

FY2025 2Q

Results of Operations

June 10, 2025

Tobila Systems Inc.

(Tokyo Stock Exchange Standard Market, Securities code: 4441)

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1. 2Q FY2025 Highlights

2Q FY2025 Financial Highlights

Net sales **¥699 million**
119.3% YoY

Operating
profit **¥267 million**
113.4% YoY

Security Business

Mobile phone services

¥422 million
105.6% YoY

- The increase in YoY is attributable to the renewal of contracts for the “Number of contracts x Unit price” model in April 2024 and the “J:COM MOBILE” optional service in July 2024.

Landline phone services

¥54 million
102.6% YoY

Stable growth in contracts for optional services for cable plus telephone services.

Solution Business

Business phone services

¥222 million
167.7% YoY

Both the number of units of TobilaPhone Biz sold and the number of contracts for TobilaPhone Cloud maintained an upward trend.



Security Business

Topics - Optional Plans Launched for “280blocker”

- “280blocker,” an ad blocking application, now offers new subscription-type options^{*1}.
- In addition to the existing one-time purchase-type “Standard Plan (800 yen),” the “Premium Plan” with more powerful ad-blocking features and the “Fraud Prevention Plan” with protection against fraudulent calls and SMS are now available.



	Basic features (Available with a one-time purchase)	Optional features (Optional add-on to the Standard Plan)	
	Standard Plan	Premium Plan	Fraud Prevention Plan
Price	¥800 (One-time purchase)	¥100/month ¥900/year (25% OFF)	¥300/month ¥2,700/year (25% OFF)
Ad blocking for Safari	✓	✓ *	✓ *
DNS blocking	1 type	3 types	3 types
Blocking rules update frequency	Twice/month	Once/week	Once/week
Web filtering	–	✓	✓
Protection against fraudulent calls	–	–	✓
Protection against fraudulent SMS	–	–	✓

*Included in the basic features of the Standard Plan

*1: Press release [\[Tobila Systems Upgrades “280blocker” App – New Optional Features Enable Advanced Ad Blocking and Web Filtering\]](#) (Japanese only)

Press release [\[Tobila Systems Launches “Fraud Prevention Plan” Option for “280blocker” Enabling Protection against Fraudulent Calls and SMS\]](#) (Japanese only)

> Security Business

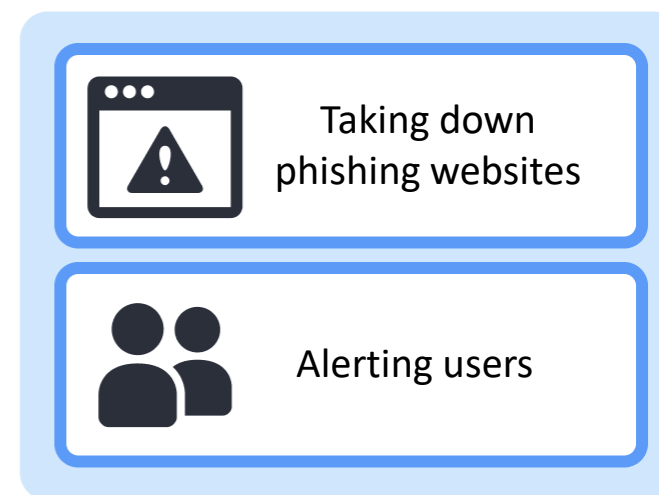
Topics - Started Providing Information to JCB Regarding Phishing SMS

- Phishing fraud is increasing year by year, making it imperative to detect phishing in a timely matter and implement countermeasures.
- By utilizing our “fraudulent call/message database” to quickly provide JCB with information on phishing SMS, we contribute to the prevention of phishing fraud.



Provide information
on phishing SMS

Fraudulent call/message database



Utilizing phishing information

*1: Press release [\[Tobila Systems Started Providing Information to JCB Regarding Phishing SMS\]](#) (Japanese only)

> Solution Business

Topics - TobilaPhone Biz Launches Free Voice-to-Text Service for up to 10 Hours per Month

- Amid growing concerns that telephone-based “casualty” incidents (harassment from customers) tend to go unreported or remain a black box, demand is growing for TobilaPhone Biz, which offers call recording, call transcription, and visualization via a dashboard.
- Starting May 1, 2025, the call transcription feature (voice-to-text feature), which was previously a paid option, are now available for free of charge to all users for up to 10 hours per month.

Standard Features



Fraudulent call filter



Automatic recording
of all calls



IVR call routing



Schedule
management settings



Dashboard



Voice-to-text
(up to 10 hours/month)

*1: Press release [\[TobilaPhone Biz Cumulative Sales Exceeded 5,000 Units! Call Transcription Feature “Voice-to-Text” is Provided for Free of Charge for up to 10 Hours per Month\]](#) (Japanese only)

2. Corporate Profile / Medium-to Long-Term Strategy

Corporate Data

Though special fraud and phishing scams

We are a company that aims to solve social issues
using technologies.

Company name

Tobila Systems Inc.

Securities code

Tokyo Stock Exchange Standard 4441

Date of establishment

December 1, 2006 (Founded April 1, 2004)

Representative

Atsushi Akita, President and Representative Director

Number of employees

109 (including 60 engineers) *As of April 30, 2025

Bases

Tokyo Office, Nagoya Office



Our Vision for a Better Future: -Corporate Philosophy / Code of Conduct

We open the door to a better future for our lives and the world

We are constantly changing without fear of failure and challenging conventional thinking to realize a better future for which we dream.

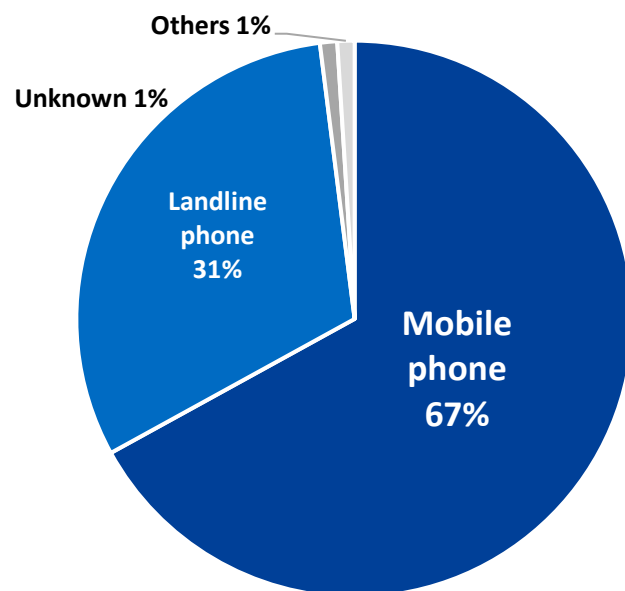
We will be a source of products that help solve social issues and benefit people. We will also pursue appropriate earnings for sustainable steady growth as we expand and upgrade our operations.

We believe that maintaining an environment where we can live in peace with our loved ones will directly lead to our growth and a better life for people worldwide.

Social Issues of Special Fraud and Phishing Scams

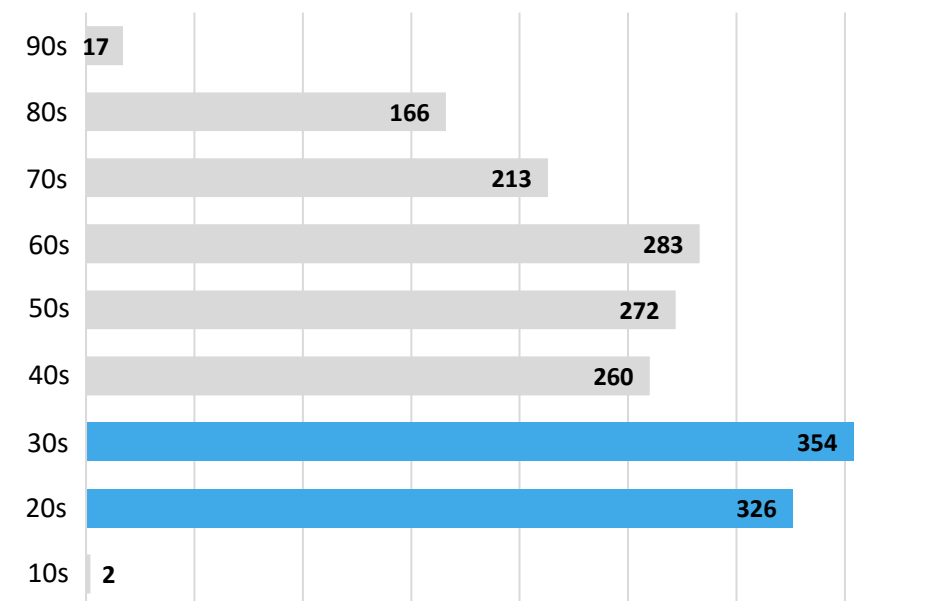
- Special fraud remains a serious problem, with total damage amounting to ¥27.6 billion yen in January-March 2025, approximately double the amount in the same period of last year.
- Approximately 60% of the total damages were caused by scams in which the perpetrators impersonated police officers^{*1}, and approximately 70% of initial contact was made via telephone calls to mobile phones. The damage is spreading not only among the elderly but also among younger generations in their 20s and 30s.

