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Non-consolidated Financial Results for the Second Quarter of the Fiscal Year Ending October 31, 2025 (Six Months Ended April 30, 2025)

[Japanese GAAP]

June 10, 2025

Company name: Tobila Systems Inc. Listing: Tokyo Stock Exchange
Securities code: 4441 URL: <https://tobila.com>
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Scheduled date of filing of Semi-annual Securities Report: June 10, 2025
Scheduled date of payment of dividend: -
Preparation of supplementary materials for financial results: Yes
Holding of financial results meeting: Yes

(All amounts are rounded down to the nearest million yen)

1. Non-consolidated Financial Results for the First Six Months (November 1, 2024 - April 30, 2025) of the Fiscal Year Ending October 31, 2025

(1) Results of operations (Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended Apr. 30, 2025	1,372	18.9	526	20.2	527	20.6	353	13.2
Six months ended Apr. 30, 2024	1,154	14.3	437	22.5	437	22.6	312	32.5

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended Apr. 30, 2025	34.61	34.41
Six months ended Apr. 30, 2024	29.97	29.78

(2) Financial position

	Total assets	Net assets	Equity-to-asset ratio
	Million yen	Million yen	%
As of Apr. 30, 2025	4,693	2,322	49.5
As of Oct. 31, 2024	4,355	2,441	56.0

Reference: Equity (million yen) As of Apr. 30, 2025: 2,322 As of Oct. 31, 2024: 2,441

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Oct. 31, 2024	—	0.00	—	20.00	20.00
Fiscal year ending Oct. 31, 2025	—	0.00			
Fiscal year ending Oct. 31, 2025 (forecasts)			—	20.00	20.00

Note: Revision to the most recently announced dividend forecast: None

3. Earnings Forecast for the Fiscal Year Ending October 31, 2025 (November 1, 2024 - October 31, 2025)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	2,650	10.1	832	0.0	831	0.2	554	(8.0)	53.18

(Note) Revision to the most recently announced earnings forecast: None

* Notes

(1) Application of special accounting methods for presenting semi-annual non-consolidated financial statements : None

(2) Changes in accounting policies and accounting-based estimates, and restatements

- 1) Changes in accounting policies due to revisions in accounting standards, etc. : None
- 2) Changes in accounting policies other than 1) above : None
- 3) Changes in accounting-based estimates : None
- 4) Restatements : None

(3) Number of outstanding shares (common shares)

1) Number of shares issued at the end of the period (including treasury shares)

As of Apr. 30, 2025: 10,636,800 shares As of Oct. 31, 2024: 10,635,600 shares

2) Number of treasury shares at the end of the period

As of Apr. 30, 2025: 540,450 shares As of Oct. 31, 2024: 217,450 shares

3) Average number of shares outstanding during the period

Six months ended Apr. 30, 2025: 10,219,835 shares Six months ended Apr. 30, 2024: 10,423,074 shares

* Semi-annual financial statements are exempt from review by certified public accountants or auditing firms.

* Explanation of appropriate use of earnings forecasts, and other special items

Cautionary statement with respect to forward-looking statements

Forecasts of future performance in these materials are based on assumptions judged to be valid and information available to Tobila Systems' management at the time these materials were prepared, but are not promises by Tobila Systems regarding future performance. Actual results may differ significantly from these forecasts for a number of reasons.

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1. Qualitative Information on Quarterly Financial Performance

