TOBILA SYSTEMS

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June 12, 2026

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)

[Delayed] Transcript of Financial Results Briefing for the Second Quarter of the Fiscal Year Ending October 31, 2026

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Reference

・Financial Results Briefing Video (Japanese only, available on the Tobila Systems YouTube channel)
https://youtu.be/WBWnlIEJKD0

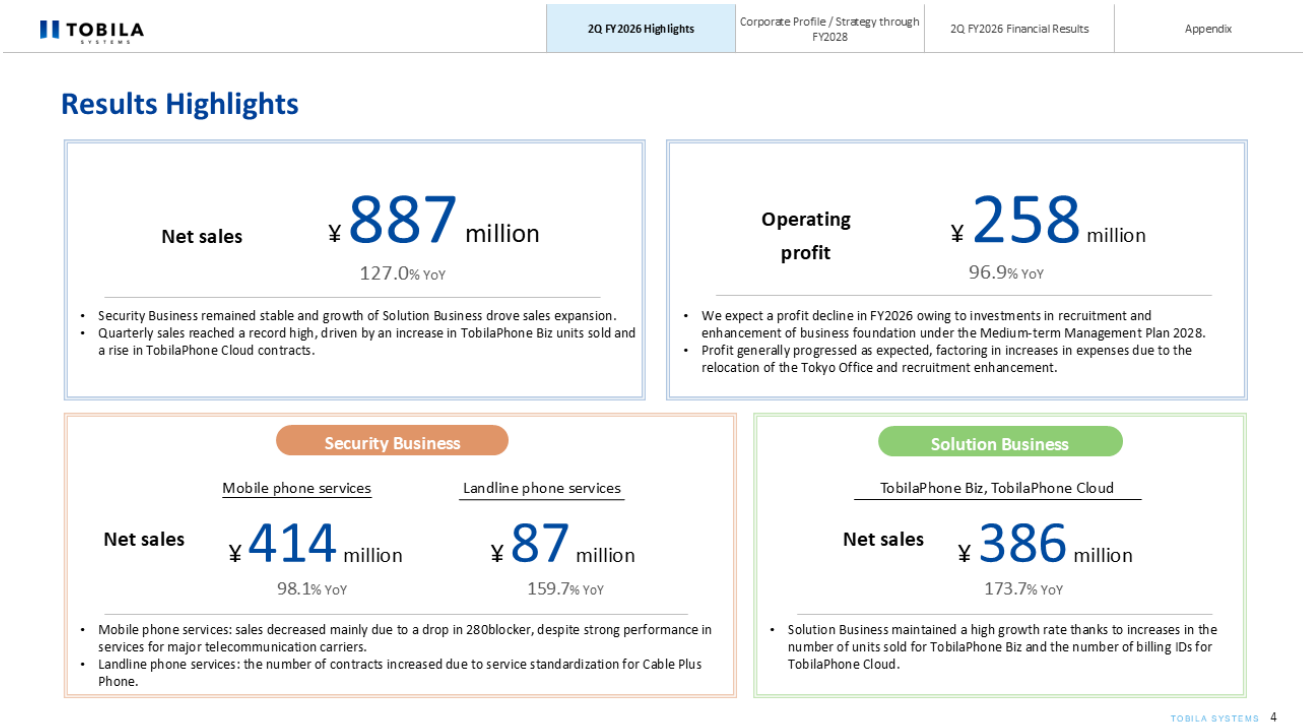
・Results of Operations for the 2Q of the Fiscal Year Ending October 31, 2026
https://contents.xj-storage.jp/xcontents/AS05546/64a52852/c2ee/4d89/9cdb/d4c167a83371/140120260609566757.pdf

・Non-consolidated Financial Results for the First Six Months of the Fiscal Year Ending October 31, 2026 (Six Months Ended April 30, 2026)
https://contents.xj-storage.jp/xcontents/AS05546/5c9c82cc/fa0e/460c/a2a0/3b316d6d9129/140120260609566759.pdf

Transcript of Financial Results Briefing for the Second Quarter of the Fiscal Year Ending October 31, 2026

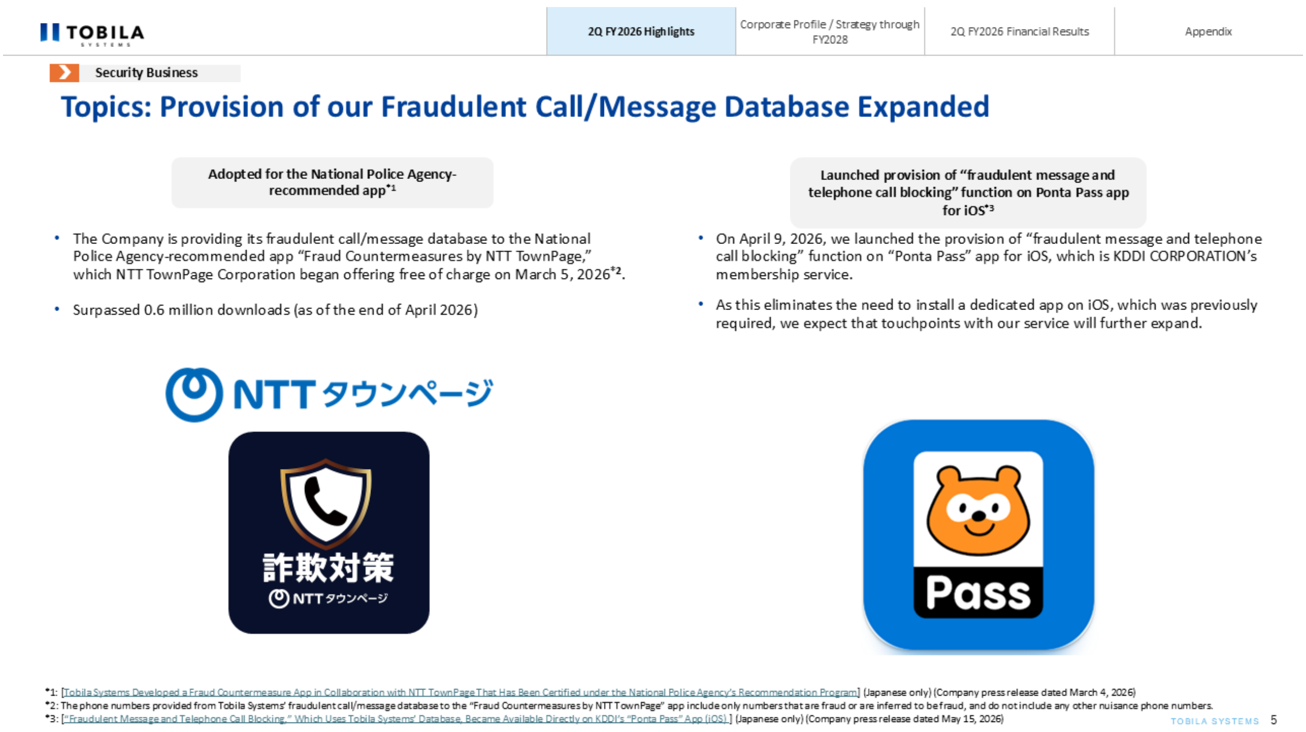
1. Executive Summary

Hello everyone. I'm Atsushi Akita, President and CEO of Tobila Systems Inc. I would like to walk you through FY2026 2Q results of operations.



First, I would like to present 2Q FY2026 results. Net sales increased to JPY887 million, 127% YoY. Quarterly sales reached a record high as the Security Business remained stable and growth of the Solution Business drove sales expansion.
Operating profit decreased to JPY258 million, 96.9% YoY. We expect a profit decline in FY2026 as we regard FY2026 as a phase for investing in future growth. Therefore, operating profit generally progressed as expected.

Next, let's look at net sales by business segment. In the Security Business, mobile phone services sales were JPY414 million, 98.1% YoY and landline phone services sales were JPY87 million, 159.7% YoY.
Solution Business sales were JPY386 million, 173.7% YoY. The growth of the Solution Business drove our revenue growth. I will explain business segment sales results in more detail later.



Here are topics from February 2026 to today, the financial announcement day.
In the Security Business, provision of our fraudulent call/message database expanded. Fraud Countermeasures by NTT TownPage, an app jointly developed with NTT TownPage Corporation was launched free of charge on March 5.

The app utilizes fraud-related numbers stored in our Fraudulent Call/Message Database and NTT TownPage's business database called i TownPage, to block dangerous incoming calls, while accepting calls from legitimate businesses. This app has been selected as the National Police Agency recommended app for its fraud prevention features and operational system. The number of downloads surpassed 0.6 million as of the end of April 2026.
We have provided the fraudulent message and telephone call blocking function on Ponta Pass app for iOS since April 9. KDDI Ponta Pass users needed to install a dedicated app to use our service before. The introduction of the fraudulent message and telephone call blocking function on the Ponta Pass app allows iOS users to use our service without installing the dedicated app.

As the number of special fraud victims increases, we will expand our service provision to expand the points of contact with users and work with various businesses on measures to prevent damage.

Solution Business

Topics: Continuing Efforts for Sales Expansion

TobilaPhone Biz

Launch of TobilaPhone Biz Lite*1

- We started providing the entry model "TobilaPhone Biz Lite" for small business operators in February 2026.
- We aim to expand adoption among small business operators and sole proprietors.

	TobilaPhone Biz	TobilaPhone Biz Lite
Available sites	Up to 20 sites	1 site
Number of channels	1ch to 48ch	1ch to 2ch
Call history (number of storable records)	10,000 records	3,500 records
Call recording (storable time)	1,250 hours	350 hours
Custom setting of My Page URL	Available	Not available

Expansion of sales channels*2

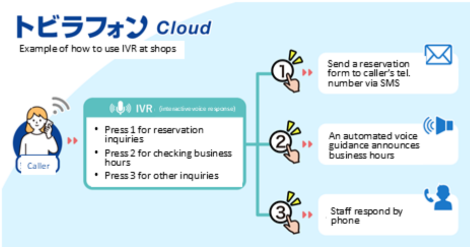
- KYOCERA Document Solutions Japan Inc. commenced distribution of our TobilaPhone Biz.