Means of Contact in Police Officer Impersonation Scams (Jan-Mar 2025)^{*2}



Breakdown of Victims by Age Group (Jan-Mar 2025)

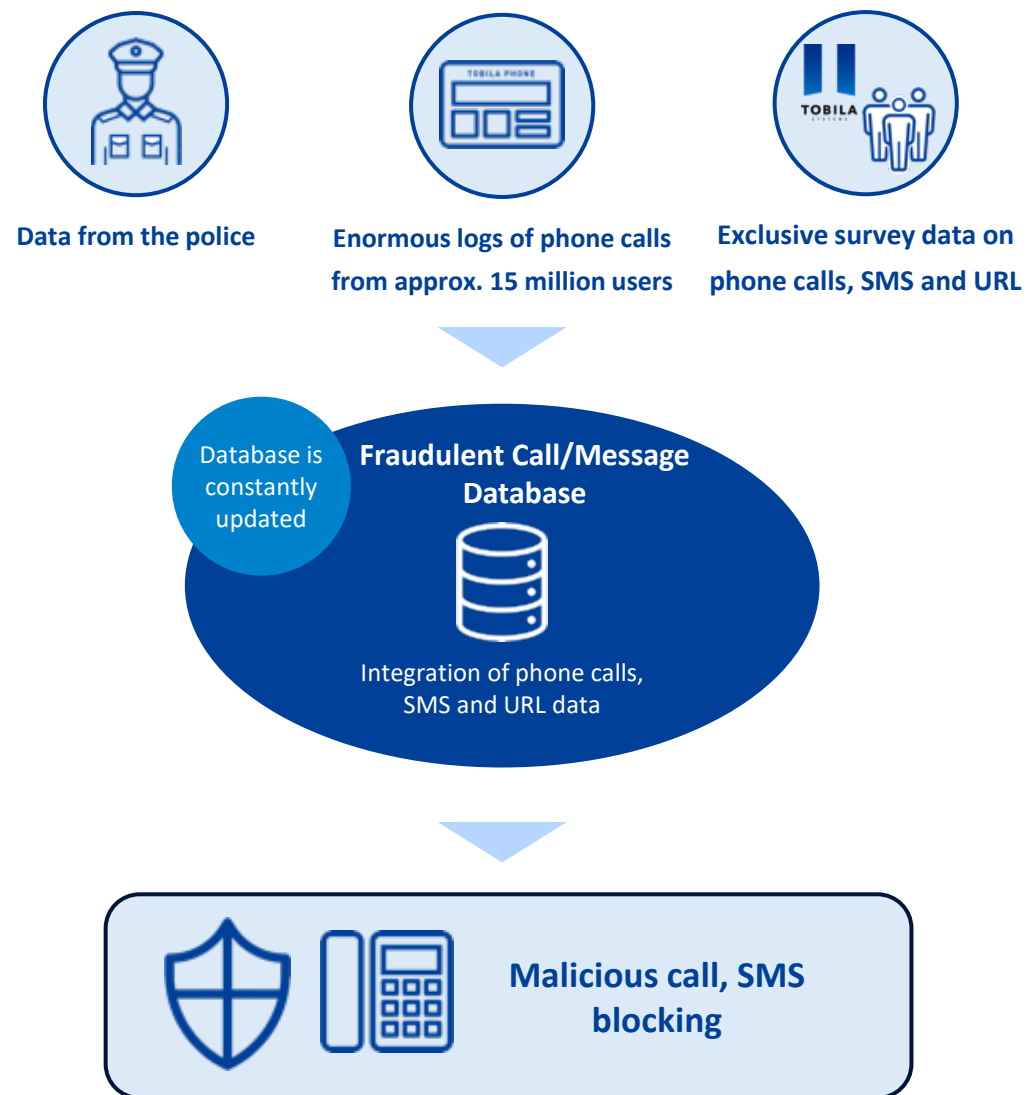
Unit: Number of fraud



^{*1}: Scams involving impersonation of police officers to fraudulently obtain cash under the pretense of an investigation (or priority inquiry)

^{*2}: Prepared by Tobila Systems based on “Material 8-2: Status of Special Fraud Cases and Misuse of Telecommunications Technology (National Police Agency)” presented at the 8th Meeting of the Working Group on Countermeasures against the Improper Use of Telecommunications.

Approach to Social Issues: The Fraudulent Call/Message Database



- Losing money due to a scams starts by answering a dangerous phone calls, responding to malicious SMSs or visiting a dangerous websites.
- Everyday, Tobila Systems updates its fraudulent call/message database that contains dangerous phone numbers, SMSs, and URL information to protect users of Tobila Systems services by blocking incoming calls and messages from these sources.

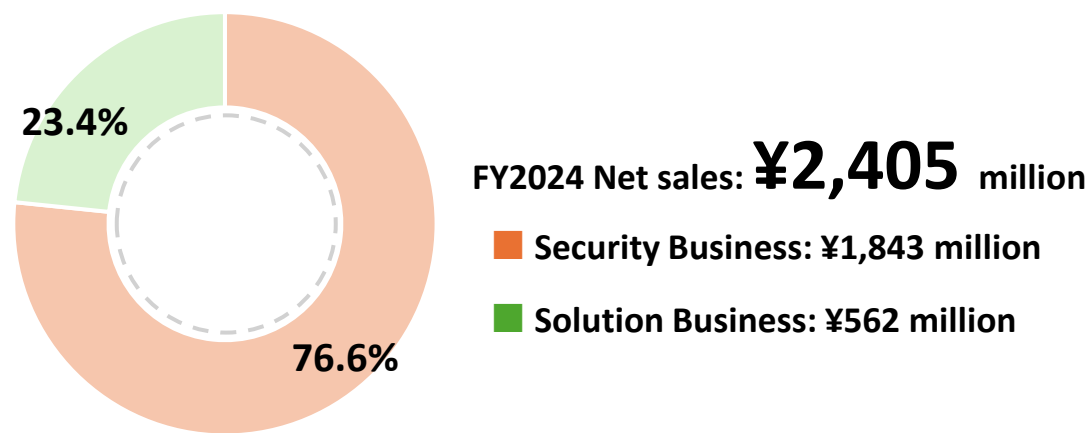
Strengths of Our Fraudulent Call/Message Database

- Tobila Systems receives information from the police on telephone numbers and URLs that were used for crimes and other malicious activities.
- The database has a system for incorporating feedback from users concerning phone numbers and SMS.
- The database is updated everyday by using information from the Tobila Systems survey team.

The volume of data increases along with the number of users, resulting in a cyclical system for the constant improvement of phone call and SMS blocking accuracy.

Business Activities

- Beginning with the fiscal year ending October 31, 2025, we have been promoting business in two segments: [Security Business] and [Solutions Business].



Ordinary profit
margin

34.5%

ROE

26.3%

Equity ratio

56.0%

Market
capitalization

¥9.8 billion

> Security Business

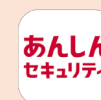
- Provision of special fraud and phishing prevention services to telecommunication carriers, financial institutions, and other organizations



