

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

September 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)

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

Date : September 10, 2025

Contact : Investor Relations, Tobila Systems Inc.

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(Reference)

• Non-consolidated Financial Results for the First Nine Months of the Fiscal Year Ending October 31, 2025(Nine Months Ended July 31, 2025)

<https://contents.xj-storage.jp/xcontents/AS05546/aca5128a/97dd/4578/96ff/23e860852de4/140120250910555537.pdf>

• Results of Operations for the 3Q of the Fiscal Year Ending October 31, 2025

<https://contents.xj-storage.jp/xcontents/AS05546/ddb66902/32ab/4fba/b6c6/7b3a1ecc94e9/140120250910555535.pdf>

• Notice Concerning Formulation of the Medium-term Management Plan

<https://contents.xj-storage.jp/xcontents/AS05546/d2930950/cfc1/4ca1/a023/88a2d1772dd7/140120241218540316.pdf>

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

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1. 3Q FY2025 Financial Highlights

Hello, everyone. I am Atsushi Akita, President and CEO of Tobila Systems Inc. I will now present the 3Q financial results for the fiscal year ending October 2025.



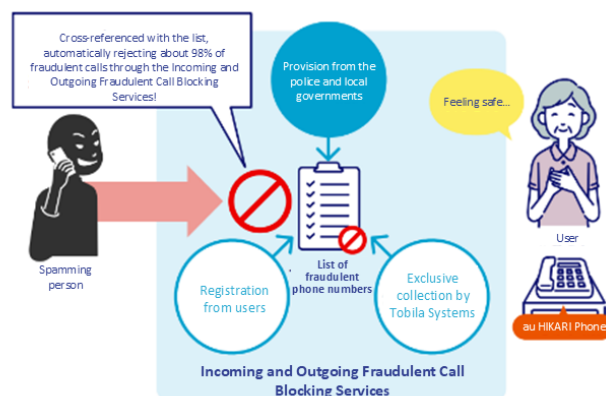
I will begin first with the highlights from 3Q of the fiscal year ending October 2025. Net sales for 3Q of the fiscal year ending October 2025 were JPY702 million, which was 113.7% of the same period last year. The operating profit was JPY233 million, which was 100.8% of the same period last year.

By segment, net sales of mobile phone services in the security business were JPY413 million, which was 100.4% of the same period last year, and those of landline phone services were JPY54 million, which was 101.9% of the same period last year. The solution business recorded net sales of JPY234 million, which was 154.5% of the same period last year. Net sales reached a record high on a quarter basis and have grown steadily YoY.

Security Business

Topics – Launch of the 6-month Free Trial of au HIKARI Phone “Incoming and Outgoing Fraudulent Call Blocking Services” in August 2025

- KDDI announced the launch of the 6-month free trial of the Incoming and Outgoing Fraudulent Call Blocking Services for au Hikari Phone^{*1}
- This service utilizes Tobila Systems’ “fraudulent call/message database”



^{*1}: Press release [Launch of the 6-month Free Trial of the au Hikari Phone “Incoming and Outgoing Fraudulent Call Blocking Services” Utilizing Tobila Systems’ Fraudulent Call/Message Database in August 2025] (Japanese only)

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Next is some topics from 3Q. I would like to start from our security business.

I’ll move on to the first topic. It’s been decided that KDDI’s anti-spam call services for au Hikari Phone called Incoming and Outgoing Fraudulent Call Blocking Services will be provided free of charge for six months from August 2025 to people who meet the requirements. This service utilizes Tobila Systems’ fraudulent call database.

In response to the serious situation surrounding the damage caused by special fraud, the Ministry of Internal Affairs and Communications has requested telecommunications carriers to strengthen measures against special frauds that abuse landline and mobile phones, SMS, and emails. It is therefore required for the whole society to take actions to prevent frauds through information and communications infrastructure.

Although the number of landline phones themselves is decreasing each year, the scale of damages through fraudulent cases triggered by incoming calls to landline phones continues to grow. We hope that by providing this service free of charge, the anti-fraud efforts using our database will spread to more households.

Solution Business

Topics - Strengthened Collaboration with Sales Agents

- We strengthened collaboration with each agent toward the further expansion of the provision of “TobilaPhone Biz” and “TobilaPhone Cloud.”

Adopted for Ricoh Japan Corporation's "Telephone Customer Harassment Countermeasure Solution Package"^{*1}

RICOH

トビラフォン Biz 

- Adopted for Ricoh Japan Corporation's "Telephone Customer Harassment Countermeasure Solution Package," acquiring new sales channels
- Accelerate new sales by leveraging the growing demand for customer harassment prevention measures

Conclusion of Sales Agency Agreements^{*2 *3}

 株式会社
エスケーアイ

Operating a mobile phone sales business primarily in Aichi, Shizuoka, and Kanagawa prefectures

crops

Operating a mobile phone sales business primarily in the Tokai and Kanto areas

 トビラフォン
Cloud 

- Concluded sales agent agreements with SKI Corporation and CROPS CORPORATION
- Accelerate the provision of services to corporate customers through the two companies' sales channels, aiming to further expand the number of contracts

^{*1}: Press release [\[Tobila Systems' Business Phone Services "TobilaPhone Biz" Adopted for Ricoh Japan Corporation's "Telephone Customer Harassment Countermeasure Solution Package"\]](#) (Japanese only)

^{*2}: Press release [\[Tobila Systems Concluded a Sales Agent Agreement on "TobilaPhone Cloud" with SKI\]](#) (Japanese only)

^{*3}: Press release [\[Tobila Systems Concluded a Sales Agent Agreement on "TobilaPhone Cloud" with CROPS\]](#) (Japanese only)

Next is a topic from the solution business.

Currently, we are strengthening cooperation with sales agents to further expand the provision of TobilaPhone Biz and TobilaPhone Cloud.

First, let's talk about TobilaPhone Biz. Against the backdrop of the recent growth in demand for customer harassment countermeasures, our service has been adopted for Ricoh Japan Corporation's Telephone Customer Harassment Countermeasure Solution Package. We believe that this will make it easier for Ricoh Japan's sales staff to propose our products.

Next is about TobilaPhone Cloud. We signed new sales agency agreements with SKI Corporation and CROPS CORPORATION. They operate mobile-phone sales business, with the former mainly in Aichi, Shizuoka, and Kanagawa prefectures and the latter mainly in the Tokai and Kanto areas.

Through collaboration with both companies and taking advantage of their sales channels, we aim to further increase the number of contracts.



Topics - New Shareholder Benefit Program*¹

- We implemented the shareholder benefit program offering one year of free use of the “TobilaPhone Mobile,” a fraudulent calls and SMS prevention app provided by Tobila Systems (Regular annual fee: ¥2,400 including tax).
- Details regarding the use of shareholder benefits will be provided in the “NOTICE OF ANNUAL GENERAL SHAREHOLDERS’ MEETING” to be sent in January next year.



