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May 8, 2026

Consolidated Financial Results for the Six Months Ended March 31, 2026 (Under Japanese GAAP)

Company Name: E-Guardian Inc.
 Listing: Tokyo Stock Exchange
 Securities code: 6050
 URL: <https://www.e-guardian.co.jp/>
 Representative: Yasuhisa Takatani, President & CEO
 Inquiries: Shin Sato, Managing Director
 Telephone: +81-3-6205-8859
 Scheduled date to file quarterly securities report: May 11, 2026
 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the six months ended March 31, 2026 (from October 1, 2025, to March 31, 2026)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended								
March 31, 2026	5,464	(6.9)	567	(39.0)	590	(36.7)	373	(38.5)
March 31, 2025	5,868	2.6	929	5.8	933	7.0	607	13.4

Note: Comprehensive income For six months ended March 31, 2026 ¥381 million [(37.0)%]
 For six months ended March 31, 2025 ¥604 million [11.2%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended		
March 31, 2026	32.22	-
March 31, 2025	52.64	-

Note: For the calculation of “Basic earnings per share” and “Diluted earnings per share,” the Company’s shares held by the Company’s Board Benefit Trust (BBT) are included in treasury shares, which are deducted from the average number of shares outstanding during the period.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of			
March 31, 2026	13,382	12,025	89.9
September 30, 2025	13,728	12,053	87.8

Reference: Equity
 As of March 31, 2026 ¥12,025 million
 As of September 30, 2025 ¥12,053 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended September 30, 2025	-	0.00	-	35.00	35.00
Fiscal year ending September 30, 2026	-	0.00			
Fiscal year ending September 30, 2026 (forecast)			-	38.00	38.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecasts of consolidated financial results for the fiscal year ending September 30, 2026 (from October 1, 2025, to September 30, 2026)

(Percentages indicate year-on-year changes for the full year and quarter, respectively)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	12,009	6.1	1,604	6.7	1,629	6.5	1,033	9.6	89.36

Note: Revisions to the forecast of consolidated financial results most recently announced: None

For the calculation of "Basic earnings per share," the Company's shares held by the Company's Board Benefit Trust (BBT) are included in treasury shares, which are deducted from the average number of shares outstanding during the period.

*** Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of interim consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
 - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: Yes
 - (iv) Restatement: None

(4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2026	11,933,516 shares
As of September 30, 2025	11,933,516 shares

- (ii) Number of treasury shares at the end of the period

As of March 31, 2026	337,671 shares
As of September 30, 2025	339,671 shares

- (iii) Average number of shares outstanding during the period

Six months ended March 31, 2026	11,594,256 shares
Six months ended March 31, 2025	11,546,603 shares

Note: Total number of treasury shares at the end of the period includes the number of the Company's shares held by the Company's Board Benefit Trust (BBT). The number of treasury shares deducted in calculating the average number of shares outstanding during the period includes the number of the Company's shares held by Board Benefit Trust (BBT).

* Interim financial results reports are exempt from reviews conducted by certified public accountants or an audit corporation.

* Explanation regarding proper use of earnings forecasts, and other special matters

The results forecast and other forward-looking statements contained in this document are based on information currently available to the Company and certain assumptions deemed to be reasonable. Actual business results may differ materially from the forecast due to a variety of factors. Please refer to "Explanation of Consolidated Earnings Forecasts and Other Forward-Looking Information" on page 7 of the Consolidated Financial Results for the Six Months Ended March 31, 2026 (Attachments) for the assumptions for earnings forecasts and notes on using earnings forecasts.

(Methods for obtaining supplementary material on financial results and the details of the financial results briefing)

The Company plans to hold a financial results briefing for institutional investors and analysts on Wednesday, May 20, 2026.

The financial results presentation material to be used on the said date will be posted on TDnet and the Company website. The proceedings and presentation details of the financial results briefing will be posted on the Company website promptly after the briefing.

