

# FY2025 1Q Results of Operations

March 10, 2025

Tobila Systems Inc.

(Tokyo Stock Exchange Standard Market, Securities code: 4441)

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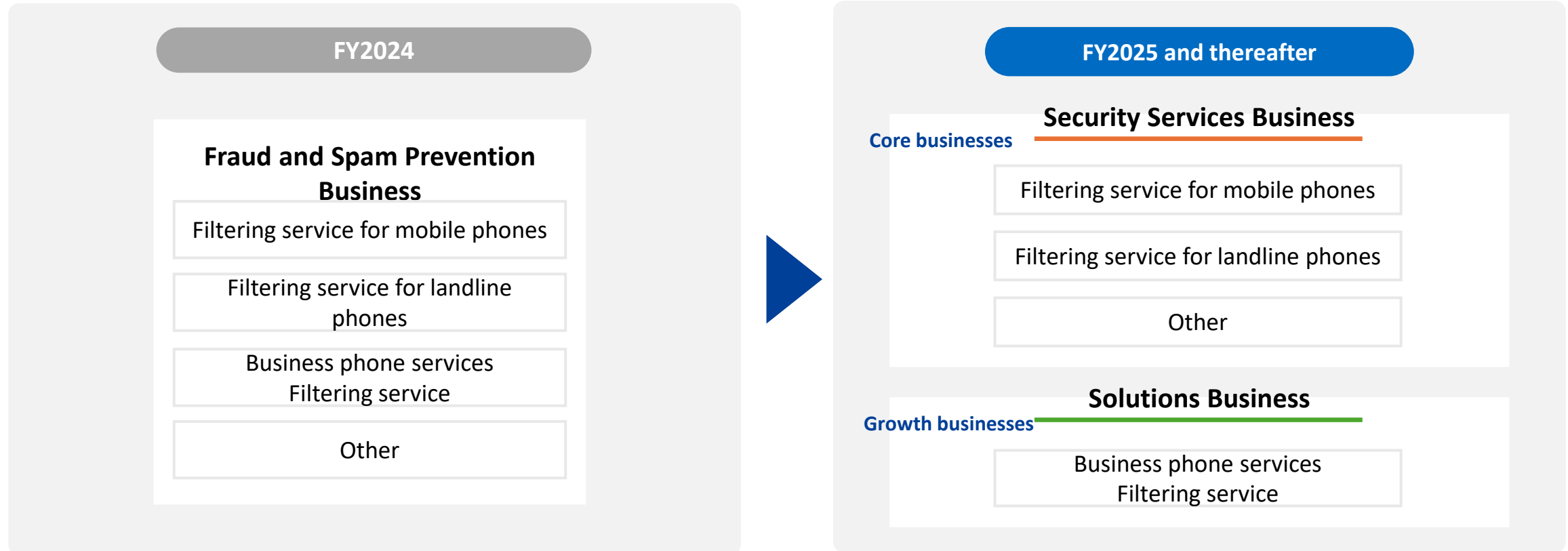
# 1. 1Q FY2025 Highlights



Corporate

## Changes in Reportable Segments

- In view of our future growth strategies, beginning with the fiscal year ending October 31, 2025, we have reorganized the Security Business and Solutions Business into two segments.
- Focus on growth businesses using stable earnings from core businesses.



## 1Q FY2025 Financial Highlights

Net sales

**¥672 million**  
118.5% YoY

Operating  
profit

**¥259 million**  
128.0% YoY

### Security Business

Mobile phone services

**¥420 million**  
105.8% YoY

Landline phone services

**¥54 million**  
104.4% YoY

- The increase in YoY is attributable to the renewal of contracts for the “Number of contracts x Unit price” model in April 2024, the renewal of the “Fixed contract” model in December 2023, and the “J:COM MOBILE” optional service in July 2024.

Steady growth in contracts for optional services for cable plus telephone services.

### Solution Business

Business phone services

**¥179 million**  
158.4% YoY

TobilaPhone Biz Sales of TobilaPhone Cloud continue to increase.

