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June 10, 2025

Dear shareholders and investors,

Company name Tobila Systems Inc.  
Representative Atsushi Akita, Representative Director and President  
(Securities code: 4441 Tokyo Stock Exchange Standard)  
Contact Norimasa Kanemachi, Director and CFO  
([E-mail: ir@tobila.com](mailto:ir@tobila.com))

**[Delayed] Transcript of Financial Results Briefing  
for the Second Quarter of the Fiscal Year Ending October 31, 2025**

Date : June 10, 2025

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(Reference)

- Results of Operations for the Second Quarter of the Fiscal Year Ending October 31, 2025

<https://contents.xj-storage.jp/xcontents/AS05546/9951c297/d486/4b7f/94da/5873e5940501/140120250609585560.pdf>

- Non-consolidated Financial Results for the Second Quarter of the Fiscal Year Ending October 31, 2025

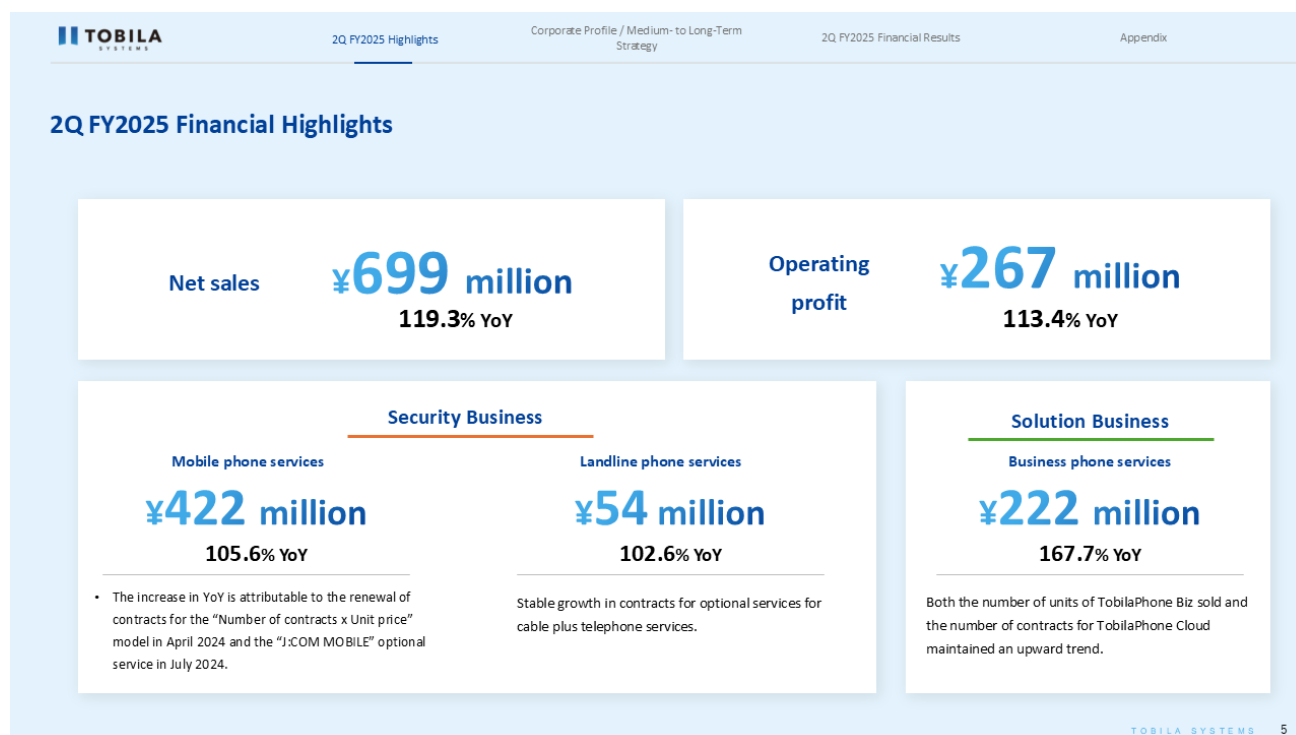
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## ◆ Transcript of Financial Results Briefing for the Second Quarter of the Fiscal Year Ending October 31, 2025

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Hello, everyone. I am Atsushi Akita, President and CEO of Tobila Systems Inc. I am pleased to present our financial results for Q2 of the fiscal year ending October 31, 2025.

### 1. 2Q FY2025 Financial Highlights



I will begin my presentation with the highlights of Q2 of the fiscal year ending October 31, 2025. Net sales of Q2 of the said year were ¥699 million, which is 119.3% of the same period last year. Operating profit was ¥267 million, which is 113.4% of the same period last year.

Let's look at each segment. As for the Security Business, sales of mobile phone services totaled ¥422 million, which is 105.6% of the same period last year. The sales of landline phone services totaled ¥54 million, which is 102.6% of the same period last year. Sales of the Solution Business amounted to ¥222 million, which is 167.7% of the same period last year.

Later I will explain more details about the reasons why each service has grown. In any case, we have made steady progress against our full-year projection in Q2 as well.

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)

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I will talk about three things as topics for Q2. Firstly, our Security Business. The first topic is the launch of subscription-type options for our ad-blocking application 280blocker.

280blocker is an application that enables comfortable web browsing by blocking advertisements on the web. This can significantly reduce communication charges for displaying advertisements, thereby saving on communication fees. It has the track record as the most downloaded paid app in Japan on App Store, and it was ranked No. 1 in the paid app ranking for two consecutive years in 2023 and 2024.

