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September 17, 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
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Questions and Answers on Financial Results for the Third Quarter of the Fiscal Year Ending October 31, 2026

We hereby disclose the main questions we received from investors regarding our financial results for the Third Quarter of the Fiscal Year Ending October 31, 2026, which were announced on September 10, 2026, along with our responses, as set forth below. Certain portions of the content have been supplemented and revised for clarity.

<Company-wide>

1. I believe you previously explained that, if hiring progresses as planned this fiscal year, the pace of hiring is expected to moderate next fiscal year. Has there been any change to this policy?

We are currently in the process of reviewing our hiring plans for the next fiscal year and beyond internally. This fiscal year, with a view to achieving the targets set out in our Medium-Term Management Plan 2028, we have brought forward a certain amount of hiring. As a result, we believe that we may enter a phase in which we adjust the pace of hiring from the next fiscal year onward.
At the same time, this does not mean that we intend to significantly halt hiring. We will consider an appropriate level of hiring while taking into account the progress of business growth and the personnel structure required. Specific hiring plans for the next fiscal year will be disclosed together with our financial plan.

2. If earnings exceed the Company's forecast and the dividend amount based on a target payout ratio of 35% exceeds ¥20 per share, how would the ordinary dividend be determined?

During the period covered by the Medium-Term Management Plan 2028, our dividend policy is to target a payout ratio of 35%, while setting a minimum annual dividend of ¥20 per share. Therefore,

if, based on our earnings performance and other factors, the dividend amount corresponding to a 35% payout ratio exceeds ¥20 per share, we do not intend to fix the ordinary dividend at ¥20. Instead, we intend to determine the ordinary dividend at a level based on a target payout ratio of 35%.
The ¥20 commemorative dividend announced this time was decided separately from our ordinary dividend policy, as an expression of our gratitude to shareholders on the occasion of the Company's 20th anniversary.

3. Please provide an update on the current progress of the capital and business alliance with Prodelight Co., Ltd. and the synergies you expect from the partnership.

The two companies are currently discussing specific areas of collaboration, including cooperation in sales, improvements to services and functions, and product integration.
The cloud PBX market is expected to continue expanding, driven by the shift from on-premises PBX systems to cloud-based solutions.
By entering into an alliance that includes a capital relationship, rather than limiting the partnership to a business alliance alone, we believe both companies have demonstrated a shared commitment to pursuing ongoing collaboration from a medium- to long-term perspective.
Prodelight has sales channels that supported by a network of sales partners, as well as expertise in the implementation and operation of cloud PBX solutions, which are also areas that we intend to strengthen going forward. By mutually leveraging our technology and development capabilities and customer base, together with Prodelight's sales channels and expertise, we aim to expand both companies' businesses and further develop the cloud PBX market.
If any matters requiring disclosure arise in the future, we will make timely and appropriate announcements.

<Security Business>

4. The mobile business appears to be progressing below plan. Are there any factors expected to drive an increase in sales in the fourth quarter?

The Security Business as a whole is progressing steadily. The main reason the mobile business is tracking below plan is the decline in sales associated with changes to the sales and operating strategy for 280blocker. We have factored in this impact to a certain extent based on the current situation.
Rather than expecting any specific major factor to drive a significant increase in sales in the fourth quarter, we expect the business to continue to perform steadily. At the same time, as the usage environment changes, including the growing adoption of AI, the functions and needs required for countermeasures against nuisance calls and other unwanted information are also evolving.
For the mobile business as well, rather than assuming that the current downward trend in sales will continue, we will consider measures that can contribute to future growth, including the provision of

new services and functions, while responding to these changes in the operating environment.

5. Other businesses are growing, while the mobile segment of the core Security Business has declined slightly. Do you view this as a temporary development, or do you believe the business has structurally reached a plateau?

At this point, we do not view the mobile business as having structurally reached a plateau. Although sales declined slightly year on year in the third quarter, one of the main factors was the impact of a partial revision to the sales and operating strategy for 280blocker, which was anticipated to a certain extent.