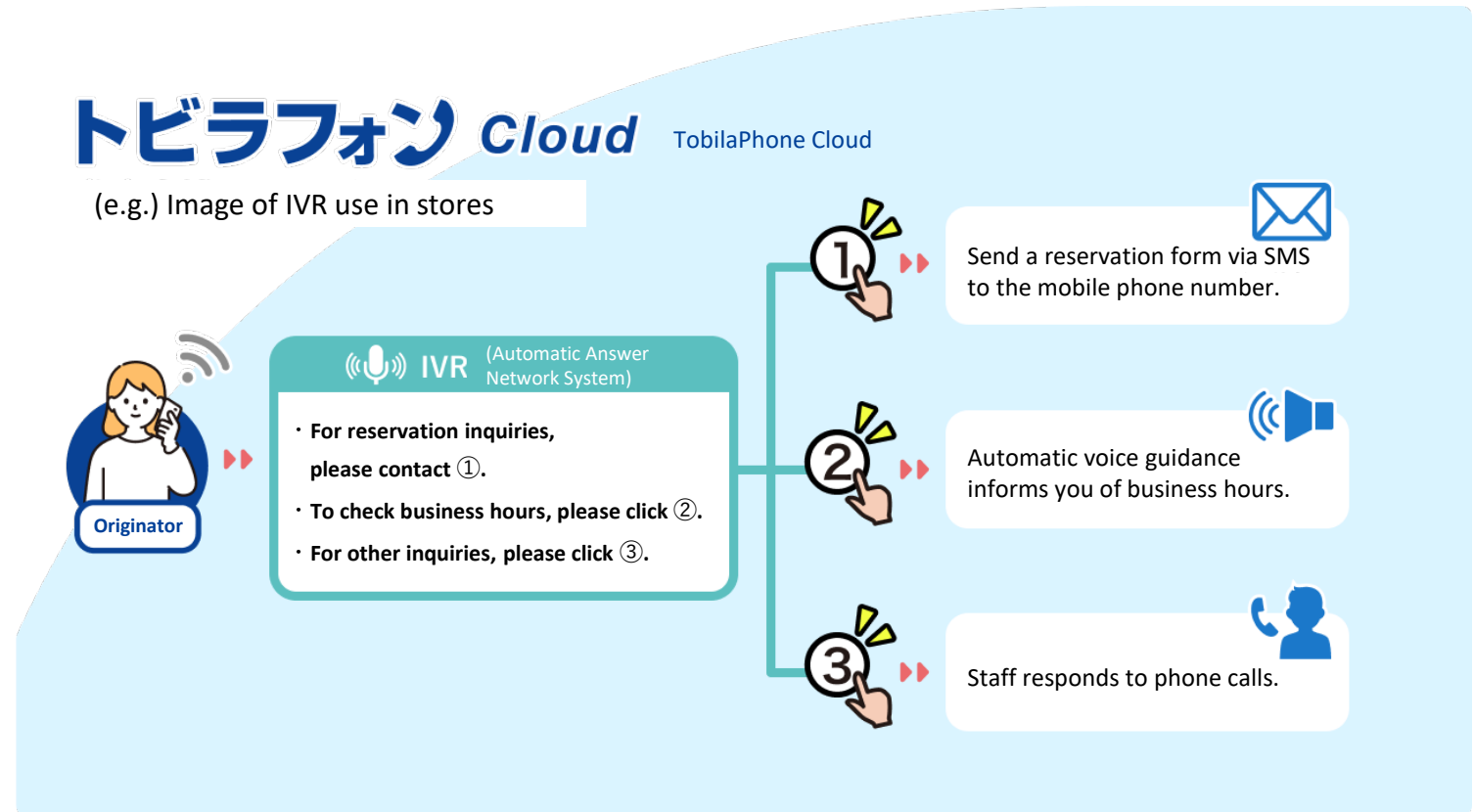
**Solution Business**

# 1Q FY2025 Topics - TobilaPhone Cloud

- Automatic SMS transmission function added to the cloud phone service, TobilaPhone Cloud.