KYOCERA

TobilaPhone Cloud

Expansion of SMS delivery function*3

- We enabled automated SMS message delivery to the mobile phone number of callers, including customers, from designated IVR (interactive voice response) branches.
- We improved automated SMS (short message service) delivery function as part of feature expansion.
  - 1. Increased number of pre-registerable SMS text types from 10 to 30
  - 2. Increased maximum number of characters allowed per SMS from 70 to 660



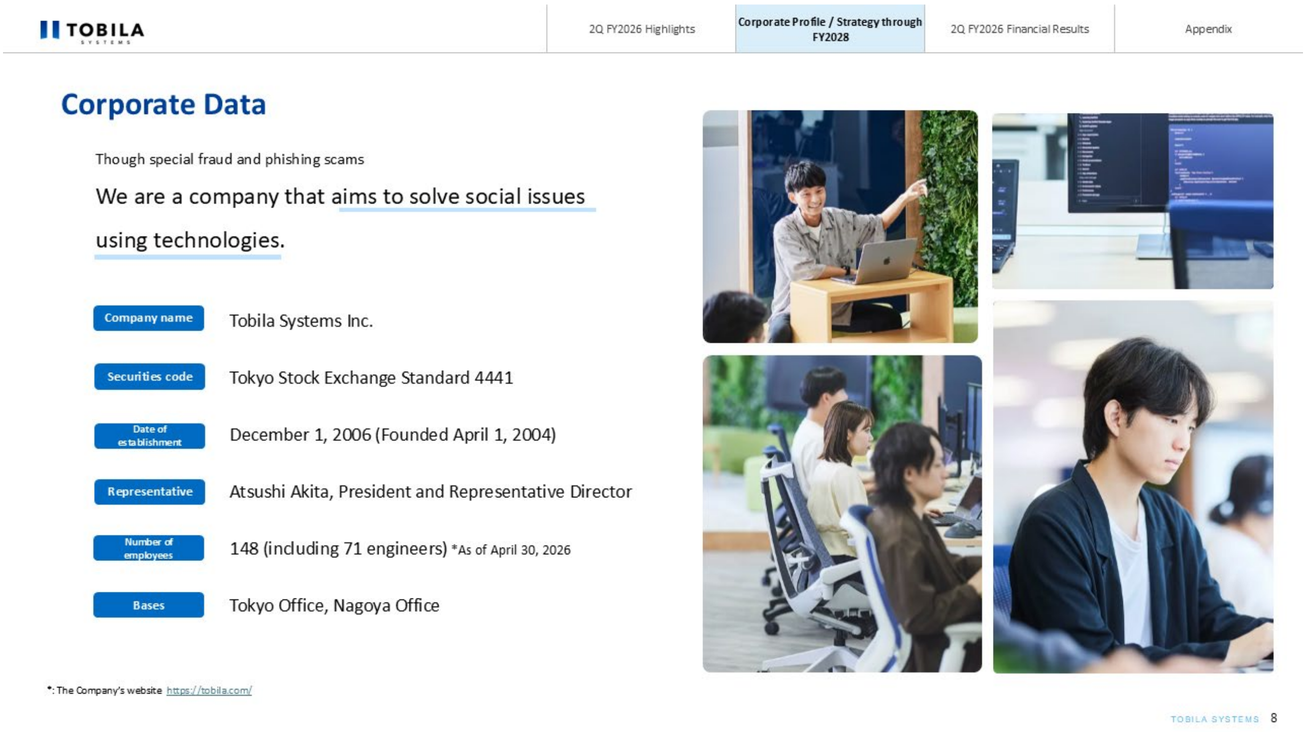
*1: ["TobilaPhone Biz Lite," an Entry Model for Small Business Operators, Has Been Newly Added to the "TobilaPhone Biz" Series of Business Call Management Solutions] (Japanese only) (Company press release dated February 2, 2026)
*2: [KYOCERA Document Solutions Japan Inc. Commenced Distribution of "TobilaPhone Biz," Tobila Systems' Product for Addressing Customer Harassment Call] (Japanese only) (Company press release dated March 23, 2026)
*3: [Expansion of SMS Delivery Function for Cloud Telephone Service, "TobilaPhone Cloud"] (Japanese only) (Company press release dated May 13, 2026)

Next, let's see Solution Business topics. We offer two products, TobilaPhone Biz and TobilaPhone Cloud, as DX solutions for corporate telephone operations. Sales expansion initiatives for these two products continued in 2Q. First, TobilaPhone Biz. We launched the entry model TobilaPhone Biz Lite for small business operators in February 2026. We carefully selected functions from TobilaPhone Biz and priced the service to make it easy for small business operators that operate at a single site to adopt the service.

In terms of sales, KYOCERA Document Solutions Japan Inc. commenced distribution of our product. TobilaPhone Biz is sold through distributors. We believe that the new distributor will help the expansion of our sales channels. We will continue to work with our distributors to expand sales.
Next, TobilaPhone Cloud. We have expanded SMS delivery function as part of feature expansion to increase sales.

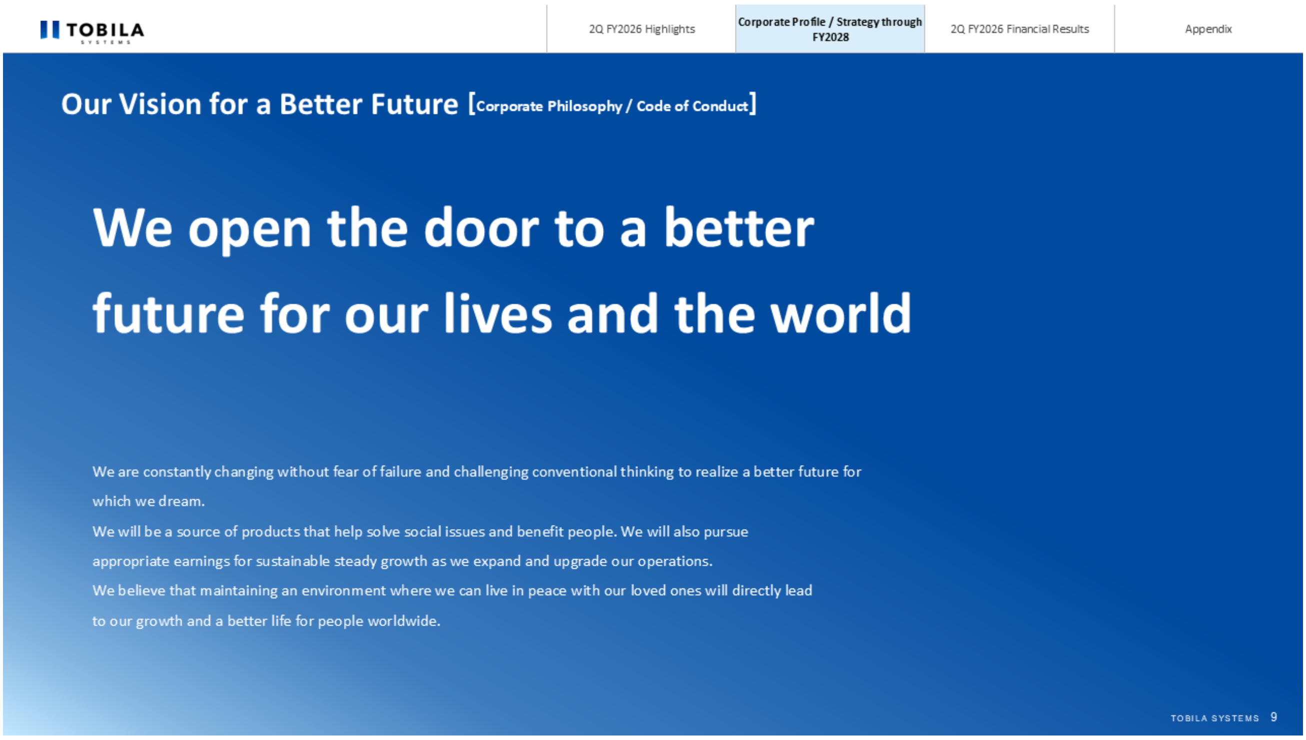
For TobilaPhone Cloud, we enabled automated SMS message delivery to the mobile phone number of callers, including customers, from designated IVR, interactive voice response branches. Text messages which are pre-registered on the management screen can be delivered. With this feature expansion, the number of pre-registerable text messages increased from 10 to 30. The maximum number of characters allowed per text also increased from 70 to 660.
We will continue feature expansion to provide more user-friendly services.

2. Corporate Profile / Strategy through FY2028

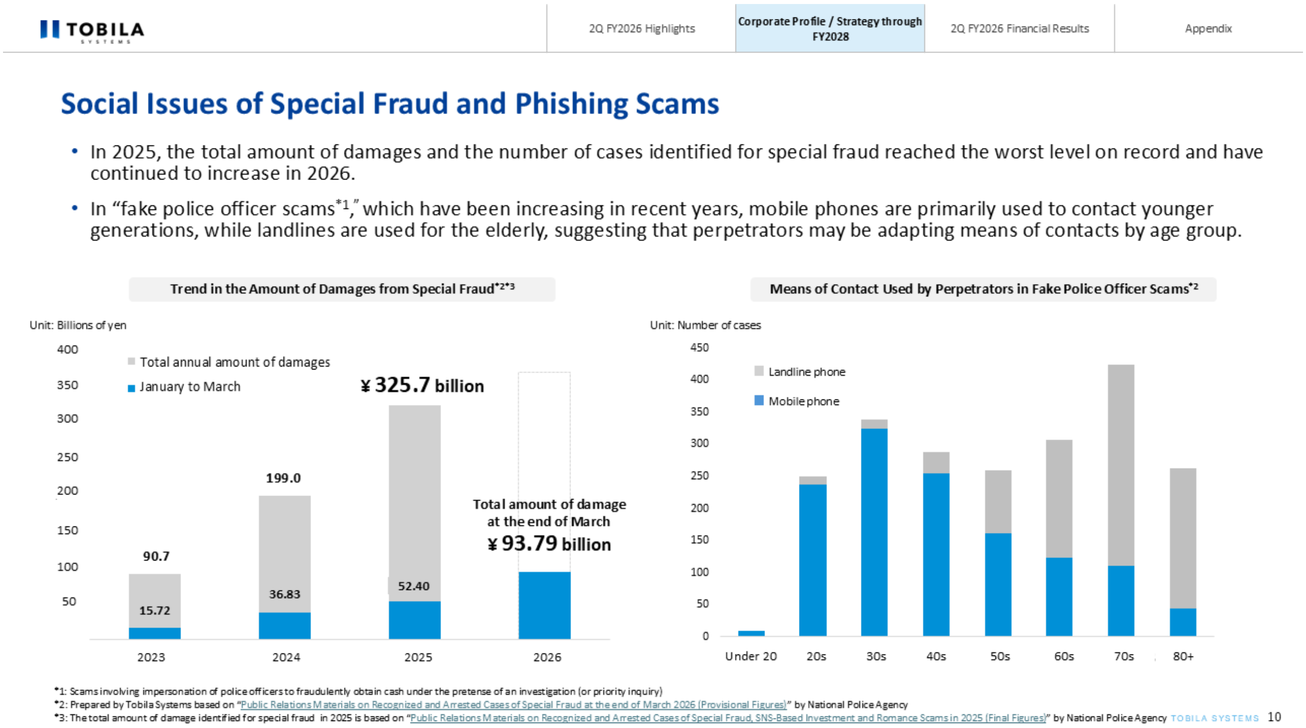


Now, I would like to touch on corporate profile and strategy through FY2028.

