E-Guardian

We Guard All

Financial Results for the Fiscal Year Ended September 30, 2026

E-Guardian Inc. (Securities Code: 6050)

November 2026

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Executive Summary

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Net sales △0.2% YoY; growth in Social Support

- Full-year net sales ¥11,294 million (△0.2% YoY); 4Q ¥2,993 million with M&A contribution
- Social Support +2.6% YoY; growth accelerated to +16.6% YoY in 4Q
  Lower sales: new projects could not offset the end of a large Game support project and smaller Ad process projects

Operating income △36.0% YoY, mainly due to lower gross profit margin and AI and human capital investment

- Gross profit margin: 28.3% (previous year: 29.0%)
  Affected by lower 1Q sales and overlapping labor costs from 3Q site consolidation to improve profitability
- SG&A expenses rose on human and system investment in AI solutions and center AI implementation, and higher shareholder benefit expenses

FY9/2027: operating income of ¥1,200 million (+24.6% YoY) expected

- Improve gross margin via high-margin AI solutions, AI in center operations and site consolidation
  SG&A to rise with full-year AI investment, but profit to grow on margin gains and the end of shareholder benefits
- AI-BPO: Monetize the AI solution investment made in FY9/2026
  M&A: Focus on the high-growth cyber security field

Fiscal year ended September 2026
Full-Year Results
(October 2025 to September 2026)

FY9/2026 Results Summary

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■ Factors behind the decline in sales (Net sales △0.2%)

- Game support: completion of a large-scale project received in the previous fiscal year
- Ad process: smaller project sizes due to the use of AI in advertisement inspection
- New project wins and Social Support growth could not fully offset the above, resulting in lower sales

■ Background to the Decrease in Profits (Operating Income △36.0%)

- Gross profit margin of 28.3% (previous year: 29.0%): Affected by lower 1Q sales and temporary overlapping labor costs from 3Q site consolidation
- Higher SG&A expenses due to AI investment and human capital investment
- Higher shareholder benefit expenses (approx. +¥65 million YoY)

■ Other factors (extraordinary losses)

- In the course of monetizing "AI-BPO," we recognized the need for a more versatile next-generation system and discontinued the development of some customer support tools to redirect management resources to the next-generation system; as a result, we recorded an impairment loss on software in progress, etc. (extraordinary losses of ¥119 million)

Millions of yen	Actual	Same period last year Actual	From the preceding year	Estimates for the year
Net sales	11,294	11,321	99.8%	12,009
Operating income	962	1,504	64.0%	1,604
Ordinary income	1,032	1,530	67.5%	1,629
Profit attributable to owners of parent	547	943	58.0%	1,033

Results by Half (1H/2H)

Net sales and gross profit turned positive YoY in 2H **Still on the road to recovery**
Operating income declined in 2H as well due to AI investment and benefit expenses, but the decline narrowed (△39.0% → △31.2%)
Operating income excluding benefit expenses improved significantly from △43.3% in 1H to △6.8% in 2H

Millions of yen	1H (Oct.–Mar.)			2H (Apr.–Sep.)		
	Prior	Current	From the preceding year	Prior	Current	From the preceding year
Net sales	5,868	5,465	△6.9%	5,453	5,829	+6.9%
Gross profit	1,828	1,530	△16.3%	1,460	1,663	+13.9%
Gross profit margin	31.1%	28.0 %	△3.1pt	26.8 %	28.5 %	+1.7pt
SG&A expenses	898	963	+7.2%	885	1,267	+43.2%
Operating income	929	567	△39.0%	575	396	△31.2%
Operating income excl. benefit expenses	999	567	△43.3%	645	601	△6.8%

Change in YoY growth (1H → 2H)

Net sales
△6.9% → +6.9%
Turned positive

Gross profit
△16.3% → +13.9%
Turned positive

Operating income
△39.0% → △31.2%
Decline narrowed

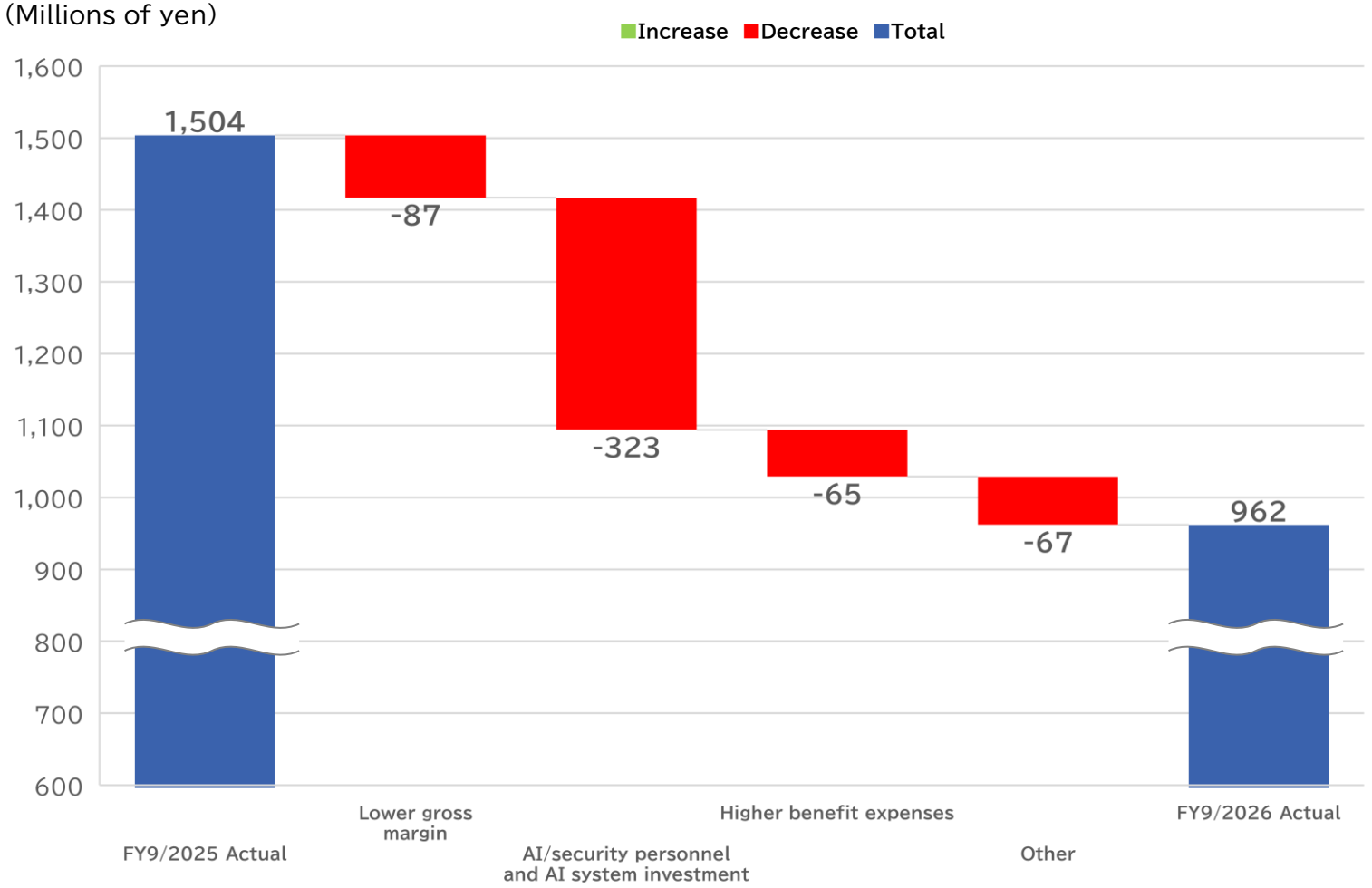
Operating income excl. benefit expenses
△43.3% → △6.8%
Decline narrowed significantly

