



E-Guardian

We Guard All

**Fiscal year ended September 2026
Earnings Announcement 2nd quarter
of FY**

E-Guardian Co., Ltd. (6050)

May. 2026

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2. 1H/2H FY9/2026 results
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In 2026 Business conditions in the first half

- Despite a decline in sales due to a decline in sales of existing large customers for monitoring services
Strong sales of EC and gourmet websites, social support sales up QoQ
- Cybersecurity sales increased year-on-year due to strong sales in WAF.
- Capturing new business needs of major customers, test business sales also increased YoY

Income and expenditure situation

- Gross profit margin improved due to increased AI implementation projects and measures to improve profitability.
- Temporary expenses of ¥4 million due to closure of business sites to improve profitability
Fixed cost reduction effect of ¥60 million from the next fiscal year onward
- Aggressively investing in human resources in AI, marketing, and sales fields

Full-year Forecast

- To the accumulation of large-scale projects for which orders have been received since the second half of the fiscal year and an improvement in the balance of payments at the center
Full-year earnings forecasts remain unchanged due to expected improved margins associated with AI implementation
- Along with the unchanged full-year forecast,
Dividend forecast for the year ending September 2026 was ¥38, without revision.

**Fiscal year ended September 2026
First Half Results/Second Half
Initiatives**

Sales decreased due to a decline in sales of existing large customers in monitoring operations and the completion of large-scale game support projects.

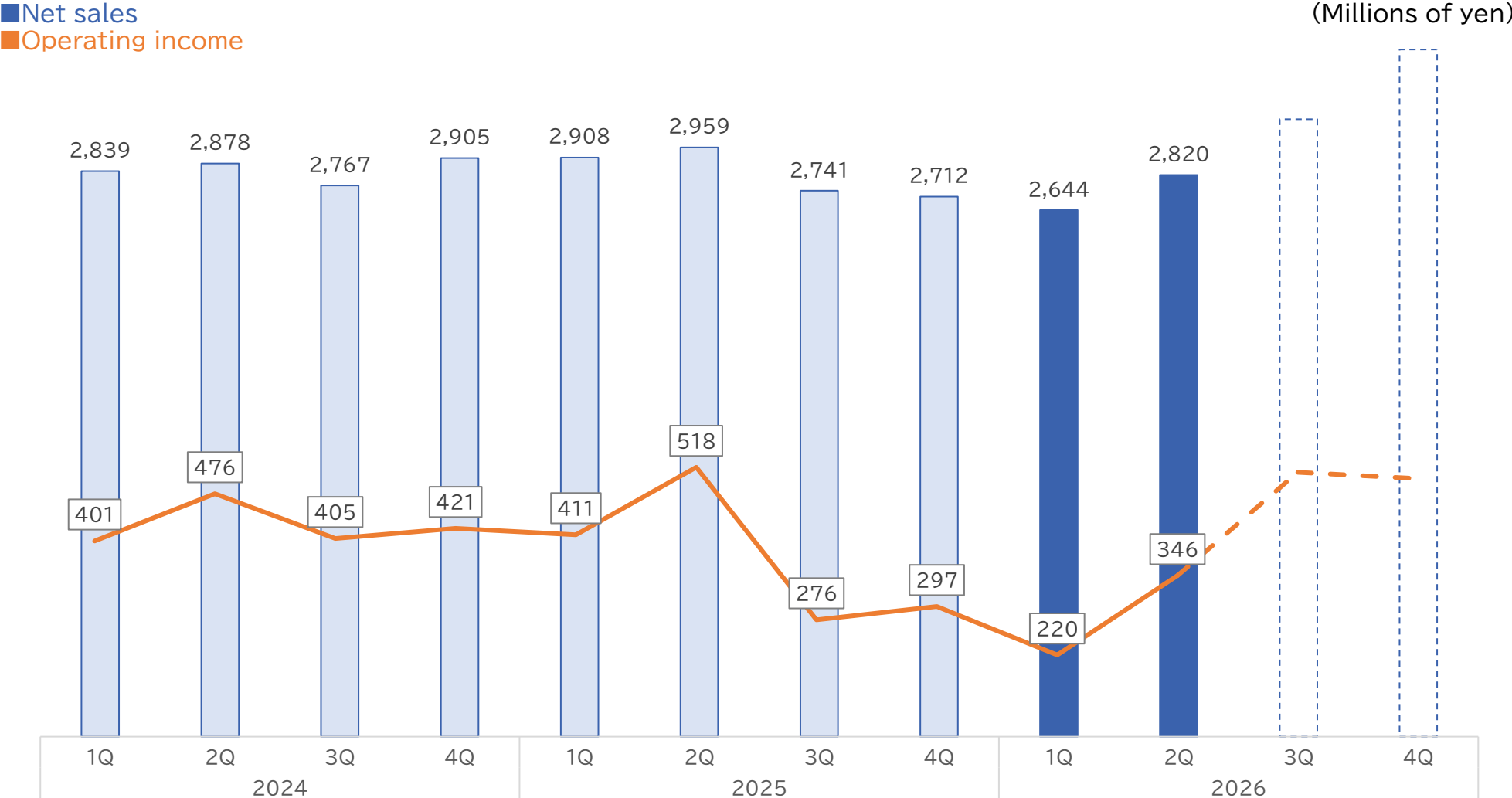
Decreased due to lower sales, recruitment of personnel in AI strategic, sales and marketing fields, and 1-time expenses associated with the reorganization of bases.