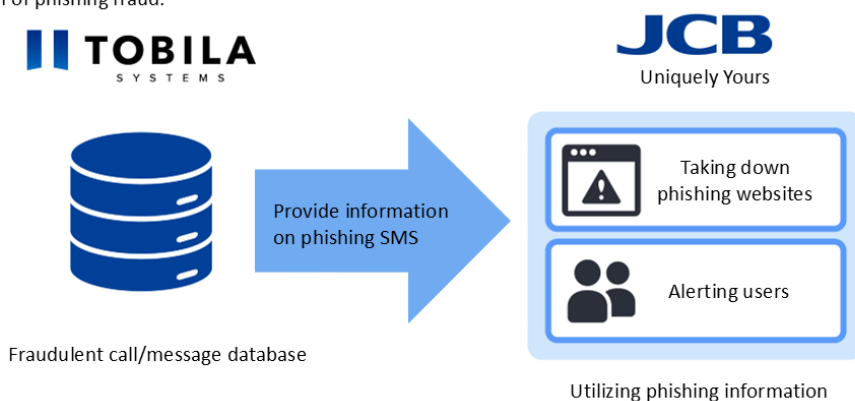
In recent years, while the user base of smartphones has expanded, web advertising has been diversifying. In line with this, damage by SNS-based investment scams using web advertisements as a trigger is rapidly increasing. In addition, extreme advertising expressions such as adult content are also becoming a social problem.

Against this backdrop, we have introduced new subscription-based options that can be optionally added to 280blocker, which adopts a one-time purchase model and costs ¥800. Two new plans have been added.

The first is Premium Plan. This plan offers advanced ad blocking and web filtering features. The second is the Fraud Prevention Plan. In addition to the features of Premium Plan, this plan provides features to protect against fraudulent calls and text messages. By adding these options, you can use a single application to make use of protective features against advertisements as well as fraudulent phone calls and text messages. We hope you will take advantage of them.

**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.



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

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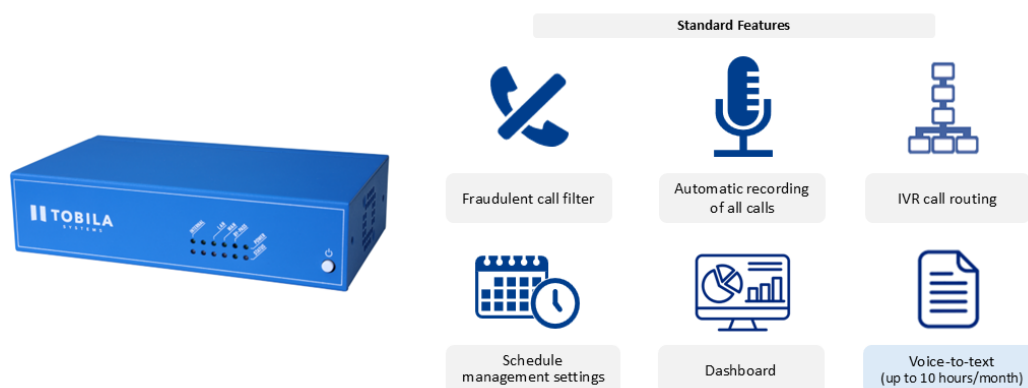
I'll move on to the second topic. We have started to provide information on phishing text messages to JCB Co., Ltd. As background, the number of advertisements for phishing scams reached approximately 1.72 million in 2024, the highest number ever recorded. The number increased approximately 1.4 times compared to the previous year, and the damage continues to grow. Approximately 90% of fraudulent remittances targeting online banking are believed to be the result of phishing, making it an urgent issue to strengthen security measures at financial institutions. Even under these circumstances, attacking methods are becoming more sophisticated every day, and a more real-time response is required. We detect many phishing text messages daily. We are detecting many tactics exploiting the brand names of banks, credit card companies, and other financial institutions.

We have recently launched an initiative to support JCB's security measures. For that, we utilize the data we have accumulated and detected to provide information on phishing text messages that are disguised as JCB's. Moving forward, we will continue to utilize our proprietary database as well as detection technology and actively promote collaboration with external companies to help prevent phishing scams and further expand our data utilization business.

**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.



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

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The last topic is about TobilaPhone Biz, a product of the Solution Business. In recent years, customer harassment has been attracting attention as a social problem, and in particular, harassment by customers on telephone is difficult to keep evidence and can easily turn obscure.

Against this backdrop, there is a growing need for TobilaPhone Biz, which can visualize telephone operations with features such as automatic call recording, call transcription, and a dashboard for unified management of call data. In order to meet this need, starting May 1, 2025, we have begun offering TobilaPhone Biz's voice-to-text feature to all users free of charge for up to 10 hours per month. This was previously offered as an option.

The Tokyo Metropolitan Government and other local governments have enforced the nation's first ordinances for preventing harassment by customers, and the need for countermeasures is spreading among companies, municipalities, and others. We will continue to help more companies reduce their burden in handling phone calls by helping them improve operational efficiency and strengthening measures to prevent customer harassment.

## 2. Corporate Profile / Midium-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



From here, I would like to take time to present our company profile and medium- to long-term strategies once again. Our company, Tobila Systems, aims to solve social issues such as special fraud and phishing scams through technology. We are currently in our 19th year since the establishment of the business and have offices in Tokyo and Nagoya.

## 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.

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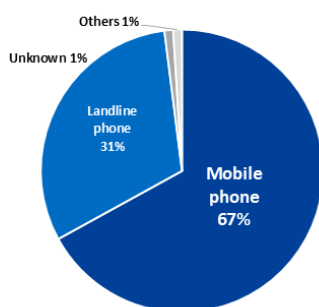
Our corporate philosophy is “we open the door to a better future for our lives and the world,” and the axis of our business policy is to use innovative technology to solve social issues that someone has to solve, but no one has been able to so far.

Currently, we are promoting our business from the viewpoint of protecting people. We are taking on a challenge to bring about a society where everyone can live in peace without anyone suffering from harassment such as crimes in gray zone and fraud.