Operating income excl. benefit expenses: from △43.3% in 1H to △6.8% in 2H. Gross profit margin also improved to 28.5% in 2H; **still on the road to recovery**

Operating Income Analysis (YoY)

Operating income was ¥962 million (△¥541 million YoY). 60% of the decrease was up-front investment in AI and security

(Millions of yen)



Key points

▼ Personnel and system investment △323

Up-front investment in AI and security

Personnel and system investment for AI solution development and AI implementation at centers, and securing security personnel. Building the structure for monetization from FY9/2027

▼ Lower gross profit margin △87

Recording of temporary expenses

Affected by temporary overlapping labor costs from 3Q site consolidation. Gross profit margin improved YoY from 3Q onward

▼ Higher shareholder benefit expenses △65 / Other △67

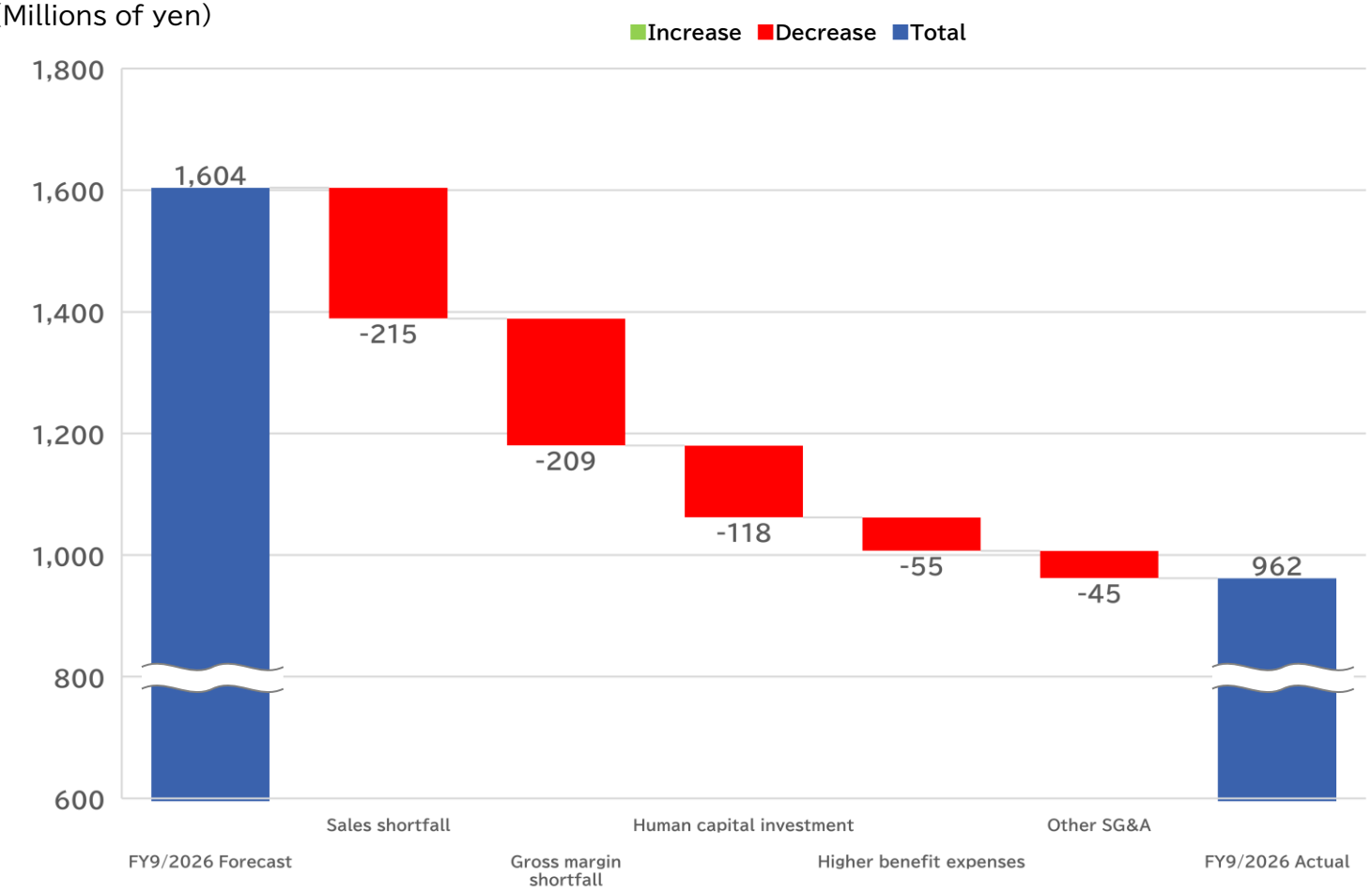
No benefit expenses from FY9/2027 onward

Abolition of the shareholder benefit program was resolved, shifting to dividend-focused returns. Other: impact of lower sales and higher other SG&A expenses

Operating Income vs. Forecast

△¥641 million vs. the initial forecast. Mainly due to shortfalls in sales and gross profit margin, and human capital investment including AI personnel

(Millions of yen)



Key points

▼ Sales shortfall △215

Net sales △¥715 million vs. forecast (△6.0%)

New project wins could not fully offset the completion of a large-scale Game support project and smaller projects in Ad process