Full-year forecasts remain unchanged due to large-scale orders from 2H, improved profitability at the Centre, and improved margins associated with AI implementation.

Millions of yen	Actual	Same period last year Actual	From the preceding year	Estimates for the year
Net sales	5,464	5,868	△6.9%	12,009
Operating income	567	929	△39.0%	1,604
Ordinary income	590	933	△36.7%	1,629
To the parent company shareholders Belong to Net Income	373	607	△38.5%	1,033

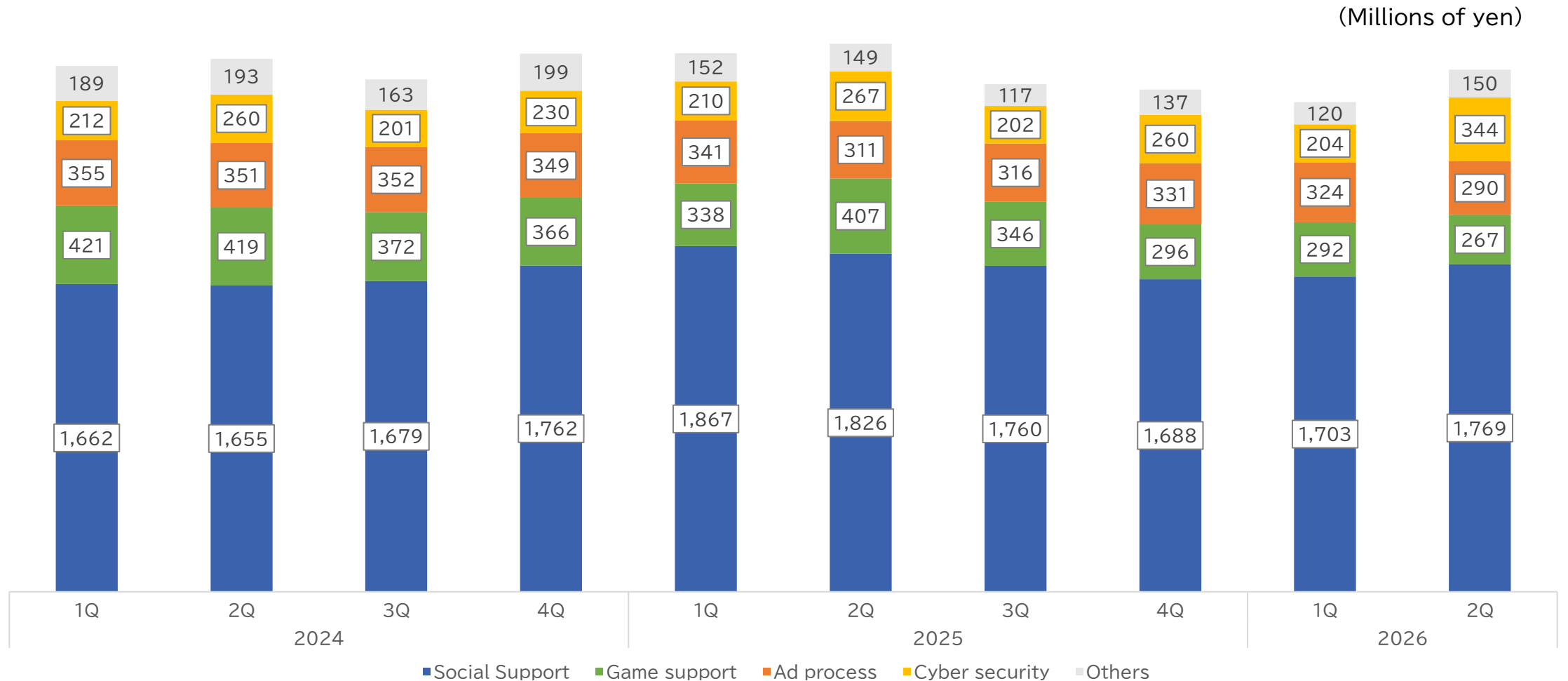
Quarterly Net Sales and Operating Income