Fraudulent calls and SMS prevention app “TobilaPhone Mobile”

- Automatically warns and blocks fraudulent calls such as special fraud and malicious sales and solicitation calls based on the Tobila System’s Fraudulent Call/Message Database
- Alerts danger not only when receiving calls but also when dialing to make calls
- Displays the business name of the other party for incoming and outgoing calls even if a number is not stored in the contacts but matches the database
- Includes protection against fraudulent SMS

*1: Timely disclosure [Notice regarding the Establishment of New Shareholder Benefit Program] (Japanese only)
*2: Calculated by Tobila Systems based on the closing price of ¥1,227 on the announcement date (August 21, 2025)

Details of the benefits

● Effective date of the shareholder benefits

Shareholder benefits will be provided to shareholders listed or recorded in the shareholder registry as of October 31, 2025.

● Eligible shareholders

Shareholders holding 100 shares (1 unit) or more as of October 31.

Benefits + Dividend yield*²
3.6%

● Details of the benefits

One year of free use of
Fraudulent calls and SMS prevention app “TobilaPhone Mobile”

Next, I’m going to talk about two topics related to the entire company.

The first is the establishment of a new shareholder benefit program. In our new medium-term management plan, we have formulated a capital policy to maintain financial health while aggressively investing in growth and, on top of that, strengthening shareholder returns through the fiscal year ending October 2028.

Our dividend policy is to aim for a dividend payout ratio of 35%, with a minimum dividend of JPY20 per share. The Company is also acquiring treasury shares as appropriate.

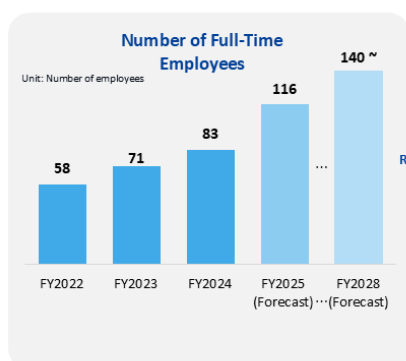
In addition to these initiatives, we have established a new shareholder benefit program so that you, as shareholders that have provided us with warm support, can feel closer to our business. The program allows shareholders holding at least one unit to use TobilaPhone Mobile free of charge for one year. It is our anti-spam call and SMS application and normally costs JPY2,400 per year.

Details of the shareholder benefit program including how to use it will be enclosed together with the invitation of annual general shareholder’s meeting that we will send out in January next year. Recently, there has been an increase in the number of fraudulent cases triggered by mobile phones. We hope you will take advantage of this opportunity so that you won’t be affected.



Topics - Relocation of Tokyo and Nagoya Offices Decided Due to Increase in Personnel

- Active recruitment activities were implemented toward “Expansion and growth of personnel,” a key initiative of the medium-term management plan, and the achievement of management goals.
- Due to an anticipation of a further increase in personnel accompanying future business expansion, we have decided to relocate offices to new locations.



Tokyo Office

- Relocation date: January 2026 (Plan)



Toranomon Kotohira Tower, 1-2-8,
Toranomon, Minato-ku, Tokyo

Nagoya Office

- Relocation date: September 2026 (Plan)



Meiji Yasuda Seimei Nagoya Building, 1-1,
Shinsakae-machi, Naka-ku, Nagoya-shi, Aichi

The second thing I would like to cover is the relocation of the Tokyo and Nagoya offices. Expansion and growth of our personnel is one of the prioritized measures from our medium-term management plan. Therefore, this fiscal year, we are actively recruiting to increase the number of staff by 30 from the previous fiscal year. In order to create a more comfortable working environment, we have decided to relocate both our Tokyo and Nagoya offices.

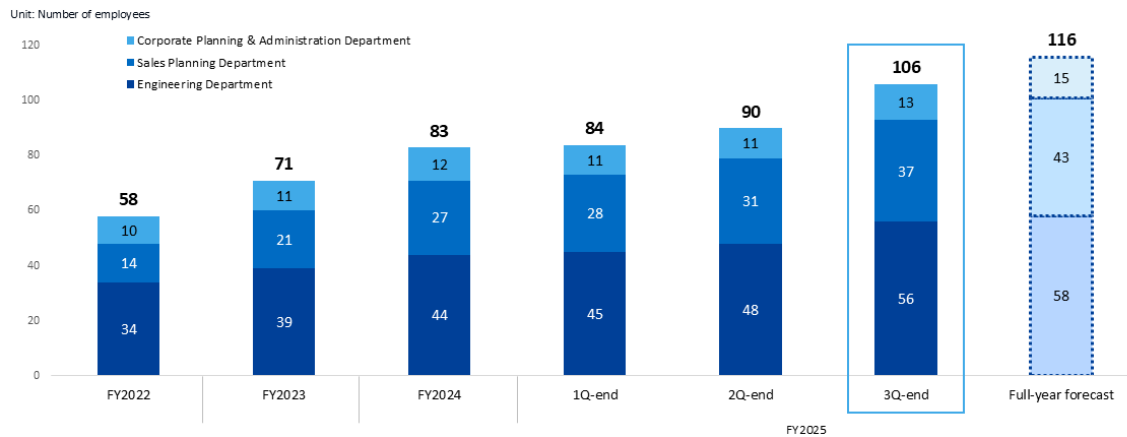
The Tokyo office is scheduled to relocate in January next year, and the Nagoya office in September next year. Although expenses are expected to be incurred in connection with this relocation, the impact on the financial results of the fiscal year ending October 2025 is to be minimal. The impact on the earnings forecast for the fiscal year ending October 2026 is currently under review and will be disclosed after being incorporated into the earnings forecast for the next fiscal year.



Corporate

(Reference) Number of Full-Time Employees

- The number of full-time employees is increasing steadily as of 3Q-end, with 23 new employees joining, against the recruitment plan of 30 more employees than in the previous fiscal year.
- Recruitment of 10+ employees is expected in 4Q and the active recruitment activities continue to strengthen the growth base.



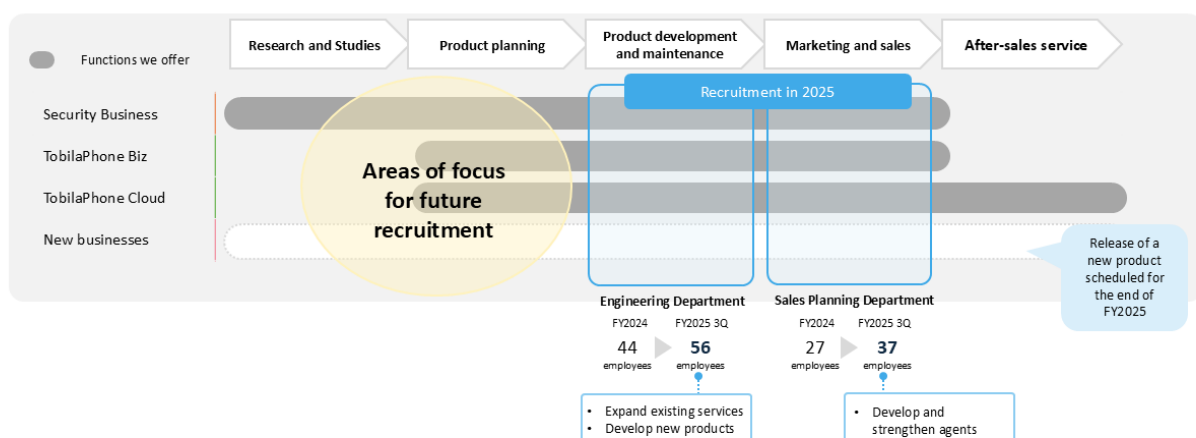
For your reference, here is the development of the number of employees. As of the end of 3Q, the number of staff increased by 23 from the end of the previous year. We expect to hire at least 10 new employees in 4Q and will continue to be active in recruitment activities.

