

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

August 1, 2025

Consolidated Financial Results for the Nine Months Ended June 30, 2025 (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, Director
 Telephone: +81-3-6205-8859
 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: None

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

1. Consolidated financial results for the nine months ended June 30, 2025 (from October 1, 2024 to June 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2025	8,609	1.5	1,206	(6.1)	1,213	(5.1)	781	(2.5)
June 30, 2024	8,485	(6.6)	1,284	(5.9)	1,278	(8.0)	802	(13.7)

Note: Comprehensive income For the nine months ended June 30, 2025 ¥781 million [(3.8)%]
 For the nine months ended June 30, 2024 ¥812 million [(12.5)%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
June 30, 2025	67.61	-
June 30, 2024	69.92	-

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
As of	Millions of yen	Millions of yen	%
June 30, 2025	13,530	11,892	87.9
September 30, 2024	13,360	11,404	85.4

Reference: Equity

As of June 30, 2025 ¥11,892 million
 As of September 30, 2024 ¥11,404 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, 2024	-	0.00	-	31.00	31.00
Fiscal year ending September 30, 2025	-	0.00	-		
Fiscal year ending September 30, 2025 (forecast)				35.00	35.00

Note: Revisions to the forecast of cash dividends most recently announced: No

3. Forecasts of consolidated financial results for the fiscal year ending September 30, 2025 (from October 1, 2024 to September 30, 2025)

(Percentages indicate year-on-year changes)

	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	12,365	8.5	1,819	6.7	1,824	6.8	1,220	15.4	105.49

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 scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of quarterly 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 June 30, 2025	11,933,516 shares
As of September 30, 2024	11,933,516 shares

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

As of June 30, 2025	339,671 shares
As of September 30, 2024	399,718 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended June 30, 2025	11,562,350 shares
Nine months ended June 30, 2024	11,471,372 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).

- * Reviews by certified public accountants or an audit corporation of the accompanying quarterly consolidated financial statements: None

- * 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. They are not intended to represent the Company's commitment to achieving them. Actual business results may differ materially from the forecast due to 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 Nine Months Ended June 30, 2025 (Attachments) for the assumptions for earnings forecasts and notes on using earnings forecasts.

(Method of obtaining financial results presentation materials)

The financial results presentation materials will be posted on TDnet and the Company website shortly after the financial results are announced.

○ Table of Contents of Attachments

1. Overview of Operating Results, Etc.....	5
(1) Overview of Operating Results for the Quarter under Review	5
(2) Overview of Financial Position for the Quarter under Review	7
(3) Explanation of Consolidated Earnings Forecasts and Other Forward-Looking Information	7
2. Quarterly Consolidated Financial Statements and Key Notes.....	8
(1) Quarterly Consolidated Balance Sheet	8
(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income.....	9
(Quarterly Consolidated Statements of Income)	9
(Consolidated nine-month period)	9
(Quarterly Consolidated Statements of Comprehensive Income)	10
(Consolidated nine-month period)	10
(3) Notes to Quarterly Consolidated Financial Statements	11
(Notes on Going Concern Assumptions)	11
(Notes on Significant Changes in the Amount of Shareholders' Equity)	11
(Notes to Quarterly Consolidated Statements of Cash Flows)	11
(Notes on Segment Information, etc.)	11
(Changes in Accounting Estimates)	11

1. Overview of Operating Results, Etc.

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

During the nine months ended June 30, 2025, the Japanese economy experienced moderate improvements, with employment and income conditions continuing to improve. On the other hand, the outlook remains uncertain due to factors such as the protracted unrest in Ukraine, escalating tension in the Middle East, and the unpredictability stemming from U.S. economic policies, among other considerations.

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 to improve and enhance our products.

During the nine months ended June 30, 2025, customer support services for e-commerce and flea market sites expanded, while identity verification services grew in Fintech-related services. Despite sluggish growth in vulnerability diagnosis, the cyber security business saw strong sales due to growth in cloud-based WAF* and consulting services. Additionally, efforts to strengthen the sales structure and develop new customers resulted in a year-on-year increase in sales from new customers in areas of SNS-related support and cyber security.

As part of our collaborative initiatives with CHANGE HD, we continued to expand the transfer of CHANGE HD Group’s existing outsourced operations to us within our core business, including SNS-related support, as well as the cyber security business, and joint proposals capitalizing on each other’s customer base. Moreover, to provide high-quality and efficient services while further improving gross profit margins, the Company has initiated the development of an AI agent-type customer support tool, which will analyze incoming inquiries and automatically generate draft responses. The initiative is in collaboration with Governance Technologies inc., an affiliated company of the CHANGE HD Group.