Both net sales and operating income increased compared to 1Q. Sales recovered to the ¥2.8 billion level
Second-half sales expected to be achieved



Net Sales by Business Segment

Social Support sales increased QoQ (+3.9%) due to higher sales in EC/ Frima area.
 In security, sales of software-type and cloud-type WAF increased, resulting in an increase in sales compared to the previous quarter (+68.5%).
 Others (Test Business) increased sales (+24.9% QoQ) by capturing new business needs of major customers



Demand for security continues to be firm, and sales in WAF increased for both software-type and cloud-type

Acceleration of Legal Development

1

"active cyber defense" legislation
Legal framework for implementing detoxification measures

2

Revised Local Autonomy Law
Making it mandatory for local governments to establish security policies



In response to strong demand for cyber security,
For both software and cloud
Sales increased year on year.



Security Campus

As the entry point to our services
Foundation building completed
Contribution to sales expected from the second half of the current fiscal year

Number of courses

5 courses (287 contents) → 7 courses (357 contents)

By adding new content for general employees
Reproduce contents for engineers and WEB website representatives

Seeking to grasp the needs of major customers regarding new businesses, sales increased compared to the previous Q

Aiming to expand sales through Web accessibility diagnostic services

About Web Accessibility Diagnostics

Service that verifies and visualizes whether it is easy to use for all users, including people with disabilities and senior citizens on Web websites and apps



Legal background

By the European Accessibility Law (EAA)
Into effect in June 2025

Even domestically in the future
Demand for accessibility diagnostics is expected to increase