Medium-Term Management Plan 2028

5 Expansion and growth of personnel

Recruitment Plan for the Next Fiscal Year

- In this fiscal year, recruit personnel to expand existing businesses, and promote sales in the Solution Business.
- In the next fiscal year, focus on recruitment of personnel who can plan and promote the new product, and continue to recruit about the same number of personnel as in the current fiscal year for the company as a whole.



Next, I would like to discuss recruitment for the next fiscal year and beyond. In the current fiscal year, we have been hiring personnel to expand our security and solution businesses. As a result of these efforts, the solution business is growing steadily. For the next fiscal year, in addition to the activities of the current fiscal year, we would like to hire talents that will work on product planning.

In our medium-term management plan 2028, we have set an aim of creating new businesses. We plan to release a new product in October 2025, but in order to increase the speed of new business creation, it is essential to hire people that will take charge of product planning. Although the specific number of employees to be hired is under review based on the progress of hiring in the current fiscal year, we will hire at a comparable level as in the current fiscal year and drive our business forward to achieve the medium-term management plan.

2. Corporate Profile / Strategy through FY2028

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	126 (including 69 engineers)*As of July 31, 2025
Bases	Tokyo Office, Nagoya Office



From this point, I would like to once again touch upon our company profile and explain our strategies through the fiscal year ending October 2028.

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. As of the end of July, the Company had 126 employees including part-timers, around the half of whom are engineers.

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.

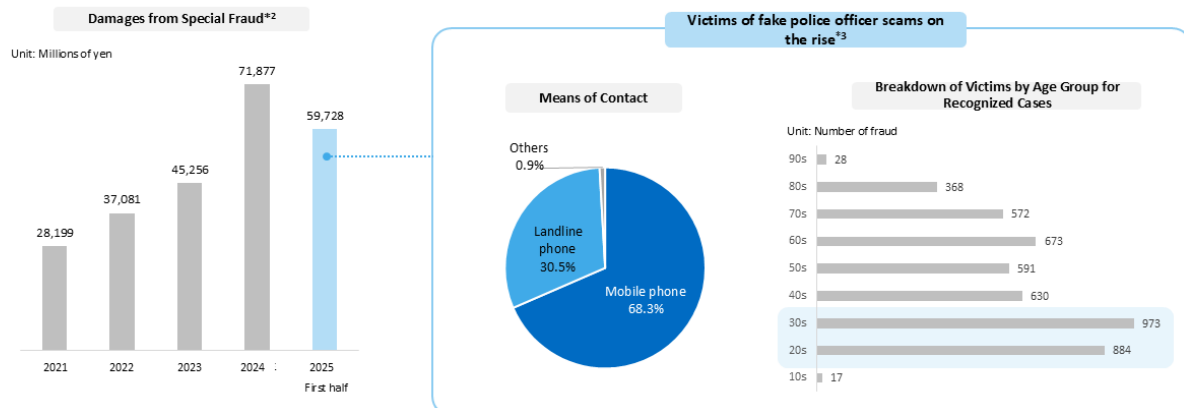
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Our corporate philosophy is “we open the door to a better future for our lives and the world,” and the axis of our business policy is to use innovative technology to solve social issues that someone has to solve, but no one has been able to so far.

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 or fraud.

Social Issues of Special Fraud and Phishing Scams

- The total damages of special fraud reached ¥59.7 billion from January to June, increasing at a pace surpassing the record high reached in 2024.
- The primary factor is the expansion of damages caused by fake police officer scams^{*1}, with most contact from perpetrators occurring via telephone. Among these, 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.



^{*1}: Scams involving impersonation of police officers to fraudulently obtain cash under the pretense of an investigation (or priority inquiry)

^{*2}: Prepared by Tobila Systems based on statistical data from “Recognized and Arrested Cases of Special Fraud, SNS-Based Investment and Romance Scams (2024 Final Figures)” by National Police Agency

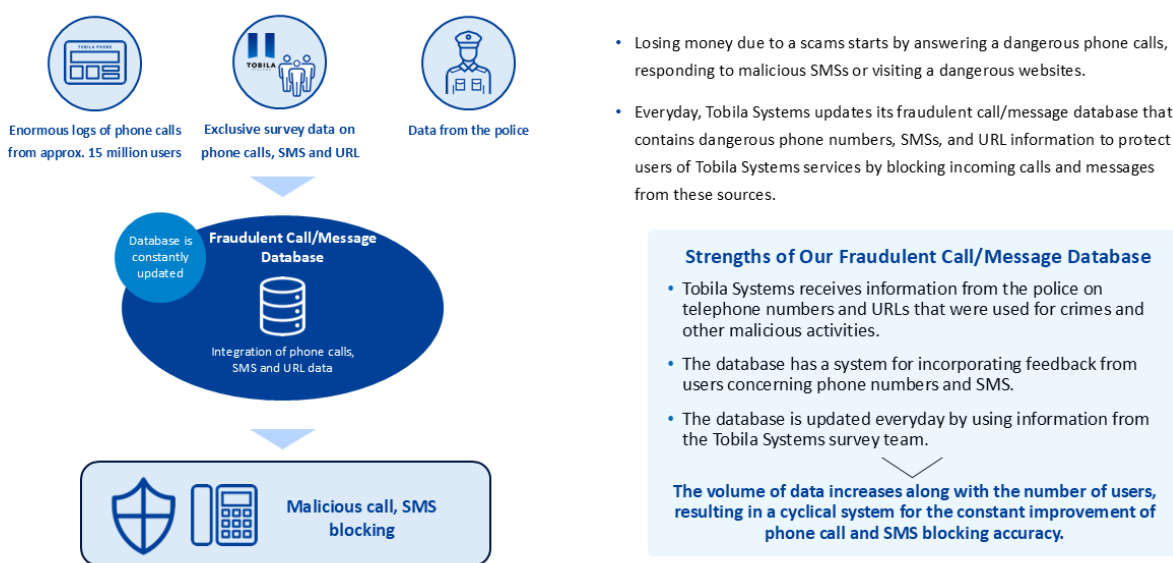
^{*3}: Prepared by Tobila Systems based on “Public Relations Materials on Recognized and Arrested Cases of Special Fraud, SNS-Based Investment and Romance Scams in the First Half of 2025 (Provisional Figures)” by National Police Agency

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The problem we are striving to solve is special fraud, phishing scams, and crimes in gray zone. The amount of damage from special fraud reached JPY59.7 billion from January to June 2025, increasing at a faster pace than in 2024, which was the worst year on record.

