious approach toward capital expenditures and capacity expansion. At the same time, the volume of data generated by AI inference is growing explosively, while AI applications are gradually evolving from model training toward large-scale inference and deployment. As a result, AI infrastructure is increasingly transitioning into a new "Data/Storage Centric" architecture, further driving rapid growth in demand for high-capacity and high-performance NAND storage solutions.

In addition, Phison's operating expenses in the first quarter increased compared to both the previous quarter and the same period last year, primarily due to the company's continued strategic investments in long-term technology and product development, including advanced process R&D, mask costs, AI storage and edge AI platform development, as well as talent recruitment and enhanced employee compensation. These investments represent Phison's proactive commitment to future growth opportunities. Phison's continued investment in R&D and talent development will help increase the contribution of high-value products, strengthen the company's competitive advantages, and support long-term revenue and profitability growth. Phison has successfully captured business opportunities arising from the current AI wave and will continue expanding its market share in AI ecosystem-related solutions.

Phison CEO K.S. Pua stated: "Phison's core competitiveness has never been built on low-cost inventory strategies, but rather on long-term technology leadership, comprehensive customization capabilities, and helping customers jointly create high-value products and solutions. Phison is gradually transforming from a traditional NAND controller IC and NAND storage solution provider into an AI storage infrastructure and edge AI computing platform provider, which we refer to as PHISON 3.0. Going forward, Phison's proprietary AI Data Platform, enterprise SSDs, aiDAPTIV technology solutions, AI software, and AI-related ecosystem solutions will all become important future growth drivers for the company."

K.S. Pua further noted: "Phison's recently launched aiDAPTIV Hybrid AI SSD and aiDAPTIV Hybrid Claw solutions not only effectively reduce the risk of enterprise data leakage, but also help customers reduce token usage costs by more than 70%, significantly supporting the deployment and adoption of Agentic AI. At the same time, aiDAPTIV solutions actively align with the United Nations Sustainable Development Goals (SDGs), including lowering the barriers and deployment

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costs of AI adoption to help more countries and educational institutions popularize AI education and hands-on training environments; reducing overall energy consumption and carbon emissions through more streamlined and efficient AI hardware architectures; and helping emerging markets and resource-constrained regions establish localized AI infrastructure to accelerate AI adoption across education, healthcare, agriculture, public services, and industrial upgrades. Through these efforts, AI technology can enhance efficiency while also promoting sustainability and inclusive value.”

Looking ahead, as AI applications continue to penetrate across industries—including enterprise AI, edge AI, smart manufacturing, automation, smart healthcare, smart finance, and AI inference—the demand for high-performance storage and data infrastructure will continue to rise. Phison will continue deepening collaboration with global AI ecosystem partners and actively expanding into high-value markets such as edge AI solutions, AI data platforms, and customized enterprise SSDs, while continuing to create win-win outcomes for employees, shareholders, customers, and business partners.

【Supplemental Information】

Reconciliations of TIFRS Results to Non-TIFRS Results

NT\$/million		1Q26	4Q25	1Q25	Q/Q (%)	Y/Y (%)
TIFRS	Operating Profit	14,841	3,334	1,162	345.1%	1,177.2%
	Operating Profit Margin (%)	36.23%	14.63%	8.39%		
Reconciliations	Shares-based payment	118	122	(3)		
Non-TIFRS	Operating Profit	14,959	3,456	1,159	332.8%	1,190.7%
	Operating Profit Margin (%)	36.51%	15.16%	8.37%		

TIFRS	Net Income	15,175	4,629	1,141	227.8%	1,230.0%
	Net Income (%)	37.04%	20.30%	8.24%		
	Basic EPS (NT\$)	68.80	21.74	5.53		
Reconciliations	Shares-based payment	118	122	(3)		
	Tax effect	(18)	(16)	0		
Non-TIFRS	Net Income	15,275	4,735	1,138	222.6%	1,242.3%
	Net Income (%)	37.29%	20.77%	8.22%		
	Basic EPS (NT\$)	69.25	22.24	5.52		

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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 5000 employees globally, and more than 70% are engineers
- Nearly 2,000 memory-related patents globally.
- Target long-term revenue of over 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 maintains long-term strategic partnerships with leading NAND manufacturers, including KIOXIA, Micron, SanDisk, Samsung, SK hynix, and YMTC.
- More than 80% of Phison's revenue contribution comes from "high-value" NAND storage application markets, including servers, automotive systems, embedded systems, industrial applications, gaming consoles, and generative AI. This enables Phison to maintain relatively stable revenue and profitability despite fluctuations across the NAND industry cycle.
- Phison's deep understanding and integration across the entire NAND ecosystem — including strong bilateral partnerships with upstream NAND manufacturers and close engagement with downstream NAND storage application customers — represent the irreplaceable value Phison brings to global customers and partners, and serve as a key competitive advantage that allows Phison to remain resilient and influential within the NAND industry.

[About PHISON]

Phison Electronics Corp. (TPEX:8299) is a global leading provider of NAND flash controller ICs and storage solutions. As the industry evolves, Phison has transformed from a traditional controller IC design company into an integrated platform service provider combining AI computing and storage technologies, focusing on high-value and customized markets. Leveraging its expertise in firmware algorithms, controller IC design, and system integration, Phison provides one-stop services ranging from IP licensing and chip design to system architecture and turnkey solutions. Its technologies are widely adopted across data centers, AI computing, enterprise storage, industrial PCs, and embedded systems. Through close collaboration with global NAND manufacturers and ecosystem partners, Phison helps customers accelerate design-in processes and deliver high-performance, reliable, and differentiated storage and AI solutions. 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.