Strategic image

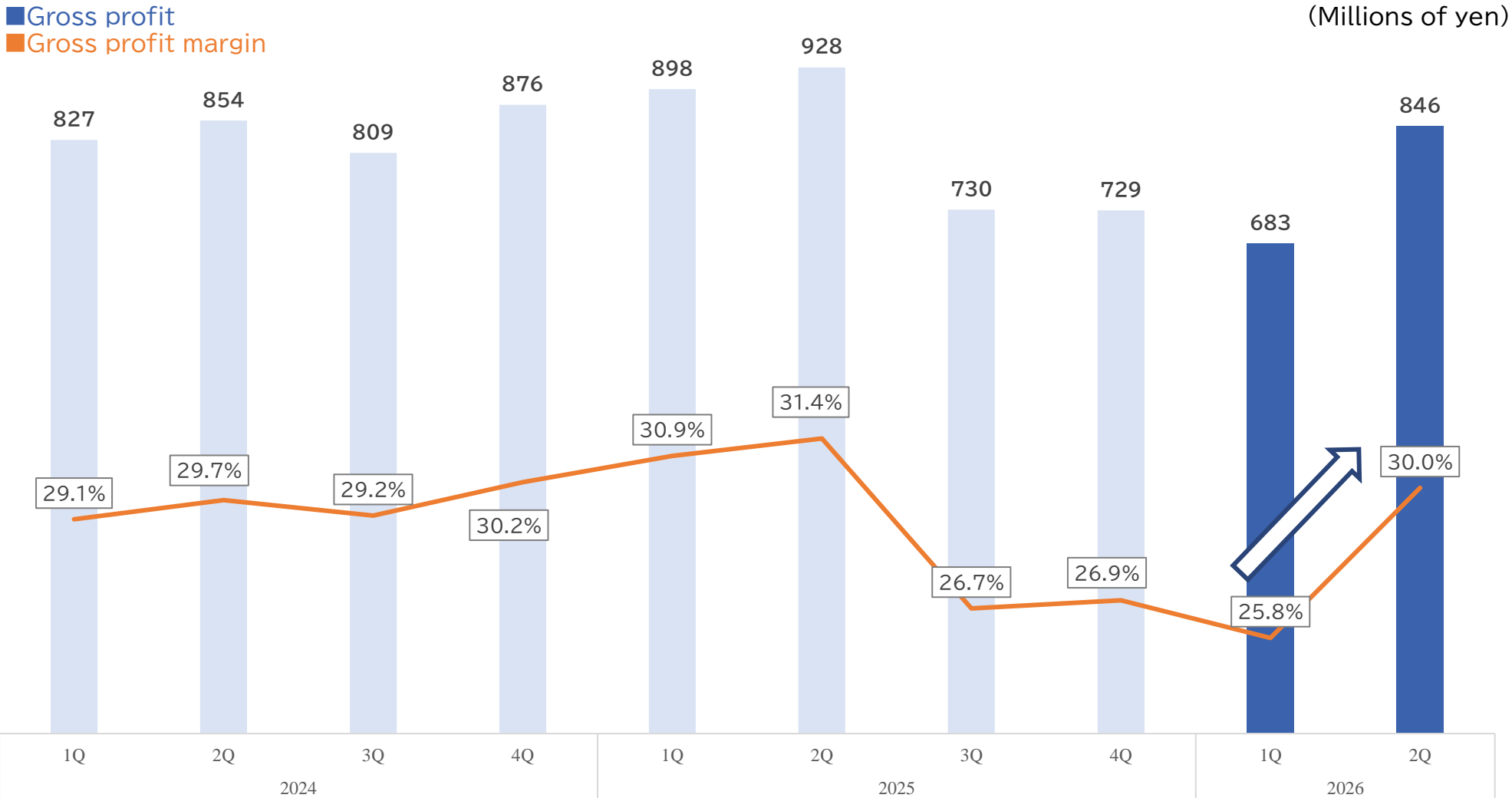


- Fields that require auditing from an objective standpoint, rather than a developer's perspective, and that enable us to take full advantage of EGTS experienced in conducting the testing business of our subsidiaries.
- Able to cross-sell (propose additional) to established security customers (vulnerability diagnostics and WAF customers)

Quarterly Gross Profit and Ratio

Gross profit margin improved due to increased AI implementation projects and measures to improve profitability.

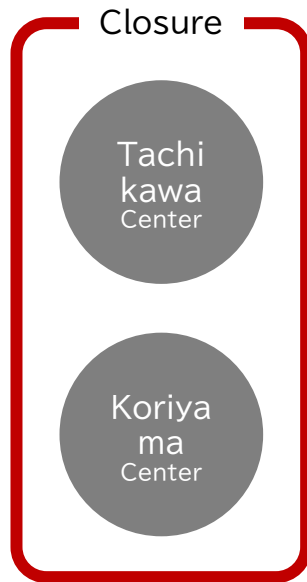
Accelerate the implementation of AI projects in the second half and further improve profitability



Integrate bases and subsidiaries to improve the efficiency of the center.
Achieved annual fixed cost reduction of 60 million Yen.

Schedule of future site reorganization
(planned)

Restructuring expected to be completed within the current fiscal year
Temporary expenses of ¥4 million due to closure



Fixed cost reductions due to
reorganization of bases

**Annual savings of
60 million yen**

※For E-Guardian Tohoku
Merged with us as of April 1, 2026
For E-Guardian Tohoku
Change to belonging to E-Guardian

Growth Strategy

The starting point is not what we can do with AI, but what we can do with people.
Move away from price competition by shifting from labor-intensive to high-value-added products to a highly profitable structure

5 Foundations for Building AI-BPO



Enormous amount of know-how and knowledge



Operator



AI utilization human resources (AI Strategic Management Department, center-level employees)



Highly talented specialists



In-house developed product /SaaS/ software

4 Basis for High Profitability

01 Compounding improvements in gross margins

Accumulated empirical data improves AI accuracy. Over time "stock-type" model that reduces processing costs and improves profit margins

02 High switching costs

High-precision AI utilizing customer-specific data provides barriers to switching to other companies
Building a Long-Term, Stable Earnings Base

03 Optimal allocation of roles

As "sophisticated techniques" by completing AI of routine work and peripheral work
Focus on "complex judgments." High-value-added services

04 Site-led high-speed development

By providing an AI development-oriented environment to all employees,
Realize immediate AI of on-site bottlenecks. Achieve both development cost control and speed

Horizontal Expansion of AI-BPO Model



Back office



Sales/
Marketing



Sys BPO



Local governments/
Government and
other public offices

AI Strategic Management Department has rapidly expanded to 10 employees, bringing together SNS and highly influential young AI engineers.