**Functional Description**

- Added a new function that enables the automatic transmission of SMS to mobile phone numbers of customers or other sources at a branch destination specified by the IVR function (automatic voice response system).
- The TobilaPhone Cloud management screen enables automatic SMS transmission of pre-specified text messages, website URLs, and other information.



\*1: Press release [\[Addition of the automatic SMS transmission function to the Cloud Phone Service \[TobilaPhone Cloud\] Reduces the burden of incoming power and improves the convenience of customers\]](#) (Japanese only)

**Corporate**

# 1Q FY2025 Topics - Activities as a "Leading Company in Special Fraud and Other Measures"

- Participation in and participation in various organizations as part of activities to eradicate special fraud, phishing, etc.

**Participation in or Certification Mark Acquisition of a Variety of Organizations**

**Japan Cyber Security Fund No. 1 Investment Limited Partnership \*1**



**Japan Cyber Crime Control Center (JC3)\*2**



**Elite Telecom Operator Certification Body (ETOC)\*3**



**Holding of the Opening Ceremony for the Promotion of Special Fraud Prevention\*4**

- Tobila Systems and the Fukui Prefectural Police are working together in response to the rapid increase in damages due to special fraud in Fukui Prefecture caused by telephone calls.



\*1: Press release [[Tobila Systems is Limited Partner of Japan Cyber Security Fund No. 1 Limited Partnership](#)] (Japanese only)

\*2: Press release [[Joined the Tobila Systems Japan Cyber Crime Control Center \(JC3\)](#)] (Japanese only)

\*3: Press release [[Tobila Systems receives an Excellent Telephone Carrier Certification Mark from the Elite Telecom Operator Certification Body \(ETOC\)](#)] (Japanese only)

\*4: Press release [[Starting ceremony for the promotion of special fraud damage prevention using TobilaPhone Mobile](#)] in cooperation with Tobila Systems and the Fukui Prefectural Police] (Japanese only)

## **2. Corporate Profile / Medium- to Long-Term Strategy**



## Corporate Data

Through 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

102 (including 55 engineers) \* As of January 31, 2025

Bases

Tokyo Office and Nagoya Office



## 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

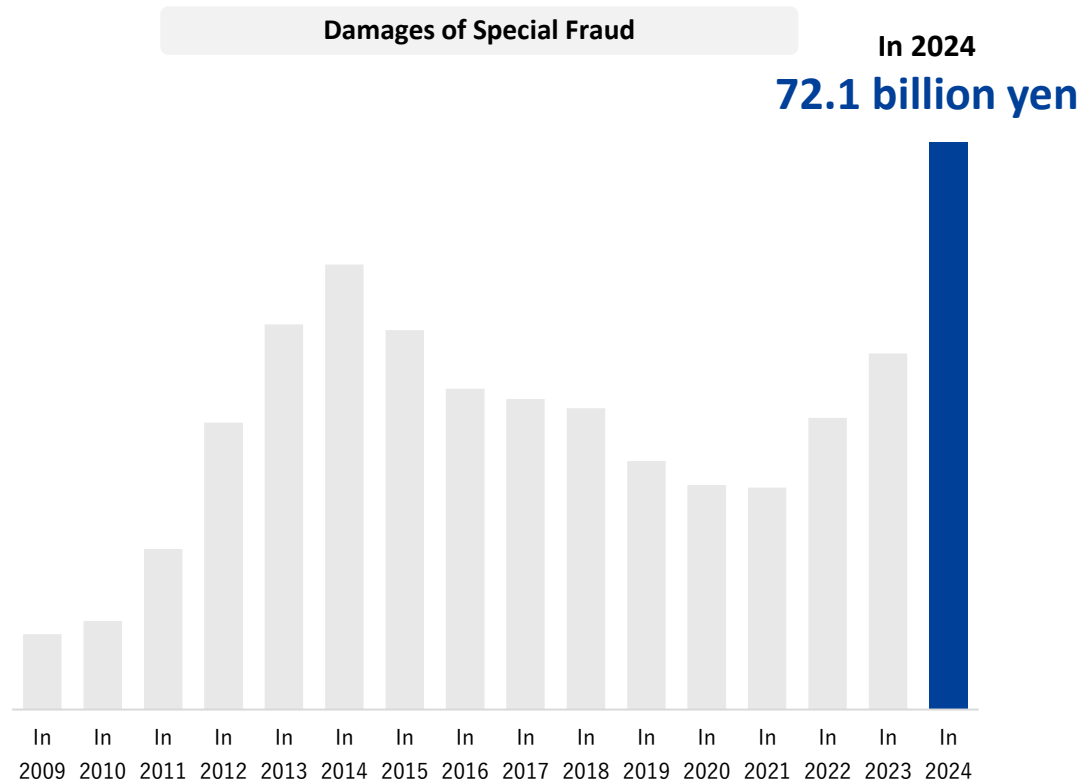
We are constantly changing without fear of failure and challenging conventional thinking to realize a better future for which we dream.