KDDI
UQ mobile



ソフトバンク



NTTドコモ



J:COM



> Solution Business

- Services for business phone to promote DX for corporations

トビラフォン Biz

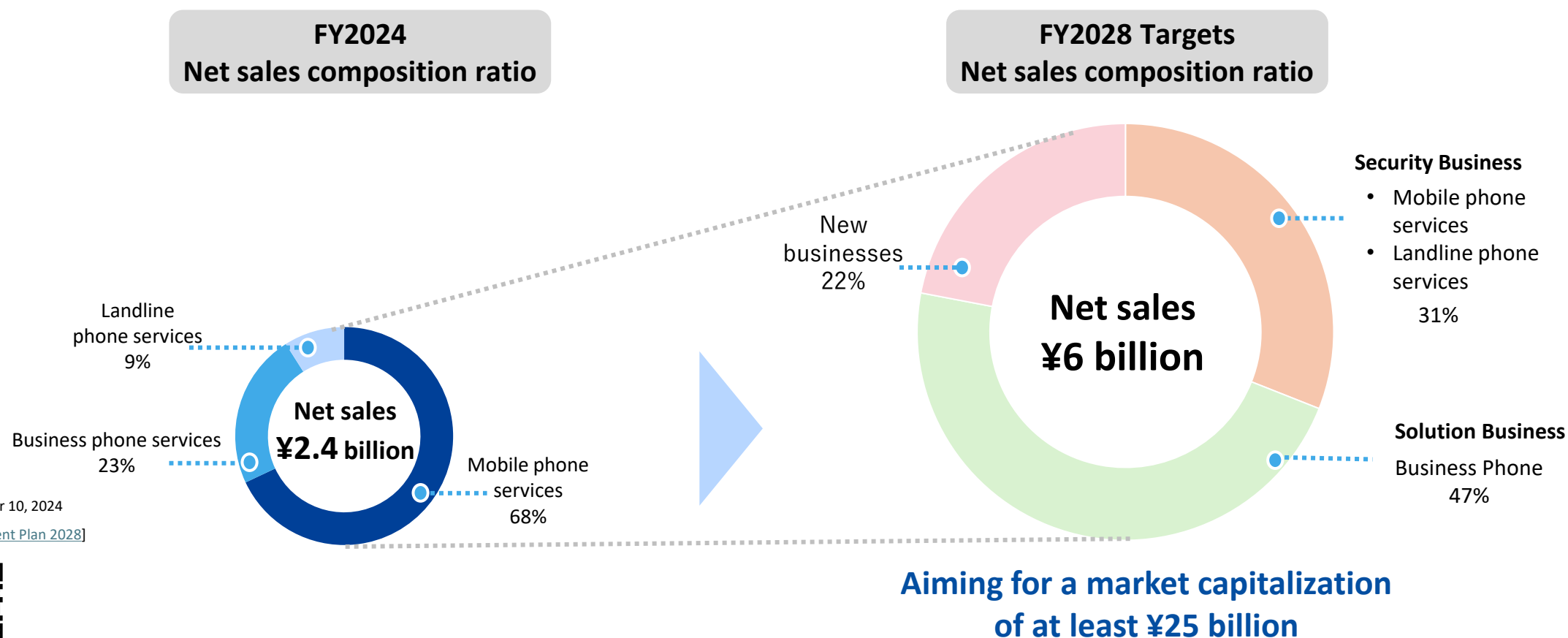


*: Ordinary profit margin, equity ratio, and ROE are as of October 31, 2024. Market capitalization is as of the close of trading on May 30, 2025.

Quoted from 2028 materials in the Medium-term Management Plan (Segment Information for the Fiscal Year Ending October 31, 2028 was revised).

Medium-Term Management Plan Targets

Focusing on business phone services and the creation of new businesses, aiming for net sales of ¥6 billion or more in FY2028.



Disclosed on December 10, 2024

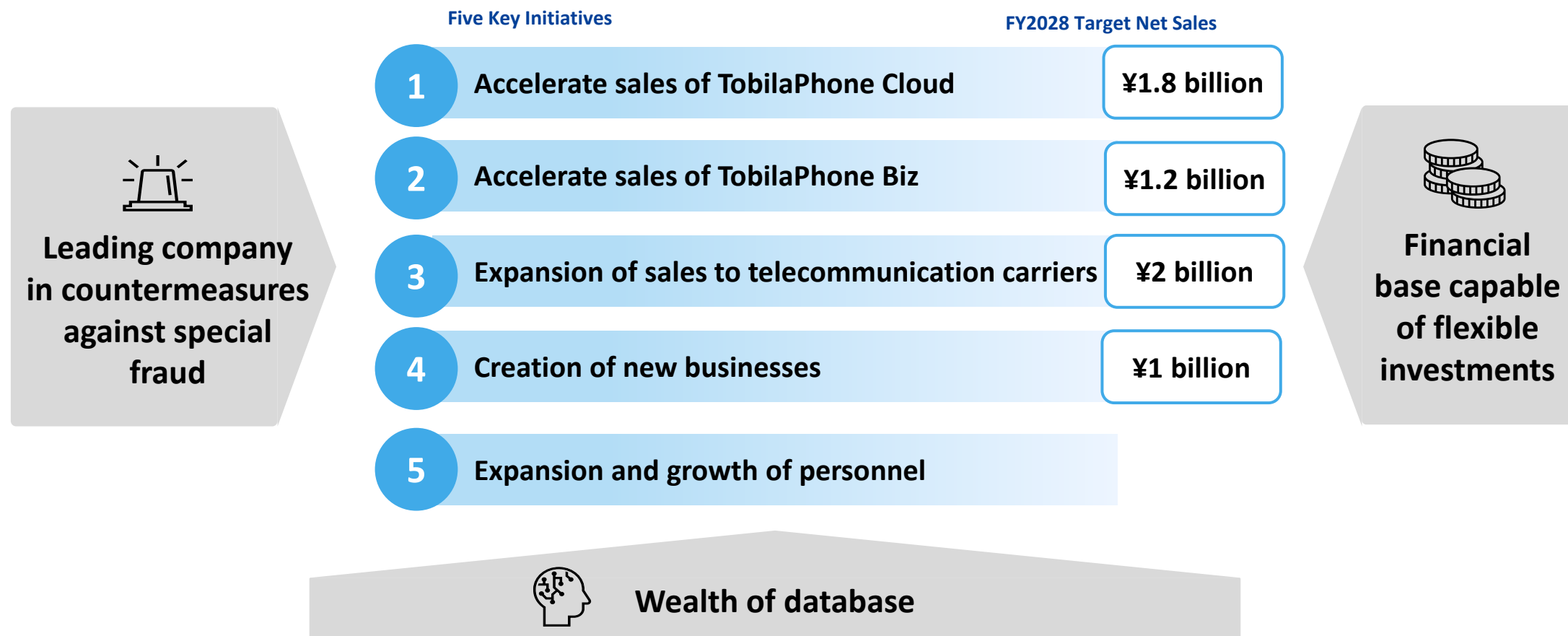
[Medium-term Management Plan 2028]



Represented from 2028 materials of the medium-term management plan

Five Key Initiatives for Achieving Targets

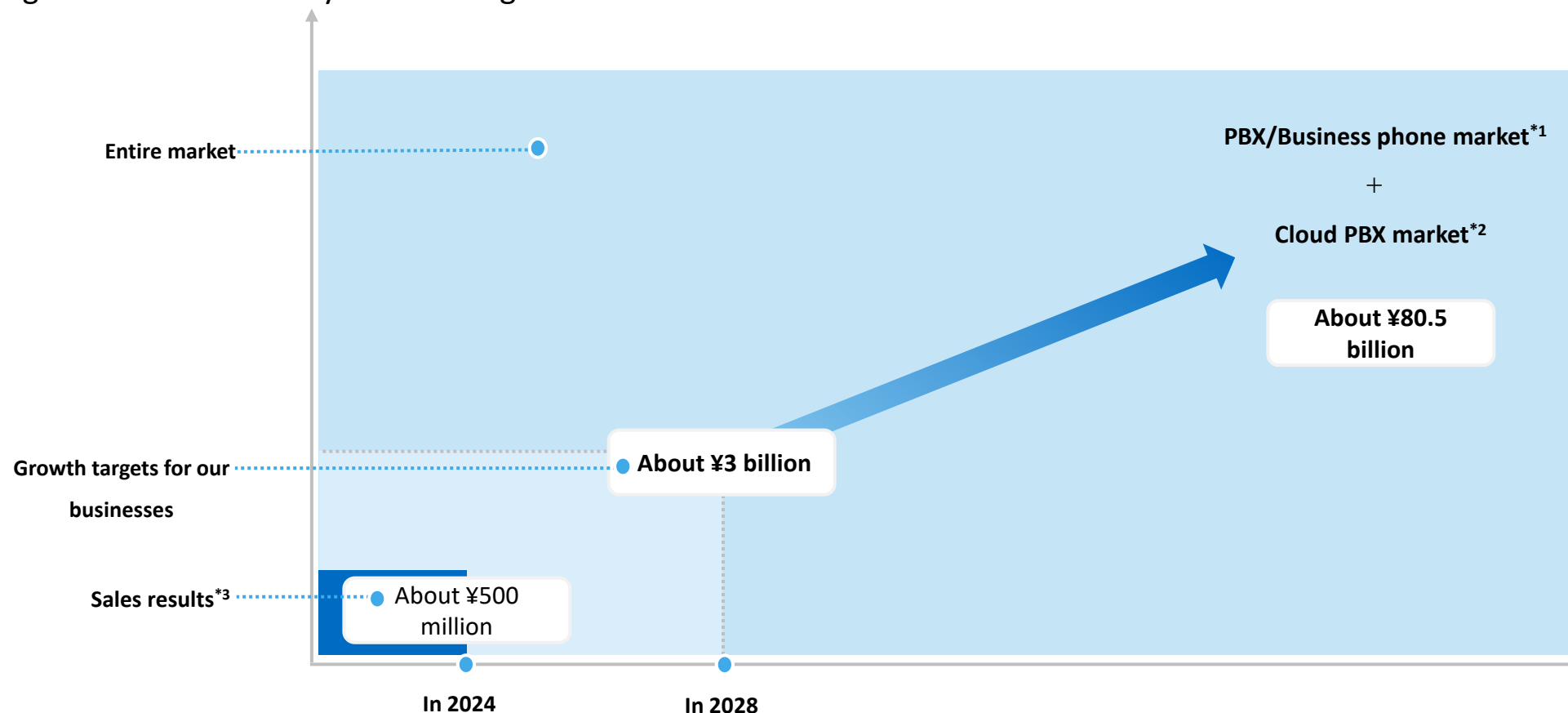
We will invest management resources in five key initiatives as part of our strategy to strengthen business phone services.



Represented from 2028 materials of the medium-term management plan

Market Size of Business Phone Services

- The total size of the PBX, business phone, and cloud PBX market is estimated to be about ¥80.5 billion, indicating significant room for growth.
- Aiming for about 6x sales by accelerating sales of TobilaPhone Biz and TobilaPhone Cloud.