Tobila Systems is a company that uses technologies to solve social issues such as special fraud and phishing scams. We have offices in Tokyo and Nagoya and will mark the 20th anniversary in FY2026. As of the end of April, the number of employees, including part-time and temporary staff, was 148, with half of them being engineers.



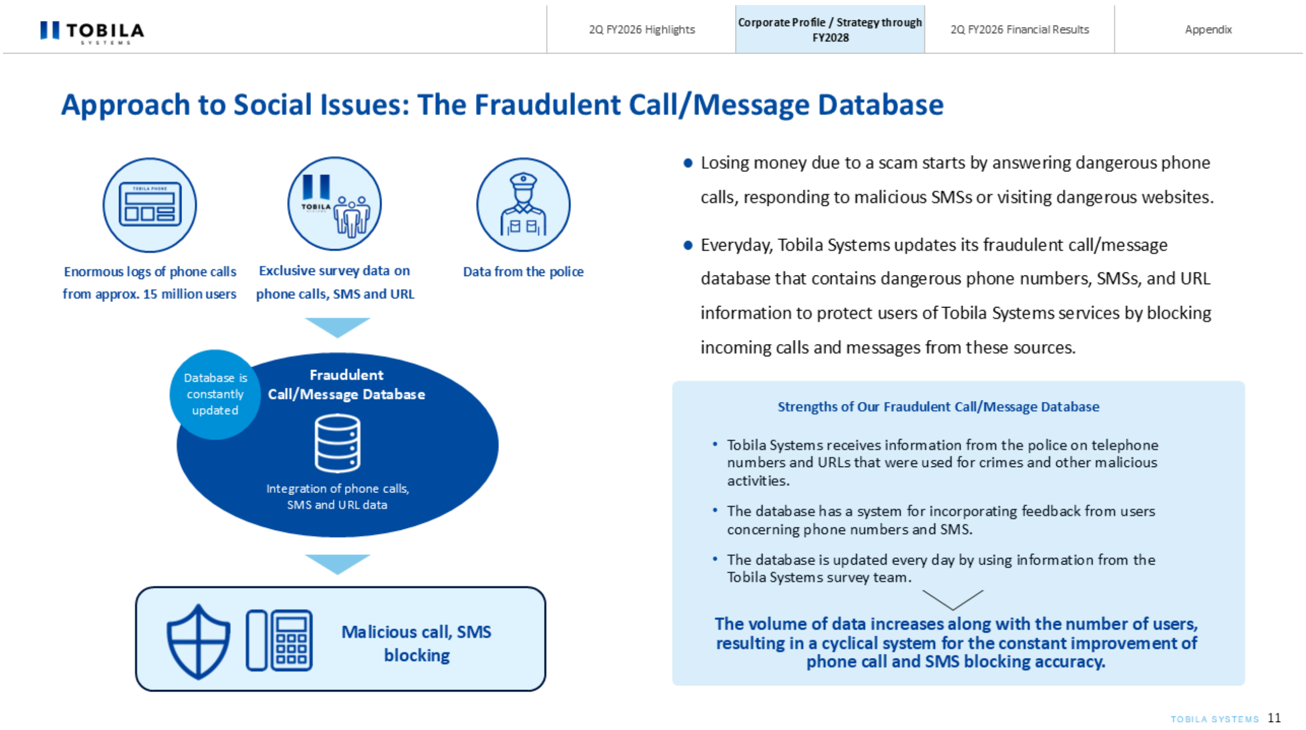
Our corporate philosophy is "We open the door to a better future for our lives and the world." Our core business strategy revolves around using innovative technologies to solve social issues that someone has to address but no one has been successful.



Currently, we are promoting our business from the perspective of protecting people. We are striving to create a society where everyone can live in peace by eliminating the suffering caused by fraud and borderline illegal acts. Tobila Systems is tackling social issues such as special fraud, phishing scams, and borderline illegal acts. According to the National Police Agency, the total damages from special fraud, SNS-based investment and romance scams exceeded JPY325.7 billion in 2025. Momentum is not slowing down in 2026, with total damages from January to March already exceeding the total damages in 2023. We are in a phase where society as a whole must strengthen its countermeasures.

Among these, the number of fake police officer scams involving impersonation of police officers to fraudulently obtain cash under the pretense of an investigation has increased in recent years. Victims are not limited to the elderly, but also those in their 20s and 30s. Concerning means of contact used by perpetrators, mobile phones are primarily used to contact younger generations, while landlines are used for the elderly, suggesting that perpetrators may be adopting means of contact by age group. Therefore, it is essential to promote countermeasures for both mobile phones and landlines in order to prevent damage.

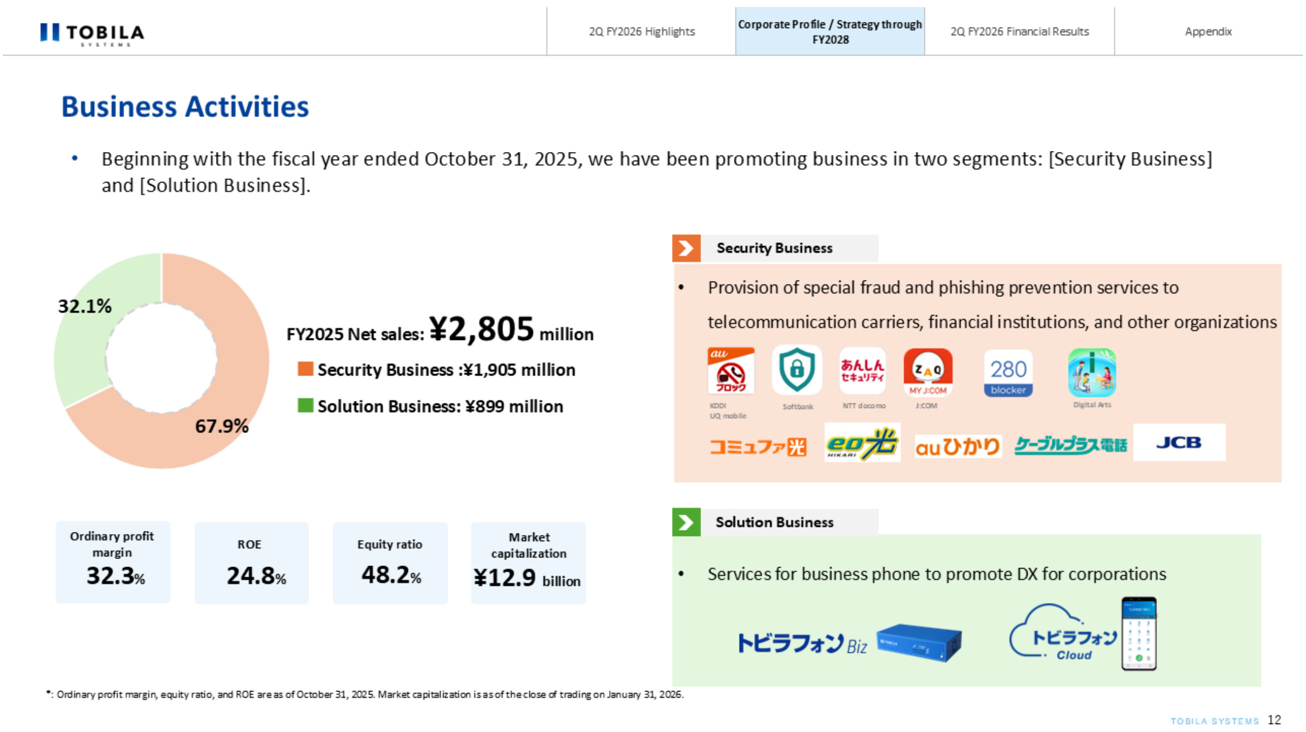
As improving effectiveness of fraudulent SMS message and telephone call countermeasures provided by telecommunications carriers is considered and requested, including making them free of charge, there is a growing need for widespread adoption of warning and blocking functions upon reception throughout society. To address these social issues, we utilize our Fraudulent Call/Message Database to provide services that block dangerous phone calls and SMS messages.



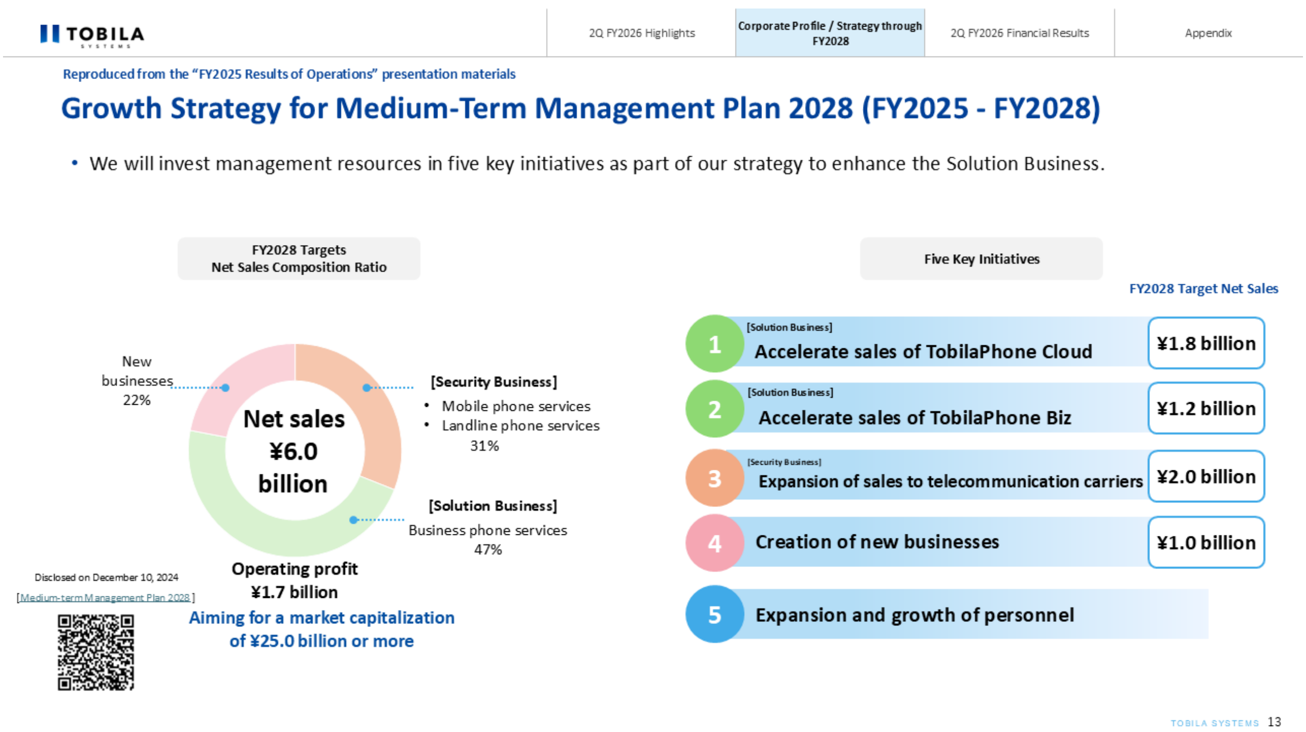
Our Database has three key advantages. The first is the size of the user base. We improve the accuracy of our data by statistically reflecting information gathered from approximately 15 million monthly users. It is not easy to acquire a user base of this size, which gives us the first mover advantage. In addition, major telecommunication carriers have adopted our service, which contributes to user growth and strengthening barriers to entry.