▼ Gross profit margin shortfall △209

Gross profit margin approx. 1.9pt below the forecast assumption

Affected by lower sales in 1Q and temporary overlapping labor costs from site consolidation in 3Q

▼ Higher-than-expected SG&A expenses △218

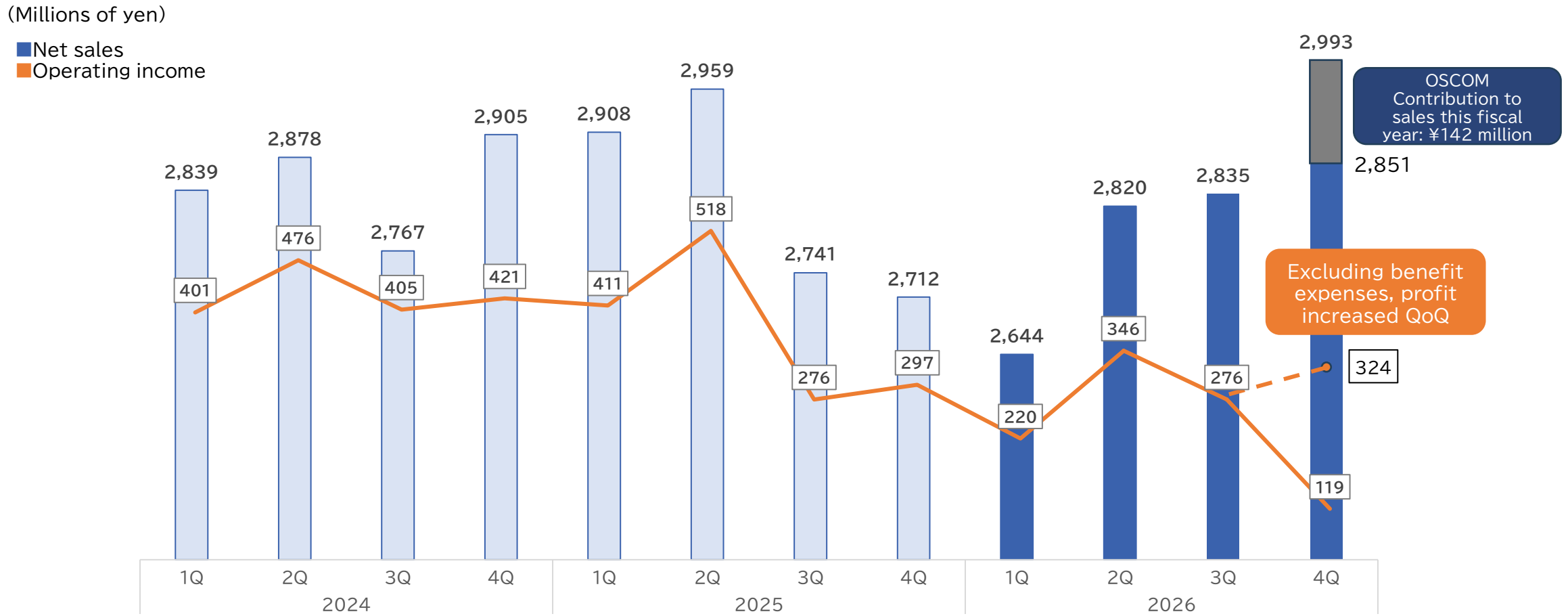
Human capital investment △118 / Benefits △55 / Other △45

Mainly due to hiring more AI and highly skilled personnel than expected.

Building the structure for monetization in FY9/2027

Quarterly Net Sales and Operating Income

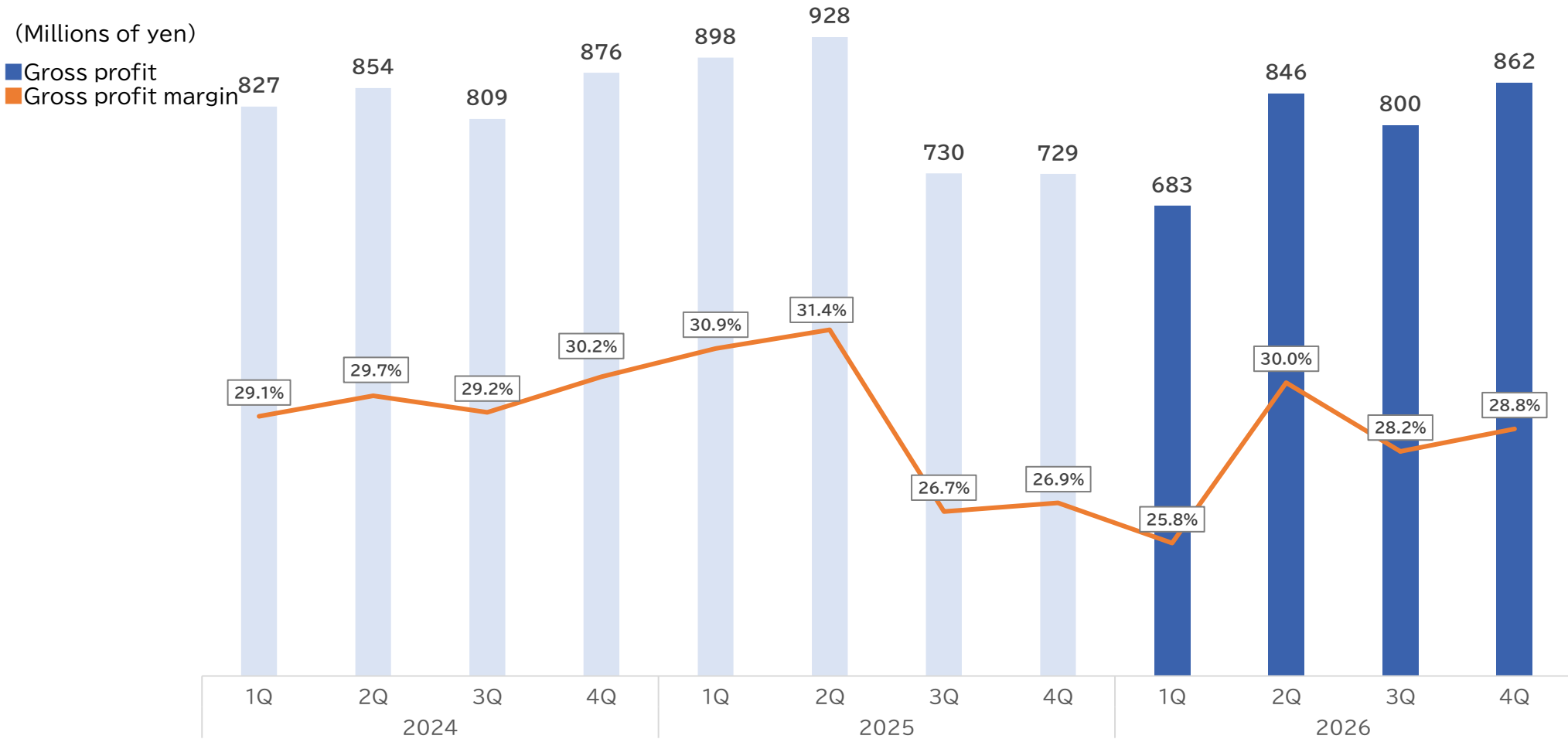
Net sales bottomed out in 1Q and **increased for three consecutive quarters**; M&A contributed in 4Q
Operating income: SG&A expenses rose due to investment centered on AI, and shareholder benefit expenses (approx. ¥200 million) were recorded in full in 4Q