○ Table of Contents of Attachments

- 1. Overview of Operating Results, Etc.....5
 - (1) Overview of Operating Results for the Period under Review.....5
 - (2) Overview of Financial Position for the Period under Review.....7
 - (3) Explanation of Consolidated Earnings Forecasts and Other Forward-Looking Information.....7
- 2. Interim Consolidated Financial Statements and Key Notes9
 - (1) Interim Consolidated Balance Sheet.....9
 - (2) Interim Consolidated Statements of Income and Interim Consolidated Statements of Comprehensive Income.....10
 - (Interim Consolidated Statements of Income).....10
 - (Interim Consolidated Statements of Comprehensive Income).....11
 - (3) Interim Consolidated Statements of Cash Flows12
 - (4) Notes to Interim Consolidated Financial Statements13
 - (Notes on Going Concern Assumptions)13
 - (Changes in Accounting Estimates).....13
 - (Segment Information).....13
 - (Per-share information).....13
 - (Significant Subsequent Events)13

1. Overview of Operating Results, Etc.

(1) Overview of Operating Results for the Period under Review

During the six months ended March 31, 2026, the Japanese economy recovered moderately, driven by the ongoing normalization of economic activities and other factors, alongside positive developments in employment and income conditions. On the other hand, the outlook remains uncertain due to factors such as the impact of U.S. trade policies on the global economy and rising geopolitical risks, particularly in the Middle East.

In the domestic Internet-related market surrounding the Group, video-watching, e-commerce (online shopping) services, and fintech-related services are expanding, continuing on a growth trend. In addition, while various related services are expected to develop in the future with further advancement in the technological innovation of the Internet, cyber security issues are becoming more serious every year, such as growing security concerns associated with the establishment and expansion of remote work and the cyber risks to supply chains. The demand for security continues to rise to ensure that everyone can use the Internet with a sense of security.

Under this environment, the Group, as a comprehensive Internet security company with the management philosophy “We Guard All,” has been providing high-quality and highly efficient one-stop security services based on the strength of its “AI-human hybrid” systems. Furthermore, the Company has been promoting initiatives to establish itself as a top cyber security vendor in Japan, with its parent CHANGE Holdings, Inc. (hereinafter referred to as “CHANGE HD”).

SNS related support services, which are the Group’s core services, and cyber security, which is positioned as a growth area, are essential for making the Internet safe and secure, and we will continue to work to strengthen service quality, as well as improve and enhance our products.

During the six months ended March 31, 2026, customer support services for e-commerce and flea market sites, as well as identity verification services, expanded. In the cyber security business, sales of WAFs (*) increased for both cloud-based and software-based solutions. In addition, we achieved year-on-year growth in sales from new customers across all business segments by reorganizing our sales organization by service category and focusing on acquiring new customers and engaging in sales activities in new sectors, such as real estate and education. Furthermore, we focused on strengthening profitability management at each service center and implementing AI on a project-by-project basis following the establishment of the AI Strategy Department.

However, sales decreased year on year due to a decline in net sales from existing customers in SNS related support services and the completion of major Game related support service projects secured in the first half of the previous fiscal year. Furthermore, although price adjustment negotiations with existing customers have largely been completed, and adjustments to labor costs in response to the sharp decline in net sales are underway, these measures have not fully offset the decline. Additionally, profit decreased year on year due to recruiting highly skilled personnel in the areas of AI strategy, sales, and marketing.

Definition of terms

(*) Abbreviation for Web Application Firewall. A security product designed to protect websites by detecting and preventing attacks that exploit vulnerabilities in web applications.

As a result, for the six months ended March 31, 2026, net sales were ¥5,464.691 million (down 6.9% year-on-year), operating profit was ¥567.041 million (down 39.0% year-on-year), ordinary profit was ¥590.760 million (down 36.7% year-on-year), and profit attributable to owners of parent was ¥373.616 million (down 38.5% year-on-year).

Segment information is not provided as the Group has a single segment. Business results by type of business are as follows:

(i) SNS related support

SNS related support provides post monitoring, customer support, and reputation research for various Internet services such as social web services.

During the six months ended March 31, 2026, customer support services for e-commerce and flea market sites, as well as identity verification services, expanded. In addition, sales to new customers increased year on year due to our efforts to engage in sales activities in new sectors, such as real estate and education. However, these efforts were insufficient to offset the decrease in net sales from existing monitoring service customers, resulting in an overall decrease in sales.

As a result, net sales fell 6.0% year on year to ¥3,472.518 million.

(ii) Game related support

Game related support is engaged in customer support and debugging services mainly for social games.

During the six months ended March 31, 2026, we reorganized our sales structure by service category and focused on proposing solutions to new customers. Consequently, sales from customer support services for new customers increased year on year.

However, net sales declined due to the completion of a large-scale project secured in the first half of the previous fiscal year and the continued lack of major hit titles in the domestic social gaming market.

As a result, net sales were down 24.9% year on year to ¥559.162 million.

(iii) Advertisement related support

Advertisement related support provides Internet advertising screening and outsourced administration services.

