

Dear Investor/Analyst/Shareholder,

Thank you for your support for Phison (8299TT). Please see the details of our consolidated earnings of 2Q22 below:

KEY TAKEAWAYS

- Consolidated revenue in the second quarter was NT\$16.285 billion, an increase of 2.4% compared to the same period last year (YoY)
- EPS in the second quarter reached NT\$9.17, the second highest for the same period in history.

Phison Electronics (8299TT), a leading provider of NAND controller and NAND storage solutions, announced its consolidated financial results for the second quarter of 2022 today (7/29). Consolidated revenue in the second quarter was NT\$16.285 billion, an increase of 2.4% compared to the same period last year (YoY), and the cumulative revenue for the year reached NT\$33.391 billion, an increase of nearly 16% compared with the same period last year, a record high for the same period in history; gross profit in the second quarter was NT\$4.947 billion, and the cumulative gross profit for the year was NT\$10.342 billion, with an annual growth of 15%, setting a new record for the same period in history. In addition, the gross profit margin in the second quarter was 30.37%, the net profit after tax was NT\$1.8 billion, and the EPS was NT\$9.17.

2Q22 Earnings	NT\$	Growth Rate	Remarks
Consolidated Revenue	16.285 bn	2.4% YoY	A record high over the same period in history
Gross Profit	4.947 bn	-4% YoY	Second highest over the same period in history
Net profit after tax	1.8 bn	-20% YoY	Second highest over the same period in history
EPS (NT\$)	9.17	/	Second highest over the same period in history

Compared with the same period last year (YoY), the overall controller shipments in the second quarter of 2022 grew by more than 71%, of which the total PCIe SSD controller shipments grew by nearly 6%. In addition, the total shipments of memory bits (Total Bits) accumulated to the second quarter of the year increased by nearly 3%, setting a new record for the same period in history.

2Q22 Business Highlights	YoY	Remarks
Total shipments of overall controller	71 %	Historical single-season high
Total shipments of PCIe SSD controller	6 %	
Cumulative (Jan. to Jun.) total memory bit shipments	3 %	A record high over the same period in history

K.S.Pua, CEO of Phison, said that due to factors such as epidemic control, war, inflation, and lack of consumer confidence, market demand has slowed down, and various industries around the world are facing varying degrees of impact, including the NAND storage market. In other words, it is reasonable to estimate that the time for Phison to reduce the inventory level will be extended.

K.S.Pua went on to explain that market changes are the norm for Phison. Over the past 21 years, Phison has been riding the wind and waves in the NAND storage market, and has gradually consolidated its foundation through transformation. In other words, compared to its peers, Phison is less affected by market fluctuations. In addition, Phison will continue to expand its R&D investment against the trend to maintain its leading position in technology, and to achieve a new operating peak when the economy recovers.

In addition, Phison also announced the surplus distribution for the first half of 2022 simultaneously today, with an estimated distribution of NT\$10 per share.

[PHISON IR Distribution List Application Form]

If you would like to receive PHISON press release or announcement, please register our IR distribution application form from the link: [Phison IR Distribution List](#)

[PHISON's Quick Facts]

- Over 21 years experiences in NAND controller IC design and module integration.
- Over 3,400 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%
- \$2.23B USD sales revenue in 2021.
- 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.

PHISON Spokesperson

Antonio Yu
TEL: 037-586-896 #1019
Mobile: 0979-105-026
Email: antonioyu@phison.com

PHISON Deputy Spokesperson

Kuo-Ting Lu
TEL: 037-586-896 #2622
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.