Phison Announcement
November 6th 2026

3Q26 Consolidated Financial Report Announcement and October 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.

3Q26: Taiwan-International Financial Reporting Standards (TIFRS) Financial Measures

- **The consolidated operating revenue for this quarter was NT$86.076 billion, an increase of 26.8% from the previous quarter and an increase of 374.6% compared to the same period last year.**
- **The consolidated gross margin rate for this quarter was 59.7%, a decrease of 5.6% from the previous quarter and an increase of 27.3% compared to the same period last year.**
- **The consolidated operating income for this quarter was NT$32.898 billion, an increase of 24.8% from the previous quarter and an increase of 2,210% compared to the same period last year.**
- **The consolidated net income for this quarter was NT$30.548 billion; with earnings per share of NT$138.**

Consolidated Revenue

Phison Electronics announced financial results of third-quarter ended September 30, 2026. The consolidated operating revenue for the third-quarter of 2026 was NT$86.076 billion, representing an increase of 26.8% compared to the previous quarter and an increase of 374.6% compared to the same period last year.

Consolidated Gross Profit and Gross Margin

The consolidated gross profit for this quarter was NT$51.387 billion, reflecting a 15.9% increase from the previous quarter and a 774.3% increase from the same period last year.

The consolidated gross margin for the quarter was 59.7%, making a 5.6% decrease from the previous quarter and a 27.3% increase from the same period last year.

Consolidated Operating Expenses

The operating expenses for this quarter amounted to NT$18.489 billion (21.5% of revenue), compared to NT$17.964 billion (26.5% of revenue) in the previous quarter and NT$4.453 billion (24.6% of revenue) for the same period last year.

Operating expenses for the quarter included:

- R&D expenses totaled NT$15.288 billion (17.8% of operating revenue), which is higher than the previous quarter's NT$15.099 billion (22.2% of operating revenue)

and higher than the same period last year's NT$3.707 billion (20.4% of operating revenue).

- Marketing expenses amounted to NT$1.504 billion (1.7% of operating revenue), higher than the previous quarter's NT$1.289 billion (1.9% of operating revenue) and higher than the same period last year's NT$0.374 billion (2.1% of operating revenue).

- General and administrative expenses amounted to NT$1.554 billion (1.8% of operating revenue), lower than the previous quarter's NT$1.581 billion (2.3% of operating revenue) and higher than the same period last year's NT$0.310 billion (1.7% of operating revenue).

Phison's operating expenses in the third quarter increased compared to both the previous quarter and the same period last year, primarily due to the company's continued strategic investments in long-term technology and product development, including advanced process R&D, mask costs, AI storage and edge AI platform development, as well as talent recruitment and enhanced employee compensation. These investments represent Phison's proactive commitment to future growth opportunities. Phison's continued investment in R&D and talent development will help increase the contribution of high-value products, strengthen the company's competitive advantages, and support long-term revenue and profitability growth. Phison has successfully captured business opportunities arising from the current AI wave and will continue expanding its market share in AI ecosystem-related solutions.

Consolidated Operating Income and Operating Margin

The operating income for this quarter was NT$32.898 billion, which was an increase of 24.8% from the previous quarter and an increase of 2,210% from the same period last year. The operating profit margin for this quarter was 38.2%, slightly lower than the previous quarter's 38.8% and higher than the same period last year's 7.9%.

Consolidated Non-Operating Income (loss) and Income Tax

The non-operating incomes for this quarter was NT$3.078 billion, or 3.6% 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$5.428 billion.

Consolidated Net Income, Net Profit Margin and EPS

The net income for this quarter was NT$30.548 billion, an increase of 16.5% from the previous quarter and an increase of 1,272% from the same period last year. The net profit margin for this

quarter was 35.5%, lower than the previous quarter's 38.6% and higher than the same period last year's 12.3%.

Earnings per share (EPS) for this quarter was NT$138, higher than the previous quarter's NT$118.57 and higher than the same period last year's NT$10.75.

Consolidated Cash and Financial Assets-Current

Cash and Financial assets at fair value-current at the end of this quarter was NT$27.707 billion, which presents 11.7% of total assets. Cash and Financial assets at fair value-current was NT$33.799 billion and NT$13.703 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$60.772 billion, with an average accounts receivable turnover of 52 days (calculated based on the average net receivables for this quarter and the annualized current sales revenue), which is higher than the 44 days of the previous quarter and lower than the 54 days of the same period last year.

Consolidated Inventory

The net inventory at the end of this quarter amounted to NT$111.774 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 274 days (calculated based on the average net inventory for this quarter and the annualized cost of goods sold), which is lower than the 297 days of the previous quarter and higher than the 224 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 October 2026

Consolidated revenue in October reached NT$31.530 billion, representing a 3% month-over-month (MoM) increase and a 346% year-over-year (YoY) increase. Among this, total shipments of PCIe SSD controllers grew 35% MoM during the month. Cumulative revenue for the first ten months of 2026 reached NT$226.462 billion, up 298% YoY. Both monthly and year-to-date revenue reached record highs for the same periods.

Market Overview

Phison Electronics Corp. (8299TT), a leading provider of NAND flash controllers and AI computing and storage solutions, today (November 6) announced its operating results for the third quarter of 2026. Driven by continued growth in demand for AI infrastructure and enterprise storage, Phison

reported consolidated revenue of NT$86.076 billion, gross profit of NT$51.387 billion, and earnings per share (EPS) of NT$138 for 3Q26. All three financial metrics reached record highs for the same period, demonstrating the tangible progress of Phison's strategic transformation under its Phison 3.0 strategy.