Head of AI Strategic Management Department

Takashi Yamada

- Joined BasculeInc.
- At the Office of the President of DeNA Co., Ltd Responsible for strategy formulation and business development support for core businesses
- At Personal Innovation Corporation Appointed Deputy General Manager of General Administration Division Responsible for priority measures in the Group's growth strategy
- At JAPAN AI,Inc.Appointed General Manager of AI BPO Business Division Supporting the introduction of AI by major BPO companies
- December 2025 Appointed as our current position

Team composition



AI Technical Lead

In AI companies at the research area level
Be involved in a number of advanced projects



Technology Director

Be highly influential in SNS
Young AI engineers



AI Technical Lead

Specialize in large-scale processing
Top infrastructure engineer



AI Technical Lead

Experienced project supervision
at AI companies
PM+AI engineers



AI engineers



AI engineers



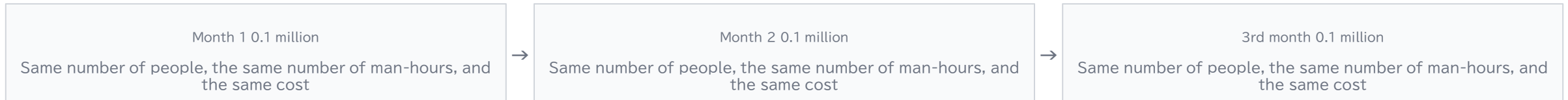
AI engineers



AI engineers

Shifted the business model from a "flow-type" BPO to a "stock-type" in which AI capacity accumulates by the amount of work performed.
 Realize unwavering price competitiveness and improved gross profit margin.

Flow Type (Previous)



Stock type (for us)

	Month 1	Second month	3rd Month~
Amount processed (human/AI)	Human 100% / AI 0%	Human 60% / AI 40%	Human 30% / AI 70%

Benefits of stock type: Customers

Increase in teacher data as contract term increases
 →The accuracy of AI has improved,
Increased feasibility of cost reductions.

Stock-type benefits: We

The more precise AI,
Increase GPM × deepen relationships with customers
 →Increase switching costs and strengthen long-term contract structure

**First domestic BPO company to provide Claude Code conditions to all centre employees.
Employees at all centers independently develop tools to achieve further efficiency improvements.**

01 Contents of AI

**Enhance efficiency
For Chrome
extensions
Development and
actual operation**

Most of the current projects are managed on GoogleChrome.
On GoogleChrome for client-provided managerial tools
Developing and operating extension functions is the basic form of AI improvement for existing projects.

02 Implementation System

**To Claude Code
Provided to center
employees,
On-site self-
development**

For the first time as a domestic BPO company
Provided a Claude Code development-environment to all employees of the Center.
At present, the center employees are developing their own extension functions,
Beyond the resource constraints of AI Strategic Management Department
The introduction of AI to all projects is progressing in all the centres.

**Exam
ples** Development of extension
functions by employees

Existing
projects

**Center employees develop themselves,
With no customer-side renovation
operations
Efficiency improvement**



Customer-side renovation operation **Zero**

**To the screen configuration and information display
Optimize from the perspective of operational
efficiency**

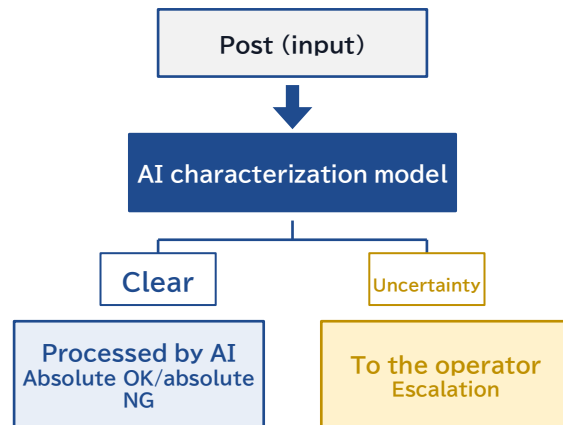
The center employees themselves developed expanded functions to optimize the screen configuration and information display for customer-provided management tools from the viewpoint of business efficiency. Efficiency improvement can be promoted only within our company with no customer-side renovation operation.

In existing projects, there are a series of projects in which AI installation is completed together with customers. In new projects, We have received orders and completed operations for AI improvements as anticipated, which can be said to be a strategic implementation. This has been well received by customers.