Particularly prominent is fraud involving fake police officers. The scheme is to pretend to be the public offices such as the police or the Ministry of Internal Affairs and Communications to swindle cash under the guise of an investigation. Many times, the contact from the criminals is made through phone calls, and 70% of them are made to mobile phones. In terms of age, the number of victims among young people in their 20s and 30s is increasing, making special fraud not only a problem for the elderly but also a social issue anyone could be dragged in. Therefore, the most important countermeasure is to reduce the chances of having a contact with the culprits.

Approach to Social Issues: The Fraudulent Call/Message Database



To help solve these social issues, we offer a service that blocks risky phone calls and SMSs by utilizing our fraudulent call/message database, which is our strength.

Our database has three main characteristics.

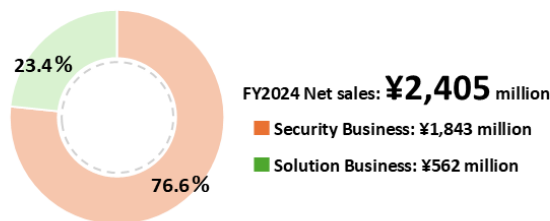
The first is the size of the user base. We are enhancing the accuracy of data by statistically reflecting information gathered from approximately 15 million monthly users. It is not easy to acquire a new user base of this size, which gives us an advantage as a first mover. In addition, the fact that major telecommunications carriers have adopted our service has contributed to the expansion of the number of users as well as the strengthening of entry barriers.

The second is our exclusive research data. We review more than five billion calls, SMSs, and URLs annually, and we always maintain high accuracy by having our research team actually making calls and access URLs written in the SMSs for validation.

The third is the provision of data from the police. The National Police Agency provides us with data on phone numbers and URLs actually used in crimes and attacks, enabling us to quickly reflect highly reliable information. The fraudulent call/message database with these three characteristics 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 integral part of the social 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
¥11.7 billion

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



*: Ordinary profit margin, equity ratio, and ROE are as of October 31, 2024. Market capitalization is as of the close of trading on July 31, 2025.

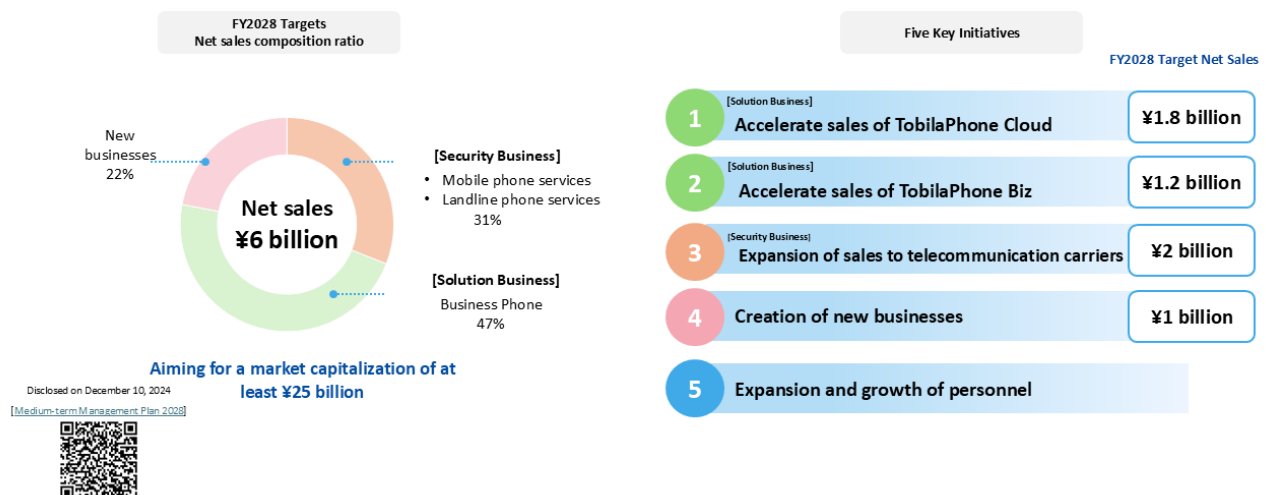
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As for business segments, we are operating our business with two different segments from the fiscal year ending October 2025: security and solution businesses. First, let me talk about the security business. This business provides services preventing special fraud and phishing to telecommunications carriers and financial institutions.

This is our stable revenue base, accounting for approximately three-quarters of our sales in the fiscal year ended October 2024. Based on revenues from this stable business, we are currently investing actively in the growth of our solution business, which promotes DX for corporations.

Growth Strategy for Medium-Term Management Plan 2028 (FY2025 – FY2028)

The strategy is to enhance the Solution Business and we will invest management resources in the five key initiatives.



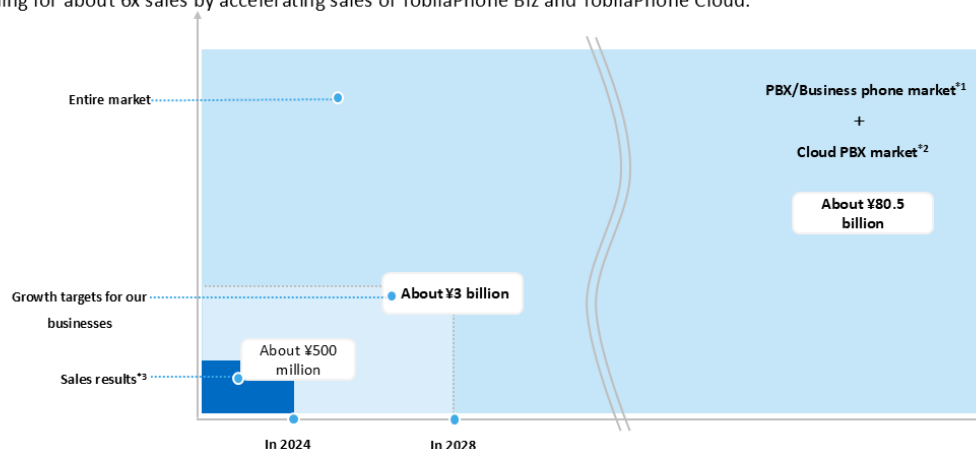
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In more concrete terms, the Company announced its medium-term management plan through the fiscal year ending October 2028 in December last year. We are aiming for net sales of JPY6 billion and a market capitalization of at least JPY25 billion in the fiscal year ending October 2028. To achieve this, we have set forth five key initiatives, and over the next four years, we plan to invest management resources in them. They consist of accelerating sales of TobilaPhone Cloud, accelerating sales of TobilaPhone Biz, expanding sales to telecommunication carriers, creating new businesses, and expanding and developing personnel.