The second is our exclusive survey data. We sort more than 5 billion phone calls, SMSs, and URLs annually. Our survey team actually makes calls and accesses the URL in SMSs for verification to maintain a high level of accuracy.
The third is data from the police. We receive data from the police on telephone numbers and URLs that were used for crimes and other malicious activities, enabling us to quickly update our database with highly reliable information. Our Fraudulent Call/Message Database with these three advantages is our business foundation and strength.

We will continue to utilize this database to promote our business, aiming for a future in which our services are an essential part of the social infrastructure.



We have been promoting business in two segments: the Security Business and the Solution Business.
First, the Security Business. Special fraud and phishing prevention services are provided to telecommunication carriers, financial institutions, and other organizations. The Security Business is a stable revenue base for our company, accounting for approximately three quarters of FY2025 net sales.

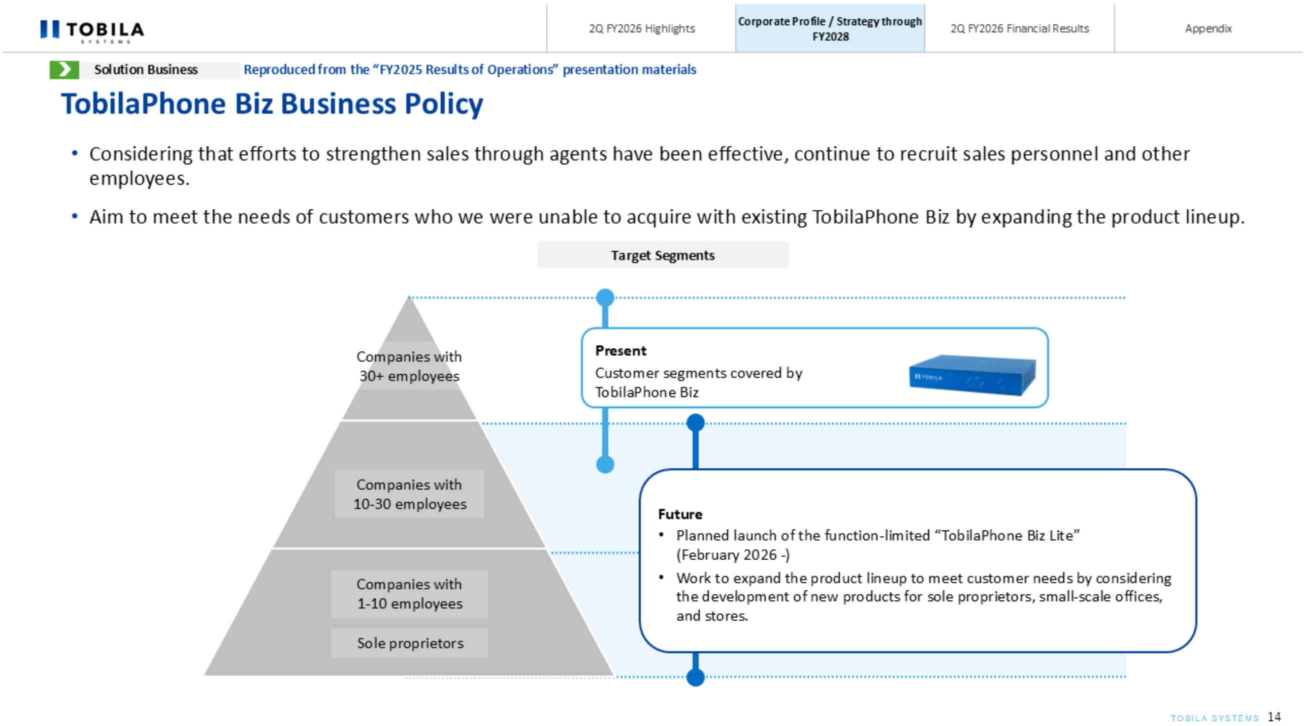


Currently, based on revenues from this stable business, we are aggressively investing in the growth of the Solution Business, which facilitates DX for corporate clients. We have announced Medium-Term Management

Plan 2028, which concludes in FY2028. In this plan, we have positioned achieving net sales of JPY6 billion and operating profit of JPY1.7 billion in FY2028 as our top priority.

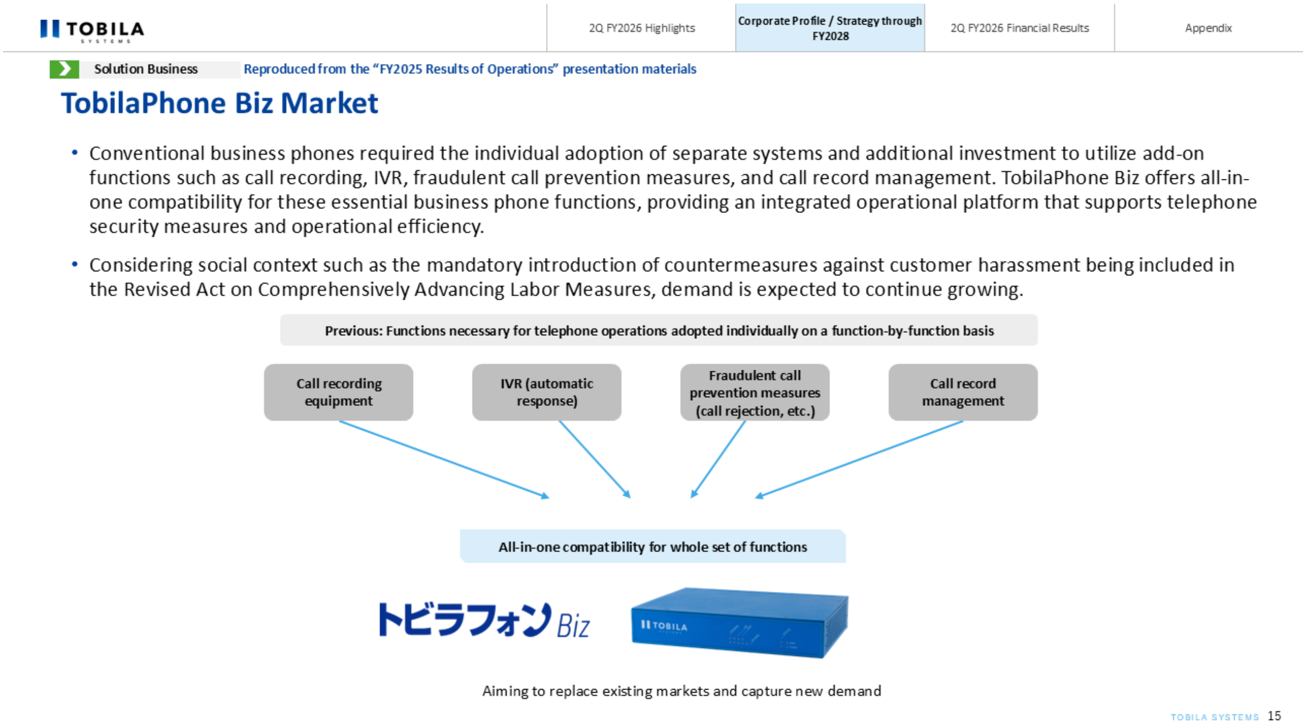
We have five key initiatives to achieve the targets: accelerate sales of TobilaPhone Cloud, accelerate sales of TobilaPhone Biz, expansion of sales to telecommunication carriers, creation of new businesses, and expansion and growth of personnel. We will invest management resources in five key initiatives under the Medium-Term Management Plan.

Among the key initiatives, we expect TobilaPhone Biz and TobilaPhone Cloud in the Solution Business to drive sales.