At the same time, fraud methods, including those used in special fraud schemes, continue to become more sophisticated, and we believe it will also be necessary to respond to new threats that exploit generative AI and other technologies. As fraud methods evolve, countermeasures will also need to make use of new technologies, including AI, and we believe it is important to share this recognition of the challenges with telecommunications carriers.

The mobile business will continue to serve as a stable earnings base for the Company. Rather than viewing the recent slight decline as a future downward trend, we aim to secure stable earnings and drive future growth by providing new services and functions that respond to changes in the operating environment.

<Solution Business>

6. Sales appear to have increased significantly compared with the number of TobilaPhone Biz units sold. What were the main factors behind this increase?

Third-quarter sales included the impact of a temporary revenue recognition item. Meanwhile, the number of TobilaPhone Biz units sold has continued to increase, and license revenue recognized over the contract period has also grown. As a result, the base of stock sales has been steadily expanding.

7. Measures to prevent customer harassment will become mandatory from October 2026. Have you seen any change in demand for business phone systems? Also, is there a possibility that demand could peak and then subside after the law comes into effect?

From October 1, 2026, under the revised Act on Comprehensive Promotion of Labor Policies, employers will be required to implement measures to prevent customer harassment. According to a survey conducted by the Company*, more than half of companies have started taking measures in response to the legal amendment, while approximately 40% have yet to begin any specific initiatives. Given this situation, we believe that interest in and demand for customer harassment countermeasures are increasing. We also do not expect the need for such measures to disappear rapidly once the law comes into effect. Rather, we believe companies will continue to introduce specific measures and review their operations even after enforcement. For TobilaPhone Biz as well, we intend to continue expanding sales by properly addressing these corporate needs.

*: Press release dated July 31, 2026: 【October 2026 Legal Amendment】 Two Months Until Customer Harassment Countermeasures Become Mandatory: One in Four Employees Experiences Telephone-Based Customer Harassment at Least Once a Week; 40% of Companies Have Yet to Implement Measures(Japanese Only)

8. We understand that most TobilaPhone Biz contracts have terms of five to seven years, with the majority of the fees received upfront. What type of renewal arrangement do you expect after existing customers' contract periods expire? Also, do you expect cash inflows from contract renewals to begin from around the fiscal years ending October 2027 to October 2028?

As you understand, TobilaPhone Biz contracts generally have terms of five to seven years, with the majority of the usage fees received upfront. After the contract period expires, we expect customers to enter into a new contract rather than having the existing contract automatically renewed. As customers will have used the service for five to seven years, we basically expect to propose a new contract that also includes replacement of the equipment, with a new five- to seven-year contract and the usage fees again received upfront. Sales of TobilaPhone Biz began to expand in earnest around 2021 to 2022, and therefore, depending on the contract term, we understand that contracts will begin to come up for renewal sequentially from around 2027 to 2028.

At the same time, we are not yet at a stage where we can provide specific figures regarding the proportion of customers who will continue using the service or the scale of cash inflows that may result from renewals. We intend to encourage continued use by addressing needs related to telephone operations, including customer harassment countermeasures.

<Other>

9. The Company has set a sales target of ¥400 million for SagiTore for the fiscal year ending October 2028. How do you view the current progress toward this target?

For SagiTore, we intend to continue expanding the business toward the sales target of ¥400 million for the fiscal year ending October 2028, which we set at the time of launch. As this is a new business, we are not yet at a stage where we can provide a specific assessment of the likelihood of achieving the target, but we recognize that it is a challenging goal.

We will first steadily execute the measures necessary to achieve the target we have set and continue working toward its achievement.

<Financials and Cash Flow>

10. Merchandise and finished goods and work in process increased significantly in the third quarter. What were the main factors behind this increase?

The increase in inventories at the end of the third quarter was mainly due to securing inventory in advance to ensure a stable supply of TobilaPhone Biz.

Taking into account rising electronic component prices and the procurement environment, we are working to maintain appropriate inventory levels. We believe that the increase was due to securing inventory in anticipation of future demand. Going forward, we will continue to manage inventory appropriately in line with supply and demand conditions.