Quarterly Gross Profit and Ratio

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- Gross profit margin improved YoY from 3Q onward
→ 3Q: 28.2% (same period last year: 26.7%), 4Q: 28.8% (same period last year: 26.9%)
- Temporary overlapping labor costs from site consolidation in 3Q are limited to this fiscal year



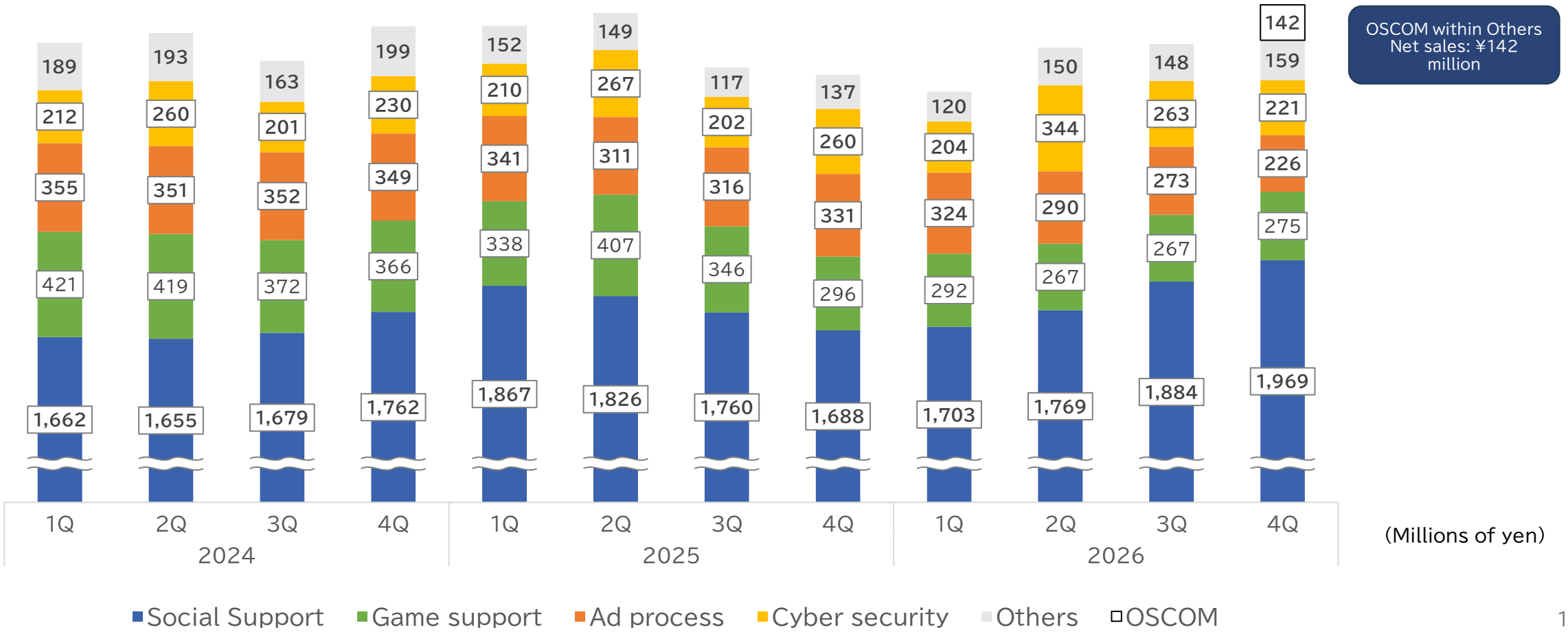
Net Sales by Business Segment

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■ Social Support: 4Q quarterly net sales were the highest in the past three fiscal years

•Project size and scope expanded with major customers in e-commerce/flea market apps and fintech. New orders premised on AI introduction also started

■ Others: Increased with the addition of OSCOM's 4Q sales (¥142 million)



AI Strategy: Review of FY9/2026

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This fiscal year, top priority was given to building on-site AI infrastructure and an AI promotion structure

Monetization of external solutions is being promoted as a separate phase in FY9/2027

On-site developmental AI tools	In-house AI personnel	Developed this fiscal year AI solutions	Total AI investment	AI order amount
372	17	12	¥83.84 million	¥48.79 million
AI-driven solutions to issues by on-site SVs	Top external personnel + conversion of existing employees	Solutions developed this fiscal year to be released in stages in FY9/2027	AI infrastructure Focus on solution development	Orders growing steadily Monetization in FY9/2027

What we did this fiscal year

- Started with streamlining existing projects.
  By distributing Claude Code to SVs at all centers,
  on-site-led AI tool development has taken root
- Built the structure of the AI Strategic Management Department and
  secured highly skilled AI personnel from inside and outside ahead of schedule
- Launched AI solutions and defined three focus areas

FY9/2027: Monetization phase

- This fiscal year, top priority was given to on-site AI infrastructure;
  monetization of external solutions was separated as a phase for FY9/2027

→ **In FY9/2027, we will concentrate management resources on the three focus areas + the AI consulting business, shifting from free PoCs to paid services for early monetization**