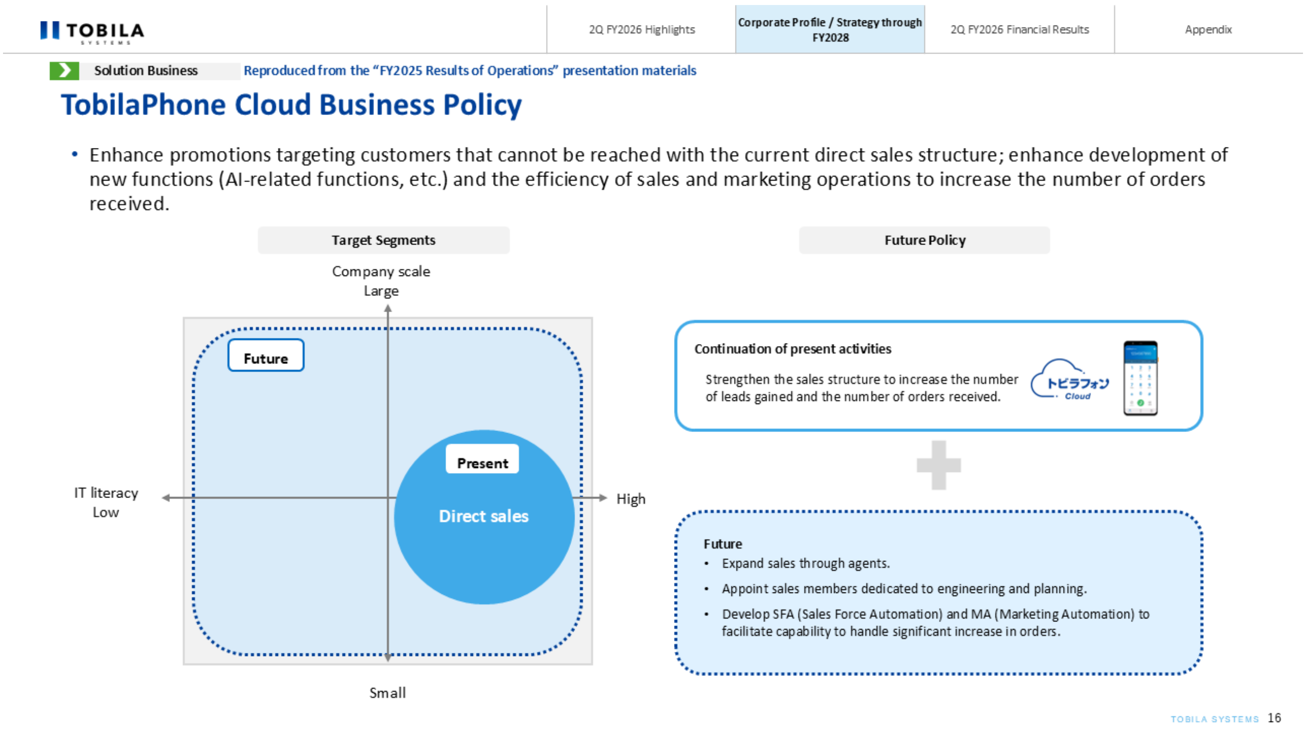
I would like to inform you of FY2026 business policy for these two services. First, TobilaPhone Biz business policy. TobilaPhone Biz adopts a business model centered on agent sales. In FY2025, we increased sales personnel to strengthen collaboration with our agents. Given the success of this approach, we will further strengthen our relationships with agents nationwide to increase sales in FY2026.

Also, we will expand the product lineup. Present TobilaPhone Biz primarily targets companies with over 30 employees and local governments. However, we will develop function-limited products to reach customer segments that have not been covered by TobilaPhone Biz.
In February, TobilaPhone Biz Lite was launched. Sales are growing steadily. In the future, we will consider the development of new products for sole proprietors, small-scale offices, and stores.



TobilaPhone Biz is a business phone call management solution which offers all-in-one compatibility for telephone operations. Conventional business phones require the individual adoption of separate systems and additional investment to utilize add-on functions such as call recording, IVR, fraudulent call prevention measures, and call record management. TobilaPhone Biz solves these problems and provides an integrated operational platform to improve the efficiency of call handling, which has tended to be nontransparent and dependent on an individual employee and support telephone security measures.

Also, concerning TobilaPhone Biz potential market, we expect to capture new demand arising from customer harassment measures, in addition to replacing the existing function-specific markets. Interest in adopting these solutions is increasing in line with the need for countermeasures against customer harassment. We believe that the need for telephone security measures will continue to grow, driven by this favorable environment.

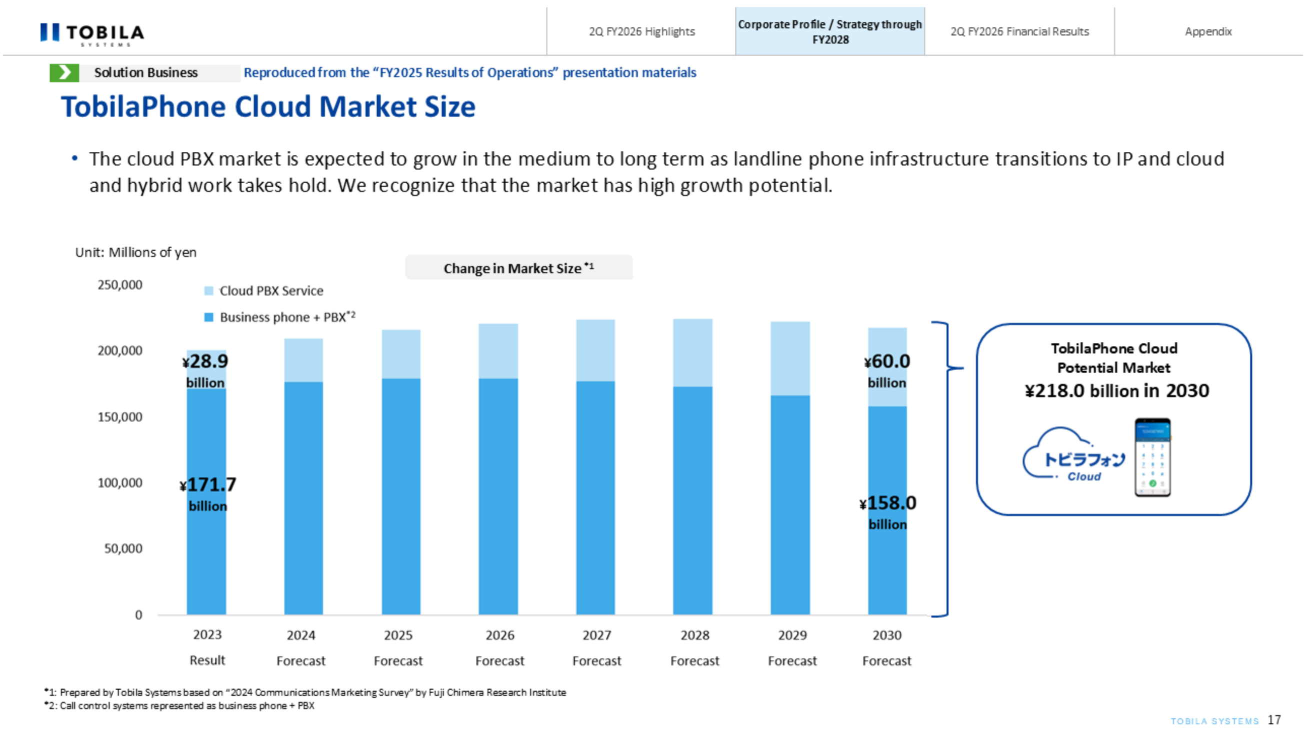


Next, TobilaPhone Cloud business policy. We have a direct sales structure for TobilaPhone Cloud. However, we consider three points as sales expansion initiative.

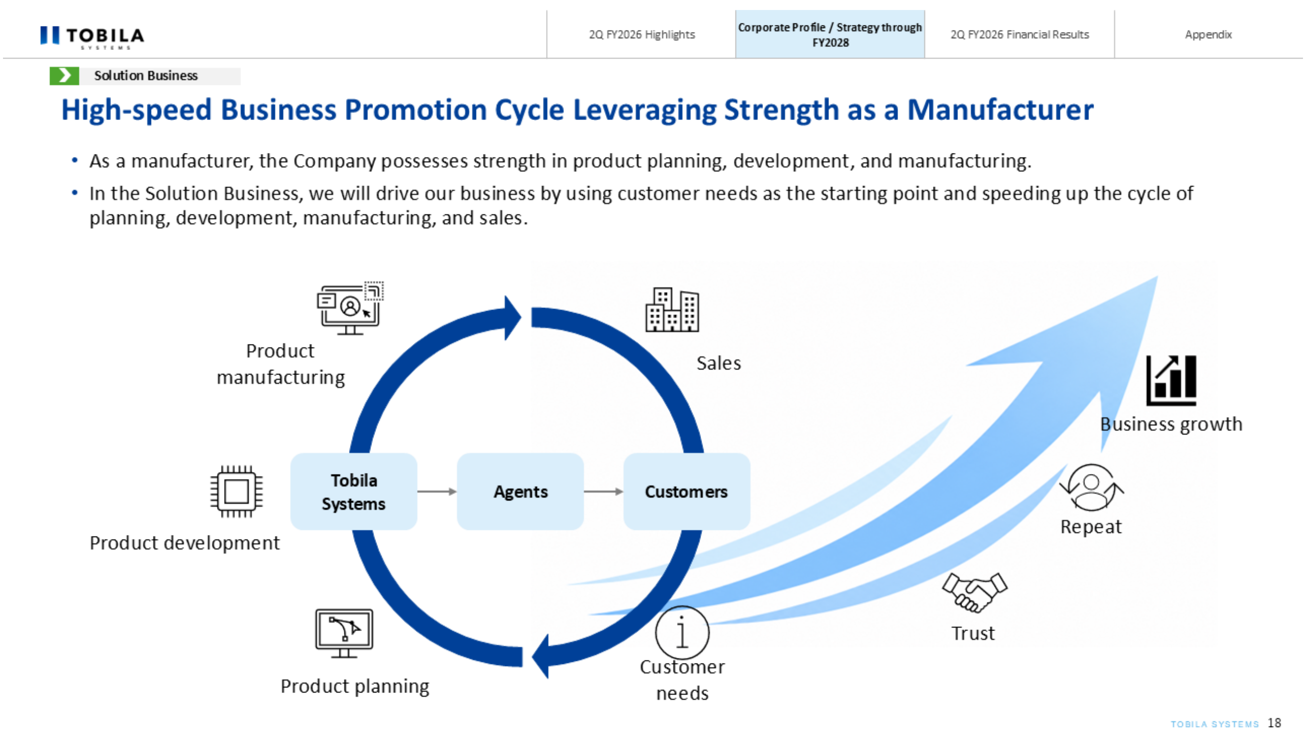
First, to enhance promotions targeting customers with a large number of employees. Currently, direct sales rely on mainly comparison websites, and we are not able to reach fully these customers. Sales expansion through agents will create new touchpoints to acquire customers. We have already appointed sales members dedicated to engineering and planning and established a dedicated team for agent sales. We will strengthen our sales structure, including concluding a sales agreement with new agents.

Second, to handle smaller customers. Many of our clients contact us about TobilaPhone Cloud and end up signing a contract when they are launching a new business, relocating their office, or reviewing their telephone system. However, our current direct sales structure is small in scale, which prevents us providing adequate support in some cases. Therefore, we want to establish a system including auto order intake process that allows for contract renewal with smaller customers.

Third, to strengthen the direct sales structure. We increased the number of sales members, which increased the number of leads gained and the number of orders received. We will continue to strengthen our sales structure and expand marketing measures in parallel to further increase the number of billing IDs, including up-selling.



TobilaPhone Cloud is a cloud PBX product. In addition to the cloud PBX market, we see demand to switch from business phone and PBX as the potential TobilaPhone Cloud market. The graph of this slide shows changes in market size. We expect the market size to be a total of JPY218 billion in 2030. At present, we believe that no single product has yet won a dominant market share in the cloud PBX market. Therefore, we will continue to develop and provide new features and work towards expanding our market share in order to establish a solid position in this market.