> Solution Business

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 CIA/FY2022 – 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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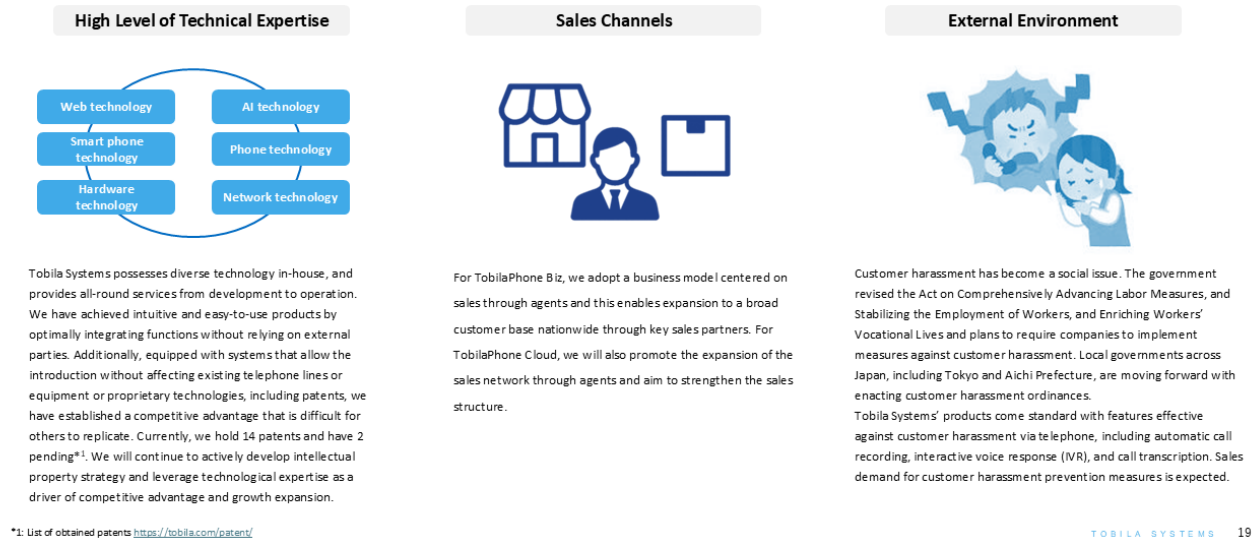
We have positioned the current fiscal year 2025 as a period of preparation for the next leap forward in our business. We consider that the solution business, which we aim to make grow, corresponds to the PBX, business phone, and cloud PBX markets. This market is estimated to be worth approximately JPY80.5 billion and is expected to continue to grow, partly due to the trend of migration from on-premise to cloud PBX.

Our actual sales for business phones in the fiscal year ended October 2024 were approximately JPY500 million, and when we consider this to be 1% of the market size, we believe there is ample potential for growth in the future.

With a target of approximately JPY3 billion by 2028, we aim to expand our market share for both products in the solution business: TobilaPhone Biz and TobilaPhone Cloud.

> Solution Business

Growth Drivers of the Solution Business



There are three main reasons why we are expecting a growth of our solution business.

The first is our technical capabilities. We own a wide variety of technologies in-house, and we provide all-round services from development to operation. By optimally combining functions without relying on external parties, we have created products that are intuitive and easy to use. In addition, the system can be introduced without affecting existing telephone lines or equipment, and it is equipped with proprietary technologies including patents, establishing a superiority that is difficult for other companies to imitate.

The second is the sales channels. Currently, TobilaPhone Biz is sold mainly through sales agents, while TobilaPhone Cloud is mainly sold to direct customers, but we will expand our agent network for TobilaPhone Cloud as well moving forward. TobilaPhone Biz can be deployed to a wide range of customer segments through leading sales partners nationwide, and by adding sales through agents, we aim to further strengthen our sales structure for TobilaPhone Cloud as well.

Third is the external environment. Customer harassment, commonly referred to as “kasuhara” in Japanese, has become a social problem, and the government plans to amend the Act on Comprehensively Advancing Labor Measures, and Stabilizing the Employment of Workers, and Enriching Workers' Vocational Lives to require companies to take measures against harassment from customers. Municipalities across Japan, including Tokyo and Aichi Prefecture, are enacting ordinances to address this issue. Our products are equipped by default with such features as fully automatic call recording, automatic voice guidance, IVR, and text conversion of call content, all of which are effective in preventing customer harassment over the phone. Therefore, we are expecting there will be a sales demand for them as a product to combat customer harassment.

Sales are increasing steadily even at the moment, and we will focus on achieving greater growth more quickly while continuing to strengthen our sales structure.

3. 3Q FY2025 Financial Results

I am Kanemachi, CFO of Tobila Systems. From this point on, I will be discussing our financial performance for 3Q of the fiscal year ending October 2025. Thank you for joining us.

Financial Summary

- Net sales reached a record high on a quarterly basis.
- Profit at each stage remained flat YoY and in line with the projection despite a decrease on a quarterly basis due to increased labor costs and personnel expenses resulting from personnel expansion.

Unit: Millions of yen	FY2024 3Q (Previous year)	FY2025 2Q (Previous quarter)	FY2025 3Q Results	YoY	QoQ
Net sales	617	699	702	113.7%	100.5%
EBITDA*	281	309	279	99.2%	90.3%
Operating profit	231	267	233	100.8%	87.3%
Ordinary profit	229	269	236	103.0%	87.9%
Profit	153	181	162	105.9%	89.6%

*EBITDA= Operating profit + Depreciation + Goodwill amortization

First, I will brief on the financial summary. Net sales of 3Q reached JPY702 million, which was 113.7% of the same period of the previous year. We achieved a record high on a quarterly basis. Operating profit was JPY233 million, which was 100.8% YoY, and net profit was JPY162 million, which was 105.9% YoY.

As we reported in 2Q, we are expecting an increase in labor and personnel costs from 3Q onward due to the expansion of our workforce, and together with it, we also expected a corresponding increase in recruiting costs. For that reason, each type of profit declined compared to the previous quarter but remained flat YoY, which was in line with what we anticipated.

Net Sales by Segment

- [Security Business] Sales secured stable earnings. Sales of services for mobile phones have been weak and discussions with carriers strengthened.
- [Solution Business] TobilaPhone Biz saw steady sales growth against the backdrop of demand for customer harassment prevention measures. TobilaPhone Cloud also saw continued contract expansion through referral leads such as agent sales, with the number of billing IDs maintaining an upward trend.

Unit: Millions of yen	FY2024 3Q (Previous year)	FY2025 2Q (Previous quarter)	FY2025 3Q Results	YoY	QoQ
Security Business	466	476	468	100.5%	98.2%
Mobile phone services	411	422	413	100.4%	98.0%
Landline phone services	53	54	54	101.9%	100.3%
Other	0	0	0	20.8%	100.0%
Solution Business	151	222	234	154.5%	105.3%

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I will now explain net sales by segment. First is the security business.

Net sales totaled JPY468 million, which was 100.5% of the same period last year. The breakdown was JPY413 million for mobile phone services, which was 100.4% YoY. Landline phone services recorded JPY54 million, which was 101.9% YoY, and the other was less than JPY1 million, which was 20.8% of the same period last year.