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.

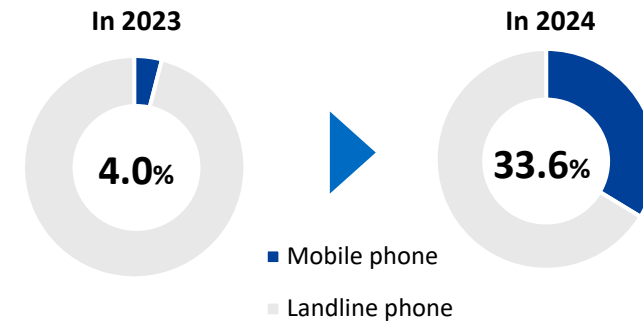
We believe that maintaining an environment where we can live in peace with our loved ones will directly lead to our growth and a better life for people worldwide.

## Social Issues of Special Fraud and Phishing Scams

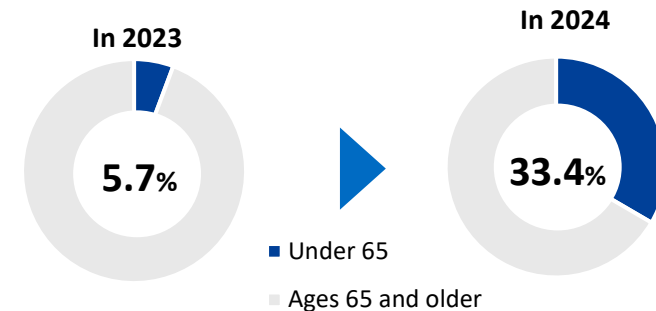
- Damages caused by special fraud in 2024 marked a record high of ¥72.1 billion.
- Among the 10 types of special fraud, the most common cause of fraud is “It’s me scam” (scam pretending to be a family member). There are many cases of fraud involving government agencies, such as the police and the Ministry of Internal Affairs and Communications. The number of calls placed on mobile phones is increasing and the damages to people under 65 is also increasing.



