

Dear Investor/Analyst/Shareholder,

Thank you for your support for Phison (8299TT). Please see the details of our September 2024 revenue below:

Phison Electronics (8299TT), a leading provider of NAND controllers and NAND storage solutions, announced its operating results for September 2024 today (October 9). The consolidated revenue for the month reached NT\$4.431 billion, bringing the cumulative revenue for the year up to September to NT\$46.363 billion, reflecting a year-over-year (YoY) growth of 43%, marking the second-highest revenue for the same period in the company's history.

PHISON 8299TT	Sales Revenue (NT\$bn)	Growth Rate	Remark
Sep. 2024	4.431	-7% MoM	
Jan. to Sep. 2024	46.363	43% YoY	Second highest in history for the same period

The annual growth rate (Bit Growth Rate) of Phison's total NAND storage bit shipments up to September 2024 reached 30%, the highest in the company's history for the same period, indicating a continuous rise in market demand for high-capacity NAND storage module products.

K.S. Pua, CEO of Phison Electronics, pointed out that the ongoing sluggish demand for entry-level SSDs in the retail market was expected. The main reason is that "SSD has already become the standard configuration in mainstream PC specifications," and end consumers have shifted their upgrade demand in retail channels towards increasing SSD capacity or upgrading to high-speed SSDs. This shift in demand aligns perfectly with Phison's strategy of transitioning to the mid-to-high-end SSD market. In other words, SSD suppliers who rely solely on low-price competition will inevitably face increasing difficulties in the future.

K.S. Pua further elaborated that Phison has been actively expanding into the non-retail, customized mid-to-high-end SSD market for years to mitigate the impact of market supply and demand fluctuations on the company's operations. For example, 1) The industrial storage market, which Phison has been cultivating for over 10 years, has recently shown strong demand, 2) Phison's enterprise SSD brand, PASCARI, continues to ship steadily, and 3) Phison's aiDAPTIV+ platform for on-

premises fine-tuning of generative AI computations has successfully been implemented in various AI application scenarios, including recent expansions in partnerships and collaborations with software partners. Additionally, Phison has contributed to Taiwan's AI digital transformation policy by donating the aiDAPTIV+ platform to universities, aiming to accelerate the widespread adoption of AI education. Furthermore, Phison is in active discussions with industry, government, and academia on introducing secure, affordable on-premises AI computing solutions, all of which are expected to contribute positively to future revenue and profitability.

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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.

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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.