AI solution sales target: ¥150 million

Fiscal year ending September 2027 Growth Strategy

Full-Year Forecast for FY9/2027

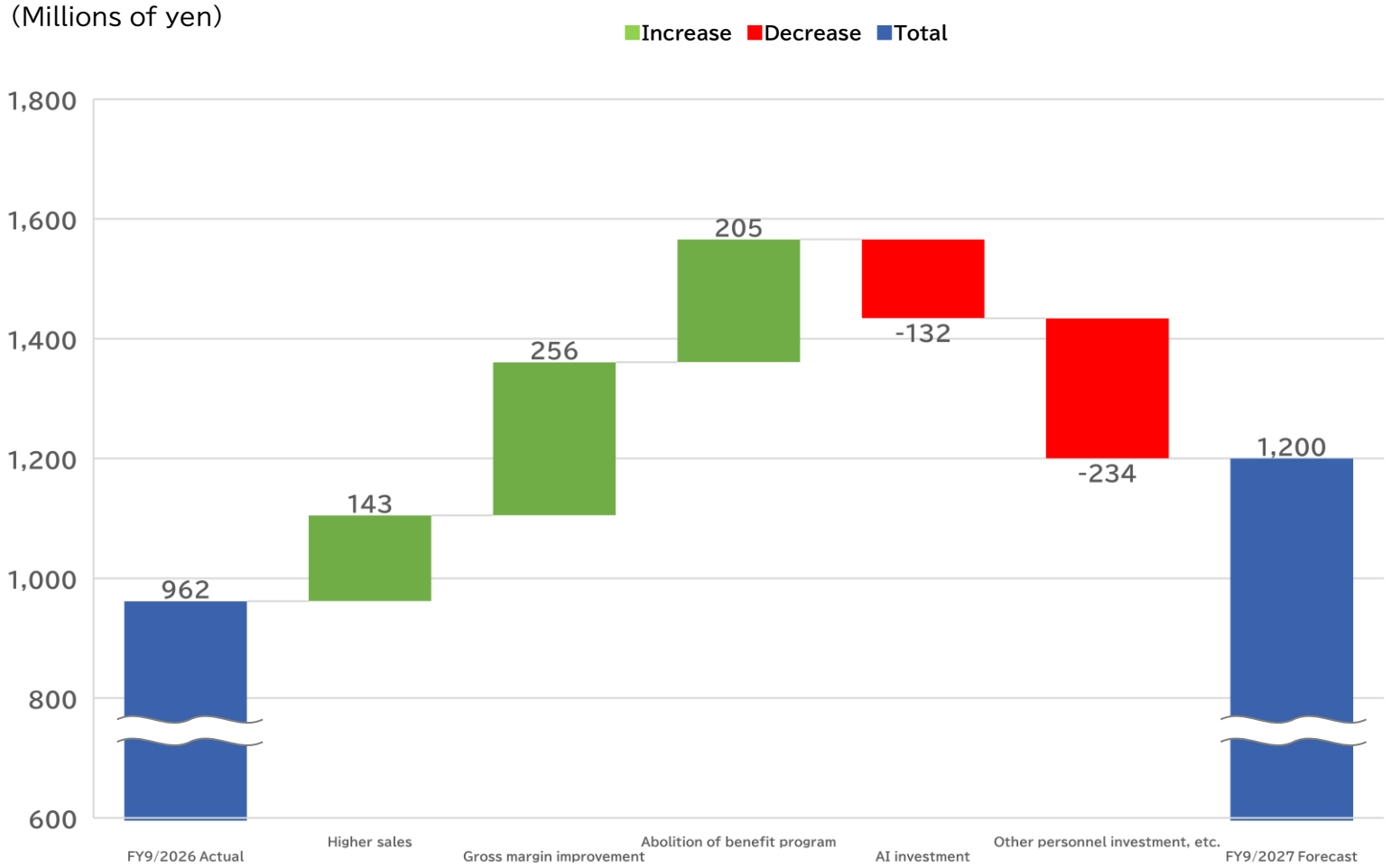
FY9/2027: higher sales and profits expected, with operating income of ¥1,200 million (+24.6% YoY)
Net sales: full-year consolidation of OSCOM and monetization of AI solutions will contribute
Operating income: improved gross profit margin through AI-driven automation of center operations and site consolidation
Higher profit from the abolition of the shareholder benefit program
* Profit: +55.9% YoY due to the extraordinary losses recorded in FY9/2026

Millions of yen	Estimates for the year	Same period last year Actual	From the preceding year
Net sales	11,800	11,294	104.5%
Operating income	1,200	962	124.6%
Ordinary income	1,268	1,032	122.8%
Profit attributable to owners of parent	853	547	155.9%

Operating Income Outlook (FY9/2027)

FY9/2027: operating income of ¥1,200 million, an increase of ¥237 million (+24.6%) YoY expected

(Millions of yen)



Key points

▲ Gross profit margin improvement +256

Raising margins through AI implementation at centers

Members of the AI Strategic Management Department will be stationed on-site to redesign all operations around AI. Site consolidation also contributes

▲ Higher sales +143 / Lower shareholder benefit expenses +205

Paid AI solutions and full-year consolidation

Higher sales from paid AI solutions from January 2027 and full-year consolidation of OSCOM. With the abolition of the shareholder benefit program, benefit expenses of approx. ¥200 million will no longer be incurred

▼ AI investment △132 / Other personnel investment, etc. △234

Continued growth investment

Continue investing in AI and personnel while securing profit growth. Other personnel investment, etc. includes higher advertising expenses, depreciation, etc.

Monetizing AI Solutions

AI Strategy: Three Focus Areas

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Meeting the growing monitoring demand from generative AI with dual AI-and-human judgment

01 IP

18 countries

Monitoring 50+ services with the same operation

Customer challenges

Misuse, counterfeits and pirated copies spread in Japan and overseas, beyond the reach of staff

EG's solution

AI and specialist operators detect and judge, and even support countermeasures

02 Entertainment

~70%

of detections occur between 8 p.m. and 8 a.m. (internal verification)

Customer challenges

Ego-searching and visual checks cannot track all risks on social media and streaming

EG's solution

AI and people monitor 24/7, 365 days a year, alerting only when action is needed

03 Manufacturers

~370,000 hrs

Estimate for manually checking listing pages of 30,000 products

Customer challenges

Information on ads, sales pages and stockouts is scattered and cannot be tracked manually

EG's solution

Collecting market data daily and solving each department's issues with AI, from defense to offense

Common foundation	Dual judgment by AI × specialist operators	Monitoring 20+ million posts per month	Operational structure of 2,000+ people	25+ years of judgment criteria

AI Strategy: (1) IP

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Detecting and acting on IP infringement driven by generative AI across 50+ services in 18 countries



18 countries

Monitoring 50+ services

Customer challenges	EG's solution
Generative AI derivative works, counterfeits and pirated copies are scattered in Japan and overseas	**Patrolling 50+ services in 18 countries to find them all at once** Monitoring of IP misuse, counterfeit sales, illegal uploads and fake sites
Even when found, there are no resources for takedowns or claims	**From preserving evidence and preparing claims to tracking after takedown**
Supervision is capped by staff numbers, and merchandising is forgone	**A dedicated team handles first checks, increasing the merchandising that can be accepted** Supervision support