(1) Explanation of Results of Operations

The operations of Tobila Systems are guided by the corporate philosophy of “We open the door to a better future for our lives and the world” and the primary objective of business activities is using innovative technologies to create solutions for social issues that require actions but for which solutions have not yet been found. The objective of our core business of Fraud and Spam Prevention Business is to prevent bank transfer scams, special frauds and phishing using telephone calls. We have established a stable earnings base by providing this filtering service through telecommunication carriers and financial institutions. Medium-term Management Plan 2028, announced in December 2024, sets the target of achieving 6 billion yen in net sales for the fiscal year ending October 31, 2028, and has established five key initiatives: (1) accelerate sales of TobilaPhone Cloud; (2) accelerate sales of TobilaPhone Biz; (3) expansion of sales to telecommunication carriers; (4) creation of new businesses; and (5) expansion and growth of personnel. In the first six months of the fiscal year ending October 31, 2025, based on the Medium-term Management Plan 2028, we aggressively invested in business resources. For example, the expansion in the provision of our fraudulent call/message database, strengthening of the sales structure of TobilaPhone Cloud and TobilaPhone Biz, and development of optional plans for 280blocker.

In the first six months of the fiscal year ending October 31, 2025, net sales increased 18.9% year on year to 1,372,136 thousand yen, operating profit increased 20.2% to 526,312 thousand yen, ordinary profit increased 20.6% to 527,112 thousand yen and profit was up 13.2% to 353,754 thousand yen.

Results of operations by business segment are as follows.

Beginning with the first six months of the current fiscal year, reportable segments have been changed from a single reportable segment of Fraud and Spam Prevention Business to two reportable segments of Security Business and Solutions Business. The comparison and analysis with the first six months of the previous fiscal year are based on the classification after the change.

Security Business

In the Security Business, we are developing mobile phone, landline phone and other services. In the mobile phone services sector in particular, steady sales to telecommunication carriers and an expansion in the provision of our fraudulent call/message database contributed to solid performance. In the landline phone services also, the number of contracts for the Cable Plus Phone service increased steadily, contributing to the strengthening of the revenue base of the entire business.

In the first six months of the fiscal year ending October 31, 2025, net sales increased 6.8% year on year to 970,100 thousand yen and segment profit increased 7.6% to 715,077 thousand yen.

Solution Business

In the Solutions Business, we worked to increase sales of TobilaPhone Cloud and TobilaPhone Biz, whose purpose is to improve the operational efficiency of office phones. TobilaPhone Cloud has worked to enhance its functions, including the addition of an automated SMS transmission function, as well as to strengthen its sales structure. Sales of TobilaPhone Biz increased steadily against the backdrop of stronger relationships with agents and the growth of demand for use as a measure against customer harassment. These measures resulted in a continued upward trend in sales in the Solutions Business.

In the first six months of the fiscal year ending October 31, 2025, net sales increased 63.4% year on year to 402,036 thousand yen and segment profit increased 81.2% to 81,522 thousand yen.

Corporate operating profit is calculated by subtracting corporate expenses of 270,287 thousand yen (down 0.5% year on year), which are not allocated to reportable segments, from the total of segment profit. Corporate expenses are mainly selling, general and administrative expenses not attributable to reportable segments.

(2) Explanation of Financial Position

1) Assets, liabilities and net assets

Total assets

Total assets at the end of the first six months of the current fiscal year increased 338,008 thousand yen from the end of the previous fiscal year to 4,693,642 thousand yen. This was attributable mainly to a decrease of 182,159 thousand yen in cash and deposits, an increase of 49,630 thousand yen in notes and accounts receivable-trade, and contract assets, a decrease of 30,306 thousand yen in merchandise and finished goods, a decrease of 38,365 thousand yen in intangible assets, and an increase of 515,297 thousand yen in investment securities.

Liabilities

Liabilities at the end of the first six months of the current fiscal year increased 457,204 thousand yen from the end of the previous fiscal year to 2,371,510 thousand yen. The main factors include an increase of 418,490 thousand yen in contract liabilities, an increase of 71,395 thousand yen in income taxes payable, and a decrease of 25,020 thousand yen in long-term borrowings.

Net assets

Net assets at the end of the first six months of the current fiscal year decreased 119,196 thousand yen from the end of the previous fiscal year to 2,322,132 thousand yen. The main factors include the recording of profit of 353,754 thousand yen, a decrease of 208,363 thousand yen in retained earnings due to dividends paid and the purchase of treasury shares of 261,227 thousand yen.