*1: PBX and key telephone system sales in fiscal 2022 based on the CIAJFY2022 – FY2027 Mid-Term Demand Forecast for Telecommunication Equipment.

*2: Fiscal 2022 forecast in 2022 Communications Marketing Survey by Fuji Chimera Research Institute.

*3: Actual sales figures for filtering services for business phones in FY2024.

3. 2Q FY2025 Financial Results

Financial Summary

- Net sales and profits at each stage reached record highs on a quarterly basis.
- Ordinary profit also increased due to non-operating income such as interest on deposits and interest on securities resulting from the effective use of a portion of cash on hand.

	FY2024 2Q (Previous year)	FY2025 1Q (Previous quarter)	FY2025 2Q Results	YoY	QoQ
Unit: Millions of yen					
Net sales	586	672	699	119.3%	103.9%
EBITDA*	280	303	309	110.4%	102.1%
Operating profit	235	259	267	113.4%	103.1%
Ordinary profit	235	258	269	114.5%	104.4%
Profit	157	172	181	115.2%	104.9%

*EBITDA= Operating profit + Depreciation + Goodwill amortization

Net Sales by Segment

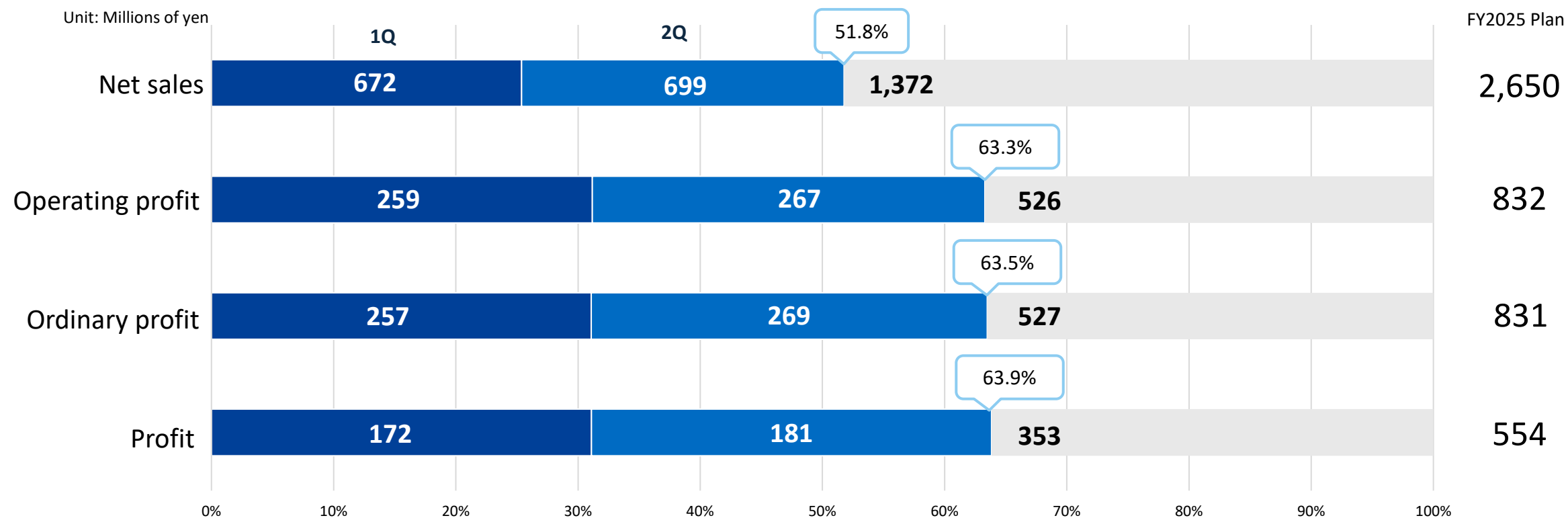
- [Security Business] Sales of services for mobile phones secured stable earnings due to factors such as contract renewals for carriers in the previous fiscal year and the launch of database provision to financial institutions and other entities. As planned, sales of other services declined due to the absence of contracted temporary development projects recorded in 1Q.
- [Solution Business] TobilaPhone Biz saw growing demand as customer harassment prevention measures, and sales accelerated in line with the fiscal year-end of its agents. TobilaPhone Cloud also continued to generate high-quality leads, with the number of billing IDs maintaining an upward trend.

Unit: Millions of yen

	FY2024 2Q (Previous year)	FY2025 1Q (Previous quarter)	FY2025 2Q Results	YoY	QoQ
Security Business	453	493	476	105.1%	96.7%
Mobile phone services	399	420	422	105.6%	100.4%
Landline phone services	53	54	54	102.6%	100.7%
Other	0	18	0	20.8%	1.0%
Solution Business	132	179	222	167.7%	123.8%

2Q vs. FY2025 Forecast

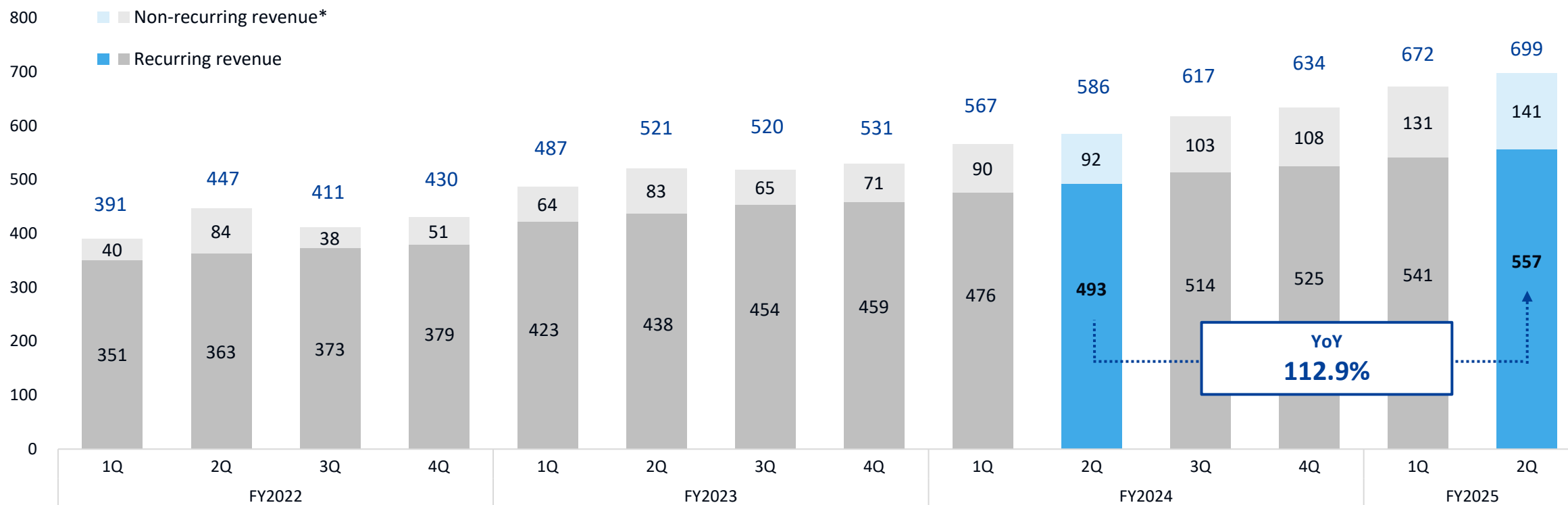
- Progress against full-year earnings forecast is over 50%, and we are on track to achieve the initial targets.
- FY2025 is positioned as a preparatory period for achieving Medium-term Management Plan 2028. If profit exceeds forecasts, we plan to further accelerate investment for future growth, and therefore, we will not revise the earnings forecast at this time.



Quarterly Sales (Recurring Revenue and Non-recurring Revenue)

- Steady growth in recurring revenue, which is our earnings base, due to stable growth of services for mobile phones in the Security Business and expanded sales in the Solution Business.