Growth drivers

(1) Monitoring needs are structurally expanding with the spread of generative AI

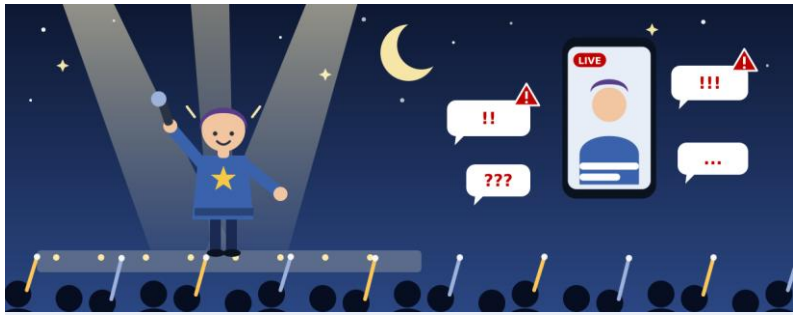
(2) Cross-selling to Game support customers

(3) Track record of fact-finding surveys for global IP holders

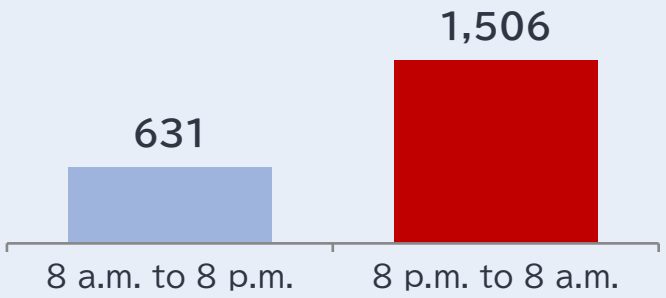
AI Strategy: (2) Entertainment

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Approx. 70% of detections occur between 8 p.m. and 8 a.m., when it is hard for people to watch



~70% of detections occur between 8 p.m. and 8 a.m.



Number of detections (12 hours each) | Internal verification, 13 days

Customer challenges

- Ego-searching and user reports reveal only part of the risk
- Even when found, there are no resources for reports or takedown requests
- Managers must watch every stream in person

EG's solution

- **Collecting across social media, message boards and resale sites for a complete picture**
  Defamation monitoring
- **AI judges based on agreed criteria, and we support takedown requests**
  Defamation monitoring
- **AI monitors streams 24 hours a day and notifies only when action is needed**
  AI live-streaming monitoring | Example of a major talent agency: 354 streams, 600+ hours per month

Growth drivers

(1) Monitoring targets increase as streaming and social media activities expand

(2) Cross-selling to existing post monitoring customers

(3) Expansion to sports teams and players' associations

* Internal verification (9/18–9/30, 17 accounts, 114 TikTok videos and 63 YouTube videos). These are not results of customer deployments.

AI Strategy: (3) Manufacturers

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248 listing pages per product. For 30,000 products, checking alone takes approx. 370,000 hours



~370,000 hrs

Estimate for manually checking listing pages
of 30,000 products (7.44 million)

1 product: 248 pages × ~3 min. = ~12 hours

Customer challenges

- Every time product information changes, checking all sales pages takes enormous effort
- Competitors' ad expressions and stockouts are impossible to track on your own
- Not knowing why something sold makes it hard to use for the next measure

EG's solution

- **AI and people patrol and cross-check, and support correction requests and reminders**
  Defense | EC product information monitoring
- **Collecting ads, sales pages and stock daily to show where to compete and sell more**
  Offense | Ad expression monitoring and sales opportunity detection
- **Tracing back from stockouts to identify the originating posts, and applying them to your own measures**
  Offense | Demand origin analysis

Growth drivers

(1) Expanding to multiple departments of a company to grow transactions per customer

(2) Expanding into "offense" areas directly linked to sales

(3) Cross-selling to existing Advertisement Inspection customers

* Estimate. Calculated assuming 248 listing pages per product and approx. 3 minutes per page. This is an example of checking all products manually and does not represent actual checking time. This solution is currently under development.

AI Implementation in Center Operations

AI Strategy: AI in Operations

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The AI Strategic Management Dept. goes on-site and rebuilds all operations around AI automation

Raising on-site AI use from ”streamlining our own work” to ”creating profit”

Medium-term target

Gross profit margin

5% improvement

Raise gross profit margin per project and reflect AI in profits

Until last fiscal year
Current status and challenges

Infrastructure in place Claude Code distributed to all SVs; 372 on-site developed AI tools

Challenge AI use remains limited to simplifying our own work and is not reflected in profits

This fiscal year’s measures AI Strategic Management Department stationed on-site, shifting to profit-generating AI use

01 Dispatch and station AI personnel at centers
Members of the dedicated AI unit are stationed at centers for a set period, implementing AI use together with on-site staff

02 Redesign all operations around AI
Rebuild all operations on the premise of AI to raise gross profit margin per project

03 Set a security policy and engage with customers
Have a company-wide policy and advance AI adoption in agreement with customers

04 Make proposals to customers pursuing in-house AI
Leverage our know-how and data that customers do not have to lead to additional proposals

Our unique strength

Know-how and data accumulated through on-site operations are not held by customers and cannot be replaced by AI

Cyber Security Business

Cyber Security: Future Policy

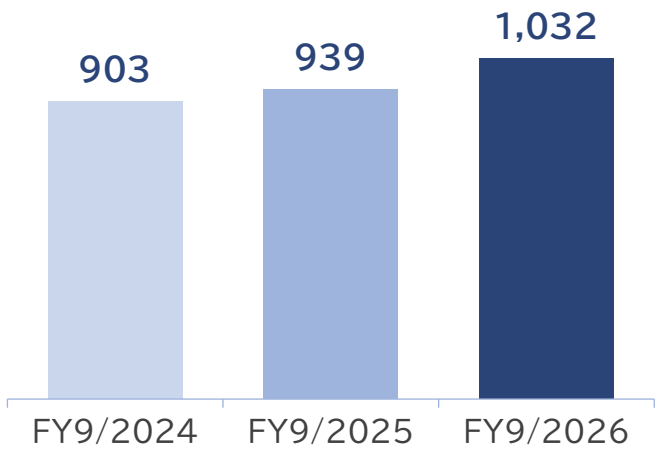
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Raise the Group's recurring revenue ratio with WAF and a SaaS vulnerability diagnosis tool
Differentiate through high-quality diagnosis and consulting that AI and tools cannot cover

