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Non-consolidated Financial Results for the First Three Months of the Fiscal Year Ending October 31, 2026 (Three Months Ended January 31, 2026)

[Japanese GAAP]

March 10, 2026

Company name: Tobila Systems Inc. Listing: Tokyo Stock Exchange
 Securities code: 4441 URL: <https://tobila.com>
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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 Three Months (November 1, 2025 - January 31, 2026) of the Fiscal Year Ending October 31, 2026

(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	%
Three months ended Jan. 31, 2026	786	16.8	226	(12.5)	233	(9.4)	156	(9.2)
Three months ended Jan. 31, 2025	672	18.5	259	28.0	257	27.7	172	11.2

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended Jan. 31, 2026	15.52	15.43
Three months ended Jan. 31, 2025	16.71	16.61

(2) Financial position

	Total assets	Net assets	Equity-to-asset ratio
	Million yen	Million yen	%
As of Jan. 31, 2026	5,645	2,526	44.7
As of Oct. 31, 2025	5,381	2,595	48.2

Reference: Equity (million yen) As of Jan. 31, 2026: 2,526 As of Oct. 31, 2025: 2,595

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Oct. 31, 2025	–	0.00	–	21.30	21.30
Fiscal year ending Oct. 31, 2026	–				
Fiscal year ending Oct. 31, 2026 (forecasts)		0.00	–	20.00	20.00

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

3. Earnings Forecast for the Fiscal Year Ending October 31, 2026 (November 1, 2025 - October 31, 2026)

(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
First six months	1,589	15.8	385	(26.8)	392	(25.6)	261	(26.2)	25.84
Full year	3,366	20.0	785	(12.7)	796	(12.3)	531	(15.1)	52.58

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

* Notes

(1) Application of special accounting methods for presenting quarterly 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 outstanding at the end of the period (including treasury shares)

As of Jan. 31, 2026: 10,644,000 shares

As of Oct. 31, 2025: 10,644,000 shares

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

As of Jan. 31, 2026: 544,350 shares

As of Oct. 31, 2025: 542,750 shares

3) Average number of shares outstanding during the period

Three months ended Jan. 31, 2026: 10,099,702 shares

Three months ended Jan. 31, 2025: 10,331,839 shares

* Review of the Japanese-language originals of the attached quarterly non-consolidated financial statements by a certified public accountant or auditing firm : None

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

Cautionary Statement Regarding Forward-Looking Information

The forward-looking statements, including performance forecasts, contained in this material are based on information currently available to the Company and on certain assumptions that the Company considers reasonable. These statements are not intended to constitute a guarantee of achievement. Actual results may differ materially from these forward-looking statements due to various factors.

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1. Qualitative Information on Quarterly Financial Performance

(1) Explanation of Results of Operations

The operations of Tobil 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 our business activities is to use innovative technologies to create solutions for social issues that require actions but for which solutions have not yet been found. According to the National Police Agency, the total amount of damages of special fraud in Japan in 2025 exceeded 141.4 billion yen, and the number of cases identified was 27,758. Both the total amount of damages and the number of cases identified reached record highs. In particular, “fake police officer scams” have occurred frequently, in which perpetrators falsely claiming to be police officers and other authorities defraud victims of money under the pretense of asset protection and bank account investigation, and their swindling methods have become more diversified and more cleverly devised, including an increase in contact abusing video calls on mobile phones and messaging apps.

In light of this situation, the government is promoting stronger measures against fraudulent calls and SMS messages based on the “Comprehensive Measures 2.0 to Protect the Public from Fraud” (April 22, 2025). In particular, the government is considering and requesting measures to improve the effectiveness of fraudulent call and SMS prevention services provided by telecommunications carriers, including making them free of charge, and call-blocking and warning functions are expected to spread across society as a whole.

The objective of our core business of Security Business is to prevent bank transfer scams, special frauds and phishing using telephone calls. We have built a stable revenue base by providing services through telecommunication carriers and financial institutions. We also position the Solution Business, which contributes to improving the operational efficiency of office phones, as a growth area and are making proactive investments.

Against the backdrop of this business environment, we formulated the Medium-term Management Plan 2028 to achieve further growth and announced it on December 10, 2024. In the Medium-term Management Plan 2028, we have set the target of net sales of 6.0 billion yen for the fiscal year ending October 31, 2028 and established five key initiatives: (1) accelerate sales of TobilPhone Cloud; (2) accelerate sales of TobilPhone Biz; (3) expansion of sales to telecommunication carriers; (4) creation of new businesses; and (5) expansion and growth of personnel. In the fiscal year ending October 31, 2026, the second year of the Medium-term Management Plan period, in order to further accelerate growth, we will continue to invest in human capital, particularly in recruiting, and make strategic investments in new business development, striving to further enhance our business foundation.

