

Dear Investor/Analyst/Shareholder,

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

Phison Electronics (8299TT), a leading provider of NAND controllers and NAND storage solutions, announced its operating results for May 2023 today (6/9). The consolidated revenue was NT\$3.202 billion, showing a monthly decline of nearly 4% (MoM). The cumulative revenue for the year until May reached NT\$16.647 billion, indicating a yearly decline of 40%.

PHISON 8299TT	Sales Revenue (NT\$bn)	Growth Rate
May 2023	3.202	-4% MoM
Jan. to May 2023	16.647	-40% YoY

K.S.Pua, CEO of Phison, explained that due to the unfavorable global economic conditions, end customers and consumers have reduced their spending, leading to a more conservative outlook on future demand from global customers. They are hesitant to actively build inventory or significantly upgrade product specifications. As a result, the traditionally robust third quarter needs to be observed for system customer demand. In addition, upstream suppliers are facing substantial losses, and there is limited room for further price reductions. The only variable lies in the demand-side momentum.

K.S.Pua emphasized that although Phison's revenue declined in May, the company's NAND storage total bit shipments actually increased by approximately 30% in terms of year-on-year growth rate (YoY). In other words, various NAND applications have continued to increase NAND storage capacity due to relatively low NAND prices, which will be beneficial to the overall NAND supply-demand balance.

K.S. Pua further added that despite the current slowdown in market demand, Phison maintains its pace of investment in R&D and technology advancements. This includes the unveiling of the world's first PCIe 5.0 DRAM-Less client SSD controller, PS5031-E31T, at Computex, as well as the world's first PCIe 4.0 DRAM-Less client SSD controller, PS5027-E27T, which supports speeds of up to 3600MT/s for 3D NAND. These advancements will be one of Phison's best product lines to seize the next wave of economic recovery.

[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.