Business results Net sales trend (millions of yen)

+10.0% YoY

Sales growth for two consecutive years (2-year average +6.9%/year)



01 SiteGuard WAF

Pillar of recurring revenue

Sales grew for both cloud-based and software-based types. In the software-based type, with few competitors,
we are expanding share through manufacturer support and paid options

02 SiteGuard Scanner

From ¥1,000/month

New service providing continuous vulnerability diagnosis at an affordable monthly fee,
broadening the customer base to small and medium-sized sites that were hard to reach with individual diagnosis

03 Vulnerability diagnosis

AI × White-hat hackers

Expanding order capacity by shortening lead times and lowering costs with AI.
White-hat hackers handle advanced areas AI cannot replace, differentiating on quality

Growth cycle

Expand entry with Scanner → Refer to paid diagnosis → Continuous protection with WAF (recurring) → Expand domains via M&A and alliances (next page)

Cyber Security: M&A and Business Alliances

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Building on our strengths in diagnosis and defense, actively pursue M&A and business alliances to expand into ”detection, response and authentication”

Image of service domain expansion

Prevention / Diagnosis	Defense	Detection / Monitoring	Response / Recovery	ID / Authentication	People / Organization
Vulnerability diagnosis	WAF	SOC	Forensics	Authentication infrastructure	Education / Training
DevSecOps	Endpoint	SIEM		Authentication consulting	Consulting

Expanding customer touchpoints by strengthening sales channels (agent network)

Existing domains of the Group　　Domains to be expanded via M&A and business alliances

Three approaches to growth

Acquire domains we do not have
Aim to welcome into the Group companies with domains we lack, such as SOC, authentication and endpoint

Rapid expansion through business alliances
Start collaboration through business alliances and expand our offering quickly via joint proposals and mutual referrals

Strengthen depth in existing domains
Strengthen our diagnosis and defense structure through partnerships with companies that have specialist talent and customer bases

Our vision

Providing everything from prevention to defense, detection/response and ID management, including operation, making the cyber security business a medium- to long-term growth driver of the E-Guardian Group

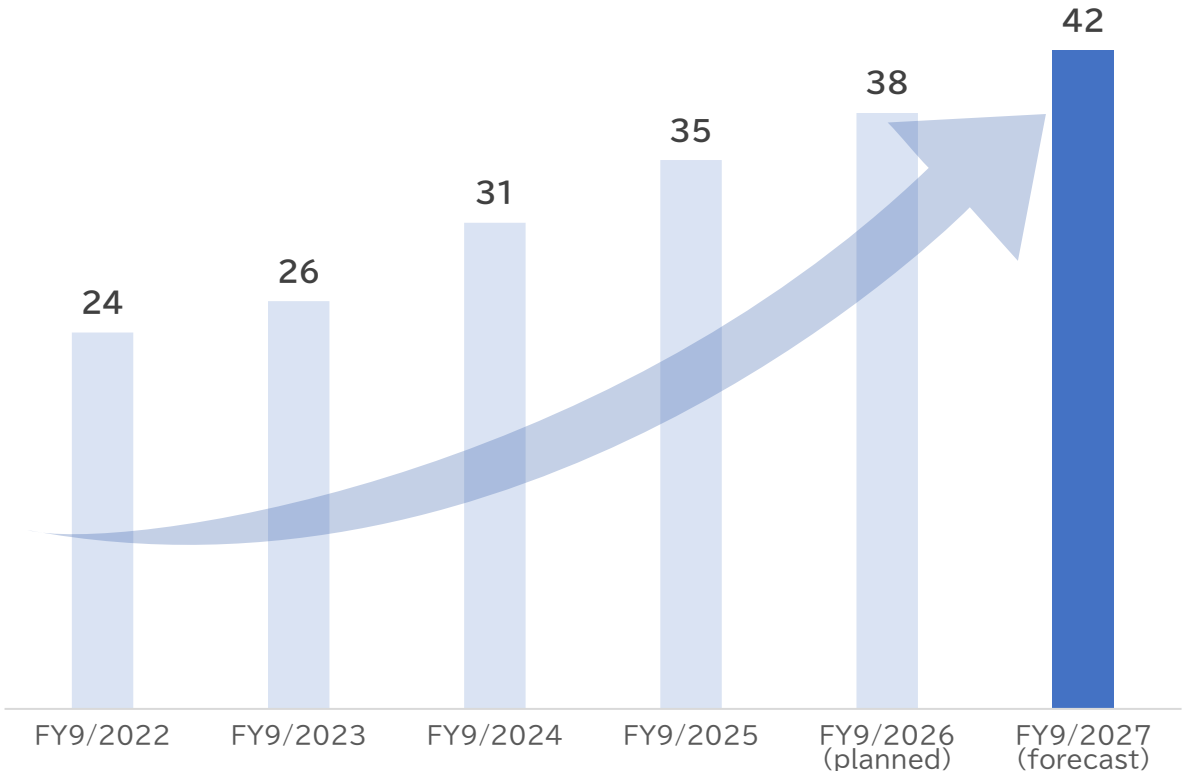
* The contents of this material represent the Company's current policy and do not guarantee the execution of any specific M&A or business alliance.

Shareholder Returns

Shareholder Return Policy

Shifting shareholder returns from shareholder benefits to dividends
From a policy targeting a ˜30% consolidated payout ratio to progressive dividends
(progressive dividends while continuing growth investments such as M&A and AI solution development)

Dividends per share (Unit: yen)



Abolition of the shareholder benefit program (resolved on November 5, 2026)

Reasons for abolition

- The original objectives of raising recognition and expanding the shareholder base have been achieved to a certain extent
- Reviewed our approach from the perspective of fair profit return in accordance with the number of shares held

Final round

- Shareholder benefits for the record date of September 30, 2026 will be provided as before as the final round (guide to be sent in late December)

Summary

From a year of building the AI-BPO foundation to a year of monetization

FY9/2026 (this fiscal year)

Review of the year Built the AI-BPO foundation

¥83.84 million

Total AI investment (this fiscal year)

Net sales ¥11,294 million (△0.2% YoY)
Operating income ¥962 million (△36.0% YoY)

- Social Support growth accelerated to +16.6% YoY in 4Q
- 372 on-site developed AI tools; 17 in-house AI personnel secured