In 3Q26, revenue contribution from Phison's AI Ecosystem Modules—including enterprise SSDs (eSSDs), aiDAPTIV solutions, AI PCs, AI Networking, AI Servers, and Boot Drives—exceeded 50% of total revenue. Meanwhile, Tier-1 CSPs, rack system customers, and OEM/ODM server customers continued to adopt Phison's products and solutions at scale, generating multiple design-in opportunities. These developments demonstrate Phison's ongoing transformation from a NAND flash controller and storage product supplier into an integrated AI ecosystem provider encompassing AI storage, AI computing, and AI application services.

In addition, Phison has secured six NAND controller IC design service engagements with NAND manufacturers so far this year, further expanding its global partnerships and market share in the NAND controller IC market.

K.S. Pua, Founder and CEO of Phison Electronics, stated, "Phison's transformation under the Phison 3.0 strategy continues to deepen. In addition to expanding our AI hardware portfolio, including eSSDs and aiDAPTIV solutions, we are further strengthening our on-premises AI offerings through the Phison AI Data Platform. We have also begun actively building our AI Software team, with the goal of establishing a repeatable and scalable software business model that enables us to replicate successful AI deployment experiences across different industries.

"To date, Phison's AI-related solutions have secured design-in engagements with more than 17 financial institutions, 85 small and medium-sized enterprises (SMEs), 10 hospitals, 18 universities and colleges, and 9 government entities. This demonstrates strong demand for on-premises AI across a broad range of industries. As cloud-based AI token consumption costs increasingly become a significant financial burden for enterprises, some companies have even begun imposing limits on employees' token usage. These developments further highlight the growing importance of on-premises AI in terms of cost efficiency, data security, and operational control. By integrating the capabilities of the Phison AI Data Platform, aiDAPTIV, and AI Software, Phison will continue to help enterprises lower the barriers to adopting on-premises AI, reduce ongoing usage costs, and accelerate its broader adoption across industries."

Pua further added, "Phison's operating objective is to leverage the new growth drivers created by our Phison 3.0 strategy—including eSSDs, aiDAPTIV, AI Software, the Phison AI Data Platform, and high-value-added customized solutions and services—to continuously optimize our product mix and revenue structure. Our focus is on achieving sustained growth in revenue, gross profit,

and EPS, thereby enhancing long-term shareholder returns, rather than pursuing short-term gains.

"We believe that a company's long-term value is built on sustained technological advantages, improved earnings quality, and a sustainable business model. Phison will continue to invest in the development of critical technologies and deepen collaboration with global customers and AI ecosystem partners. Through our ongoing Phison 3.0 transformation, we aim to create sustainable, long-term value for both the company and our shareholders."

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PHISON

【Supplemental Information】

Reconciliations of TIFRS Results to Non-TIFRS Results

NT$/million		3Q26	2Q26	3Q25	Q/Q (%)	Y/Y (%)
TIFRS	Operating Profit	**32,898**	26,370	1,424	24.8%	2,210.3%
	Operating Profit Margin (%)	**38.22%**	38.84%	7.85%		
Reconciliations	Shares-based payment	**242**	117	39		
Non-TIFRS	**Operating Profit**	**33,140**	26,487	1,463	25.1%	2,165.2%
	Operating Profit Margin (%)	**38.50%**	39.02%	8.07%		

TIFRS	Net Income	**30,548**	26,219	2,227	16.5%	1,271.7%
	Net Income (%)	**35.49%**	38.62%	12.28%		
	Basic EPS (NT$)	**138.00**	118.57	10.75		
Reconciliations	Shares-based payment	**242**	117	39		
	Valuation Gain/Loss on ECB Series B Conversion Option Liability	**(484)**	13	0		
	Tax effect	**(110)**	(16)	(6)		
Non-TIFRS	**Net Income**	**30,196**	26,333	2,260	14.7%	1,236.1%
	Net Income (%)	**35.08%**	38.79%	12.46%		
	Basic EPS (NT$)	**136.42**	119.10	10.92		

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 5000 employees globally, and more than 70% are engineers
- Nearly 2,000 memory-related patents globally.
- Target long-term revenue of over 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 maintains long-term strategic partnerships with leading NAND manufacturers, including KIOXIA, Micron, SanDisk, Samsung, SK hynix, and YMTC.
- More than 80% of Phison's revenue contribution comes from "high-value" NAND storage application markets, including servers, automotive systems, embedded systems, industrial applications, gaming consoles, and generative AI. This enables Phison to maintain relatively stable revenue and profitability despite fluctuations across the NAND industry cycle.
- Phison's deep understanding and integration across the entire NAND ecosystem — including strong bilateral partnerships with upstream NAND manufacturers and close engagement with downstream NAND storage application customers — represent the irreplaceable value Phison brings to global customers and partners, and serve as a key competitive advantage that allows Phison to remain resilient and influential within the NAND industry.

[About PHISON]

Phison Electronics Corp. (TPEX:8299) is a global leading provider of NAND flash controller ICs and storage solutions. As the industry evolves, Phison has transformed from a traditional controller IC design company into an integrated platform service provider combining AI computing and storage technologies, focusing on high-value and customized markets. Leveraging its expertise in firmware algorithms, controller IC design, and system integration, Phison provides one-stop services ranging from IP licensing and chip design to system architecture and turnkey solutions. Its technologies are widely adopted across data centers, AI computing, enterprise storage, industrial PCs, and embedded systems. Through close collaboration with global NAND manufacturers and ecosystem partners, Phison helps customers accelerate design-in processes and deliver high-performance, reliable, and differentiated storage and AI solutions. 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.