2) Cash flows

Cash and cash equivalents (hereinafter, “net cash”) at the end of the first six months of the current fiscal year decreased 1,382,159 thousand yen from the end of the previous fiscal year to 1,833,498 thousand yen. Cash flows by category are as described below.

Cash flows from operating activities

Net cash provided by operating activities was 882,852 thousand yen compared to net cash provided of 596,052 thousand yen in the previous fiscal year. This was attributable mainly to income taxes paid of 122,600 thousand yen, an increase in accounts receivable - trade, and contract assets of 58,060 thousand yen and a decrease in trade payables of 14,874 thousand yen, while there were profit before income taxes of 527,112 thousand yen, depreciation of 52,551 thousand yen, amortization of goodwill of 32,952 thousand yen, a decrease in inventories of 30,622 thousand yen, a decrease in long-term prepaid expenses of 18,572 thousand yen, an increase in accounts payable - other of 17,800 thousand yen and an increase in contract liabilities of 417,685 thousand yen.

Cash flows from investing activities

Net cash used in investing activities was 1,739,398 thousand yen compared to net cash used of 15,721 thousand yen in the previous fiscal year. This was attributable mainly to purchases of intangible assets of 28,279 thousand yen, purchase of investment securities of 509,886 thousand yen and payments into time deposits of 1,200,000 thousand yen.

Cash flows from financing activities

Net cash used in financing activities was 525,613 thousand yen compared to net cash used of 392,504 thousand yen in the previous fiscal year. This was attributable mainly to repayments of long-term borrowings of 25,020 thousand yen, purchase of treasury shares of 292,608 thousand yen and dividends paid of 208,149 thousand yen.

(3) Explanation of Earnings Forecast and Other Forward-looking Statements

We currently maintain the earnings forecast for the fiscal year ending October 31, 2025 that was announced on December 10, 2024.

2. Semi-annual Non-consolidated Financial Statements and Notes

(1) Semi-annual Non-consolidated Balance Sheet

(Thousands of yen)

	Previous fiscal year (As of Oct. 31, 2024)	First six months of current fiscal year (As of Apr. 30, 2025)
Assets		
Current assets		
Cash and deposits	3,215,658	3,033,498
Notes and accounts receivable-trade, and contract assets	276,373	326,004
Electronically recorded monetary claims - operating	5,409	14,644
Merchandise and finished goods	74,720	44,414
Work in process	481	-
Raw materials and supplies	477	641
Other	77,197	100,337
Allowance for doubtful accounts	(1,007)	(1,202)
Total current assets	3,649,311	3,518,339
Non-current assets		
Property, plant and equipment	91,325	85,433
Intangible assets	309,026	270,660
Investments and other assets		
Investment securities	19,955	535,252
Other	286,016	283,956
Total investments and other assets	305,972	819,209
Total non-current assets	706,323	1,175,303
Total assets	4,355,634	4,693,642
Liabilities		
Current liabilities		
Accounts payable - trade	14,874	-
Income taxes payable	132,062	203,457
Contract liabilities	1,368,138	1,786,628
Other	253,560	260,774
Total current liabilities	1,768,635	2,250,860
Non-current liabilities		
Long-term borrowings	145,670	120,650
Total non-current liabilities	145,670	120,650
Total liabilities	1,914,305	2,371,510
Net assets		
Shareholders' equity		
Share capital	332,929	333,070
Capital surplus		
Legal capital surplus	297,229	297,370
Total capital surpluses	297,229	297,370
Retained earnings		
Other retained earnings		
Retained earnings brought forward	2,025,613	2,163,732
Total retained earnings	2,025,613	2,163,732
Treasury shares	(228,291)	(489,519)
Total shareholders' equity	2,427,481	2,304,654
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	13,848	17,478
Total valuation and translation adjustments	13,848	17,478
Total net assets	2,441,329	2,322,132
Total liabilities and net assets	4,355,634	4,693,642