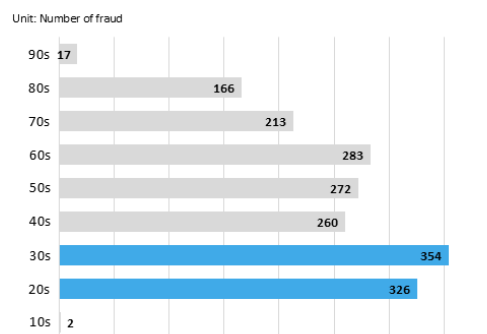
## Social Issues of Special Fraud and Phishing Scams

- 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<sup>\*1</sup>, 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)<sup>\*2</sup>



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



<sup>\*1</sup>: Scams involving impersonation of police officers to fraudulently obtain cash under the pretense of an investigation (or priority inquiry)  
<sup>\*2</sup>: Prepared by Tobila Systems based on "Material B-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.

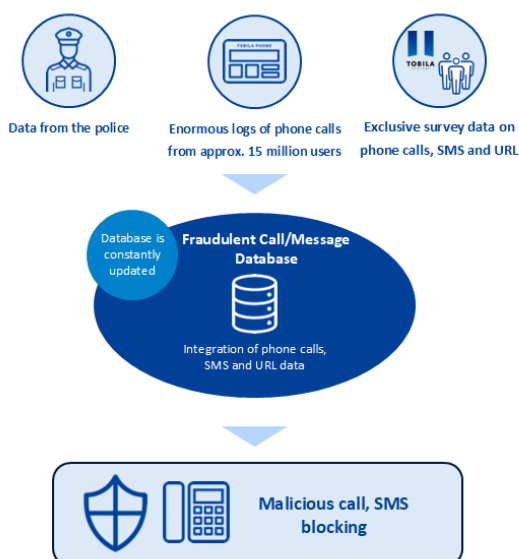
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The problem we are striving to solve is special fraud, phishing scams, and crimes in gray zones. In 2024, the amount of damage from special fraud was the highest ever recorded, and it is still on the rise in 2025, with the total damage from January to March amounting to ¥27.6 billion, almost double YoY.

Among these, a noticeable amount of damage is caused by a type of “hi, it’s me” scams as we call them, where victims are extorted cash and others under the guise of a fake investigation carried out by the police, the Ministry of Internal Affairs and Communications, or other public offices. This type of scam consists more than 60% of all special fraud cases. Perpetrators make contact by cell phone calls in about 70% of the cases, and in recent years, there has been increasing damage especially among young people in their 20s and 30s.

Special fraud is not just a problem for the elderly; it is a social issue that anyone can become a victim of, regardless of age. We hope that you will not just blindly believe you will be safe and be aware that special fraud is lurking in the immediate vicinity.

## 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.

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To help solve social issues such as special fraud and phishing scams, we provide a service that blocks dangerous phone calls and text messages by utilizing our fraudulent call/message database, which is our strength. The fraudulent call/message database blacklists dangerous phone numbers and URLs in text messages among others to allow users to block risky calls and text messages.

Our database has three main characteristics. The first one is data provision from the police. We receive data from the police on phone numbers and URLs that appear to have been used in actual crimes and attacks. This makes it possible to obtain highly accurate information.

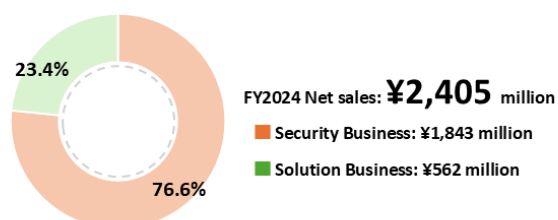
The second is a large number of users. Our service has approximately 15 million monthly users, and we believe it would be difficult to obtain the same scale of users. We utilize statistical information acquired from a large number of users. The more users we have, the more accurate the data will be, giving us the advantage of being the first mover. Our services have been adopted by major telecommunications carriers, which has led to an expansion in the number of users and has solidified the barrier of entry.

The third is our research team. We judge more than five billion calls, emails, and text messages annually, and we maintain a high degree of accuracy by having our own research team actually call the numbers and access text messages based on feedback obtained from the users. The fact that the latest data is reflected daily is another reason for the high accuracy.

The database composed of these three strengths is the foundation of our company, and we hope to contribute to protecting happy time of individuals by continuing to work toward a society in which our services become as commonplace as infrastructure.

## 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%**

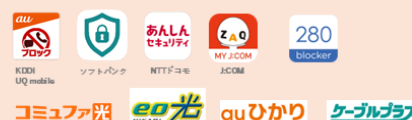
Equity ratio  
**56.0%**

Market  
capitalization  
**¥9.8 billion**

\*: 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.