In the first three months of the fiscal year ending October 31, 2026, as an initiative in the special fraud countermeasure field, we expanded services in collaboration with JCOM Co., Ltd. and NTT TownPage Corporation, and, as an expansion of the lineup of the business telephone solution “TobilPhone Biz,” we developed “TobilPhone Biz Lite,” steadily advancing initiatives for growth.

As a result of the above, in the first three months of the fiscal year ending October 31, 2026, net sales increased 16.8% year on year to 786,103 thousand yen, operating profit decreased 12.5% to 226,839 thousand yen, ordinary profit decreased 9.4% to 233,793 thousand yen and profit was down 9.2% to 156,723 thousand yen.

Results of operations by business segment are as follows.

Security Business

In the Security Business, we provide and develop services for mobile phones, landline phones and other platforms. In the first quarter of the fiscal year ending October 31, 2026, in particular for services for landline phones, “fraudulent call blocking,” which uses our fraudulent call/message database, became available free of charge through the “Cable Plus Phone” service provided by JCOM Co., Ltd. Consequently, by reducing the financial burden on Cable Plus Phone users at the start of use, the number of contracts for the service increased year on year. As a result, in the first three months of the fiscal year ending October 31, 2026, net sales decreased 0.1% year on year to 492,913 thousand yen and segment profit decreased 9.3% to 331,298 thousand yen.

Solution Business

In the Solution Business, we worked to increase sales of TobilPhone Cloud and TobilPhone Biz. For TobilPhone Cloud, in addition to our existing direct sales structure, we received referrals from sales agents and worked to increase the number of contract IDs. For TobilPhone Biz, amid growing demand for use as a measure against customer harassment, we continued to strengthen collaboration with sales agents, and the number of units sold increased year on year. We also developed the “TobilPhone Biz Lite” plan for small business operators.

As a result of these measures, in the first three months of the fiscal year ending October 31, 2026, net sales increased 63.2% year on year to 293,189 thousand yen and segment profit increased 124.7% to 80,476 thousand yen.

Corporate operating profit is calculated by deducting corporate expenses, which are not allocated to reportable segments, from the total of segment profit. Corporate expenses, which are mainly selling, general and administrative expenses not attributable to reportable segments, increased 30.4% year on year to 184,935 thousand yen due to an increase in management costs associated with the growth of the company size.

(2) Explanation of Financial Position

Total assets

Total assets at the end of the first three months of the current fiscal year increased 264,109 thousand yen from the end of the previous fiscal year to 5,645,408 thousand yen. This was attributable mainly to an increase of 61,944 thousand yen in cash and deposits, an increase of 48,350 thousand yen in notes and accounts receivable-trade, and contract assets, an increase of 66,483 thousand yen in property, plant and equipment, a decrease of 15,923 thousand yen in intangible assets, and an increase of 106,460 thousand yen in investments and other assets.

Liabilities

Liabilities at the end of the first three months of the current fiscal year increased 333,337 thousand yen from the end of the previous fiscal year to 3,119,382 thousand yen. This was attributable mainly to a decrease of 66,402 thousand yen in income taxes payable, an increase of 315,186 thousand yen in contract liabilities, an increase of 32,872 thousand yen in provision for bonuses, an increase of 63,896 thousand yen in other current liabilities, and a decrease of 12,510 thousand yen in long-term borrowings.

Net assets

Net assets at the end of the first three months of the current fiscal year decreased 69,228 thousand yen from the end of the previous fiscal year to 2,526,026 thousand yen. This was attributable mainly to the recording of profit of 156,723 thousand yen and a decrease of 215,156 thousand yen in retained earnings due to dividends paid.

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

We currently maintain the earnings forecast for the fiscal year ending October 31, 2026 that was announced on December 10, 2025.