(2) Semi-annual Non-consolidated Statement of Income

For the Six-month Period

(Thousands of yen)

	First six months of previous fiscal year (Nov. 1, 2023 to Apr. 30, 2024)	First six months of current fiscal year (Nov. 1, 2024 to Apr. 30, 2025)
Net sales	1,154,034	1,372,136
Cost of sales	318,044	399,346
Gross profit	835,989	972,790
Selling, general and administrative expenses	397,991	446,477
Operating profit	437,998	526,312
Non-operating income		
Interest income	11	1,535
Cancellation income for services	24	541
Interest on securities	-	1,456
Other	6	451
Total non-operating income	41	3,984
Non-operating expenses		
Interest expenses	403	315
Loss on extinguishment of share-based payment expenses	423	782
Commission expenses	171	1,770
Other	3	316
Total non-operating expenses	1,002	3,185
Ordinary profit	437,038	527,112
Extraordinary income		
Gain on sale of investment securities	29,999	-
Total extraordinary income	29,999	-
Profit before income taxes	467,038	527,112
Income taxes - current	143,988	191,968
Income taxes - deferred	10,618	(18,611)
Total income taxes	154,607	173,357
Profit	312,430	353,754

(3) Semi-annual Non-consolidated Statement of Cash Flows

(Thousands of yen)

	First six months of previous fiscal year (Nov. 1, 2023 to Apr. 30, 2024)	First six months of current fiscal year (Nov. 1, 2024 to Apr. 30, 2025)
Cash flows from operating activities		
Profit before income taxes	467,038	527,112
Depreciation	56,577	52,551
Amortization of goodwill	32,952	32,952
Increase (decrease) in allowance for doubtful accounts	(44)	194
Interest and dividend income	(11)	(2,992)
Interest expenses	403	315
Loss on extinguishment of share-based remuneration expenses	423	782
Loss (gain) on sales of investment securities	(29,999)	-
Decrease (increase) in accounts receivable - trade, and contract assets	(28,072)	(58,060)
Decrease (increase) in inventories	4,908	30,622
Decrease (increase) in long-term prepaid expense	19,688	18,572
Increase (decrease) in trade payable	(416)	(14,874)
Increase (decrease) in accounts payable - other	17,763	17,800
Increase (decrease) in contract liabilities	217,548	417,685
Increase (decrease) in accrued consumption taxes	(16,195)	(6,417)
Other	(275)	(11,994)
Subtotal	742,289	1,004,251
Interest and dividends received	11	1,516
Interest paid	(403)	(314)
Income taxes paid	(145,844)	(122,600)
Net cash provided by (used in) operating activities	596,052	882,852
Cash flows from investing activities		
Purchases of property, plant and equipment	(15,471)	(1,250)
Proceeds from sales of property, plant and equipment	-	17
Proceeds from sales of investment securities	30,000	-
Purchases of intangible assets	(30,393)	(28,279)
Purchase of investment securities	-	(509,886)
Payments into time deposits	-	(1,200,000)
Proceeds from refund of leasehold and guarantee deposits	144	-
Net cash provided by (used in) investing activities	(15,721)	(1,739,398)
Cash flows from financing activities		
Repayments of long-term borrowings	(25,020)	(25,020)
Proceeds from issuance of shares	-	164
Purchase of treasury shares	(188,171)	(292,608)
Dividends paid	(179,313)	(208,149)
Net cash provided by (used in) financing activities	(392,504)	(525,613)
Effect of exchange rate change on cash and cash equivalents	-	-
Net increase (decrease) in cash and cash equivalents	187,826	(1,382,159)
Cash and cash equivalents at beginning of period	2,404,607	3,215,658
Cash and cash equivalents at end of period	2,592,433	1,833,498

(4) Notes to Semi-annual Non-consolidated Financial Statements

Going Concern Assumption

Not applicable.