FY9/2027 onward: two pillars of growth

AI-BPO Monetization in three focus areas

¥150 million

AI solution sales target

- Rolling out AI solutions in three areas: IP, entertainment and manufacturers
- Strengths: dual judgment by AI × specialist operators and a monitoring base of 20+ million posts per month
- Redesigning center operations around AI, targeting a 5% improvement in gross profit margin

Security Growth through recurring revenue

Higher recurring revenue ratio

- Broadening the customer base with the new diagnosis service "SiteGuard Scanner" (from ¥1,000/month)
- Building recurring monthly subscription revenue and leading to paid diagnosis
- Improving the profitability of vulnerability diagnosis with AI × white-hat hackers

FY9/2027 Net sales of ¥11,800 million (+4.5% YoY) and operating income of ¥1,200 million (+24.6% YoY) expected

Appendix

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We Guard All

We deliver a safe and secure internet experience for every user

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A comprehensive internet security company safeguarding online safety and security

Name	E-Guardian Inc.
Listing	TSE Prime (6050)
Head office	Kotohira Tower 8F, 1-2-8 Toranomon, Minato-ku, Tokyo
Founded	May 1998
Representative	President & CEO Yasuhisa Takatani
Capital Stock	JPY 1,967 million
Employees (consolidated)	2,268 (including 1,812 contract employees)
Subsidiaries	Domestic: 3 Overseas: 2

As of September 2026

Service Description

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SNS-related support, etc., mainly provides post monitoring and customer support
Cyber security primarily involves conducting vulnerability diagnosis and developing/selling WAFs

SNS-related support Game-related support	Advertisement-related support	Cyber security	Other
SNS and video post monitoring Customer support Multi-language support Rumor research	Advertisement Inspection Back office operation	Vulnerability diagnosis WAF SOC Consulting	Hardware-software Debugging Outbound calls

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EG Philippines
EG Vietnam
EG Secure Solutions
EG Testing Services
OS COM Out-Sourcing communications

Our Social Support Strengths

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AI

2011

E-TRIDENT. Text monitoring

ROKA SOLUTION Image recognition

”E-Trident2”
Composite monitoring tool

hinagata Template Management System Customer support

2025

Early AI adoption

Operational knowhow
Accumulated data

Human

More than 25 years in operation

Extensive knowledge in specialized fields

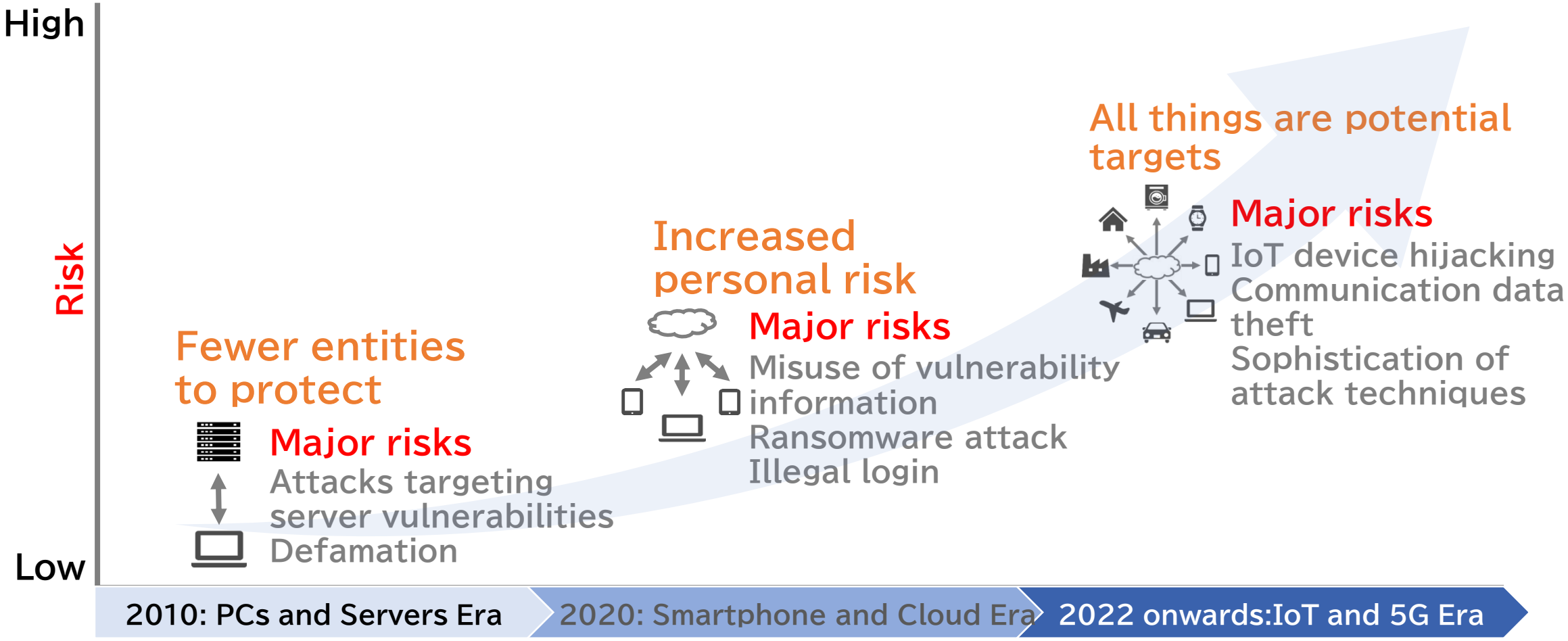


24/7, 365 days a year

Growing Demand

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The increasing and diversifying internet risks are raising the demand for security measures



ESG

Environment

- Promoting the purchase of supplies, etc., based on the Green Purchasing Law.

Social

- Female manager ratio: 39.4% *1(National average: Equivalent to Department Manager 9.2% *2)
- Approx. 5.6 external training sessions per year for interested employees (2025 actual: Approx. 5.5 sessions)
  - As of the end of September 2026

*1 “Managers” of our company refer to managers and supervisors
*2 Source: Ministry of Health, Labour and Welfare’s ”FY2025 Basic Survey on Gender Equality in Employment” (https://www.mhlw.go.jp/toukei/list/dl/71-r07/01.pdf)

Governance

- Three outside Directors out of seven at the Board of Directors
- Established a voluntary Nomination and Remuneration Committee and Special Committee

As of the end of September 2026

Notes on Using This Material

- Please note that this document includes our company's plans and performance forecasts.

  These plans and projected figures are based on information available to us as of the present date and represent our current estimates.
- Accordingly, actual results may differ materially from these plans and projections due to various factors in the future.

- Contact: IR, E-Guardian Inc.

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TEL 03-6205-8857

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