This slide shows our business promotion cycle which is the source of Solution Business growth. As a manufacturer, we possess strength in product planning, development, and manufacturing. And of particular importance is the point of contact with customers. Through NTT and other sales partners, we have already established a system that enables us to understand customer opinions and needs.

By quickly grasping the issues and needs of the field obtained from these points of contact and directly reflecting them in planning and development, we can offer new products and services in a short period of time. In addition, we will continuously collect post-introduction reactions and requests for improvement, which will lead to improvement for next products. In this way, we will win customer trust and repeat and achieve business growth through the high-speed business promotion cycle while leveraging existing customer contacts.

3. 2Q FY2026 Financial Result

I am Kanemachi, Director CFO of Tobila Systems. I would like to walk you through 2Q FY2026 financial results.

TOBILA SYSTEMS | 2Q FY2026 Highlights | Corporate Profile / Strategy through FY2028 | 2Q FY2026 Financial Results | Appendix

2Q FY2026 Financial Summary

- The Solution Business drove an increase in sales of the Company as a whole, while the Security Business serves as a stable earnings base.
- We actively carried out growth investments to achieve the goals under the Medium-term Management Plan 2028. Although we expect profit to decline in this fiscal year due to upfront investments, progress in 2Q was generally in line with projections.

Unit: Millions of yen	FY2025 2Q (Previous year)	FY2026 1Q (Previous quarter)	FY2026 2Q Results	YoY	QoQ
Net sales	699	786	887	127.0%	113.0%
EBITDA*	309	270	306	99.0%	113.3%
Operating profit	267	226	258	96.9%	114.1%
Ordinary profit	269	233	266	98.9%	113.8%
Profit	181	156	179	98.8%	114.2%

*: EBITDA= Operating profit + Depreciation + Goodwill amortization

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Let me talk about the financial summary. 2Q net sales increased to JPY887 million, 127% YoY and record high quarterly sales. Operating profit was JPY258 million, 96.9% YoY. Profit was JPY179 million, 98.8% YoY. Net sales reached record high and business continued to grow steadily.

On the other hand, profits are expected to decrease YoY. This is due to higher labor and personnel costs associated with recruitment enhancement for business growth and planned one-time expenses related to the relocation of two offices and assessment responses. These are strategic investments aimed at strengthening the structure for future business expansion and building a foundation for growth. Although they will be a factor pushing down profits in the short term, we believe they will contribute to medium to long term growth. Therefore, although we expect profits to decrease YoY, we recognize that they are generally in line with the plan.

2Q FY2026 Net Sales by Segment

- [Security Business] Among the mobile phone services, those for major telecommunication carriers performed strongly. For landline phone services, the number of contracts increased due to standardization of fraudulent call blocking service on Cable Plus Phone.
- [Solution Business] The Solution Business drove sales growth thanks to increases in the number of units sold for TobilaPhone Biz and the number of billing IDs for TobilaPhone Cloud.

Unit: Millions of yen	FY2025 2Q (Previous year)	FY2026 1Q (Previous quarter)	FY2026 2Q Results	YoY	QoQ
Security Business	476	492	**501**	105.2%	101.8%
Mobile phone services	422	412	**414**	98.1%	100.5%
Landline phone services	54	80	**87**	159.7%	108.4%
Other	0	0	**0**	109.3%	109.3%
Solution Business	222	293	**386**	173.7%	131.8%
TobilaPhone Biz	165	200	**264**	160.2%	131.6%
TobilaPhone Cloud	57	92	**121**	212.8%	132.0%

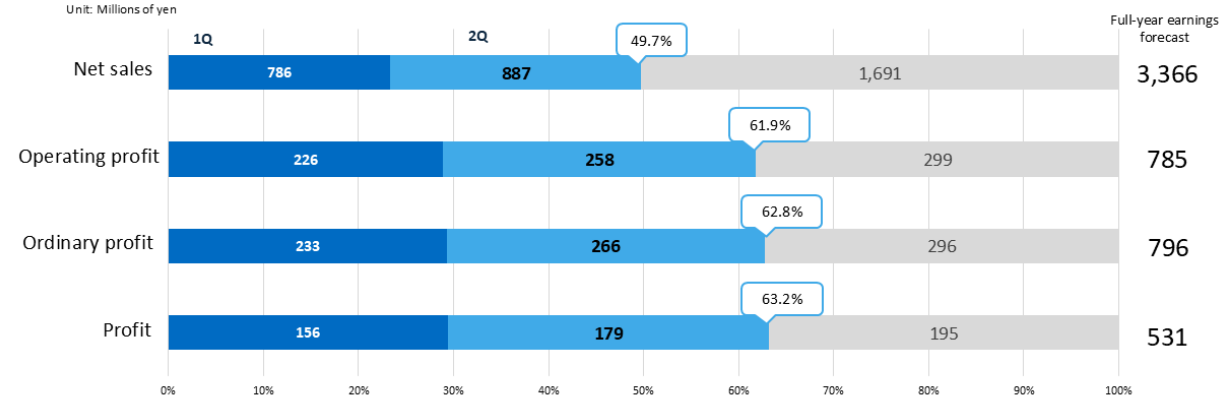
Let's look at 2Q FY2026 net sales by segment. In 2Q, in addition to the stable revenue base of the Security Business, the Solution Business growth contributed to an increase in overall net sales.

First, the Security Business. Net sales were JPY501 million, 105.2% YoY. Mobile phone services sales were JPY414 million, 98.1% YoY. Landline phone services sales were JPY87 million, 159.7% YoY. Other sales were less than JPY1 million.

The Security Business maintained the revenue base stable. Mobile phone services remained stable. Sales for three major telecommunication carriers performed strongly, however, it saw YoY slight decrease due to a decrease in 280blocker and other services. Growth of landline phone services was made as the number of contracts increased due to standardization of fraudulent call blocking service on Cable Plus Phone, JCOM's landline phone service. This expanded the user base and led to an increase in sales of landline phone services.
Next, the Solution Business. Net sales were JPY386 million, 173.7% YoY. The Solution Business is positioned as our growth business and continues to grow steadily. TobilaPhone Biz sales were JPY264 million, 160.2% YoY. TobilaPhone Cloud sales were JPY121 million, 212.8% YoY. Both products performed well, with increases in the number of units sold for TobilaPhone Biz and in the number of billing IDs for TobilaPhone Cloud.

2Q vs. FY2026 Forecast

- Net sales as of the end of 2Q generally progressed in line with the full-year earnings forecast.
- Although the progress rates of profit at each stage appear relatively high, we will deliberately carry out growth investments in the second half without deferring them.
- We expect full-year profit to decrease as initially planned.



Next, I would like to show six months results versus FY2026 forecast. At the end of 2Q, net sales progress rate was 49.7% and the progress rates of profit at each stage were over 60%. Compared to six-month sales forecast, sales results were 5% higher.

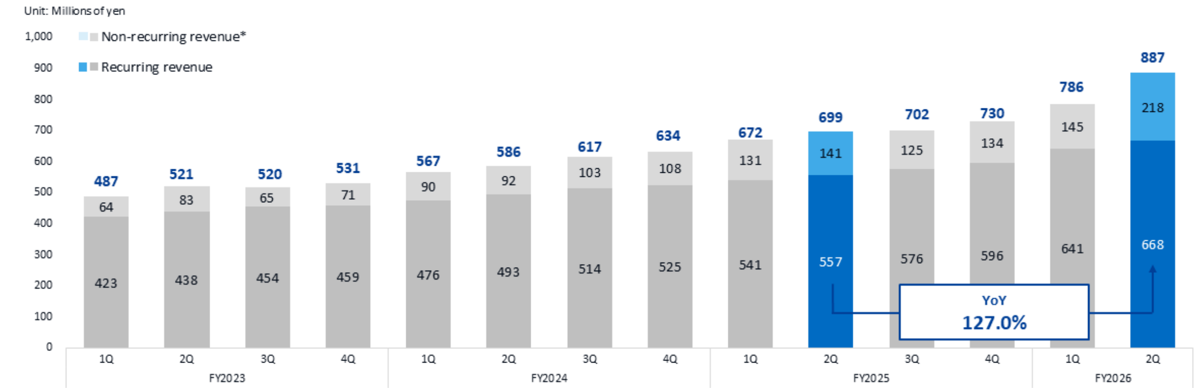
In addition, the profit progress rates for six months were high. Compared to six-month forecast, they were about 25% higher. Higher-than-expected sales of landline phone services for Cable Plus Phone contributed to these results, in addition to an increase in revenue from the Security Business, which was not factored into the initial plan.

In addition, incurrence of some expenses was postponed to 3Q or later, which also contributed to higher profits. Anyway, we expect full-year profit to decrease as initially planned. 3Q and 4Q forecast include increased personnel costs and recruitment expenses due to staff expansion, as well as costs associated with relocating our Nagoya office.

We have positioned FY2026 as an investment phase for future growth. Because current profit results exceed our plans, we believe it is important to implement necessary investments as soon as feasible, without postponing them.
While these investments may negatively impact on profits in the short term, they will contribute to strengthening the foundation for medium- to long-term growth. Therefore, we do not currently plan to revise our full-year forecast. We will continue our efforts for sustainable corporate value creation while balancing between investment in growth and profitability.

Quarterly Sales (Recurring Revenue and Non-recurring Revenue)

- Steady growth in recurring revenue, which is our earnings base, due to the Security Business remaining stable and growth in the Solution Business.
- Non-recurring revenue increased mainly due to a QoQ increase in the number of units sold of TobilaPhone Biz series.



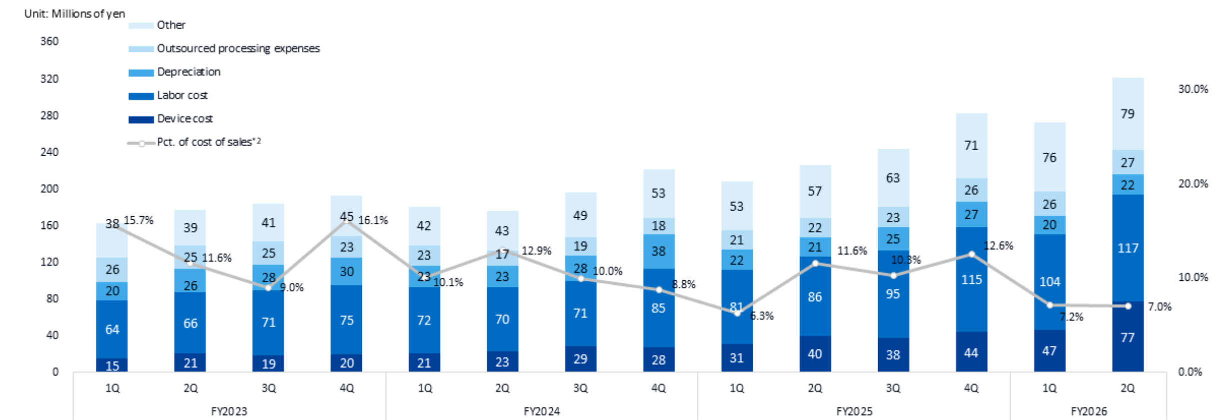
*: Non-recurring revenue includes hardware for [TobilaPhone Biz] and initial costs for [TobilaPhone Cloud]

This slide shows quarterly sales. You can see bar charts for recurring revenue, which is our earnings base and non-recurring revenue.