**Ratio of Telephone Calls to Mobile Phones in It's me scams\*2**



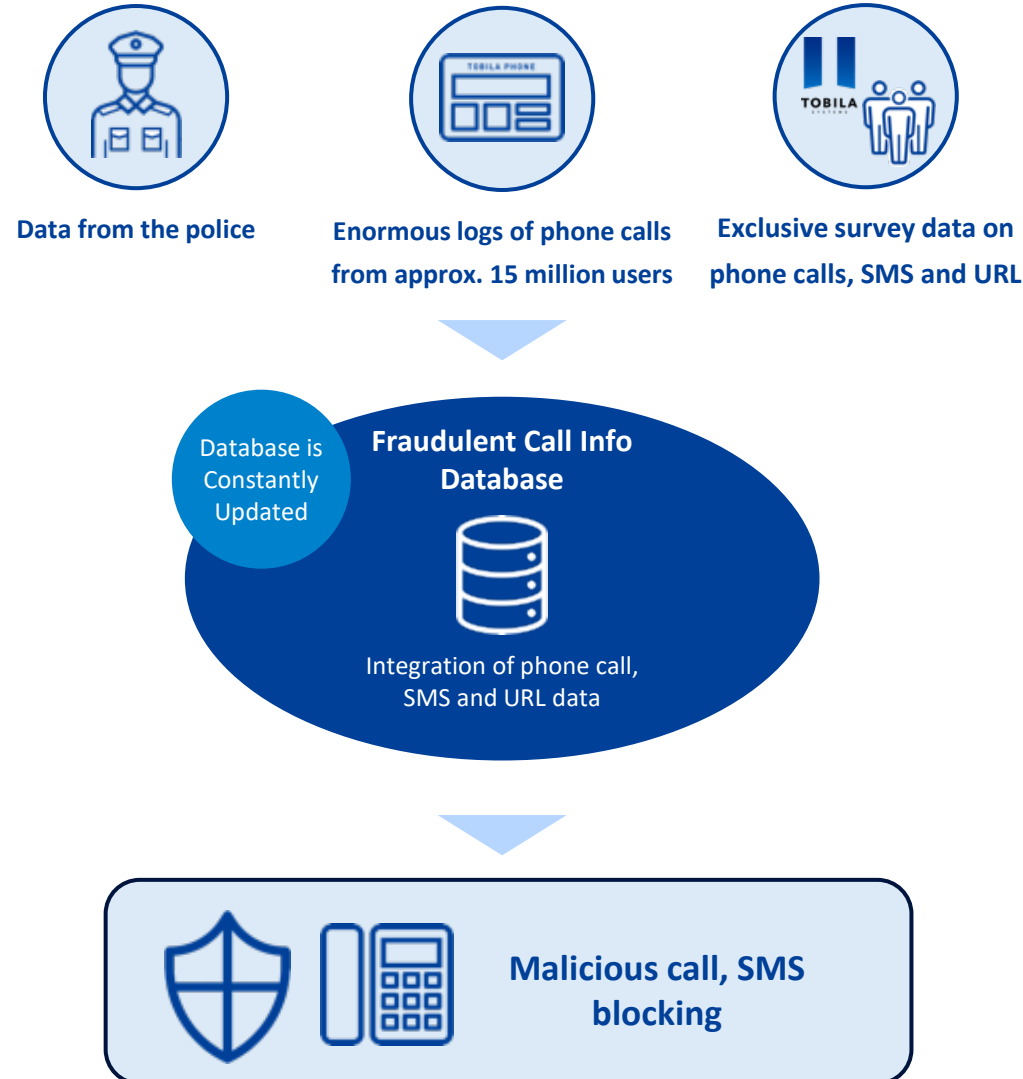
**Percentage of victims of It's me scams among those aged less than 65\*2**



\*1: Prepared by Tobilas Systems based on the National Police Agency [[Preliminary Figures for Special Fraud and Social Media Investment and Romance Fraud in 2024](#)]

\*2: Prepared by Tobilas Systems based on the National Police Agency [[Concerning Appraisal of Special Fraud and Clearance](#)] (finalized figures in 2023 and provisional figures in 2024)

## Approach to Social Issues: The Fraudulent Call/Message Database



- Losing money due to a scams starts by answering a dangerous phone calls, responding to malicious SMSs or visiting a dangerous websites.
- Everyday, Tobila Systems updates its fraudulent call/message database that contains dangerous phone numbers, SMSs, and URL information to protect users of Tobila Systems services by blocking incoming calls and messages from these sources.

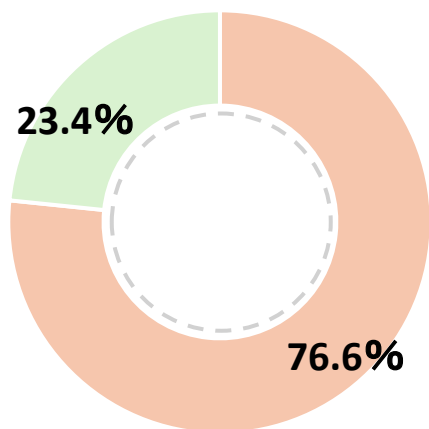
### Strengths of Our Fraudulent Call/Message Database

- Tobila Systems receives information from the police on telephone numbers and URLs that were used for crimes and other malicious activities.
- The database has a system for incorporating feedback from users concerning phone numbers and SMS.
- The database is updated everyday by using information from the Tobila Systems survey team.

