

4Q25 Consolidated Financial Report Announcement and February 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.

4Q25: Taiwan-International Financial Reporting Standards (TIFRS) Financial Measures

- ◆ **The consolidated operating revenue for this quarter was NT\$22.799 billion, an increase of 25.7% from the previous quarter and an increase of 81.3% compared to the same period last year.**
- ◆ **The consolidated gross margin rate for this quarter was 41.7%, an increase of 9.3% from the previous quarter and an increase of 10.9% compared to the same period last year.**
- ◆ **The consolidated operating income for this quarter was NT\$3.334 billion, an increase of 134.1% from the previous quarter and an increase of 355.7% compared to the same period last year.**
- ◆ **The consolidated net income for this quarter was NT\$4.629 billion; with earnings per share of NT\$21.74.**
- ◆ **The consolidated operating revenue of 2025 full-year was NT\$72.664 billion, with earnings per share of NT\$41.98.**

Consolidated Revenue

Phison Electronics announced financial results of fourth-quarter ended December 31, 2025. The consolidated operating revenue for the fourth-quarter of 2025 was NT\$22.799 billion, representing an increase of 25.7% compared to the previous quarter and an increase of 81.3% compared to the same period last year.

The consolidated operating revenue of 2025 full-year was NT\$72.664 billion and an increase of 23.3% compared to last year.

Consolidated Gross Profit and Gross Margin

The consolidated gross profit for this quarter was NT\$9.500 billion, reflecting a 61.6% increase from the previous quarter and a 145.1% increase from the same period last year.

The consolidated gross margin for the quarter was 41.7%, making a 9.3% increase from the previous quarter and a 10.9% increase from the same period last year.

The consolidated gross profit for 2025 full-year was NT\$24.858 billion, reflecting a 30.2% increase from the same period last year. The consolidated gross margin for 2025 full-year was 34.2%, making a 1.8% increase from the same period last year.

Consolidated Operating Expenses

The operating expenses for this quarter amounted to NT\$6.166 billion (27.0% of revenue), compared to NT\$4.453 billion (24.6% of revenue) in the previous quarter and NT\$4.813 billion (38.3% of revenue) for the same period last year.

Operating expenses for the quarter included:

- ◆ R&D expenses totaled NT\$5.254 billion (23.0% of operating revenue), which is higher than the previous quarter's NT\$3.707 billion (20.4% of operating revenue) and higher than the same period last year's NT\$4.035 billion (32.1% of operating revenue).
- ◆ Marketing expenses amounted to NT\$0.555 billion (2.4% of operating revenue), higher than the previous quarter's NT\$0.374 billion (2.1% of operating revenue) and higher than the same period last year's NT\$0.510 billion (4.1% of operating revenue).
- ◆ General and administrative expenses amounted to NT\$0.438 billion (1.9% of operating revenue), higher than the previous quarter's NT\$0.310 billion (1.7% of operating revenue) and higher than the same period last year's NT\$0.348 billion (2.8% of operating revenue).

The operating expenses for 2025 full-year amounted to NT\$16.591 billion (22.8% of operating revenue), reflecting an increase of 6.6% compared to 15.566 billion (26.4% of operating revenue) for the same period last year.

Consolidated Operating Income and Operating Margin

The operating income for this quarter was NT\$3.334 billion, which was an increase of 134.1% from the previous quarter and an increase of 455.7% from the same period last year. The operating profit margin for this quarter was 14.6%, higher than the previous quarter's 7.9% and higher than the same period last year's -7.5%.

The operating income for 2025 full-year was NT\$8.266 billion, which was an increase of 134.0% from the same period last year. The operating profit margin for 2025 full-year was 11.4%.

Consolidated Non-Operating Income (loss) and Income Tax

The non-operating incomes for this quarter was NT\$1.865 billion, or 8.2% 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\$0.570 billion.

The non-operating incomes for 2025 full-year was NT\$1.939 billion, or 2.7% of operating revenue. The income tax expense for the full-year was NT\$1.465 billion.

Consolidated Net Income, Net Profit Margin and EPS

The net income for this quarter was NT\$4.629 billion, an increase of 107.9% from the previous quarter and an increase of 93.6% from the same period last year. The net profit margin for this quarter was 20.3%, higher than the previous quarter's 12.3% and higher than the same period last year's 19.0%.

Earnings per share (EPS) for this quarter was NT\$21.74, higher than the previous quarter's NT\$10.75 and higher than the same period last year's NT\$11.63.

The net income for 2025 full-year was NT\$8.741 billion, an increase of 9.9% from the same period last year. The net profit margin for the full-year was 12.0% and earnings per share (EPS) for the full-year was NT\$41.98, higher than the same period last year's NT\$38.95.