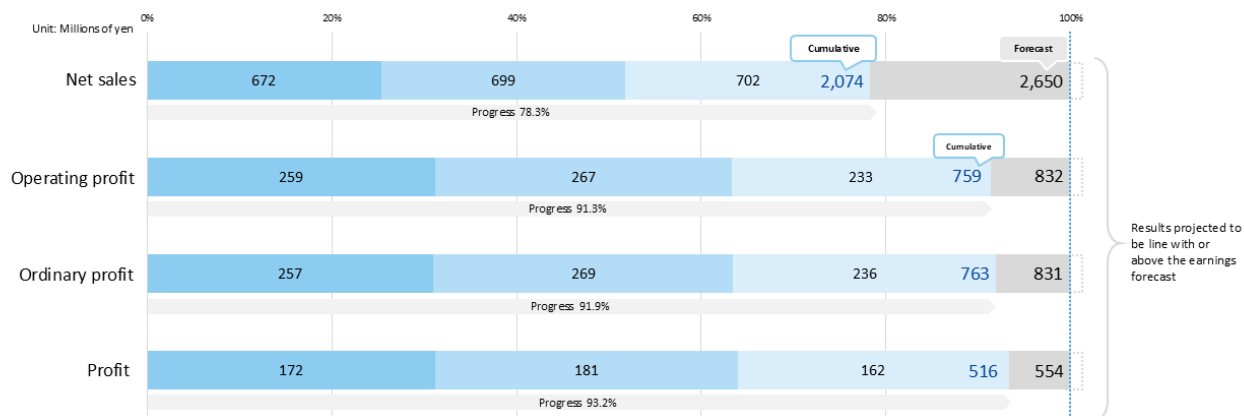
The security business continues to secure stable earnings, but they are down from the previous quarter. This was due to the impact of the QoQ decline of mobile phone services. The decrease was mainly due to lower earnings from major telecommunications carriers. As a countermeasure, we would like to have more occasion than ever to have, for example, discussions with telecommunications carriers.

As for the macro environment, in response to the serious situation revolving around special fraud cases, the Ministry of Internal Affairs and Communications has requested telecommunication companies to strengthen measures against special fraud that abuses landline, mobile phones, SMSs, emails, etc. We believe that we can make a significant contribution to these countermeasure, and we will proceed with them properly.

Next is the solution business. Net sales totaled JPY234 million, which was 154.5% of the same period last year. Although we don't disclose the sales breakdown of TobilaPhone Biz and TobilaPhone Cloud, both the number of sold units of TobilaPhone Biz and the number of billing IDs of TobilaPhone Cloud continue to trend upward, with the solution business driving our growth.

3Q vs. FY2025 Forecast

- Net sales and profit at each stage showed steady progress as of 3Q-end.
- Personnel expansion and release of a new product are scheduled in 4Q; however, results are expected to exceed the full-year earnings forecast.



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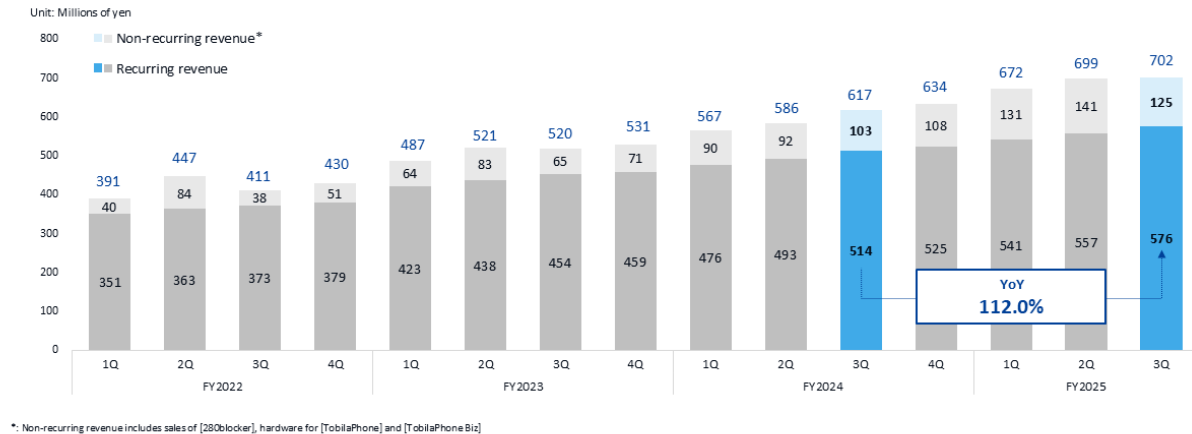
I will next explain our current results in comparison with the full-year forecast of FY2025.

Net sales and all kinds of profits are accumulating steadily, and as of the end of 3Q, the percentage of the cumulative results against the full-year earnings forecast exceeded 78.3% for net sales and 90% for each type of profit. The main reason for the higher pace of accumulating profits was the fact that hiring was pushed back in 1Q and 2Q, in addition to certain expenses such as advertising and outsourcing fees having been lower than the expected level.

In 4Q, we plan to expand our workforce and release new products. Therefore, we are anticipating an increase in related costs. We will not revise our full-year forecasts, but we expect higher numbers compared to the projection.

Quarterly Sales (Recurring Revenue and Non-recurring Revenue)

- Steady growth in recurring revenue, which is our earnings base, due to stable growth of the Security Business and expanded sales in the Solution Business.
- A decrease in non-recurring revenue is attributable to a QoQ decrease in the number of units sold of TobilaPhone Biz.



Now, I am going to explain the quarterly trends in net sales.

The graph on the slide shows a breakdown of underlying recurring revenue and transient non-recurring revenue. First, let us discuss recurring revenue. This experienced a steady growth, reaching 112% YoY. The background to it is the expansion of sales of each product in the solution business, in addition to stable revenue from services for mobile phones in the security business.

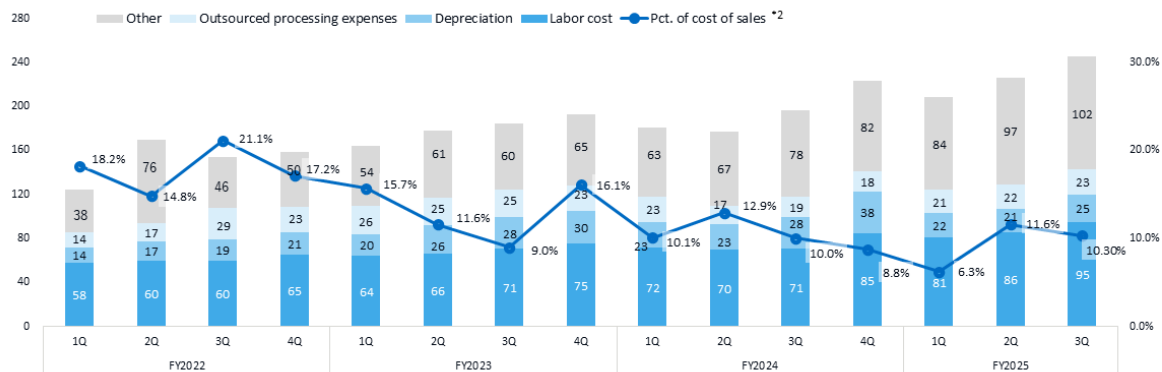
On the other hand, non-recurring revenue includes sales from the ad-blocking application 280blocker's outright purchase, as well as hardware fees for TobilaPhone and TobilaPhone Biz.