The volume of data increases along with the number of users, resulting in a cyclical system for the constant improvement of phone call and SMS blocking accuracy.

## Business Activities

- Beginning with the fiscal year ending October 31, 2025, we have been promoting business in two segments: [Security Business] and [Solutions Business].



FY2024 sales: **¥2,405 million**

- Security Business: ¥1,843 million
- Solution business: ¥562 million

Ordinary profit margin  
**34.5%**

ROE  
**26.3%**

Equity ratio  
**56.0%**

Market capitalization  
**¥7.7billion**

### Security Business

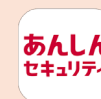
- Provision of special fraud and phishing prevention services to telecommunication carriers, financial institutions, and other organizations



KDDI  
UQ mobile



SOFTBANK



NTT Docomo



J:COM



### Solution Business

- Provides two products for corporations: TobilaPhone Biz and TobilaPhone Cloud

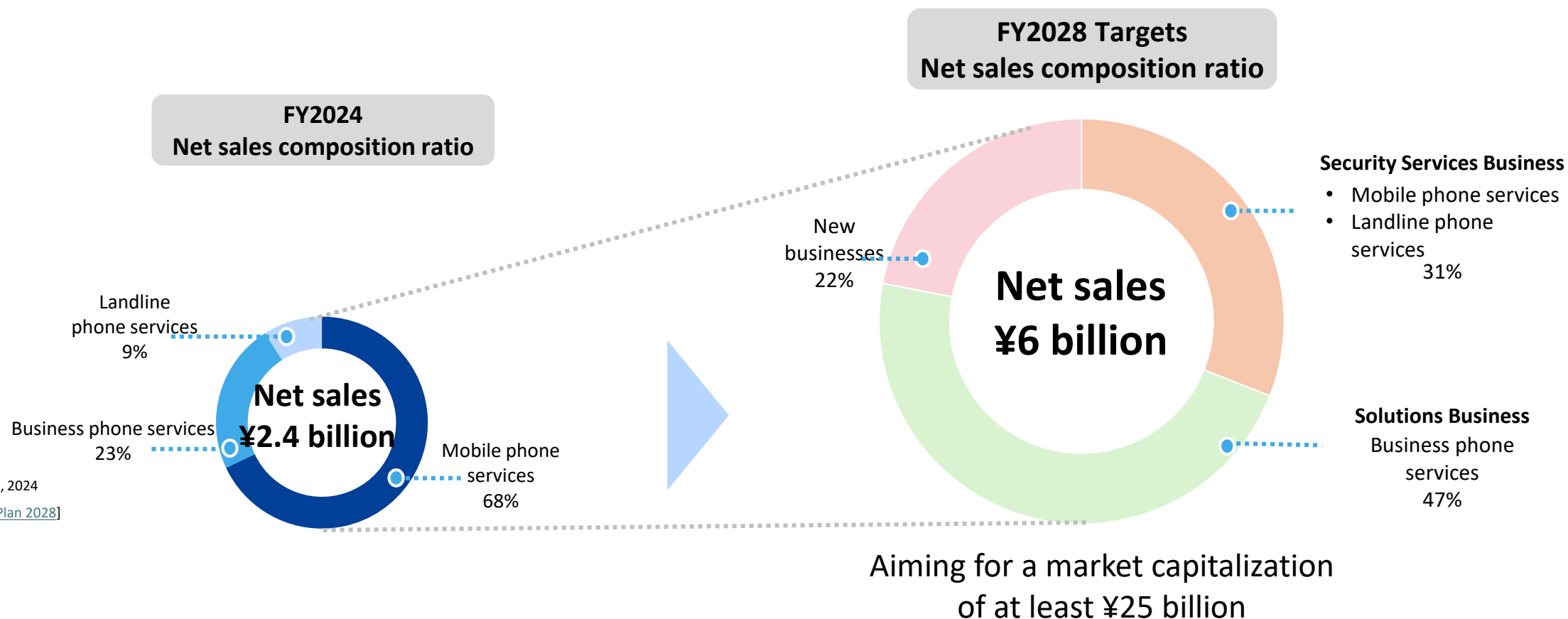


\*: Ordinary profit margin, equity ratio, and ROE are as of October 31, 2024. Market capitalization is as of the close of trading on February 28, 2025.