Unit: Millions of yen

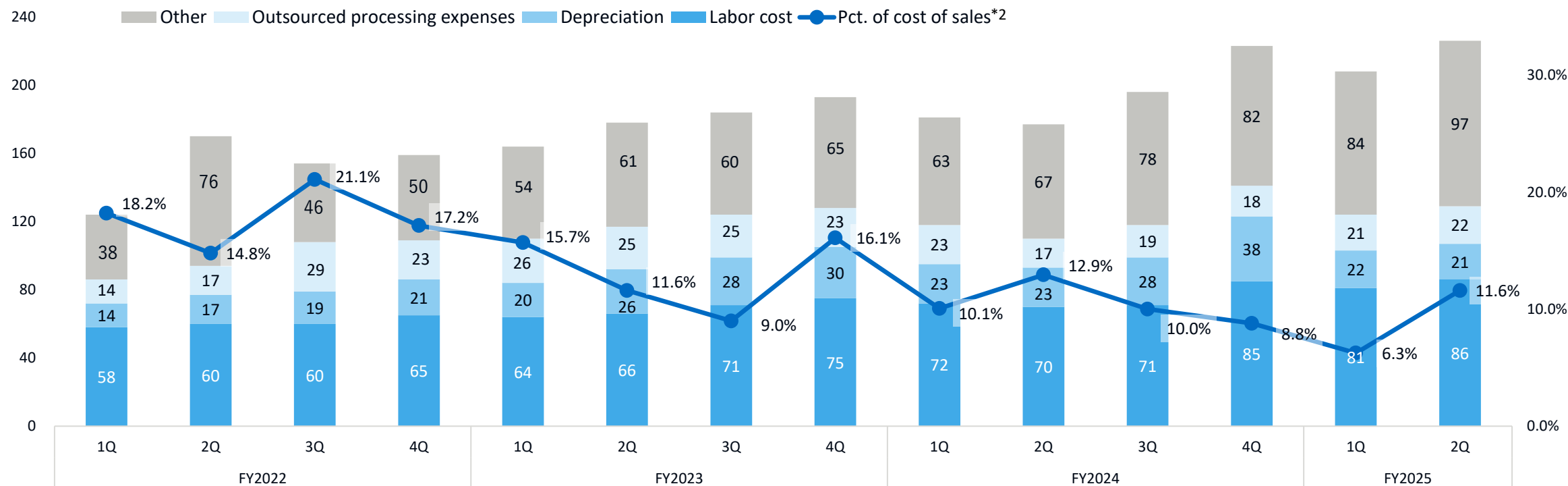


*: Non-recurring revenue includes sales of [280blocker], hardware for [TobilaPhone] and [TobilaPhone Biz]

Cost of Sales

- Also in 2Q, labor costs increased due to the continued active recruitment of engineers. In addition, other expenses rose due to increased shipments driven by accelerated sales of TobilaPhone Biz.
- Recruitment activities are scheduled to continue in the second half, and cost of sales is expected to increase.

Unit: Millions of yen



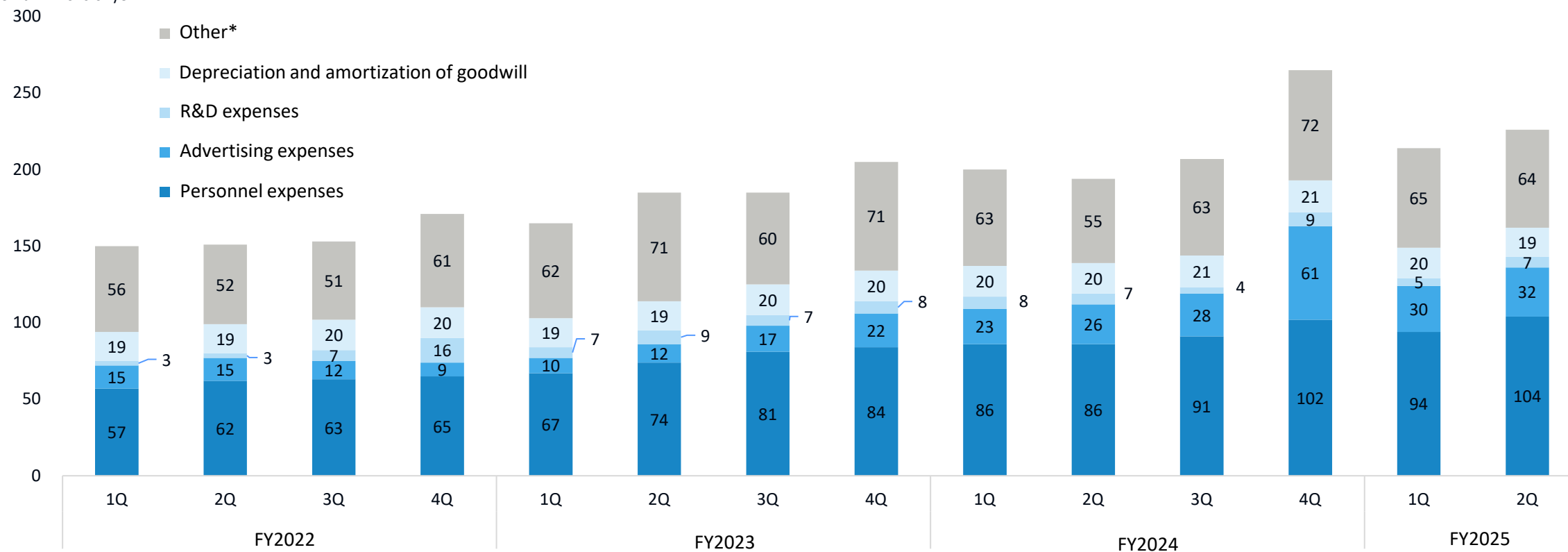
*1: The sum of labor cost, depreciation, outsourced processing cost and others does not match the total cost of sales on the income statement because these figures are before adjustments for reclassified expenses and work in process transfers

*2: Pct. reclassified as other expense categories is the percentage of the cost of sales included in R&D expenses and assets due mainly to the characteristics of work performed by employees

SG Expenses

- In order to promote sales, we are actively recruiting sales personnel, resulting in an increase in personnel expenses.
- Recruitment activities are scheduled to continue actively in the second half, and advertising measures are also planned to accelerate sales in the Solution Business. As a result, SG expenses are expected to increase.

Unit: Millions of yen

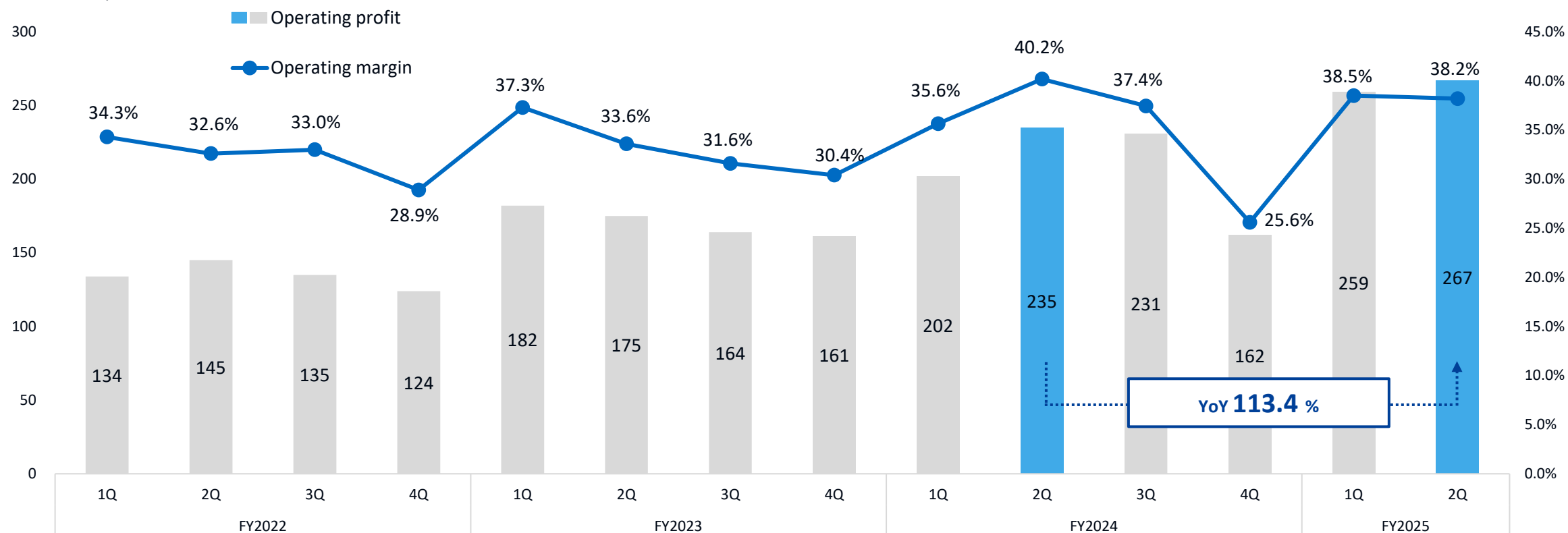


*: Others include collection fees, outsourcing expenses, rent expenses on land and buildings.

Operating Profit

- Operating profit exceeded expectations due to factors such as timing of hiring and recruitment through referrals, which suppressed SG expenses.
- In order to continue investing in growth, some profit adjustments were expected; however, full-year results are expected to be in line with plans.