The decrease in non-recurring revenue was due to a QoQ decline in the number of sold units of TobilaPhone Biz. According to our analysis, the sales went up in 2Q due to some factors including account settlement at agents, and we consider this was in line with our projection.

Cost of Sales*1

- Labor cost increased mainly due to an increase in personnel to expand existing services.
- Other expenses are due to increased depreciation and training costs associated with the release of new features for existing services.

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&D expenses and assets due mainly to the characteristics of work performed by employees

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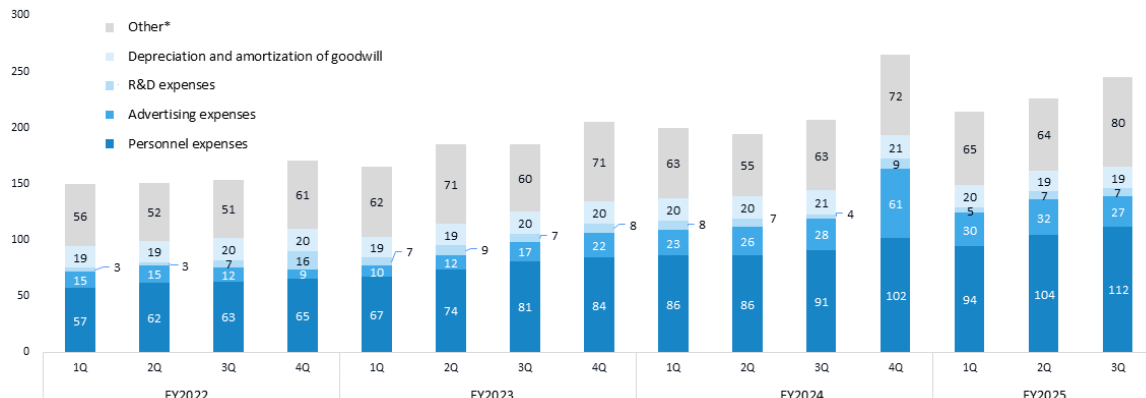
Now, I'm going to explain changes in cost of sales.

In 3Q, labor costs increased due to a growth of personnel that was intended for expanding existing services. Expenses categorized as other have increased mainly due to an increase in depreciation associated with the release of new features of TobilaPhone Biz and TobilaPhone Cloud, as well as an increase in training expenses intended for boosting engineers' skills. The number of employees is expected to go up in 4Q as well, and the cost of sales is projected to grow accordingly.

SG Expenses

- Personnel expenses increased due to personnel expansion to expand sales in the Solution Business.
- Other expenses are due to increased recruitment costs resulting from personnel expansion.

Unit: Millions of yen



*: Others include collection fees, outsourcing expenses, rent expenses on land and buildings.

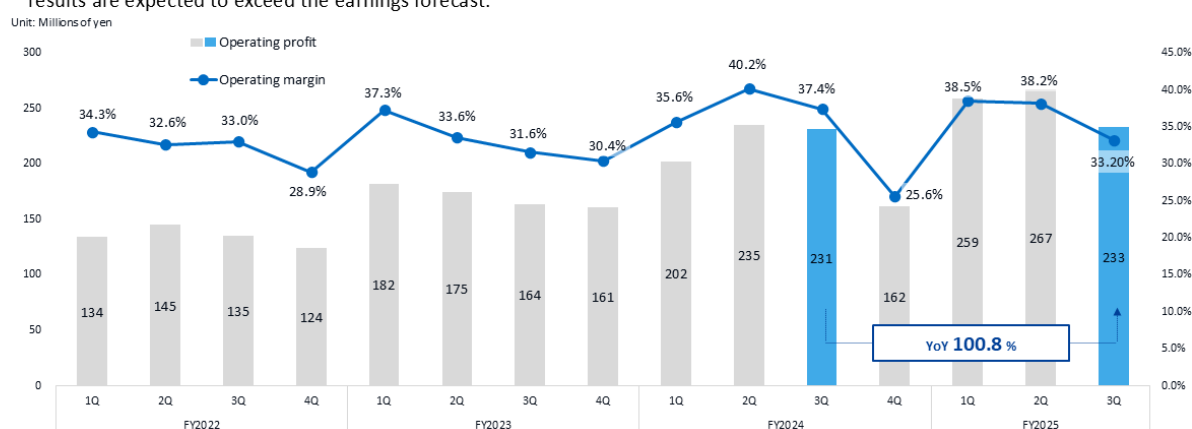
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Now, I am going to cover the changes in SG&A expenses.

Personnel expenses were up due to the expansion of the headcount for sales expansion in the solution business. In addition, the recruitment expenses also rose due to personnel expansion. We are planning to add more staff in H2 and considering advertising measures to accelerate sales of TobilaPhone Biz and TobilaPhone Cloud. Therefore, SG&A expenses are expected to rise.

Operating Profit

- Operating profit declined in 3Q due to increased expenses associated with personnel expansion; however, it remained in line with the projection.
- Personnel expansion and release of a new product are scheduled in 4Q, and a QoQ decline in profit is expected; however, full-year results are expected to exceed the earnings forecast.



Next is the development of operating profit.

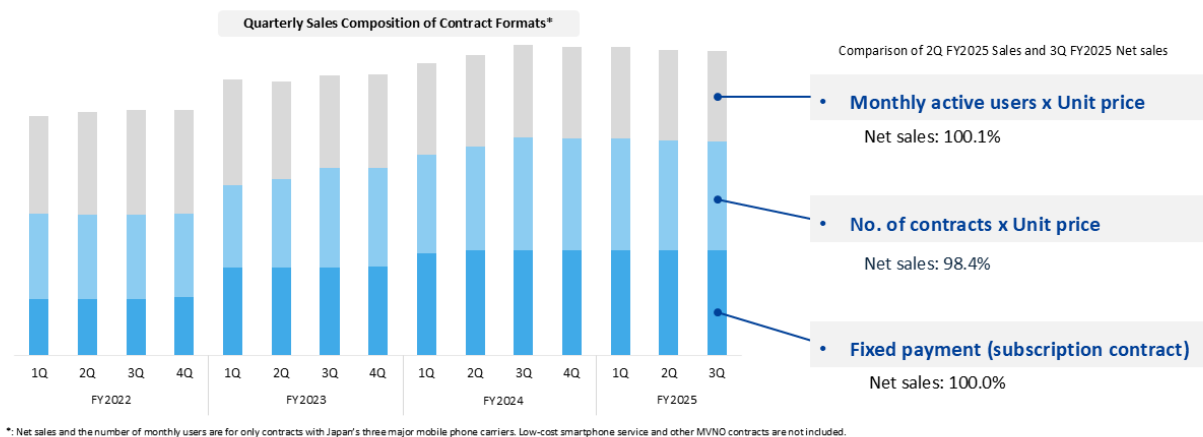
Operating profit in 3Q was JPY233 million, which was 100.8% of the same period last year, and operating margin was 33.2%. In 1Q and 2Q, operating profit was higher than the forecast, mainly due to the postponement of the onboarding of personnel that were to be hired.

