YFY Consumer Products Co., Ltd.

Investor Engagement

Date: August 14, 2026

The following summarizes the key topics raised by investors during the investor conference and the Company's responses:

1. The Company's gross margin improved in Q2, while its operating margin remained flat. What were the main reasons?

- Gross margin improvement was primarily driven by product and channel mix optimization, along with enhanced cost control. Revenue declined 1.2% year-over-year in the first half of 2026, while gross profit increased by 14.3%.
- The operating margin did not improve accordingly, mainly due to ongoing medium- and long-term strategic investments in brand development, channel expansion, new product R&D, and supply chain automation. The Company will continue to review the effectiveness of these investments.

2. How does management view market demand and growth momentum in the second half of 2026? Is overall demand expected to improve compared with the first half?

- The Company maintains a cautious but not pessimistic outlook for demand in the second half of the year. Demand for household paper products is expected to remain stable, with limited growth. The Company will drive growth through upgrades to mid- and high-end products, expansion of cleaning products, and development of non-paper product categories.
- The Company will continue to expand agency operations and partnerships in new product categories. Discussions with several brand owners are currently underway. While these initiatives may not immediately contribute to revenue in the short term, they are expected to support category and revenue expansion over the medium to long term.

3. Major retailers in Taiwan have introduced their own private-label tissue products. What strategies will the Company adopt to address this competition?

- The Company will continue to strengthen the value of its own brands through product upgrades, including mid- to high-end, three-ply, four-ply, and interfold tissue products, thereby enhancing product added value and pricing power.
- The Company will leverage its existing production capacity and channel advantages to meet manufacturing demand across different brands and product categories, improve capacity utilization and production scale, and further capture cost and economies-of-scale benefits.