During the six months ended March 31, 2026, we continued to focus on developing new customers to respond to the demand in the digital advertising market; however, this was not enough to offset lower sales for existing customers, resulting in a decline in sales.

As a result, net sales were down 5.8% year on year to ¥613.966 million.

(iv) Cyber security

The cyber security business mainly provides vulnerability diagnosis, WAF, and consulting services to solve security management issues.

During the six months ended March 31, 2026, the sales of both cloud-based and software-based WAFs increased year on year. In addition, to drive sales in this business, we recruited highly skilled sales and marketing personnel and revamped our organizational structure.

As a result, net sales were up 15.0% year on year to ¥548.646 million.

(v) Other

For other, we mainly provide debugging services for hardware. EG Testing Services Inc., a wholly-owned subsidiary, promoted high-quality services backed by more than 30 years of experience and expertise, and engaged in in-depth marketing and new development.

As a result, net sales were down 10.2% year on year to ¥270.397 million.

(2) Overview of Financial Position for the Period under Review

(i) Assets, liabilities, and net assets

(Assets)

The balance of current assets as of March 31, 2026, was ¥12,074.454 million, a decrease of ¥303.611 million (or 2.5%) from ¥12,378.065 million as of September 30, 2025.

This was mainly due to while cash and deposits fell by ¥347.573 million.

The balance of non-current assets as of March 31, 2026, was ¥1,308.462 million, down ¥41.806 million (or 3.1%) from ¥1,350.268 million as of September 30, 2025.

This was mainly due to decreases of ¥48.126 million in goodwill and ¥24.639 million in leasehold and guarantee deposits.

As a result, total assets as of March 31, 2026, came to ¥13,382.916 million, down 2.5% from September 30, 2025.

(Liabilities)

The balance of liabilities as of March 31, 2026, was ¥1,357.303 million, a decrease of ¥317.875 million (or 19.0%) from ¥1,675.178 million as of September 30, 2025.

This was mainly due to decreases of ¥64.938 million in accounts payable-other, ¥15.857 million in income taxes payable, ¥73.338 million in accrued consumption taxes, and ¥66.686 million in provision for bonuses for current liabilities.

(Net assets)

The balance of net assets as of March 31, 2026, was ¥12,025.613 million, down ¥27.542 million (or 0.2%) from ¥12,053.155 million as of September 30, 2025.

This was mainly due to the recording of ¥373.616 million in profit attributable to owners of parent, while making a payment of ¥411.563 million in dividends of surplus.

(ii) Cash Flows

Cash and cash equivalents (hereinafter referred to as “cash”) as of March 31, 2026, amounted to ¥10,638.806 million, a decrease of ¥347.573 million from ¥10,986.379 million as of September 30, 2025. The status of each cash flow during the period under review and the factors affecting them are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to ¥128.670 million, compared with ¥296.615 million provided in the same period of the previous fiscal year.

This was mainly due to the expenditure of ¥267.469 million in income tax paid, despite the recording of profit before income taxes of ¥590.748 million.

(Cash flows from investing activities)

Net cash used in investing activities amounted to ¥72.110 million, compared with ¥41.202 million used in the same period of the previous fiscal year.

This was mainly due to cash outflow of ¥29.837 million for the purchase of property, plant and equipment, and ¥58.367 million for the purchase of intangible assets.

(Cash flows from financing activities)

Net cash used in investing activities amounted to ¥410.376 million, compared with ¥339.818 million used in the same period of the previous fiscal year.

This was mainly due to ¥0.687 million in proceeds from the disposal of treasury shares and the expenditure of ¥411.063 million for dividends paid.

(3) Explanation of Consolidated Earnings Forecasts and Other Forward-Looking Information

Regarding the full-year earnings forecast for the fiscal year ending September 30, 2026, there are no changes to the forecast announced on November 7, 2025, at this time.

Although net sales and all profit figures for the second quarter (cumulative) fell short of expectations, we are maintaining our full-year earnings forecast. This is based on our expectation of securing large-scale projects from existing customers in the second half of the fiscal year and beyond. We also anticipate increased sales from new business areas, growth in new projects, improved profitability at each center, and improved gross profit margins per project, due to the implementation of AI in services primarily for existing customers.