Consolidated Cash and Financial Assets-Current

Cash and Financial assets at fair value-current at the end of this quarter was NT\$17.709 billion, which presents 20.7% of total assets. Cash and Financial assets at fair value-current was NT\$13.703 billion and NT\$20.762 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\$13.689 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 close to the 54 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\$35.609 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 231 days (calculated based on the average net inventory for this quarter and the annualized cost of goods sold), which is higher than the 224 days of the previous quarter and higher than the 225 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 February 2026

Consolidated revenue in February reached NT\$12.198 billion, representing a 17% month-over-month (MoM) increase and a 170% year-over-year (YoY) increase. Among this, total shipments of PCIe SSD controllers in February recorded a 29% YoY growth. Cumulative revenue through

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February reached NT\$22.65 billion, representing a 180% YoY increase, with both figures reaching 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 announced its financial results for the fourth quarter of 2025. Benefiting from rapidly increasing data storage demand driven by AI applications, Phison reported Q4 2025 revenue of NT\$22.799 billion and earnings per share (EPS) of NT\$21.74, both reaching record highs for a single quarter. In addition, February 2026 revenue also reached a record high for the same period, reflecting how the accelerating AI wave is driving strong global demand for high-performance storage solutions.

As AI training and AI inference applications continue to expand, the volume of data generated is growing exponentially, significantly increasing overall storage demand. At the same time, the NAND Flash industry remains under tight supply conditions, as major NAND manufacturers continue to maintain a cautious and conservative approach to capacity expansion. As AI inference generates virtually unlimited data volumes, demand for NAND storage capacity is expected to maintain strong long-term growth momentum. In the short to mid-term, the industry trend of tight supply and rising prices shows no clear signs of easing.

Phison CEO K.S. Pua stated: "Over the past several years, we have continued to increase our R&D investment and actively expand into diverse application markets, including enterprise storage, data centers, automotive electronics, industrial applications, and AI-related solutions. As the AI industry and its applications grow rapidly, Phison's long-term technology investments and product strategies are beginning to deliver meaningful results, enabling the company to capture key opportunities and expand its market influence amid the surging demand for AI storage."

K.S. Pua further noted: "Phison's competitiveness has never relied on low-cost inventory strategies or short-term market cycles. Instead, we focus on continuous technology innovation and sustained R&D investment to help our customers build high-value products and solutions. By growing together with our customers and establishing long-term partnerships, Phison has gradually moved beyond the traditional perception of storage companies as purely cyclical businesses. Even during industry fluctuations, we have been able to maintain relatively stable profitability and performance that outperforms many peers."

K.S. Pua added: "In the traditional PC era, CPU vendors typically provided three- to five-year product roadmaps, allowing the entire supply chain to plan ahead. However, in the AI era, GPU platforms are being upgraded almost every year, significantly accelerating the pace of the industry and raising the bar for supply-chain flexibility and R&D capabilities. Phison's 25 years of

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accumulated R&D foundation and industry experience—including comprehensive customization capabilities, flexible collaboration models, rapid response, strong supply partnerships, and solid financial strength—enable us to adapt quickly to changes in the AI industry while continuing to expand revenue and profitability from high-value products.”

Looking ahead, as AI technologies continue to penetrate industries and application scenarios, global data generation will keep accelerating, driving long-term growth in storage demand. Phison will continue to deepen collaborations with partners across the AI ecosystem while actively expanding high-value product lines such as Edge AI solutions and customized enterprise SSDs, further strengthening its technology leadership and market competitiveness, and creating long-term, win-win value for employees, shareholders, and global partners.

【Supplemental Information】

Reconciliations of TIFRS Results to Non-TIFRS Results

NT\$/million		4Q25	3Q25	4Q24	Q/Q (%)	Y/Y (%)
TIFRS	Operating Profit	3,334	1,424	(937)	134.1%	455.7%
	Operating Profit Margin (%)	14.63%	7.85%	(7.46%)		
Reconciliations	Shares-based payment	122	39	8		
	The costs and expenses corresponding to the gains of disposal of HSG shares	-	-	1,701		
Non-TIFRS	Operating Profit	3,456	1,463	772	136.2%	347.7%
	Operating Profit Margin (%)	15.16%	8.07%	6.14%		

TIFRS	Net Income	4,629	2,227	2,392	107.9%	93.6%
	Net Income (%)	20.30%	12.28%	19.02%		
	Basic EPS (NT\$)	21.74	10.75	11.63		
Reconciliations	Shares-based payment	122	39	8		
	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	(16)	(6)	713		
Non-TIFRS	Net Income	4,735	2,260	524	109.5%	803.6%
	Net Income (%)	20.77%	12.46%	4.17%		
	Basic EPS (NT\$)	22.24	10.92	2.55		

NT\$/million		2025	2024	Y/Y (%)
TIFRS	Operating Profit	8,267	3,533	134.0%
	Operating Profit Margin (%)	11.38%	5.99%	
Reconciliations	Shares-based payment	157	1,332	
	The costs and expenses corresponding to the gains of disposal of HSG shares	-	1,701	
Non-TIFRS	Operating Profit	8,424	6,566	28.3%
	Operating Profit Margin (%)	11.59%	11.14%	

TIFRS	Net Income	8,741	7,954	9.9%
	Net Income (%)	12.03%	13.50%	
	Basic EPS (NT\$)	41.98	38.95	
Reconciliations	Shares-based payment	157	1,332	
	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	(22)	523	
Non-TIFRS	Net Income	8,876	7,220	22.9%
	Net Income (%)	12.22%	12.25%	
	Basic EPS (NT\$)	42.64	35.36	

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 4,500 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, SanDisk, 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.