### Security Business

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



### Solution Business

- Services for business phone to promote DX for corporations



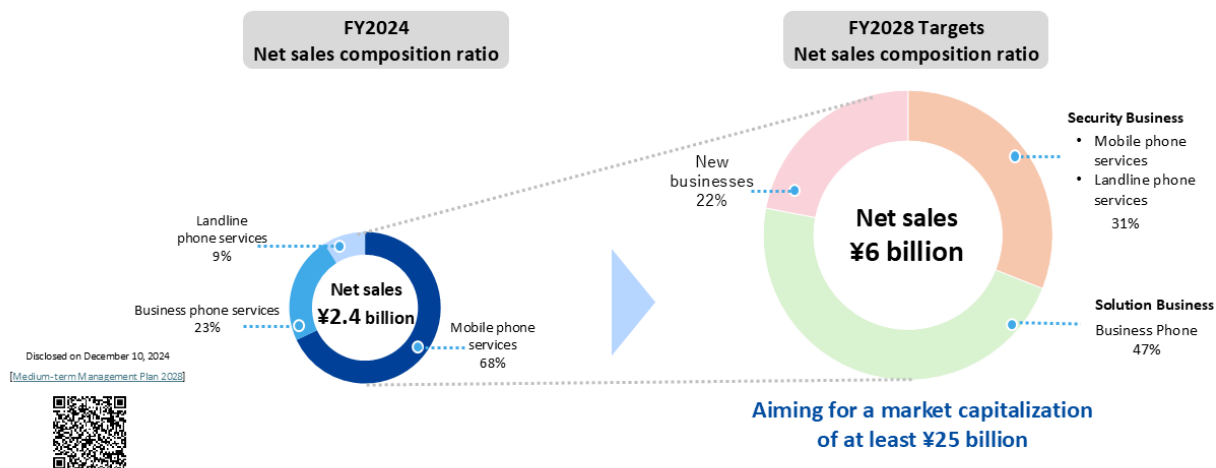
From this fiscal year ending October 31, 2025, we have been promoting our business in two segments of the Security Business and the Solution Business utilizing the fraudulent call/message database.

The Security Business, which provides telecommunications carriers, financial institutions, and others with protection services against special fraud and phishing scams, is a stable business accounting for approximately 75% of sales in the fiscal year ended October 2024. Currently, we are focusing on expanding our Solution Business promoting DX for corporate clients based on the revenue from this stable business.

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.

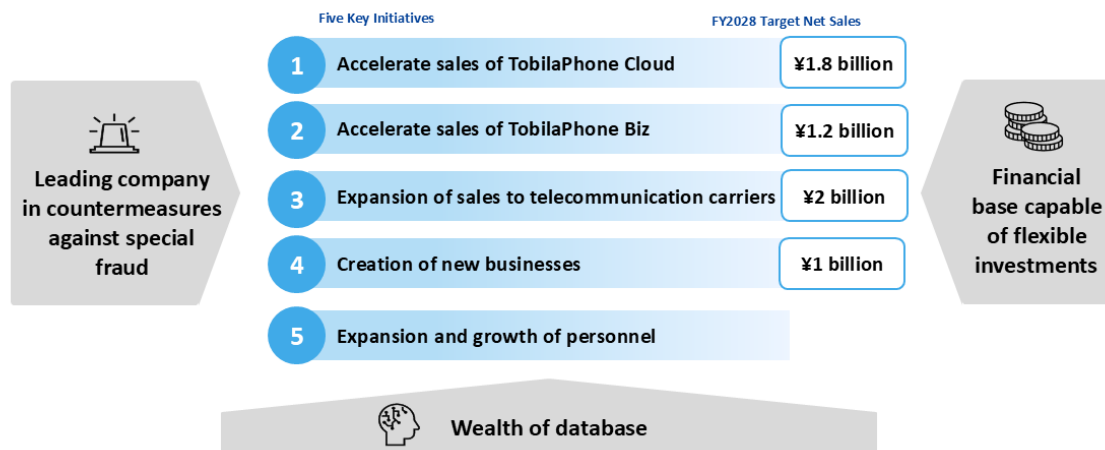


As a mid- to long-term goal, we announced our medium-term management plan 2028 on December 10 last year. The plan's final fiscal year is 2028, and we aim to achieve net sales of ¥6 billion or more in the fiscal year ending October 31, 2028.

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.



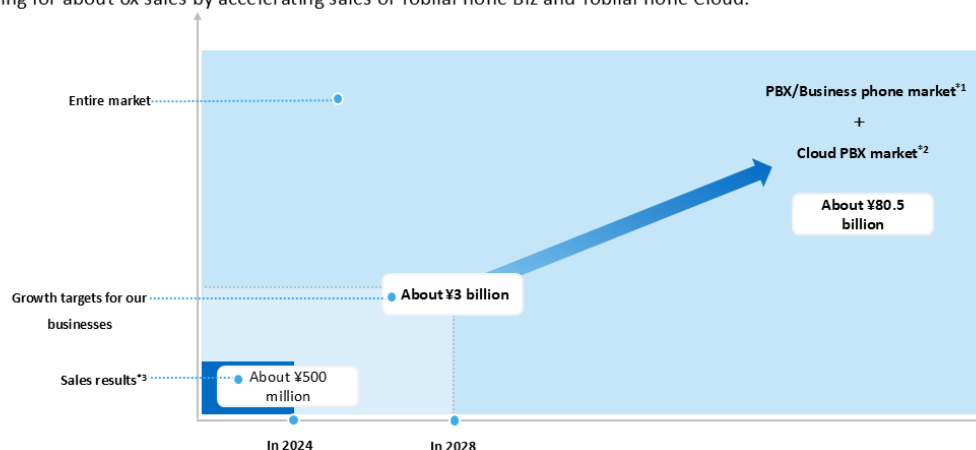
We have set five key growth strategies through 2028: accelerate the sales of TobilaPhone Cloud, accelerate the sales of TobilaPhone Biz, expand sales to telecommunications carriers, create new businesses, expand and grow personnel. In the next four years, we plan to invest management resources in these five initiatives.

We have positioned the current FY2025 as a period of preparation for the next leap forward. Growth drivers will be services for business phones and the creation of new business.

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 Fujii Chimera Research Institute.

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

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We consider our business phone is positioned in the markets of the PBX, business phone, and cloud PBX, and the size of the market is approximately ¥80.5 billion. Due to the trend of migration from on-premise to cloud PBX, this market is expected to keep expanding. The sales result of our business phone services in the fiscal year ended October 31, 2024 were approximately ¥500 million, and if we consider this as 1% of the market size, we believe there is ample potential for growth in the future.

With a target of approximately ¥3 billion in 2028, we will aim to expand our market share both for TobilaPhone Biz and TobilaPhone Cloud.