First, recurring revenue. In addition to the stable revenue from mobile phone services in the Security Business, an increase in product sales in the Solution Business contributed to the increase in sales.
Let's look at non-recurring revenue. Non-recurring revenue includes sales of ad block app, 280blocker and TobilaPhone Biz devices, and TobilaPhone Cloud initial fees. Non-recurring revenue increased QoQ mainly owing to an increase in the number of units sold of TobilaPhone Biz.

Cost of Sales*1

- Cost of sales was largely in line with projections, which has already incorporated increased expenses due to business expansion.
- The main factors behind the increase were higher device costs due to expanded shipments of TobilaPhone Biz and higher labor costs associated with recruitment enhancement.

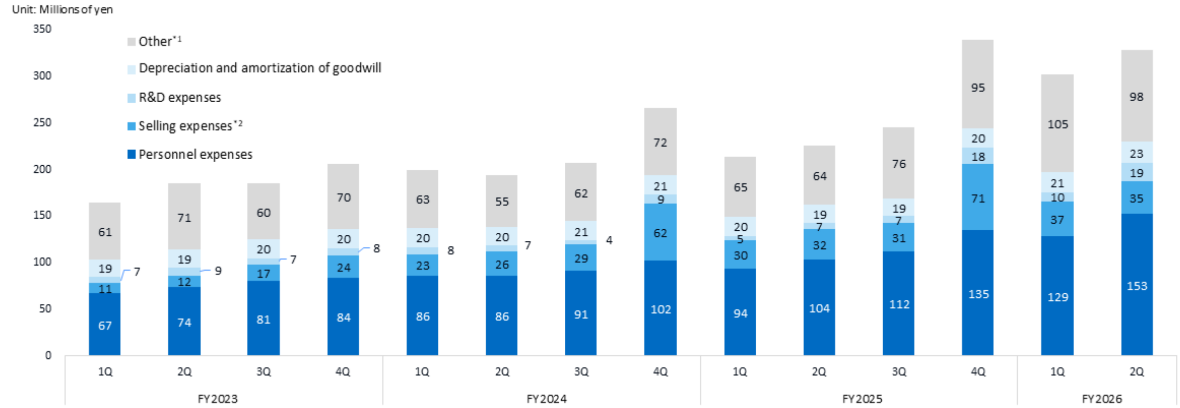


*1: The sum of device cost, labor cost, depreciation, outsourced processing cost and others does not match the total cost of sales on the income statement because these figures are before adjustments for reclassified expenses and work in process transfers
*2: Pct. reclassified as other expense categories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

Let's look at cost of sales. Cost of sales was generally in line with forecast, which has already incorporated increased expenses due to business expansion. The main factors behind the increase were higher device costs due to expanded shipments of TobilaPhone Biz and higher labor costs associated with recruitment enhancement. We will continue to work to maintain and improve profitability while appropriately controlling expenses necessary for business expansion.

SG&A Expenses

- Although SG&A expenses increased mainly owing to human capital investments for future growth, they largely remained within the scope of the plan.
- The main factors behind the increase were higher personnel expenses associated with recruitment enhancement and higher R&D expenses.

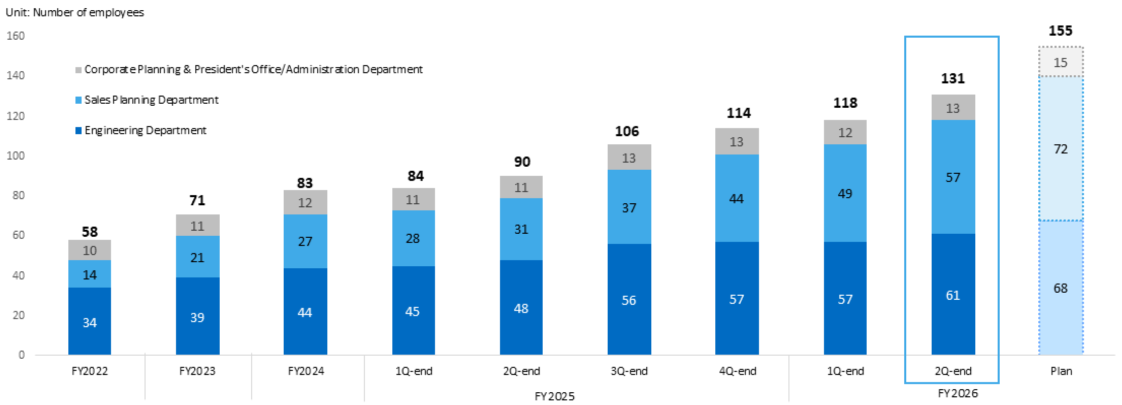


*1: Others include collection fees, outsourcing expenses, rent expenses on land and buildings.
*2: Selling expenses is the sum of sales commissions, advertising expenses, and sales promotion expenses.

Next, let's look at SG&A expenses. SG&A expenses were generally in line with forecast. The main factors behind the increase were higher personnel expenses associated with recruitment enhancement and higher R&D expenses. In addition, we plan to relocate the Nagoya office in 2H, and we will also continue our recruiting activities. We will continue to work to maintain and improve profitability while appropriately controlling expenses necessary for business expansion.

Number of Full-Time Employees

- We have been strengthening recruitment, mainly focusing on engineering personnel, sales promotion personnel to engage in the Solution Business, and personnel to oversee new product project planning and execution, with a full-year target of an increase of 41 employees compared with the end of the previous fiscal year.
- As of the end of 2Q, the number of employees increased by 17. Hiring has progressed generally in line with the full-year recruitment plan, despite delays in start date for some new hires.



I would like to touch upon the number of full-time employees. According to the growth strategy of the Medium-Term Management Plan 2028, we have been strengthening recruitment of engineering personnel and sales personnel. We plan to increase our employees by 41 from the end of FY2025. In addition to engineering personnel, we are recruiting sales promotion personnel in the Solution Business, and personnel to oversee new product project planning and execution.

As of the end of 2Q, the number of full-time employees increased by 17 from the end of FY2025. Hiring has progressed generally in line with the full-year recruitment plan, despite delays in starting date for some new hires. We will continue to actively pursue recruitment activities in 3Q and 4Q.

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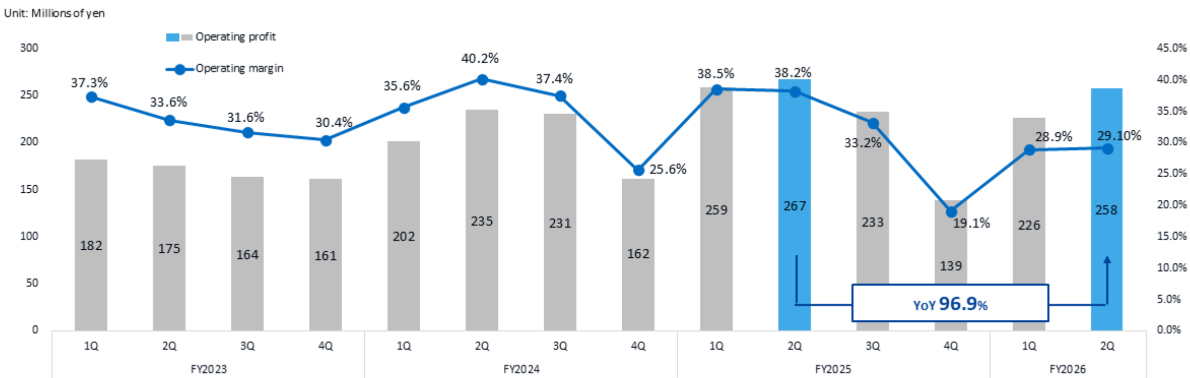
Operating Profit

- As of the end of 2Q, profit exceeded the forecast for the second quarter (cumulative) by around 25%.
- We expect full-year operating profit to decrease as initially planned, due to ongoing growth investments in the second half, including investments for the enhancement of recruitment and business foundation, and new product development.



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Let's look at operating profit. 2Q operating profit was JPY258 million, 96.9% YoY. The operating margin was 29.1%. Profit results exceeded the forecast for six months by around 25%.

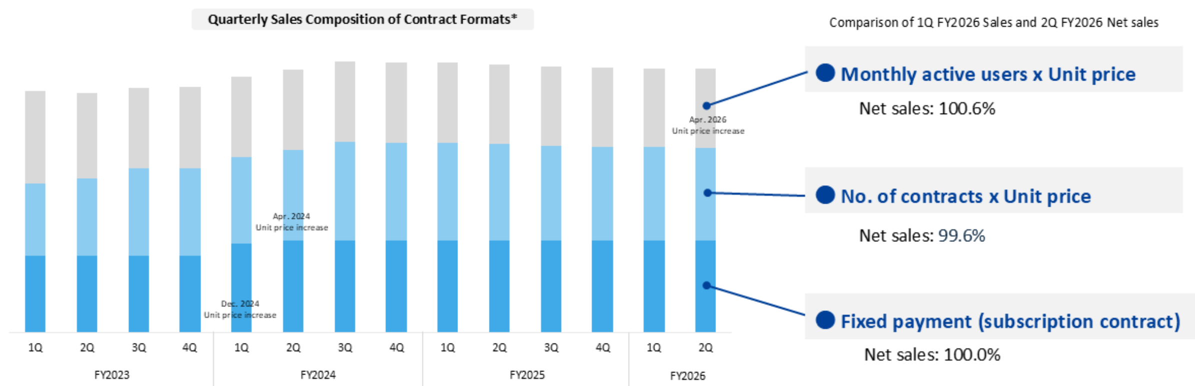
On the other hand, we will continue growth investments in 2H, including investments for the enhancement of recruitment and business foundation, and new product development. Therefore, we expect full-year operating profit to decrease YoY as initially planned. At present, we do not plan to revise our full-year forecast.