11. We understand that the service fees received in advance for TobilaPhone Biz are recognized as revenue over the contract period. Does this mean that there are no additional costs and that most of the revenue is recognized as gross profit?

For TobilaPhone Biz service fees, revenue is recognized over the five- to seven-year contract period. Once a contract has been signed, no additional sales activities or advertising expenses are incurred in order to recognize that revenue.

At the same time, this does not mean that the majority of the revenue is recognized directly as gross profit. Costs required to provide the service, such as server expenses, software usage fees, and amortization of intangible assets, are incurred.

Rather than being incurred individually for each contract, these costs primarily consist of common costs associated with providing the service as a whole. Therefore, while incremental sales costs after a contract is acquired are limited, the model recognizes revenue and profit over the contract period while incurring a certain level of service delivery costs.

12. Contract liabilities currently exceed ¥3.0 billion, and we understand that the majority relates to prepaid license fees for TobilaPhone Biz. Could you provide some indication of the costs that will be required to fulfill these contracts going forward? Is it reasonable to assume that the ongoing service delivery costs after the hardware has been provided are relatively small compared with the deferred license revenue?

The ongoing costs incurred after the hardware has been provided mainly consist of server expenses and system-related costs required to provide the software service. These costs are not incurred separately for each TobilaPhone Biz contract, but are primarily common costs associated with the shared infrastructure used across other services as well.

We do not disclose specific cost levels. However, compared with the deferred license revenue, incremental sales costs after a contract has been acquired are limited. As a result, the revenue model is structured so that revenue is recognized over the contract period while securing a certain level of profit.

13. Cash and deposits have increased to approximately ¥4.3 billion, and we believe there is a possibility that cash will continue to accumulate going forward. Taking into account the liquidity required for business operations and future growth investments, what level of Cash and deposits does management consider appropriate to hold? In addition, if cash accumulates significantly above that level, how would you prioritize share repurchases, additional dividends, and M&A?

With respect to Cash and deposits, under our Medium-Term Management Plan 2028, we have set approximately ¥2.0 billion as one benchmark for the level of liquidity required for business operations. At the same time, given changes in the circumstances surrounding the Company, including the subsequent expansion of our business scale and opportunities for growth investment, we are continuing to review the appropriate level of required liquidity. We believe that our current cash position provides us with the liquidity necessary for near-term business operations as well as a financial foundation sufficient to support future growth investments.
With regard to capital allocation, there has been no change to our fundamental policy of prioritizing growth investments that contribute to enhancing corporate value over the medium to long term. We will also consider M&A opportunities where we identify transactions that can contribute to the Company's growth.
After securing the liquidity required for business operations and the funds necessary for growth investments, if we still have excess financial capacity, we will consider allocating it to shareholder returns. We do not have a predetermined fixed order of priority between additional dividends and share repurchases. Rather, we intend to make decisions by comprehensively taking into account factors such as our financial performance at the time, cash generation capacity, share price level, and capital efficiency.

Reference

・Notice Regarding Revision to Dividend Forecast(20th Anniversary Commemorative Dividend)
https://contents.xj-storage.jp/xcontents/AS05546/05368f2e/58e9/4783/83b7/a40ba3549baa/140120260909533798.pdf

・Non-consolidated Financial Results for the First Nine Months of the Fiscal Year Ending October 31, 2026 (Nine Months Ended July 31, 2026)
https://contents.xj-storage.jp/xcontents/AS05546/f324b3a8/e9f4/40ae/b278/ab4d76f63768/140120260909533791.pdf

・Results of Operations for the 3Q of the Fiscal Year Ending October 31, 2026
https://contents.xj-storage.jp/xcontents/AS05546/a6bfa5f0/c294/454d/aea9/2af514a3b1b6/140120260909533793.pdf

・Explanatory Notes on the Financial Results Presentation for the Third Quarter of the Fiscal Year Ending October 31, 2026
https://contents.xj-storage.jp/xcontents/AS05546/34affb3d/fbf3/4d1b/8a69/23c57587f6ae/140120260909533801.pdf

Please refer to the following page for other disclosure materials.
https://tobila.com/forinvestors/library/

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