We explained the details of the medium-term management plan in, for example, materials related to the financial results from last December, and we would appreciate it if you could check them as well.

## 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.

Unit: Millions of yen	FY2024 2Q (Previous year)	FY2025 1Q (Previous quarter)	FY2025 2Q Results	YoY	QoQ
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

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I am Kanemachi, CFO of Tobila Systems. From here, I will explain our financial results for Q2 of the fiscal year ending October 31, 2025. Thank you for joining us.

First is the financial summary. Net sales of Q2 were ¥699 million, which is 119.3% of the same period last year. Operating profit was ¥267 million, which is 113.4% of the same period last year. Net profit was ¥181 million, which is 115.2% of the same period last year.

We have been able to achieve record quarterly net sales and profits at each stage, securing steady growth YoY and QoQ. Ordinary profit increased this time, and it was due to non-operating income, such as interests on deposits and securities gained through the effective use of a portion of cash reserves.

## 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.

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

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Next, I'll explain net sales by segment. As we explained before, we have changed the segmentation from the current term. This disclosure is based on the new segments after the change.

Net sales of the Security Business amounted to ¥476 million, which is 105.1% of the same period last year. In terms of the breakdown, ¥422 million was for mobile phone services, which is 105.6% of the same period last year. The sales of landline phone services totaled ¥54 million, which is 102.6% of the same period last year. Net sales of the category of other were less than ¥1 million, which is 20.8% of the same period last year.

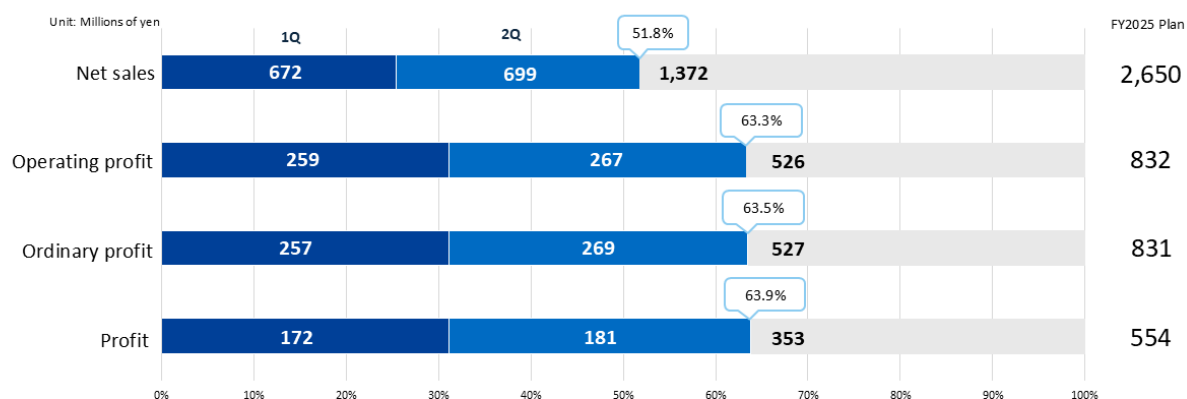
The growth in mobile phone services compared to the previous year is due to the contract renewal last year in April 2024 adopting the model of the number of contracts multiplied by the unit price, as well as the start of service offering for JCOM from July 2024, and the start of the database provision to financial institutions such as JCB. Through these, we were able to secure steady earnings.

As for landline phone services, the number of subscribers to the services for CATV continued to increase strongly. The large decrease in the category of other was due to the recording of a temporary project of contracted development in Q1, and the decrease in this quarter was in line with the projection.

As for the Solution Business, net sales amounted to ¥222 million, which is 167.7% of the previous year's same period. Although we are not disclosing the breakdown of sales by each business phone product belonging to the Solution Business, TobilaPhone Biz and TobilaPhone Cloud achieved steady growth in the number of units sold and the number of billed IDs respectively during this quarter as well.

## 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.



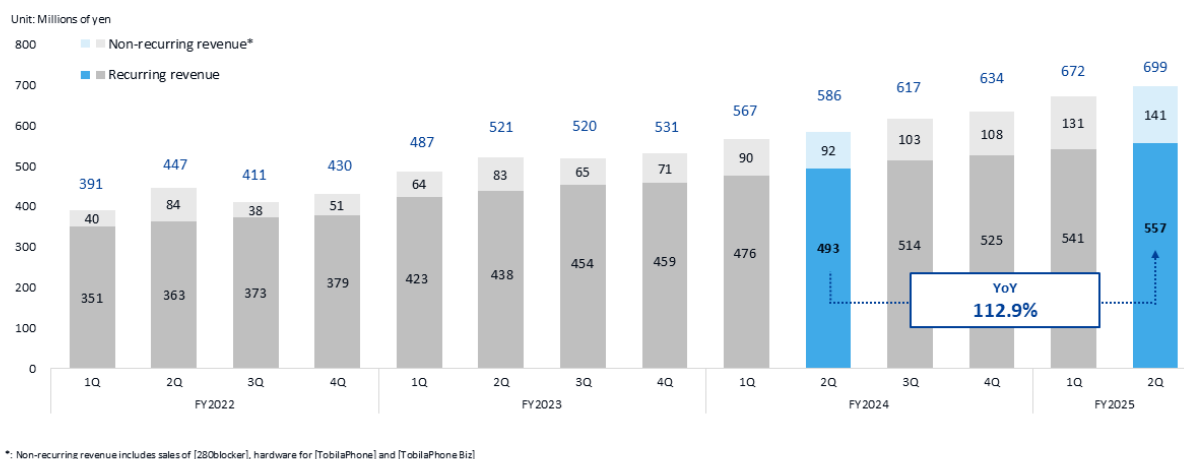
Next, I will talk about the progress against our full-year 2025 forecast. The ratio of net sales as of the end of Q2 against the full-year financial forecast for the fiscal year ending October 31, 2025 was 51.8%. Operating and ordinary profits as well as net profit for the current term all exceeded 60% of the forecast.