TOBILA | 2Q FY2026 Highlights | Corporate Profile / Strategy through FY2028 | 2Q FY2026 Financial Results | Appendix

Security Business

Mobile Phone Services: Quarterly Net Sales by Contract Format

- The mobile phone service remained stable, driven by recurring revenue from several contract formats.
- The unit price has been revised for some contracts in April. Behind this was ongoing discussions with telecommunication carriers about strengthening countermeasures to special fraud, as the number of damages of special fraud continues to rise.



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

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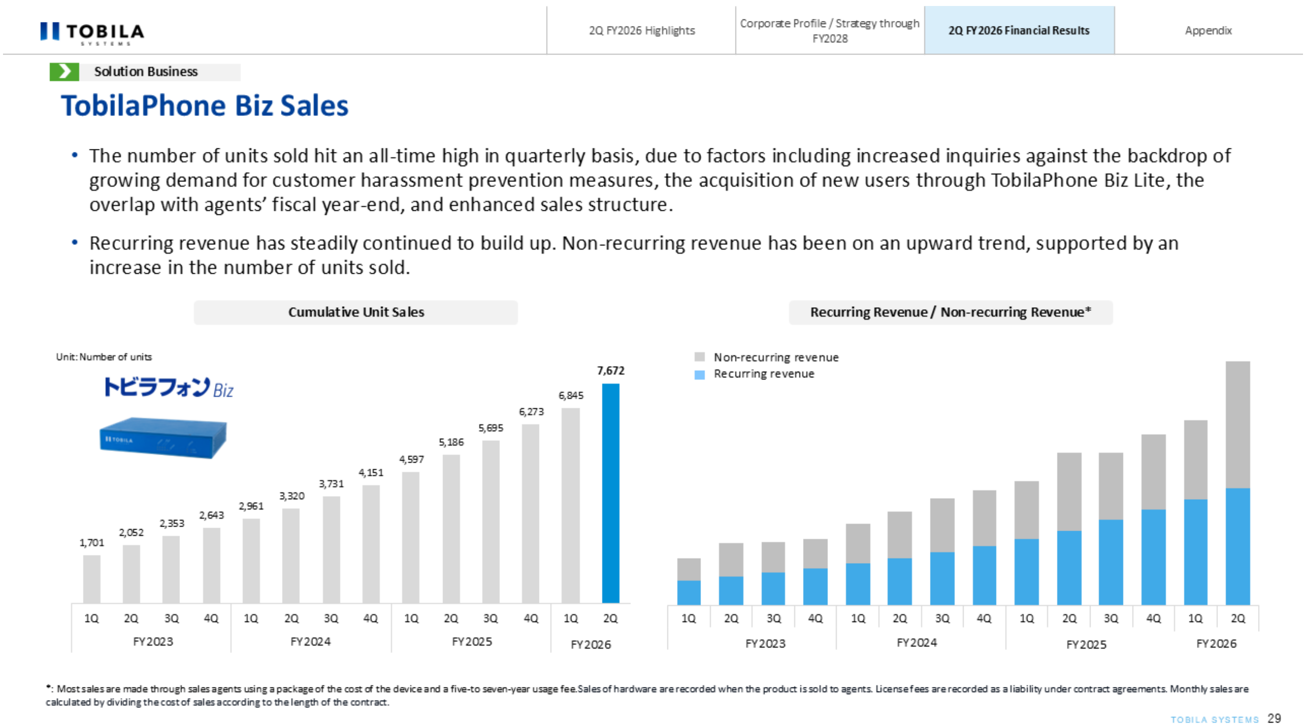
I would like to touch upon support for mobile phone services by contract format. The left side of the slide shows quarterly sales composition of contract formats with major telecommunications carriers. On the right-hand side, you can find comparison of 1Q FY2026 sales and 2Q FY2026 sales by format.

The data includes major brands of major telecommunications carriers only. It does not include their sub-brands and MVNO. Overall, the mobile phone services remained stable, driven by recurring revenue from several contract formats. The contract formats saw no significant changes from 1Q. The mobile phone services maintained the revenue base stable.

As the damages from special fraud remain at high levels, the Ministry of Internal Affairs and Communications and telecommunication carriers continue strengthening countermeasures. Against the backdrop of this environment, we continue discussions with telecommunications carriers about strengthening countermeasures to special fraud.

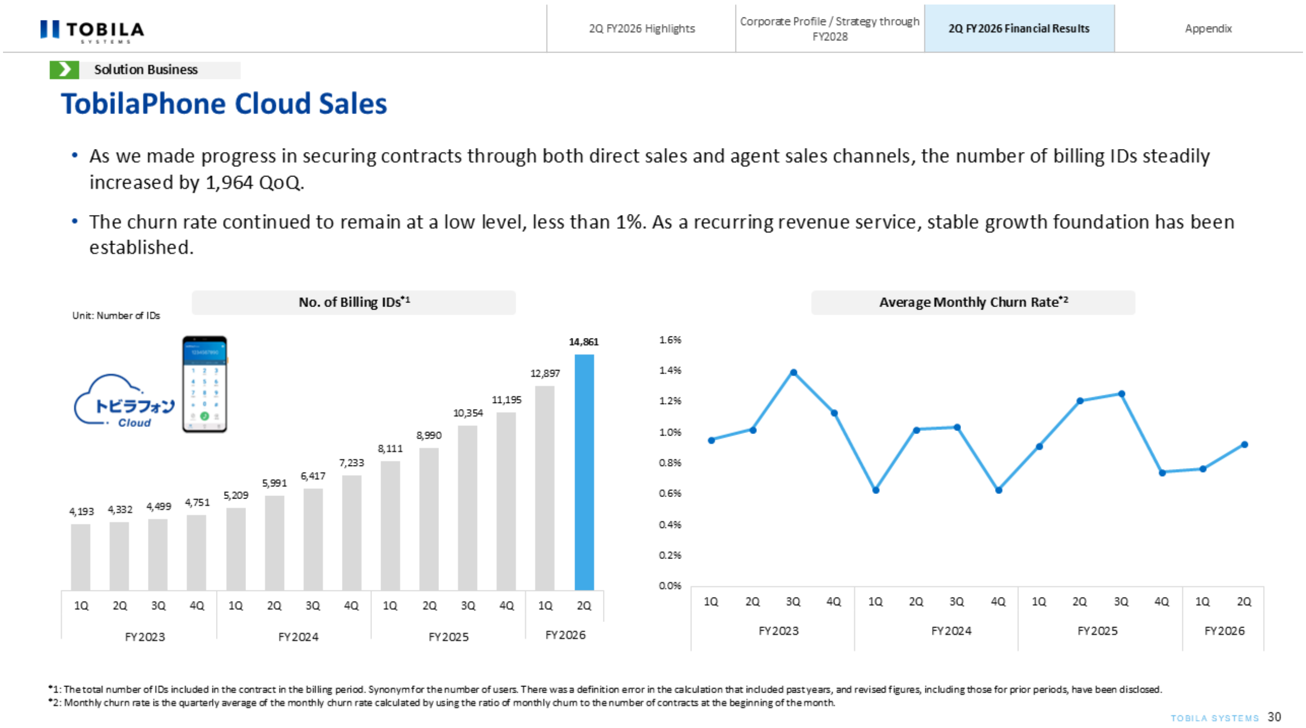
As part of this effort, the unit price was increased for some contracts with telecommunications carriers upon renewal of the contracts. Since the renewal took place from April, the impact on 2Q results was limited, and earnings are expected from 3Q onward.

We will continue to work in cooperation with telecommunications carriers to steadily advance efforts to prevent special fraud.



Let's look at TobilaPhone Biz sales. The number of inquiries for TobilaPhone Biz is increasing against the backdrop of growing demand for customer harassment prevention measures. Also, TobilaPhone Biz Lite, launched in February, is attracting users that found the adoption difficult in the past. In addition, thanks to the overlap with agents' fiscal year-end and enhanced sales structure which helps collaboration with agents, the number of units sold hit an all-time high on a quarterly basis.

The cumulative unit sales increased by 827 units to 7,672 units from 1Q. Recurring revenue has steadily continued to build up. Non-recurring revenue has been on an upward trend, supported by an increase in the number of units sold.



I would like to touch upon TobilaPhone Cloud. The number of billing IDs increased QoQ by 1,964 to 14,861 in the end of 2Q. We are strengthening our sales structure also for TobilaPhone Cloud. The number of billing IDs is steadily increasing through both direct sales and agent sales channels.

The average monthly churn rate remained low, at the 1% level, which indicates that customers continue to use the service after its introduction. We will enhance the sale structure through both direct sales and agent sales to increase the number of billing IDs.

Balance Sheet

- The major factor contributing to an increase in liabilities is an increase in advances received associated with the sales growth of TobilaPhone Biz.
- While cash and deposits remained at high level, we will continue to consider capital utilization in light of balancing growth investment, shareholder returns, and liquidity on hand.

Unit: Millions of yen	FY2025 (Previous fiscal year)	FY2026 2Q	Change
Current assets	4,427	**5,035**	608
Cash and deposits	3,736	**4,146**	410
Trade receivables and contract assets	351	**456**	104
Other	338	**432**	93
Non-current assets	954	**1,258**	304
Property, plant and equipment	98	**160**	62
Intangible assets	209	**174**	-35
Investments and other assets	645	**922**	277
Total assets	5,381	**6,293**	912
Liabilities	2,786	**3,401**	615
Current liabilities	2,690	**3,331**	640
Non-current liabilities	95	**70**	-25
Net assets	2,595	**2,892**	296
Equity-to-asset ratio	48.2%	**45.9%**	-2.3pt

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Let's look at our balance sheet. Liabilities increased at the end of 2Q from the end of FY2025. The major factor contributing to the increase is an increase in advances received associated with the sales growth of TobilaPhone Biz. On the other hand, cash and deposits remained high, and we believe our financial foundation is stable.
We will continue to consider capital utilization in light of balancing growth investment to achieve Medium-Term Management Plan 2028 targets, shareholder returns, and liquidity on hand.

4. Message from CEO

We see an increase in sales and a decrease in profit in FY2026, the second year of our Medium-Term Management Plan 2028. We see FY2026 as the year in which we will prioritize investments for future growth. We will continue our efforts to solve social issues, including measures against special fraud, and to accelerate the growth of the Solution Business for corporate clients, and steadily implement our Medium-Term Management Plan 2028 to achieve the targets. We would appreciate your continued support.

We would like to close Q2 Financial Results Briefing for the Fiscal Year Ending October 2026. Thank you very much for listening.