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 nine months ended June 30, 2025, net sales were ¥8,609.306 million (up 1.5% year-on-year), operating profit came to ¥1,206.346 million (down 6.1% year-on-year), ordinary profit was ¥1,213.185 million (down 5.1% year-on-year), and profit attributable to owners of parent posted ¥781.734 million (down 2.5% year-on-year).

(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 nine months ended June 30, 2025, customer support services for e-commerce and flea market sites, along with identity verification businesses in Fintech-related services, saw growth. Additionally, efforts to strengthen the sales structure and develop new customers resulted in a year-on-year increase in sales from new customers.

With regard to our collaboration with CHANGE HD, we have successfully broadened the transfer of existing outsourced operations from the CHANGE HD Group to our organization and made joint proposals to expand the enterprise digital BPO domain.

As a result, net sales increased 9.2% year on year to ¥5,453.629 million.

(ii) Game-related support

Game-related support focuses on providing customer support and debugging services primarily for social games.

During the nine months ended June 30, 2025, the Company concentrated on acquiring additional projects for console and PC games, building on its success in securing customer support projects for console games in the previous quarter. Sales of customer support for domestic games increased year on year.

Conversely, sales saw a decline attributed to reduced customer support services and localization services (including language translation and coordination) for international games.

As a result, net sales fell 10.0% year on year to ¥1,090.537 million.

(iii) Advertisement-related support

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

During the nine months ended June 30, 2025, advertising screening services for e-commerce and flea market sites grew.

On the other hand, sales from new customers were sluggish, resulting in a decline in net sales.

As a result, net sales were down 8.6% year on year to ¥967.708 million.

(iv) Cyber security

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

During the nine months ended June 30, 2025, vulnerability diagnosis experienced sluggish growth due to changes in market needs. Meanwhile, the cloud-based WAF sales channel expanded, and sales of consulting services increased year-on-year.

In addition, during the six months ended March 31, 2025, we hired a Business Manager and a Sales Manager, and continued to strengthen our cyber security business structure, resulting in an increase in sales from new customers, particularly in the area of vulnerability diagnosis. We also focused on responding to market changes by commencing the development of a simple diagnostic tool, among other efforts.

Furthermore, we enhanced our hiring and training efforts and launched various marketing initiatives. Our emphasis was also on initiatives such as joint proposals with CHANGE HD.

As a result, net sales increased 0.8% year on year to ¥678.973 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 23.3% year on year to ¥418.456 million.

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

(Assets)

The balance of current assets as of June 30, 2025 was ¥12,143.735 million, up ¥273.461 million (or 2.3%) from ¥11,870.273 million as of September 30, 2024.

This was mainly due to an increase of ¥338.046 million in cash and deposits, while accounts receivable—trade fell ¥81.585 million.

The balance of non-current assets as of June 30, 2025 was ¥1,386.977 million, down ¥103.114 million (or 6.9%) from ¥1,490.092 million as of September 30, 2024.

This was mainly due to decreases of ¥24.786 million in property, plant and equipment and ¥72.190 million in goodwill.

As a result, total assets as of June 30, 2025 came to ¥13,530.712 million, up 1.3% from September 30, 2024.

(Liabilities)

The balance of liabilities as of June 30, 2025 was ¥1,638.348 million, a decrease of ¥317.857 million (or down 16.2%) from ¥1,956.206 million as of September 30, 2024.

This was mainly due to a decrease of ¥52.677 million in provision for bonuses and a drop of ¥321.098 million in income taxes payable, despite an increase of ¥120.602 million in accounts payable—other in current liabilities.

(Net assets)

The balance of net assets as of June 30, 2025 was ¥11,892.363 million, an increase of ¥488.204 million (or up 4.3%) from ¥11,404.159 million as of September 30, 2024.

This was mainly due to the recording of ¥781.734 million in profit attributable to owners of parent, while making a payment of ¥363.070 million in dividends of surplus.

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

Regarding the full-year earnings forecast for the fiscal year ending September 30, 2025, there are no changes to the forecast announced on November 5, 2024, at this time.