This progress was mainly due to the timing of some planned personnel hires having been changed, as well as to less-than-expected expenses including outsourcing costs and advertising and promotion expenses.

This fiscal year is the first fiscal year of the medium-term management plan 2028, and we intend to make investments systematically and ahead of schedule to realize medium- to long-term growth. Although profits have accumulated faster than anticipated at this point, we expect the full-year financial records to be in line with our earnings forecast announced at the beginning of the fiscal year. We will continue to make steady investments in growth in line with the plan, thereby striving to achieve the goals of the medium-term management plan.

## 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.



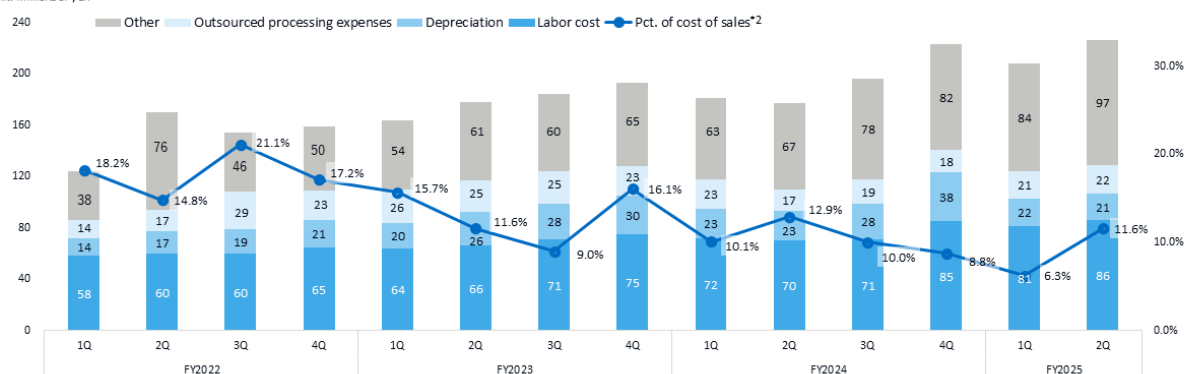
Next is quarterly development in sales. The graph on the slide is broken down into recurring and transient, non-recurring revenues.

First of all, recurring revenue, which form the foundation of the Company, continued to grow strongly, reaching 112.9% of the same period last year and even 102.9% of the previous quarter. This is due to the stable growth of services for mobile phones in the Security Business and the sales expansion of products in the Solution Business. Non-recurring revenue includes sales of the one-time purchase plan of ad-blocking application 280blocker, as well as charges for terminals of TobilaPhone and TobilaPhone Biz among others.

## 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

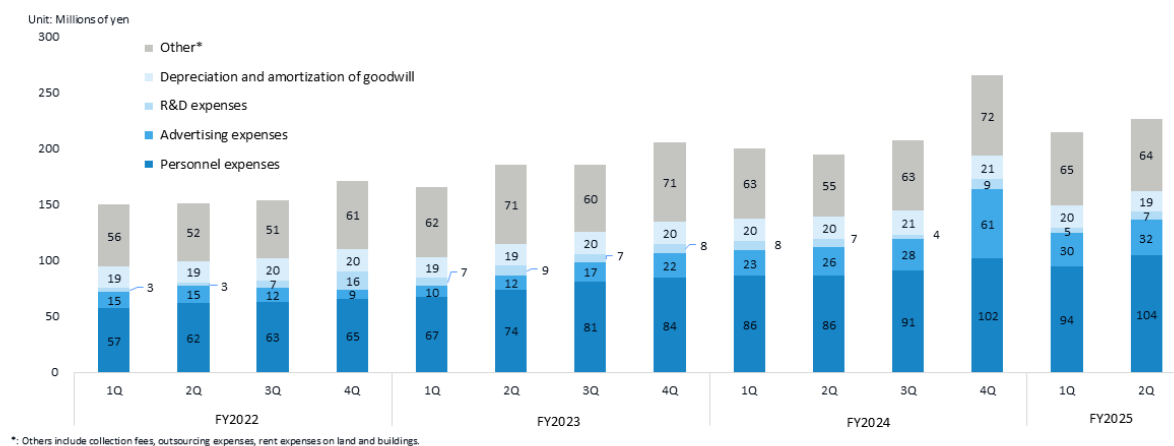
\*2: Pct. reclassified as other expense categories is the percentage of the cost of sales included in R&amp;D expenses and assets due mainly to the characteristics of work performed by employees

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Next, I'll explain the development of cost of sales. Overall, we have generally been able to control it as planned. Labor costs increased this fiscal year due to the aggressive hiring of engineers, and other costs also went up due to increased shipments associated with accelerated sales of TobilaPhone Biz. Recruitment activities are expected to continue in H2 of the fiscal year, and the cost is expected to keep rising accordingly.