2. Interim Consolidated Financial Statements and Key Notes

(1) Interim Consolidated Balance Sheet

(Thousands of yen)

	As of September 30, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	10,986,379	10,638,806
Accounts receivable–trade	1,258,277	1,252,613
Work in process	7,699	10,357
Other	125,958	172,865
Allowance for doubtful accounts	(249)	(189)
Total current assets	12,378,065	12,074,454
Non-current assets		
Property, plant and equipment	537,770	534,401
Intangible assets		
Goodwill	192,507	144,380
Other	122,562	153,645
Total intangible assets	315,070	298,026
Investments and other assets		
Leasehold and guarantee deposits	425,443	400,803
Other	71,984	75,231
Total investments and other assets	497,428	476,035
Total non-current assets	1,350,268	1,308,462
Total assets	13,728,333	13,382,916
Liabilities		
Current liabilities		
Accounts payable–trade	8,565	2,608
Accounts payable–other	832,410	767,471
Accrued expenses	11,841	1,719
Income taxes payable	275,620	259,762
Accrued consumption taxes	161,551	88,212
Provision for bonuses	70,971	4,284
Other	142,156	70,526
Total current liabilities	1,503,116	1,194,585
Non-current liabilities		
Provision for share awards for directors (and other officers)	132,832	143,626
Long-term guarantee deposits	25,144	18,489
Other	14,084	600
Total non-current liabilities	172,061	162,717
Total liabilities	1,675,178	1,357,303
Net assets		
Shareholders' equity		
Share capital	1,967,618	1,967,618
Capital surplus	1,976,492	1,976,492
Retained earnings	8,705,795	8,667,848
Treasury shares	(633,669)	(630,879)
Total shareholders' equity	12,016,237	11,981,080
Accumulated other comprehensive income		
Foreign currency translation adjustment	36,918	44,533
Total accumulated other comprehensive income	36,918	44,533
Total net assets	12,053,155	12,025,613
Total liabilities and net assets	13,728,333	13,382,916

(2) Interim Consolidated Statements of Income and Interim Consolidated Statements of Comprehensive Income
(Interim Consolidated Statements of Income)

(Thousands of yen)

	Six months ended March 31, 2025 (From October 1, 2024 to March 31, 2025)	Six months ended March 31, 2026 (From October 1, 2025 to March 31, 2026)
Net sales	5,868,052	5,464,691
Cost of sales	4,040,326	3,934,978
Gross profit	1,827,726	1,529,713
Selling, general and administrative expenses	898,264	962,671
Operating profit	929,462	567,041
Non-operating income		
Interest income	5,348	16,719
Fees received	288	230
Subsidy income	2,579	1,043
Subsidy income 2	1,442	6,843
Other	1,293	3,033
Total non-operating income	10,951	27,871
Non-operating expenses		
Foreign exchange losses	4,774	3,978
Other	2,393	173
Total non-operating expenses	7,167	4,152
Ordinary profit	933,246	590,760
Extraordinary losses		
Loss on retirement of non-current assets	43	12
Total extraordinary losses	43	12
Profit before income taxes	933,203	590,748
Income taxes - current	326,334	234,393
Income taxes - deferred	(948)	(17,262)
Total income taxes	325,386	217,131
Profit	607,816	373,616
Profit attributable to owners of parent	607,816	373,616

(Interim Consolidated Statements of Comprehensive Income)

(Thousands of yen)

	Six months ended March 31, 2025 (From October 1, 2024 to March 31, 2025)	Six months ended March 31, 2026 (From October 1, 2025 to March 31, 2026)
Profit	607,816	373,616
Other comprehensive income		
Foreign currency translation adjustment	(2,825)	7,614
Total other comprehensive income	(2,825)	7,614
Comprehensive income	604,991	381,231
Comprehensive income attributable to:		
Owners of parent	604,991	381,231

(3) Interim Consolidated Statements of Cash Flows

(Thousands of yen)