01 AI modeling support for judging

Existing projects

AI will be able to process clearly,
Only uncertainty to human beings

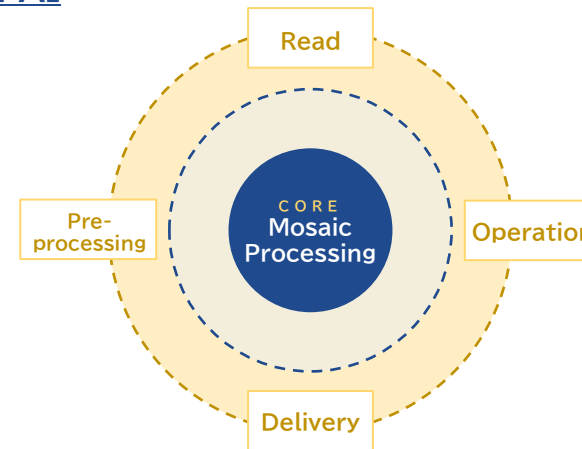


A AI model was constructed using historical judgement data. AI processes absolute OK and absolute NG and escalates uncertainty to operators. Operators can focus on the high degree of judgment that can only be made by humans.

02 Elimination of peripheral inefficiencies

New projects

Focusing on the advanced technologies of human beings,
Eliminate peripheral inefficiencies in AI

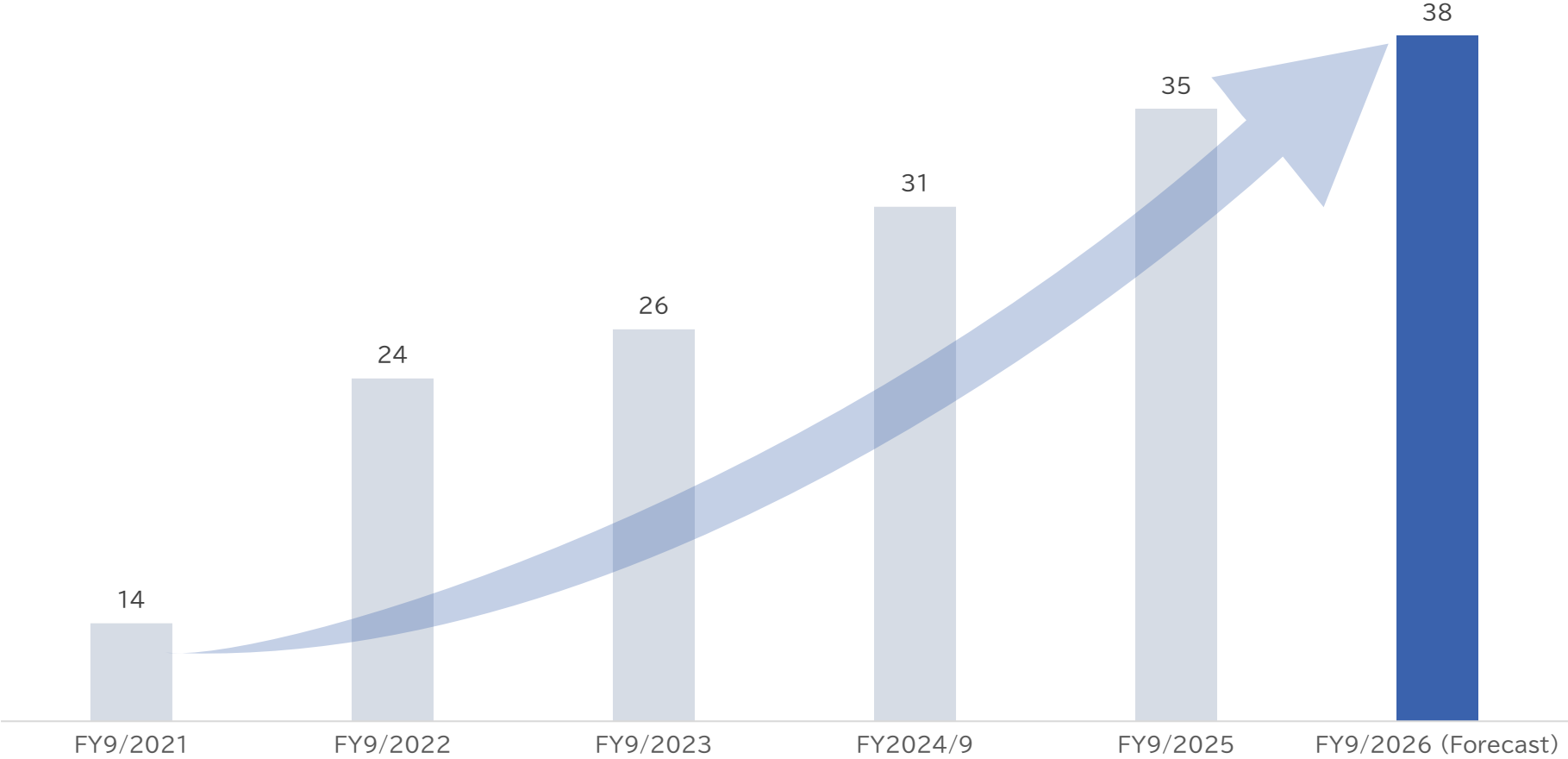


Mosaic processing maintains human sophisticated technology. Resolve peripheral inefficiencies (reading, operating, and delivery) with AI systems. Increase the amount of time that can be concentrated on mosaic processing, which is directly linked to quality. The work time of the inefficient part was reduced to less than half.