2. Quarterly Non-consolidated Financial Statements and Notes
(1) Quarterly Non-consolidated Balance Sheet

(Thousands of yen)

	Previous fiscal year (As of Oct. 31, 2025)	First three months of current fiscal year (As of Jan. 31, 2026)
Assets		
Current assets		
Cash and deposits	3,736,513	3,798,458
Notes and accounts receivable-trade, and contract assets	329,589	377,940
Electronically recorded monetary claims - operating	22,240	11,819
Securities	202,462	202,354
Merchandise and finished goods	39,191	24,934
Raw materials and supplies	515	762
Other	98,152	119,531
Allowance for doubtful accounts	(1,580)	(1,627)
Total current assets	4,427,085	4,534,174
Non-current assets		
Property, plant and equipment	98,891	165,375
Intangible assets	209,806	193,883
Investments and other assets	645,515	751,975
Total non-current assets	954,214	1,111,234
Total assets	5,381,299	5,645,408
Liabilities		
Current liabilities		
Accounts payable - trade	9,347	9,641
Income taxes payable	157,661	91,259
Contract liabilities	2,216,213	2,531,399
Provision for bonuses	-	32,872
Other	307,192	371,089
Total current liabilities	2,690,415	3,036,262
Non-current liabilities		
Long-term borrowings	95,630	83,120
Total non-current liabilities	95,630	83,120
Total liabilities	2,786,045	3,119,382
Net assets		
Shareholders' equity		
Share capital	333,782	333,782
Capital surplus		
Legal capital surplus	298,082	298,082
Other capital surplus	-	2,058
Total capital surpluses	298,082	300,140
Retained earnings		
Other retained earnings		
Retained earnings brought forward	2,439,771	2,381,338
Total retained earnings	2,439,771	2,381,338
Treasury shares	(489,519)	(489,519)
Total shareholders' equity	2,582,116	2,525,742
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	13,137	283
Total valuation and translation adjustments	13,137	283
Total net assets	2,595,254	2,526,026
Total liabilities and net assets	5,381,299	5,645,408

(2) Quarterly Non-consolidated Statement of Income

For the Three-month Period

(Thousands of yen)

	First three months of previous fiscal year (Nov. 1, 2024 - Jan. 31, 2025)	First three months of current fiscal year (Nov. 1, 2025 - Jan. 31, 2026)
Net sales	672,955	786,103
Cost of sales	197,047	253,319
Gross profit	475,907	532,784
Selling, general and administrative expenses	216,725	305,944
Operating profit	259,182	226,839
Non-operating income		
Interest income	-	1,580
Cancellation income for services	391	209
Interest on securities	-	3,013
Gain on redemption of investment securities	-	2,030
Other	396	262
Total non-operating income	788	7,095
Non-operating expenses		
Interest expenses	165	121
Loss on extinguishment of share-based remuneration expenses	618	-
Commission expenses	1,273	-
Other	1	20
Total non-operating expenses	2,059	141
Ordinary profit	257,911	233,793
Extraordinary losses		
Loss on retirement of non-current assets	-	429
Total extraordinary losses	-	429
Profit before income taxes	257,911	233,363
Income taxes - current	89,676	85,651
Income taxes - deferred	(4,382)	(9,012)
Total income taxes	85,294	76,639
Profit	172,617	156,723

(3) Notes to Quarterly Non-consolidated Financial Statements

Going Concern Assumption

Not applicable.

Significant Changes in Shareholders' Equity

First three months of the previous fiscal year (Nov. 1, 2024 - Jan. 31, 2025)

Tobila Systems approved a resolution at the Board of Directors meeting held on December 10, 2024 regarding the repurchase of treasury shares. The number of shares repurchased is 500,000 shares at a maximum total cost of 400,000 thousand yen, and the period is from December 11, 2024 to March 5, 2025. As a result, the Company repurchased 264,000 shares of treasury shares and treasury shares increased by 216,797 thousand yen in the first three months of the fiscal year ended October 31, 2025.

As a result, treasury shares at the end of the first three months of the fiscal year ended October 31, 2025, were 445,089 thousand yen.

First three months of the current fiscal year (Nov. 1, 2025 - Jan. 31, 2026)

Not applicable.

Non-consolidated Statement of Cash Flows

A quarterly non-consolidated statement of cash flows for the first three months of the fiscal year ending October 31, 2026 has not been prepared. Depreciation (including amortization expenses related to intangible assets) and amortization of goodwill for the first three months of each fiscal year are as follows.

(Thousands of yen)

	First three months of previous fiscal year (Nov. 1, 2024 - Jan. 31, 2025)	First three months of current fiscal year (Nov. 1, 2025 - Jan. 31, 2026)
Depreciation	26,998	26,958
Amortization of goodwill	16,476	16,476

Segment and Other Information

First three months of the previous fiscal year (Nov. 1, 2024 - Jan. 31, 2025)

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 quarterly non- consolidated statement of income (Note 4)
	Security Business	Solution Business	Total		
Net sales					
Recurring revenue (Note 1)	439,370	102,193	541,564	—	541,564
Non-recurring revenue (Note 2)	53,921	77,469	131,390	—	131,390
Revenue from contracts with customers	493,291	179,663	672,955	—	672,955
Sales to external customers	493,291	179,663	672,955	—	672,955
Inter-segment sales and transfers	—	—	—	—	—
Total	493,291	179,663	672,955	—	672,955
Segment profit	365,223	35,822	401,045	(141,863)	259,182

- (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. The adjustment to segment profit represents corporate expenses that are not allocated to the reportable segments, and mainly consists of selling, general and administrative expenses that are not attributable to the reportable segments.
4. Segment profit is adjusted with operating profit on the quarterly non-consolidated statement of income.