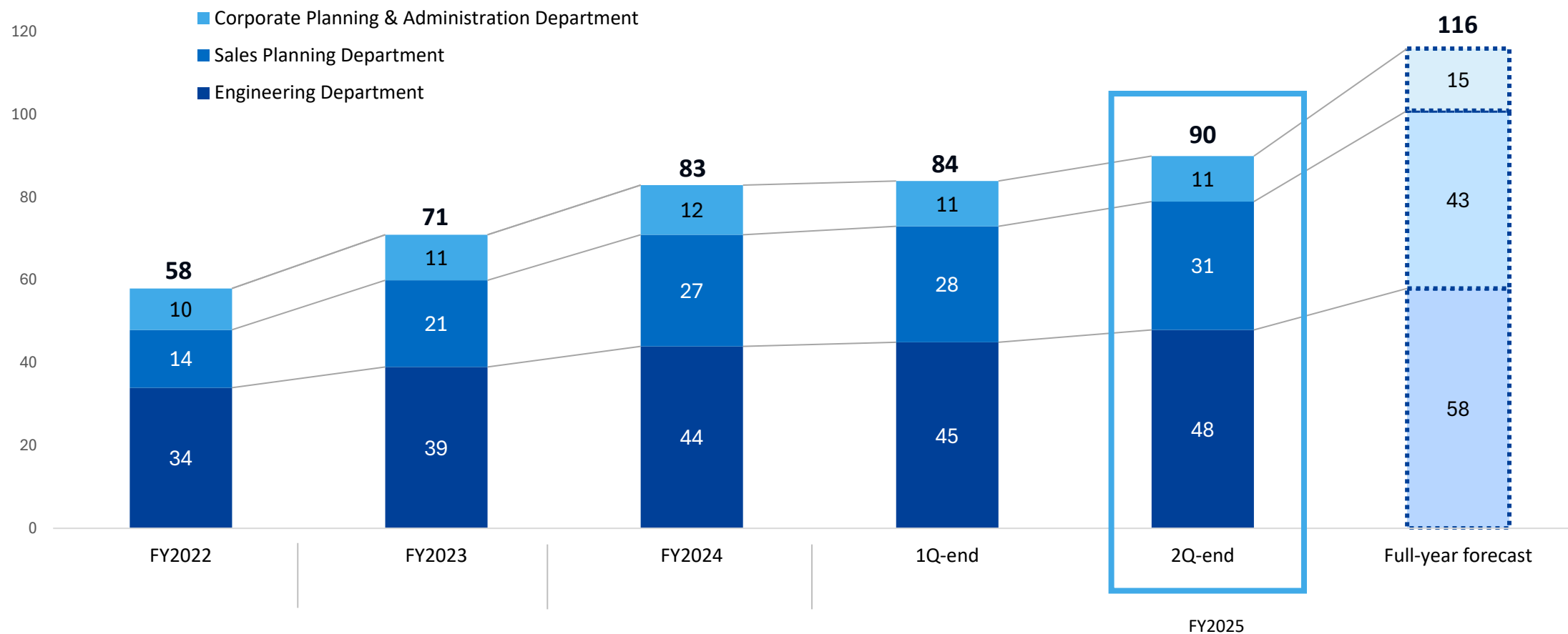
Unit: Millions of yen



Number of Full-Time Employees

- Aiming to achieve the medium-term management plan, we plan to recruit approximately 30 more employees than in the previous fiscal year, and are making steady progress.

Unit: Number of employees



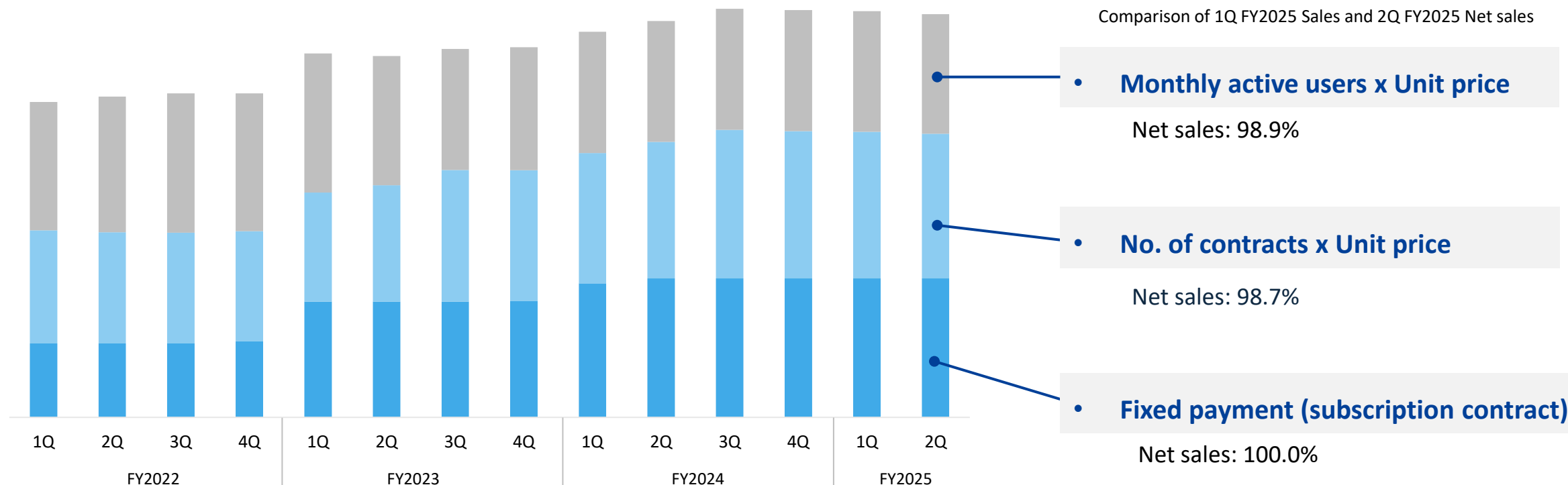


Security Business

Mobile Phone Services: Quarterly Net Sales by Contract Format

- Net sales focused on major telecommunication carriers declined slightly QoQ.
- The number of damages of special fraud is still on the rise, and each telecommunication carrier is considering countermeasures. We will continue to discuss with telecommunication carriers on approaches to increase users.

Quarterly Sales Composition of Contract Formats*

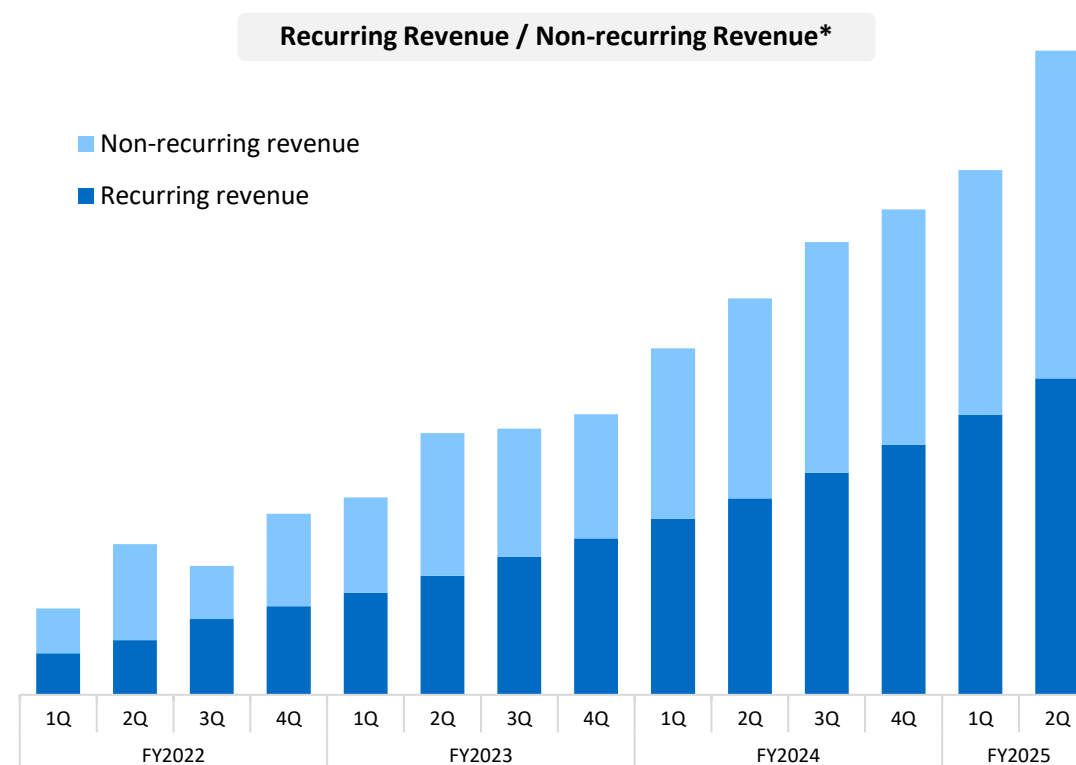
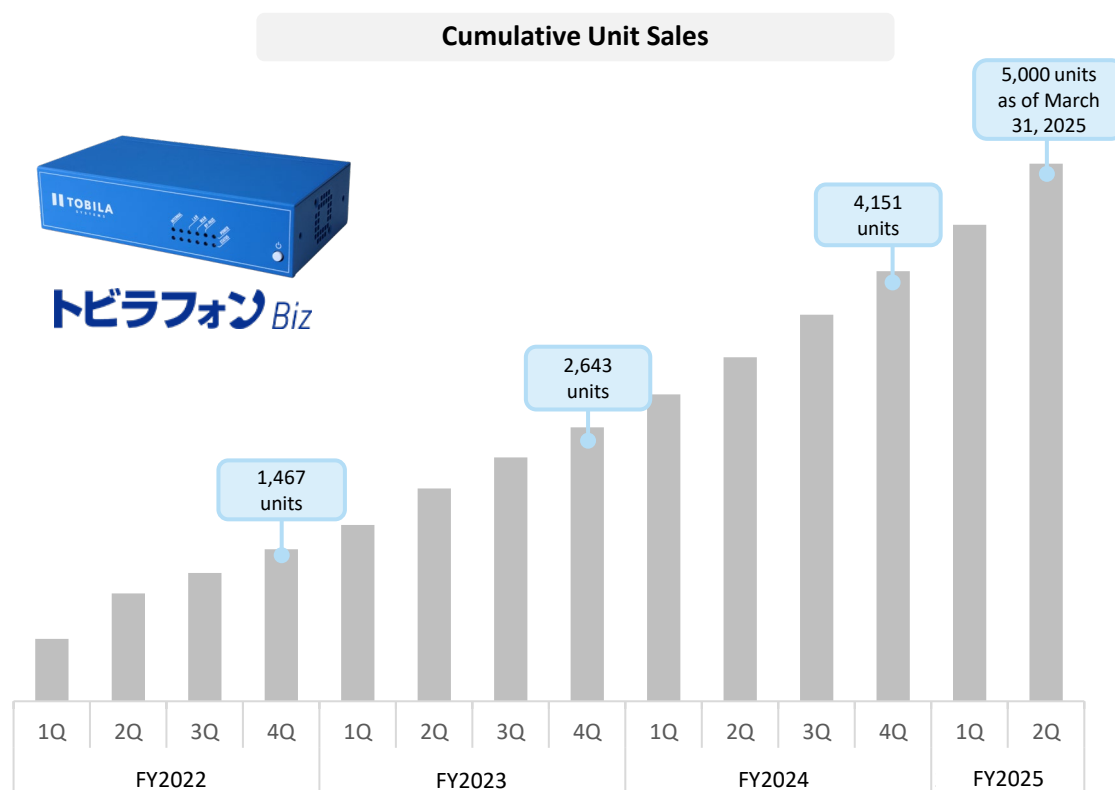