2. Quarterly Consolidated Financial Statements and Key Notes

(1) Quarterly Consolidated Balance Sheet

(Thousands of yen)

	As of September 30, 2024	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	10,402,138	10,740,184
Accounts receivable–trade	1,342,350	1,260,765
Work in process	6,948	10,138
Other	119,103	132,902
Allowance for doubtful accounts	(267)	(255)
Total current assets	11,870,273	12,143,735
Non-current assets		
Property, plant and equipment	570,101	545,314
Intangible assets		
Goodwill	288,761	216,571
Software	44,596	55,348
Other	84,195	52,739
Total intangible assets	417,554	324,658
Investments and other assets		
Leasehold and guarantee deposits	400,717	413,446
Other	101,718	103,558
Total investments and other assets	502,436	517,004
Total non-current assets	1,490,092	1,386,977
Total assets	13,360,366	13,530,712
Liabilities		
Current liabilities		
Accounts payable–trade	3,434	4,594
Accounts payable–other	810,693	931,295
Accrued expenses	14,235	6,187
Income taxes payable	481,106	160,007
Accrued consumption taxes	165,652	151,050
Provision for bonuses	90,514	37,837
Other	159,374	162,250
Total current liabilities	1,725,011	1,453,224
Non-current liabilities		
Provision for share awards for directors (and other officers)	117,962	134,500
Long-term guarantee deposits	47,644	33,018
Other	65,588	17,605
Total non-current liabilities	231,194	185,124
Total liabilities	1,956,206	1,638,348
Net assets		
Shareholders' equity		
Share capital	1,967,618	1,967,618
Capital surplus	1,989,975	1,989,627
Retained earnings	8,125,677	8,545,981
Treasury shares	(714,940)	(646,804)
Total shareholders' equity	11,368,330	11,856,422
Accumulated other comprehensive income		
Foreign currency translation adjustment	35,828	35,940
Total accumulated other comprehensive income	35,828	35,940
Total net assets	11,404,159	11,892,363
Total liabilities and net assets	13,360,366	13,530,712

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income
(Quarterly Consolidated Statements of Income)
(Consolidated nine-month period)

(Thousands of yen)

	Nine months ended June 30, 2024 (From October 1, 2023 to June 30, 2024)	Nine months ended June 30, 2025 (From October 1, 2024 to June 30, 2025)
Net sales	8,485,828	8,609,306
Cost of sales	5,995,067	6,050,810
Gross profit	2,490,761	2,558,495
Selling, general and administrative expenses	1,206,676	1,352,148
Operating profit	1,284,084	1,206,346
Non-operating income		
Interest income	43	8,067
Subsidy income	10,553	2,579
Other	6,234	3,330
Total non-operating income	16,830	13,977
Non-operating expenses		
Fees paid	14,109	-
Foreign exchange losses	7,525	4,702
Other	1,169	2,435
Total non-operating expenses	22,803	7,138
Ordinary profit	1,278,112	1,213,185
Extraordinary losses		
Loss on retirement of non-current assets	9,046	3,139
Expenses related to capital and business alliance and capital increase	57,960	-
Total extraordinary losses	67,007	3,139
Profit before income taxes	1,211,104	1,210,046
Income taxes - current	434,741	433,938
Income taxes - deferred	(25,759)	(5,626)
Total income taxes	408,981	428,311
Profit	802,122	781,734
Profit attributable to owners of parent	802,122	781,734

(Quarterly Consolidated Statements of Comprehensive Income)

(Consolidated nine-month period)

(Thousands of yen)

	Nine months ended June 30, 2024 (From October 1, 2023 to June 30, 2024)	Nine months ended June 30, 2025 (From October 1, 2024 to June 30, 2025)
Profit	802,122	781,734
Other comprehensive income		
Foreign currency translation adjustment	10,415	112
Total other comprehensive income	10,415	112
Comprehensive income	812,538	781,846
Comprehensive income attributable to:		
Owners of parent	812,538	781,846

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumptions)

Not applicable.

(Notes on Significant Changes in the Amount of Shareholders' Equity)

Not applicable.

(Notes to Quarterly Consolidated Statements of Cash Flows)

Quarterly consolidated statements of cash flows for the nine months ended June 30, 2025 have not been prepared. Depreciation and amortization (including amortization of intangible assets excluding goodwill and customer-related assets) and amortization of goodwill and other amortization for the nine months ended June 30, 2025 are as follows.

	Nine months ended June 30, 2024 (From October 1, 2023 to June 30, 2024)	Nine months ended June 30, 2025 (From October 1, 2024 to June 30, 2025)
Depreciation and amortization	71,737 thousand yen	70,094 thousand yen
Amortization of goodwill	72,190 thousand yen	72,190 thousand yen
Other amortization	31,456 thousand yen	31,456 thousand yen

(Notes on Segment Information, etc.)

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

(Changes in Accounting Estimates)

(Changes in Estimates of Useful Life and Asset Retirement Obligations)

We determined the relocation date for the Kumamoto Center during the six months ended March 31, 2025. Accordingly, the useful lives of non-current assets that are not expected to be used after the relocation have been shortened and are to be changed going forward.

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 estimates, operating profit, ordinary profit, and profit before income taxes for the period under review decreased by ¥16.187 million, respectively, compared with the previous method.