Shareholder Returns

**Dividend policy remains unchanged.
Dividend increase forecast considering the importance of shareholder returns**

Dividends per share (Unit: yen)



Giving digital gifts according to the length of continuous holding

Number of shares held	Continuous holding period	
	Less than 1 year	Over 1 year
100 shares or more	Digital gift® worth 5,000 yen	Digital gift® worth 8,000 yen

Target exchange (May be changed as of the announcement on July 10, 2025)		
Amazon gift card	QUO card-based Pay	PayPay Money Light
d Point	au PAY Gift card	Visa e gift vanilla
Book-card NEXT	Uber Taxi Gift card	Google Play Gift code
PlayStation®Store Tickets	Skairaku Gift Certificate	-

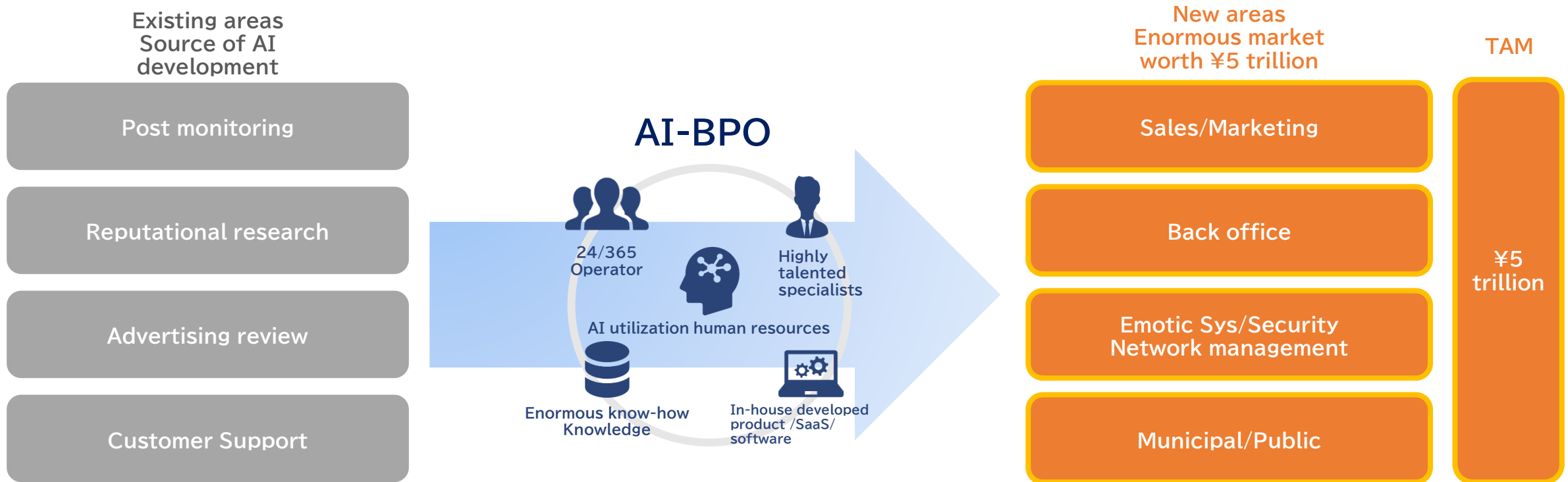


Summary

Aim to achieve full-year earnings forecasts by fully utilizing growth of existing businesses, AI strategies, and M&A

- **No revision to full-year earnings forecast**
- **Improving the effectiveness of internal operations by implementing AI for services and utilizing AI, Acquisition and development of AI human resources will be realized faster than initially anticipated**
- **Executed specific measures to improve profitability, including consolidation of centers and subsidiaries**
- **New services have been released through in-house development, and moving into new business areas through M&A Make progress in realizing projects**

The starting point is not what we can do with AI, but what we can do with people.
 Shift from labor-intensive to high-value-added, and enter new business areas with high-profit models



A stock-type business model in which profitability improves with compounding due to AI utilization

