

Dear Investor/Analyst/Shareholder,

Thank you for your support for Phison (8299TT). Please see the details of our February 2023 revenue below:

Phison Electronics (8299TT), a leading provider of NAND controllers and NAND storage solutions, announced today (3/10) its operating results for February 2023, with consolidated revenue of NT\$3.275 billion, a month-on-month growth of 13% (MoM). The cumulative annual revenue until February reached NT\$6.153 billion, an annual growth rate of -42%.

PHISON 8299TT	Sales Revenue (NT\$bn)	Growth Rate
February 2023	3.275	13% MoM
Jan. to Feb. 2023	6.153	-42% YoY

K.S. Pua, CEO of Phison Electronics, explained that recently, he has gradually felt that the supply chain demand in mainland China has continued to pick up slowly, and global customers are also actively stimulating demand through specification upgrades. Due to factors such as inflation, we do not expect overall shipment growth this year; however, as NAND prices are already at a relatively low level, it will help stimulate the increase in storage capacity of NAND modules, which in turn will help improve the overall supply and demand situation of the NAND industry. Furthermore, since October last year, NAND makers have gradually reduced production and capital expenditures to reduce the overall NAND supply. As long as the demand gradually increases in the future, there may be shortages.

In addition, K.S.Pua went on to emphasize that due to the poor economic environment, NAND makers reduce expenditures through layoffs, and system integrators have slowed down the development of PCIe 5.0 high-end new specification models due to inventory pressure and higher cost, the market demand for flagship PCIe 5.0 SSD may be delayed until the second half of 2024; however, since consumers still have high-speed computing and storage needs, and Phison is the only supplier other than NAND makers to mass-produce PCIe 4.0 SSD controllers in the market, Phison's PCIe 4.0 SSD storage solutions are also selling well. In other words, if the popularization of PCIe 5.0 SSDs is delayed, it will also help Phison increase the overall market share of PCIe 4.0 SSDs. Regardless of whether it is PCIe 5.0 or PCIe 4.0 SSD, Phison has the most advanced and mass-produced PCIe 4.0/5.0 SSD solutions, which will completely meet the market's demand for high-speed transmission and storage capacity.

[PHISON IR Distribution List Application Form]

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[PHISON's Quick Facts]

- Over 22 years experiences in NAND controller IC design and module integration.
- Over 3,800 employees globally, and more than 75% are engineers.
- Nearly 2,000 memory-related patents globally.
- Target long-term revenue of over NT\$100 billion through the 5+5 growth strategy
- Exceeds 20% of the global market share of SSD controllers
- NT\$60.256B sales revenue in 2022.
- [Unique business model](#) that can produce consistently strong cashflow and profits over long-term NAND memory market cycles.
- Committed to maintaining 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.

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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.