## SG Expenses

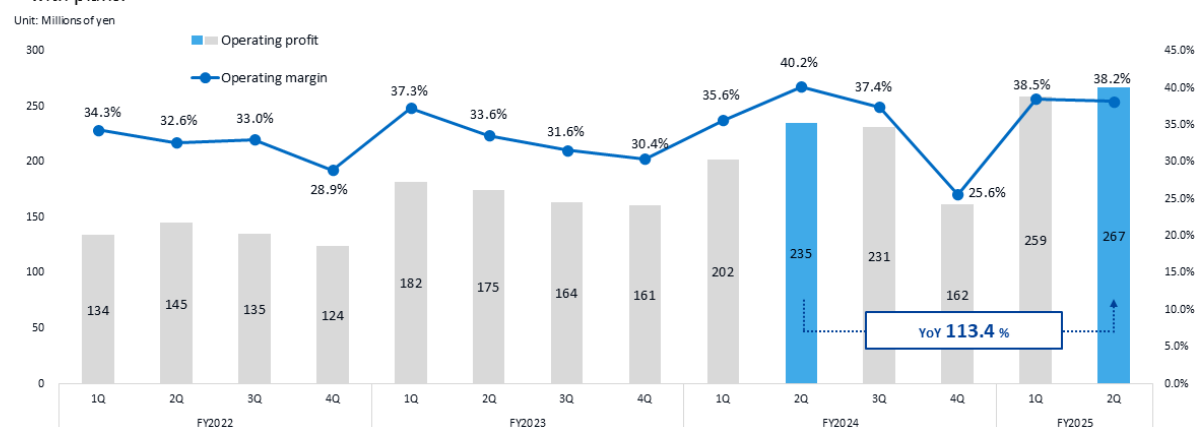
- In order to promote sales, we are actively recruiting sales personnel, resulting in an increase in personnel expenses.
- Recruitment activities are scheduled to continue actively in the second half, and advertising measures are also planned to accelerate sales in the Solution Business. As a result,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



I will explain now the development of SG&A expenses. Overall, we have been able to control them as planned. Personnel expenses, which account for a large portion of SG&A expenses, increased as a result of hiring in the sales and administrative departments. This is mainly due to the fact that we are actively recruiting sales personnel in order to achieve the goals of our medium-term management plan.

## 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.



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In H2 of the fiscal year, we plan to continue with active recruiting and are also considering advertising initiatives to accelerate the sales of TobilaPhone Biz and TobilaPhone Cloud, so we expect an upward trend compared to Q2.

Next is the development of operating profit. Operating profit for Q2 was ¥267 million, which is 113.4% of the same period last year with an operating margin of 38.2%. Although costs were generally under control, the timing of hiring having been changed and other factors resulted in the higher-than-expected result.

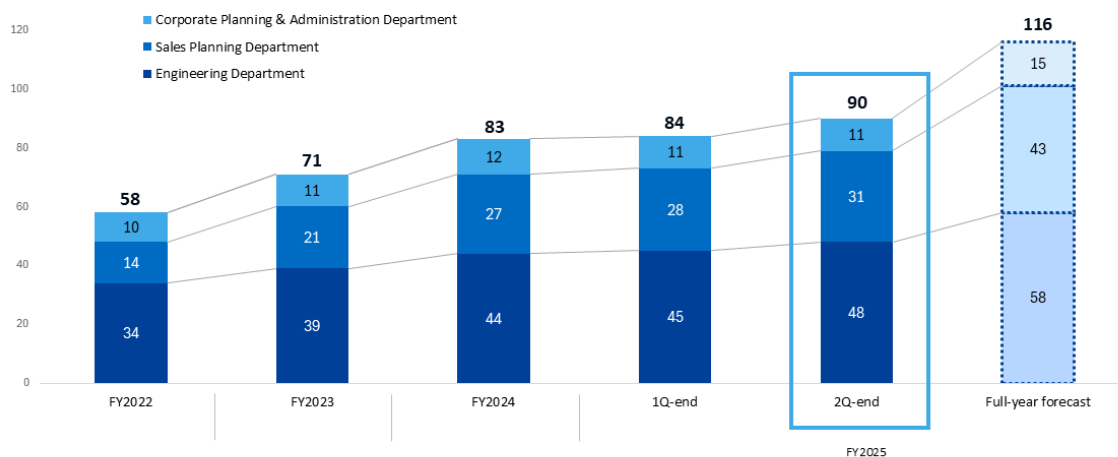
In Q2 of the fiscal year, we will continue to focus on recruiting human resources among others. Therefore, operating profits for Q3 and Q4 are expected to be smaller compared to Q2.

I would like to now discuss the development of the number of employees. One of the key measures in our medium-term management plan is to expand and grow our employees, and we will continue to secure the necessary human resources to achieve the plan. Recruitment activities are progressing well, with many new employees having joined the Company in Q2.

## 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



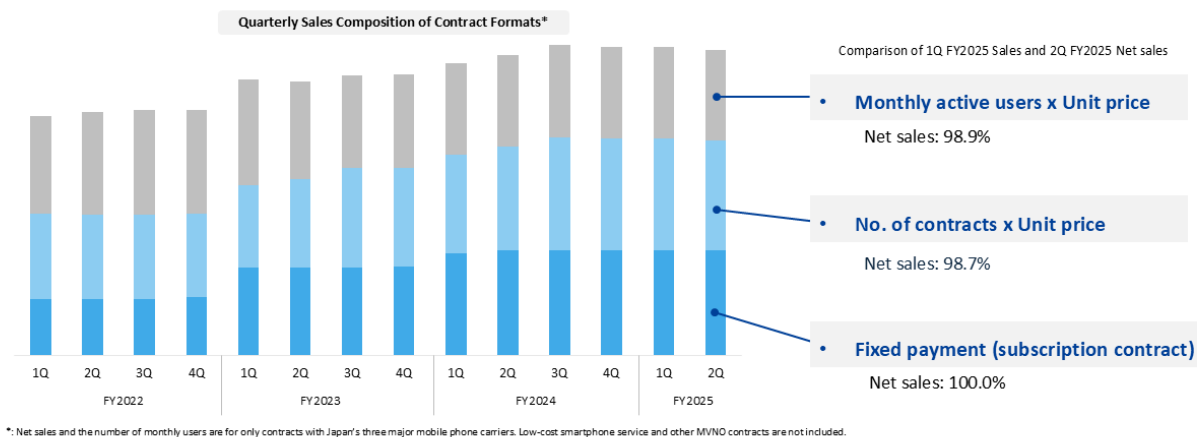
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Although the timing of some hiring may change a little, we plan to increase the number of employees by approximately 30 or more in the current fiscal year.