First three months of the current fiscal year (Nov. 1, 2025 - Jan. 31, 2026)

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 quarterly non- consolidated statement of income (Note 4)
	Security Business	Solution Business	Total		
Net sales					
Recurring revenue (Note 1)	467,979	173,094	641,073	–	641,073
Non-recurring revenue (Note 2)	24,933	120,095	145,029	–	145,029
Revenue from contracts with customers	492,913	293,189	786,103	–	786,103
Sales to external customers	492,913	293,189	786,103	–	786,103
Inter-segment sales and transfers	–	–	–	–	–
Total	492,913	293,189	786,103	–	786,103
Segment profit	331,298	80,476	411,775	(184,935)	226,839

- (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. The adjustment to segment profit represents corporate expenses that are not allocated to the reportable segments, and mainly consists of selling, general and administrative expenses that are not attributable to the reportable segments.
4. Segment profit is adjusted with operating profit on the quarterly non-consolidated statement of income.

Subsequent Events

Disposal of treasury stock for restricted stock compensation

Tobila Systems approved a resolution at the Board of Directors meeting held on January 28, 2026 the disposal of treasury shares (hereinafter referred to as the “Treasury Share Disposal”) as follows and the receipt of payments was completed on February 27, 2026.

1. Summary of disposal (Changes are underlined.)

	Resolution of the Board of Directors	Actual result of the Treasury Share Disposal
(1) Deadline	February 27, 2026	February 27, 2026
(2) Type and number of shares	<u>163,400</u> shares of our common shares	<u>162,400</u> shares of our common shares
(3) Price	1,255 yen per share	1,255 yen per share
(4) Total proceeds*	<u>205,067,000</u> yen	<u>203,812,000</u> yen
(5) Recipients of shares	3 directors of Tobila Systems: 22,500 shares 4 executive officers of Tobila Systems: 24,000 shares <u>90</u> employees of Tobila Systems: <u>116,900</u> shares	3 directors of Tobila Systems: 22,500 shares 4 executive officers of Tobila Systems: 24,000 shares <u>89</u> employees of Tobila Systems: <u>115,900</u> shares
(6) Other	For the Treasury Share Disposal, an extraordinary report has been submitted in accordance with the Financial Instruments and Exchange Act.	

* In the Treasury Share Disposal, the disposal of treasury shares to Tobila Systems directors as the planned recipients of shares is made without consideration and with no benefits of monies, etc. to be exchanged for the shares to be offered, as a consideration for execution of the directors’ duties; however, as the fair value of Tobila Systems common shares related to the Treasury Share Disposal, the disposal price has been set at 1,255 yen per share, which is the closing price of Tobila Systems common shares on the Tokyo Stock Exchange on the business day immediately preceding the date of the Board of Directors’ resolution related to the Treasury Share Disposal (January 27, 2026).

2. Purpose and reason for the Treasury Share Disposal

Tobila Systems approved a resolution at the Board of Directors meeting held on December 10, 2020 to introduce a restricted stock compensation plan (hereinafter referred to as the “Plan”) for Tobila Systems employees (hereafter, “eligible employees”) and at the Board of Directors meeting held on December 21, 2022 to introduce the Plan for Tobila Systems directors (except directors who are Audit & Supervisory Board members and outside directors; hereinafter referred to as “eligible directors”) and executive officers (hereinafter included in “eligible employees”) for the purposes of providing them with an incentive to contribute to the improvement of earnings and sustainable improvement of its corporate value as well as to further share value with the shareholders.

Based on the Plan, eligible directors receive without consideration and with no benefits of monies, etc. Tobila Systems common shares allocated by the Treasury Share Disposal as a consideration for execution of duties, and eligible employees receive Tobila Systems common shares, paying all of the monetary claims supplied by Tobila Systems as properties contributed in kind.

3. Reason for the change in the number of shares disposed of

The difference between the planned recipients of shares and the planned number of shares to be disposed of and the actual results is due to the forfeiture of rights by one person who, among those scheduled to receive an allotment at the time the disposal of treasury shares was decided, no longer met the eligibility requirements for recipients of shares at the time of allotment.