In 3Q, personnel expenses increased due to progress in hiring, resulting in a QoQ decrease of profit. In 4Q, we plan to release a new product in addition to expanding the headcount, due to which we expect a decrease in profit QoQ. However, for the full fiscal year, we expect to settle at a slightly higher level than forecast.

> 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.



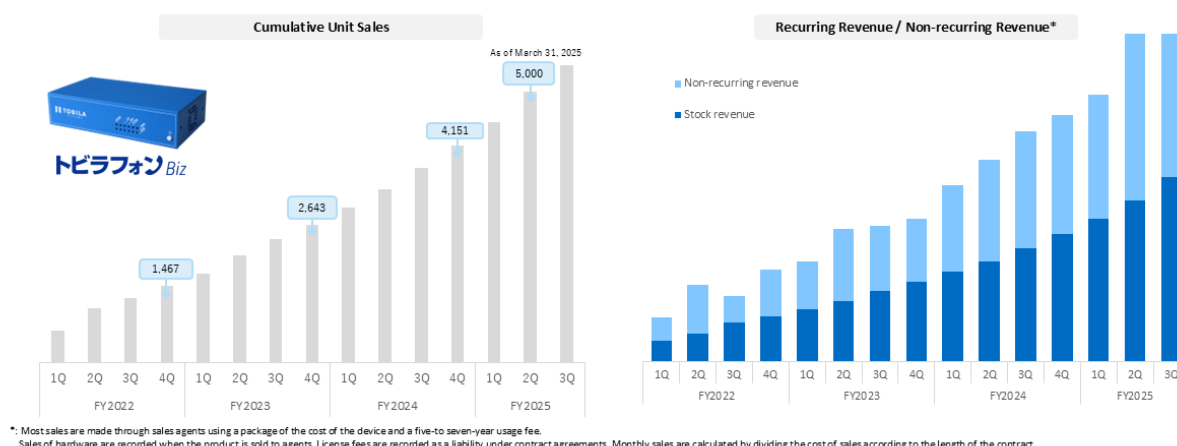
Now, I am going to explain the quarterly trends of mobile phone services in the security business by each contract model. The graph on the left side of the slide shows the quarterly development of sales composition for the three contract models, while the right side shows the QoQ comparison of net sales for each model. Please note that this slide only covers contracts at three major telecommunications carriers and does not include sub-brands or MVNOs.

Net sales of each contract model remained flat or declined QoQ. In response to the current situation where the cases of special fraud are on the rise, the Ministry of Internal Affairs and Communications and telecommunications carriers are placing even greater significance on countermeasures. We will continue to work closely with telecommunications carriers and hold necessary discussions to promote efforts to reduce the damage.

Solution Business

TobilaPhone Biz Sales

- The number of units sold decreased QoQ; however, this was due to the impact of the fiscal year-end of agents, which was in line with the projection.
- Inquiry is increasing against the backdrop of growing demand for customer harassment prevention measures, and further sales expansion is aimed at by strengthening the sales structure and enhancing cooperation with agents in 4Q and beyond.



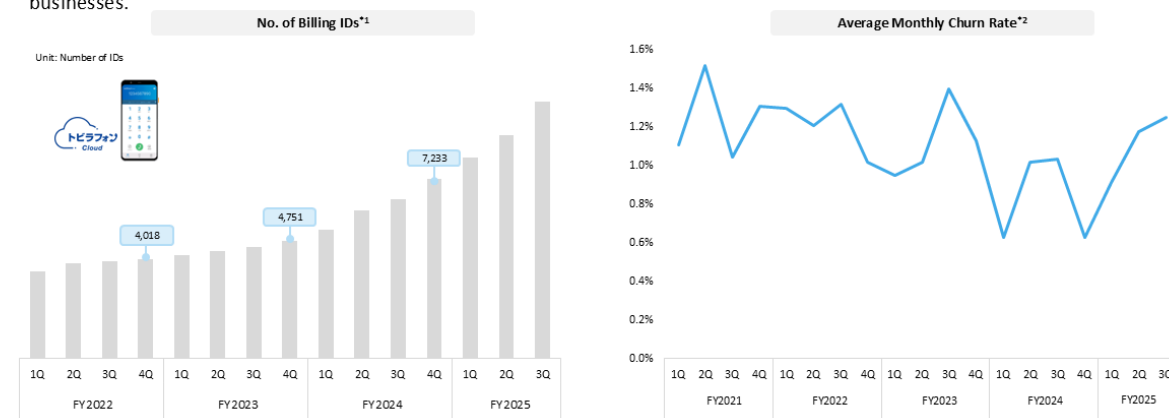
I am going to now brief on the development surrounding TobilaPhone Biz. Our analysis shows that in 2Q, the number of units sold went up due to account settlement at sales agents. In 3Q, partly due to a rebound from that, the number of sold units decreased QoQ.

However, demand for it as a product to combat customer harassment continues to rise, and we are having more new inquiries. We are also working to strengthen our cooperation with sales agents by increasing the number of sales staff. Most recently, our product has been adopted by Ricoh Japan's Telephone Customer Harassment Countermeasure Solution Package, and we believe that our growth potential is increasing further through new sales channels. We will continue to steadily increase the number of sold units of TobilaPhone Biz while strengthening cooperation with agents.

Solution Business

TobilaPhone Cloud Sales

- Leads through agent sales as well as direct sales increased. Early response and enhanced customer follow-up, made possible by an increase in personnel, have contributed to a current steady increase in the number of billing IDs.
- The churn rate remained at a low level, despite a slight increase QoQ due to the termination and dissolution of some customers' businesses.



*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. Although sales are mainly through direct sales, we concluded sales agency agreements with CROPS CORPORATION and SKI Corporation, and the number of leads through commission sale has been increasing currently. The number of IDs grew steadily throughout the quarter as a result of more prompt response to leads and stronger customer follow-up realized through increased staffing.

Although the average monthly churn rate has increased slightly, it was primarily due to business terminations and closures, and it remains to be at a low level. There are many strong players in the cloud PBX market, but we intend to steadily increase our market share by adding new features and improving quality on an ongoing basis.

4. Message from CEO

In 3Q of the fiscal year ending October 2025, we continued to fare well toward achieving our full-year forecasts. Recruitment activities are progressing smoothly in order to achieve net sales of JPY6 billion in the fiscal year ending October 2028, which was set forth in the medium-term management plan. We have added 23 employees from the end of the previous fiscal year. We are actively hiring since the enhancement of sales structure is essential for the expansion of the solution business, which drives a growth.

We plan to continue recruiting in 4Q and next fiscal year, and we believe this is a necessary investment in order to achieve a significant future growth. At this moment, we are not revising our earnings forecast, and we expect the full-year results to be in line with or above the forecast.

Development and preparation are also underway for the release of new products at the end of this fiscal year. We will continue to steadily implement investments for growth and work to ensure that we achieve the goals set forth in our medium-term management plan.

This concludes our 3Q financial results briefing for the fiscal year ending October 2025. Thank you for your kind attention to the end.