	Six months ended March 31, 2025 (From October 1, 2024 to March 31, 2025)	Six months ended March 31, 2026 (From October 1, 2025 to March 31, 2026)
Cash flows from operating activities		
Profit before income taxes	933,203	590,748
Depreciation and amortization	44,928	40,303
Amortization of goodwill	48,126	48,126
Other amortization	20,971	20,971
Interest and dividend income	(5,348)	(16,719)
Increase (decrease) in allowance for doubtful accounts	32	(60)
Loss on retirement of non-current assets	43	12
Decrease (increase) in trade receivables	(185,418)	6,667
Decrease (increase) in inventories	(1,705)	(2,783)
Increase (decrease) in trade payables	10,512	(6,216)
Increase (decrease) in provision for bonuses	(5,064)	(66,779)
Increase (decrease) in accounts payable - other	1,826	(66,894)
Increase (decrease) in accrued consumption taxes	(9,859)	(72,786)
Increase (decrease) in provision for share awards for directors (and other officers)	12,258	10,794
Other	(143,957)	(105,962)
Subtotal	720,548	379,419
Interest and dividends received	5,348	16,719
Income tax paid	(429,281)	(267,469)
Cash flows from operating activities	296,615	128,670
Cash flows from investing activities		
Purchase of property, plant and equipment	(940)	(29,837)
Purchase of intangible assets	-	(58,367)
Purchase of investment securities	(10,000)	-
Payments of guarantee deposits	(30,262)	(13,208)
Proceeds from refund of guarantee deposits	-	29,304
Cash flows from investing activities	(41,202)	(72,110)
Cash flows from financing activities		
Dividends paid	(362,927)	(411,063)
Proceeds from disposal of treasury shares	23,427	687
Purchase of treasury shares	(317)	-
Cash flows from financing activities	(339,818)	(410,376)
Effect of exchange rate change on cash and cash equivalents	2,586	6,242
Net increase (decrease) in cash and cash equivalents	(81,818)	(347,573)
Cash and cash equivalents at beginning of period	10,402,138	10,986,379
Cash and cash equivalents at end of period	10,320,319	10,638,806

(4) Notes to Interim Consolidated Financial Statements

(Notes on Going Concern Assumptions)

Not applicable.

(Changes in Accounting Estimates)

During the six months ended March 31, 2026, we set the date for vacating the Tachikawa Center and Koriyama Center. Accordingly, we shortened the useful lives of the relevant assets to ensure that their depreciation will be fully completed by the scheduled vacating date.

In addition, by making changes to estimates of restoration costs, the amount of leasehold deposits for which recovery is not expected is rationally estimated, and the amount to be borne during the period under review is recorded as expenses.

As a result of this change in estimate, operating profit, ordinary profit, and profit before income taxes for the period under review decreased by ¥4.717 million, respectively, compared with the previous method.

(Segment Information)

Information on the Group's business segments is omitted as the Group has a single segment of the Internet security business.

(Per-share information)

The basis for calculating basic earnings per share is as follows:

Item	Six months ended March 31, 2025 (From October 1, 2024 to March 31, 2025)	Six months ended March 31, 2026 (From October 1, 2025 to March 31, 2026)
Basic earnings per share	52.64 yen	32.22 yen
(Basis of Calculation)		
Profit attributable to owners of parent (thousands of yen)	607,816	373,616
Amount not attributable to common shareholders (thousands of yen)	-	-
Profit attributable to owners of parent related to common shares (thousands of yen)	607,816	373,616
Average number of common shares outstanding during the period	11,546,603	11,594,256

Notes: 1. Net income per share (diluted) has not been recorded, as there are no potential shares.

2. The Company's shares held by the Company's Board Benefit Trust (BBT) are included in treasury shares, which are deducted from the average number of shares outstanding during the period for the calculation of "Basic earnings per share". (117,826 shares for the six months ended March 31, 2025, and 163,126 shares for the six months ended March 31, 2026)

(Significant Subsequent Events)

(Absorption-type merger of a consolidated subsidiary)

At a meeting of the Board of Directors held on December 17, 2025, the Company resolved to conduct an absorption-type merger with its wholly-owned subsidiary, E-Guardian Tohoku Inc., effective April 1, 2026.

1. Purpose of the merger

The Company decided to conduct an absorption-type merger with its wholly-owned subsidiary in order to further streamline the management decision-making process and improve operational efficiency through centralized management and optimal allocation of management resources.

2. Outline of the merger

(1) Schedule for the merger

Date of resolution by our Board of Directors December 17, 2025

Date of execution of the merger agreement December 17, 2025

Effective date April 1, 2026

* Since this merger will be carried out by the Company as a simplified absorption-type merger pursuant to Article 796, Paragraph 2 of the Companies Act, a general meeting of shareholders is not required for the approval of the merger agreement.

(2) Method of the merger

The merger took the form of an absorption-type merger in which the Company was the surviving company and E-Guardian Tohoku Inc. was dissolved.

(3) Details of allotment related to the merger

Since E-Guardian Tohoku Inc. is a wholly-owned subsidiary of the Company, no shares or other consideration will be allotted as a result of the merger.

(4) Treatment of share options and bonds with share options in connection with the merger

Not applicable.

(5) Summary of accounting treatment

In accordance with the “Accounting Standard for Business Combinations” and the “Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures,” the transaction is planned to be accounted for as a transaction under common control.