Appendix

We Guard All

We deliver a safe and secure internet
experience for every user

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 Toranomom, Minato-ku, Tokyo
Founded	May 1998
Representative	President & CEO Yasuhisa Takatani
Capital Stock	JPY 1,967 million
Employee Number (consolidated)	2,123 (including 1,740 contract employees)
Number of subsidiaries	Domestic: 3 <small>※Following the merger of E-Guardian Tohoku in June 2026, 2 domestic companies as of the date of disclosure</small> Overseas: 2

As of March 2026

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



AI

2011



Text monitoring



Image recognition

"E-Trident2"
Composite monitoring tool



hinagata
Template Management System

Customer
support

2025

Early AI adoption



Operational
knowhow
Accumulated data

Human

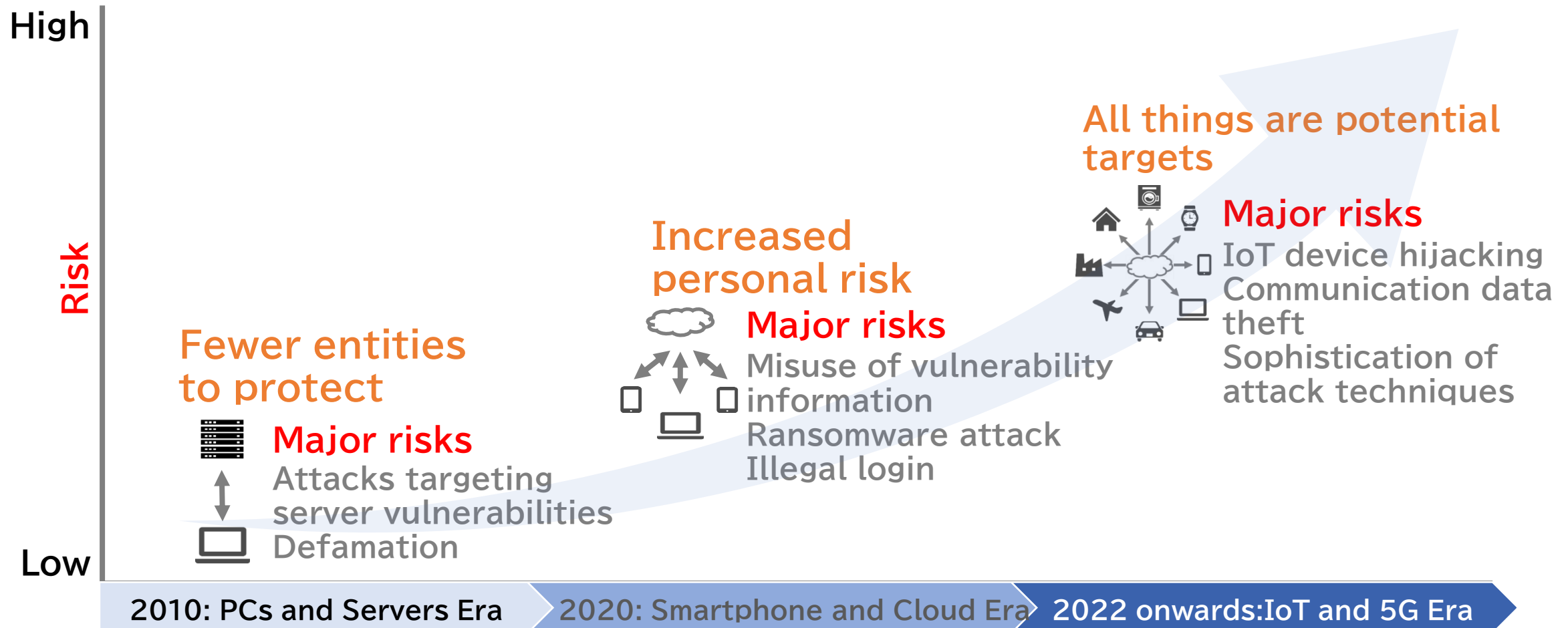
More than 20 years
in operation

Extensive knowledge
in specialized fields



24/7, 365 days a year

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





Environment

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



Social

- Female manager ratio: 30.8% *1 (National average: Equivalent to Department Manager 7.9% *2)
- Approx. 5.5 external training sessions per year for interested employees (2024 actual: Approx. 5.4 sessions)

* As of the end of September 2025

*1 “Managers” of our company refer to managers and supervisors

*2 Source: Ministry of Health, Labour and Welfare’s “2023 Basic Survey on Gender Equality in Employment” (<https://www.mhlw.go.jp/toukei/list/dl/71-r05/02.pdf>)



Governance

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

- 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.
- 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.
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