Significant Changes in Shareholders' Equity

Tobila Systems acquired 352,800 treasury shares (290,838 thousand yen of acquisition cost) based on the resolution at the Board of Directors meeting held on December 10, 2024. In addition, based on the resolution at the Board of Directors meeting held on January 29, 2025, Tobila Systems, on February 28, 2025, disposed of treasury shares as restricted stock compensation to directors and completed the payment procedures for the disposal of treasury shares associated with the allotment of restricted shares to executive officers and employees of Tobila Systems. The number of our common shares disposed of was 32,600 shares, the disposal price was 822 yen per share, and the total disposal price was 26,797 thousand yen.

As a result, retained earnings decreased by 7,272 thousand yen and treasury shares increased by 261,227 thousand yen in the first six months of the fiscal year ending October 31, 2025, along with the processing of restricted shares.

Segment and Other Information

Segment Information

I. First six months of previous fiscal year (November 1, 2023 – April 30, 2024)

1. Information on net sales and income or loss by reportable segment and revenue breakdown

(Thousands of yen)

	Reportable segments			Adjustments (Note 3)	Amounts shown on semi-annual non- consolidated statement of income (Note 4)
	Security Business	Solutions Business	Total		
Net sales					
Recurring revenue (Note 1)	840,069	130,403	970,473	—	970,473
Non-recurring revenue (Note 2)	67,956	115,605	183,561	—	183,561
Revenue from contracts with customers	908,026	246,008	1,154,034	—	1,154,034
Sales to external customers	908,026	246,008	1,154,034	—	1,154,034
Inter-segment sales and transfers	—	—	—	—	—
Total	908,026	246,008	1,154,034	—	1,154,034
Segment profit	664,711	44,989	709,701	(271,702)	437,998

- (Notes)
1. Recurring revenue is the revenue that is recorded as sales according to the period of service provided.
 2. Non-recurring revenue is revenue recorded as sales at the time of product delivery and acceptance.
 3. Adjustments to segment profit represent corporate expenses that are not allocated to each reportable segment. This is mainly selling, general and administrative expenses not attributable to reportable segments.
 4. Segment profit is adjusted with operating profit on the semi-annual non-consolidated statement of income.

II. First six months of current fiscal year (November 1, 2024 – April 30, 2025)

1. Information on net sales and income or loss by reportable segment and revenue breakdown

(Thousands of yen)

	Reportable segments			Adjustments (Note 3)	Amounts shown on semi-annual non- consolidated statement of income (Note 4)
	Security Business	Solutions Business	Total		
Net sales					
Recurring revenue (Note 1)	880,680	218,103	1,098,784	—	1,098,784
Non-recurring revenue (Note 2)	89,419	183,932	273,352	—	273,352
Revenue from contracts with customers	970,100	402,036	1,372,136	—	1,372,136
Sales to external customers	970,100	402,036	1,372,136	—	1,372,136
Inter-segment sales and transfers	—	—	—	—	—
Total	970,100	402,036	1,372,136	—	1,372,136
Segment profit	715,077	81,522	796,600	(270,287)	526,312

(Notes) 1. Recurring revenue is the revenue that is recorded as sales according to the period of service provided.

2. Non-recurring revenue is revenue recorded as sales at the time of product delivery and acceptance.

3. Adjustments to segment profit represent corporate expenses that are not allocated to each reportable segment. This is mainly selling, general and administrative expenses not attributable to reportable segments.

4. Segment profit is adjusted with operating profit on the semi-annual non-consolidated statement of income.

2. Changes in reportable segments

Beginning with the first six months of the current fiscal year, we have changed from a single reportable segment of the Fraud and Spam Prevention Business to two reportable segments of the Security Business and Solutions Business for the purpose of appropriately and clearly describing business segments and activities from the perspective of future business development, allocation of management resources and the actual state of the administrative system.

The segment information for the first six months of the previous fiscal year is prepared and disclosed based on the reportable segment classification after the change.