*: Net sales and the number of monthly users are for only contracts with Japan's three major mobile phone carriers. Low-cost smartphone service and other MVNO contracts are not included.

> Solution Business

TobilaPhone Biz Sales

- The number of units sold continued to be strong driven by growing demand for TobilaPhone Biz as customer harassment prevention measures as well as sales promotion toward the fiscal year-end for agents.
- We aim to strengthen sales structure to build stronger relationships with agents to continue accelerating sales in 3Q and beyond.



*: Most sales are made through sales agents using a package of the cost of the device and a five-to seven-year usage fee.

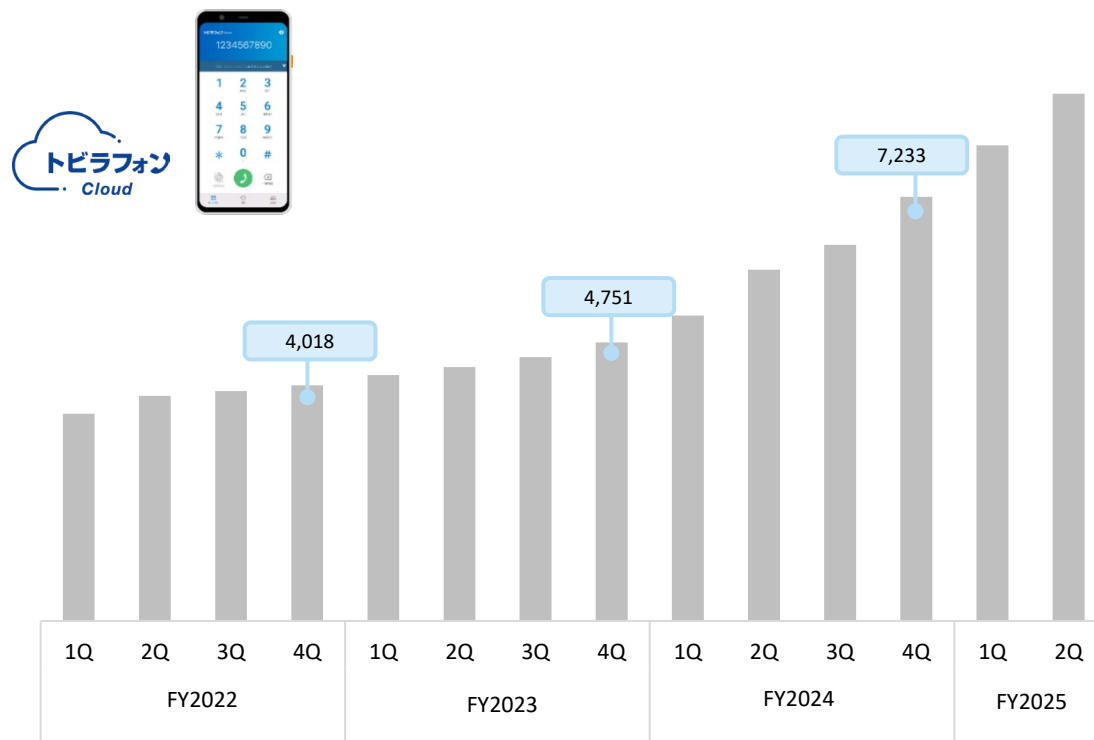
Sales of hardware are recorded when the product is sold to agents. License fees are recorded as a liability under contract agreements. Monthly sales are calculated by dividing the cost of sales according to the length of the contract.

> Solution Business

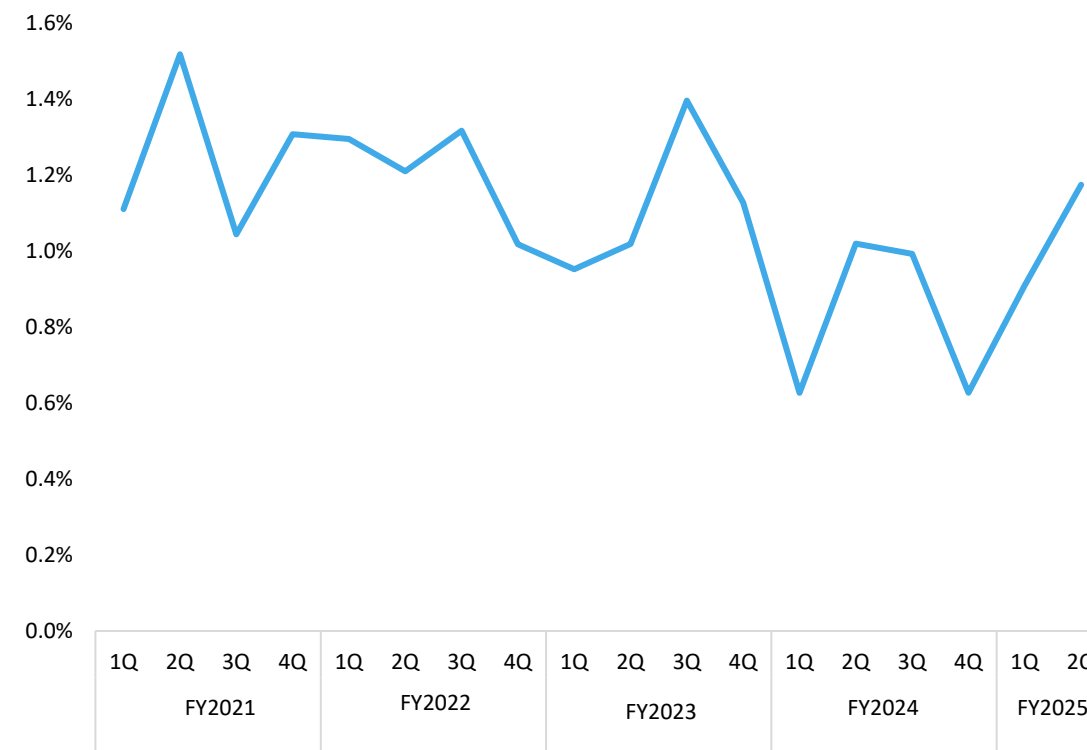
TobilaPhone Cloud Sales

- Based on the medium-term management plan, we have been steadily strengthening the sales structure, and as a result of these efforts, sales have remained strong.
- The churn rate remained at a low level, despite a slight increase QoQ due to the termination and dissolution of some customers' businesses with the start of the new fiscal year.

No. of Billing IDs*¹



Average Monthly Churn Rate*²



*1: The total number of IDs included in the contract in the billing period. Synonym for the number of users. There was a definition error in the calculation that included past years, and revised figures, including those for prior periods, have been disclosed.

*2: Monthly churn rate is the quarterly average of the monthly churn rate calculated by using the ratio of monthly churn to the number of contracts at the beginning of the month

Disclaimer

Tobila Systems plans to announce 3Q FY2025 results of operations **on September 10, 2025 (Wednesday)**.

This presentation includes forward-looking statements that incorporate the current outlook, forecasts and risk factors. There are many uncertainties that may cause actual performance to differ from what is described in such statements.

Risk factors and uncertainties include general economic conditions in Japan and other countries, such as general industry and market conditions and changes in interest rates and foreign exchange rates.

Tobila Systems has no obligation to update or revise the forward-looking statements in this presentation, whether as a result of new information, future events, or otherwise.

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.

- Contact

Investor Relations, Tobila Systems Inc.

E-mail ir@tobila.com

Website <https://tobila.com/contact/>

4. Appendix

Reprinted

FY2025 Plan

- We plan on making investments in recruitment and expansion of business phone services for growth strategies outlined in the medium-term management plan. As a result, we expect sales to increase by 10.1% YoY to ¥2.65 billion in FY2025 while operating profit is expected to be the same YoY at ¥832 million.