> 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.



Next is the quarterly trend of the Security Business divided by main contract model for mobile phones. The graph on the left side of the slide shows the quarterly development of the three contract models' sales composition, while the right side shows each model's net sales compared to the previous quarter.

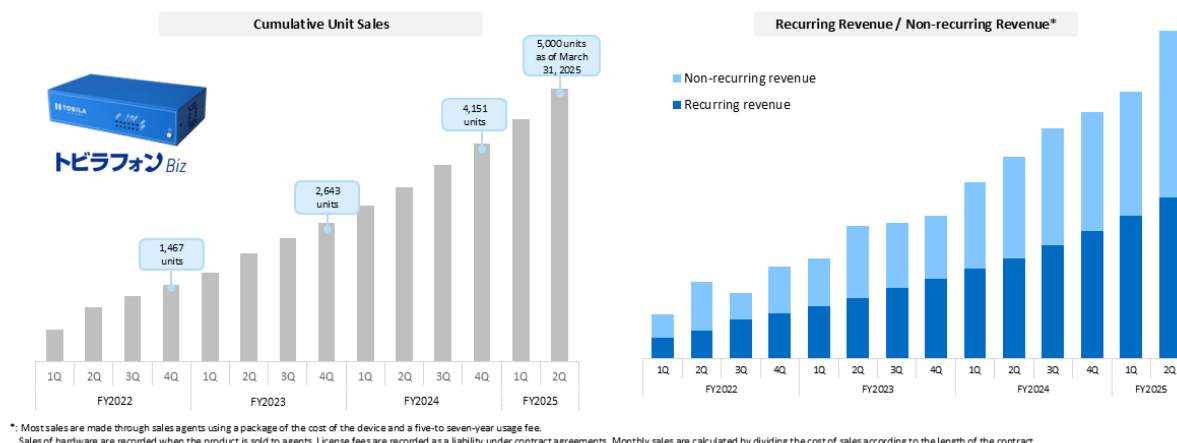
Please note that this slide only covers contracts at the three major telecommunications carriers and does not include sub-brands or MVNOs.

Although net sales of each contract model declined slightly QoQ, the recent increase in damage caused by special fraud has given a rise to the importance of countermeasures at the Ministry of Internal Affairs and Communications as well as telecommunications carriers. We will continue to hold necessary discussions under the cooperation with telecommunications carriers to promote efforts to prevent damage.

> 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.



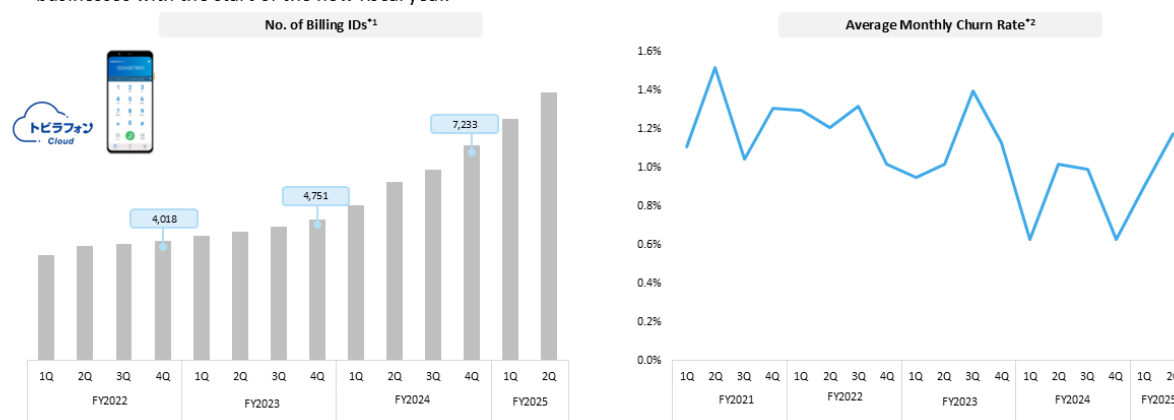
Next is the development of TobilaPhone Biz. The growth trend has been maintained in Q2 as well, owing not only to the growing demand for it as a product against customer harassment but also to the last-minute demand among distributors toward the end of the fiscal year.

In April 2025, Tokyo, Hokkaido, and Gunma Prefectures enforced customer harassment prevention ordinances, and the movement to enact these ordinances is spreading among other municipalities as well. Against this social backdrop, we expect the need for TobilaPhone Biz as a product against customer harassment to increase further. We will continue to work with our distributors in Q3 and beyond to further accelerate sales.

## 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.



\*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

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Next is about TobilaPhone Cloud. We have one thing to inform on the cumulative number of IDs. The calculation including the past one had a portion that was incorrectly defined, and we have now made disclosure with corrected figures of the past numbers. It's not that there are discrepancies in sales or others. It is rather a matter of definition. Therefore, we consider the scope of impact to be minor.

We strengthened the sales structure during this quarter as well, and cumulative sales volume remains steady at the moment. The average monthly churn rate has increased, but we believe this will not continue because this was due to the termination of business among others at some clients upon the beginning of the new fiscal year, etc. Since there are many competitors in the cloud PBX market, we will continue to work to enhance functionality and improve quality so that we can achieve even greater growth.

### 3. Message from CEO

We were able to continue to make steady progress in our business against our full-year forecast in Q2 of the fiscal year ending October 31, 2025 as well. We will continue to actively promote our business, positioning the current fiscal year as a period of preparation for our medium-term management plan 2028. With that, I'd like to conclude the Q2 financial results briefing for the fiscal year ending October 31, 2025. Thank you very much for your kind attention until the very end.