Unit: Millions of yen	FY2023 Results	FY2024 Results	FY2025 Forecast	YoY (After revision)
Net sales	2,061	2,405	2,650	110.1%
EBITDA*1	870	1,031	1,015	98.4%
Operating profit	682	831	832	100.0%
Ordinary profit	679	829	831	100.2%
Profit	517	601	554	92.0%
(Profit excluding extraordinary income (loss))	(469)	(580)	(554)	(95.4%)
Operating margin	33.1%	34.6%	31.4%	-
ROE*2	26.9%	26.3%	22.8%	-
Equity ratio	58.6%	56.0%	52.4%	-

*1: EBITDA = Operating profit + Depreciation + Goodwill amortization.

*2: Equity, which is the denominator in ROE, is calculated by using the average for the period.

Reprinted

FY2025 Sales Plan by Service Category

- Aiming for solid growth of each service in FY2025 in accordance with the medium-term management plan formulated.
- In particular, we will work to expand the earnings base of the filtering service for business phones, which will be a future growth driver.

	FY2023 Results	FY2024 Results	FY2025 Plan	YoY
Unit: Millions of yen				
Security Business	1,730	1,843	1,876	101.8%
Mobile phone services	1,490	1,623	1,635	100.7%
Landline phone services	193	212	216	102.1%
Other*	46	8	24	303.6%
Solution Business	330	562	773	137.6%
TobilaPhone Biz	257	430	532	123.6%
TobilaPhone Cloud	73	131	240	183.7%

*Figures indicated in Other in FY2023 Results of include HP4U Business that has been sold in September 2023.

Reprinted

FY2025 Forecast for Expenses

- We plan to continue to actively recruit more personnel for future growth. Expect higher recruiting expenses, higher labor costs, and personnel expenses.
- Forecast an increase in the cost of sales of hardware based on the plan to increase sales of the filtering service for business phones.

Unit: Millions of yen	FY2023 Results	FY2024 Results	FY2025 Forecast	YoY
Cost of sales*¹	628	699	828	118.4%
(Labor cost)	278	299	395	131.9%
(Outsourced processing cost)	100	78	86	109.5%
(Depreciation)	105	114	101	88.7%
(Others)	241	291	358	123.1%
(Pct. of cost of sales classified as R&D expenses and assets* ²)	13.1%	10.3%	12.1%	1.7pt
SG&A expenses	750	874	989	113.2%
(Personnel expenses)	308	366	431	117.8%
(Advertising expenses)	63	139	123	88.6%
(R&D expenses)	31	29	29	98.8%
(Depreciation and amortization of goodwill)	80	83	79	95.3%
(Others)	266	255	325	127.7%

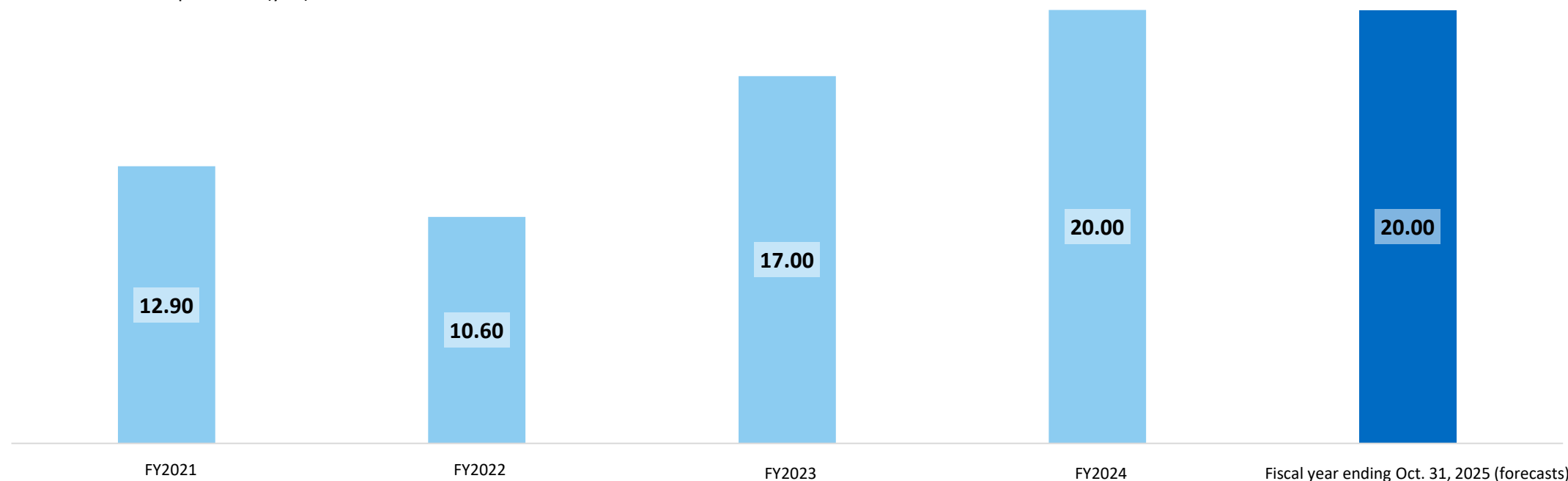
*1: The sum of labor cost, depreciation, outsourced processing cost, and others do not match the total cost of sales on the income statement because these figures are before adjustments for reclassified expenses and work-in-process transfers.

*2: The percentage of the cost of sales included in R&D expenses and assets due mainly to the characteristics of work performed by employees.

Returns to Shareholders -Dividends and Share Buybacks

- Based on a dividend payout ratio of 35%, the lower limit on dividends is ¥20.00, and the year-end dividend is expected to be ¥20.00 in FY2025.
- Acquisition of own shares up to the maximum of ¥400 million, which started on December 11, 2024, ended without reaching the maximum amount. Considering the possibility of flexible acquisition in the future.

■ Dividend per share (yen)



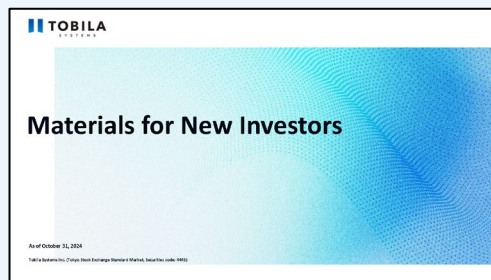
Reference Information

● Reference Materials

Medium-Term Management Plan 2028 (Disclosed on December 10, 2024)



Materials for New Investors (As of Oct. 31, 2024)



● Distribution of IR Information

IR note Magazine

- Information about financial results and Monthly Reports are periodically distributed.

note

▶ <https://note.com/tobila4441>



Official X (formerly twitter) IR Account

- Early announcement of the latest financial results and IR information

Account name: Tobila Systems IR Official

Username : @tobila_ir

URL : https://x.com/tobila_ir



Answers to Expected Questions

Categories	Questions	Answers
Macroeconomic trend and business environment	<p>I have seen reports that subsidies are being offered to companies taking measures against customer harassment . Are the Tobila Systems products eligible for these subsidies?</p> <p>And do you expect the subsidies to have a positive impact on the business?</p>	<p>Some local governments, such as the Tokyo Metropolitan Government and the City of Nagoya, have reportedly introduced subsidy programs for small and medium-sized enterprises that meet certain requirements. While the specific requirements differ by municipality, we believe that our call recording devices for handling incoming calls are also eligible under these programs.</p> <p>Although the extent of the positive impact remains uncertain at this point, demand for TobilaPhone Biz as a countermeasure against customer harassment is steadily increasing. Furthermore, by 2026, all companies are expected to be required to implement countermeasures against customer harassment under the revised Act on Comprehensively Advancing Labor Measures, and Stabilizing the Employment of Workers, and Enriching Workers' Vocational Lives. We will continue to strengthen our sales efforts to raise awareness of TobilaPhone Biz in this context, taking into account the prevailing social climate.</p>
Recruitment	<p>Recruitment activities appear to be progressing smoothly. What do you think are the key factors behind this success?</p>	<p>We believe there are several reasons, but one key factor is the strengthening of our recruitment structure. In addition to revamping our recruitment website and raising awareness through transportation advertisements, we have centralized our recruitment operations within the personnel department. This has allowed us to better leverage media channels and scouting tools, as well as to engage new recruitment agencies, enabling more effective access to the talent market.</p> <p>Going forward, we will continue to focus on securing the necessary personnel to achieve Medium-term Management Plan 2028.</p>
Company-wide	<p>Are there any plans for share buybacks in the second half? Is it reasonable to expect that the total return ratio will reach 100% for the current fiscal year?</p>	<p>The share buyback announced in December 2024 (up to ¥400 million) was expected to result in a total return ratio of 100% if executed up to the maximum limit. However, since the actual buyback amount did not reach the maximum limit, the total return ratio has not reached 100% at this time. With regard to potential share buybacks in the second half of the fiscal year, we will make a prudent decision after comprehensively taking into account factors, including our stock price level, financial position, and capital efficiency.</p>