Quoted from 2028 materials in the Medium-term Management Plan (Segment Information for the Fiscal Year Ending October 31, 2028 was revised).

## Medium-Term Management Plan Targets

Focusing on business phone services and the creation of new businesses, aiming for Net sales of ¥6 billion or more in FY2028.



Disclosed on December 10, 2024

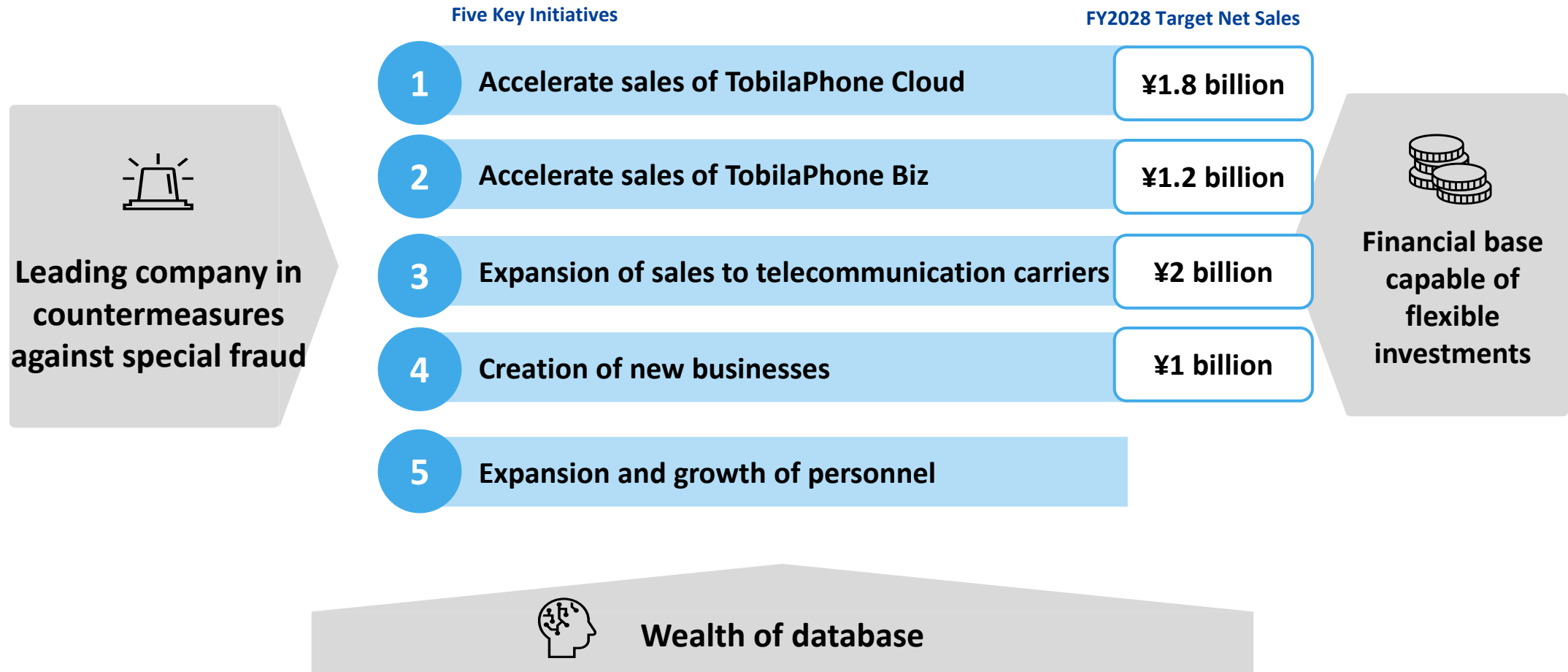
[Medium-term Management Plan 2028]



Represented from 2028 materials of the medium-term management plan

## Five Key Initiatives for Achieving Targets

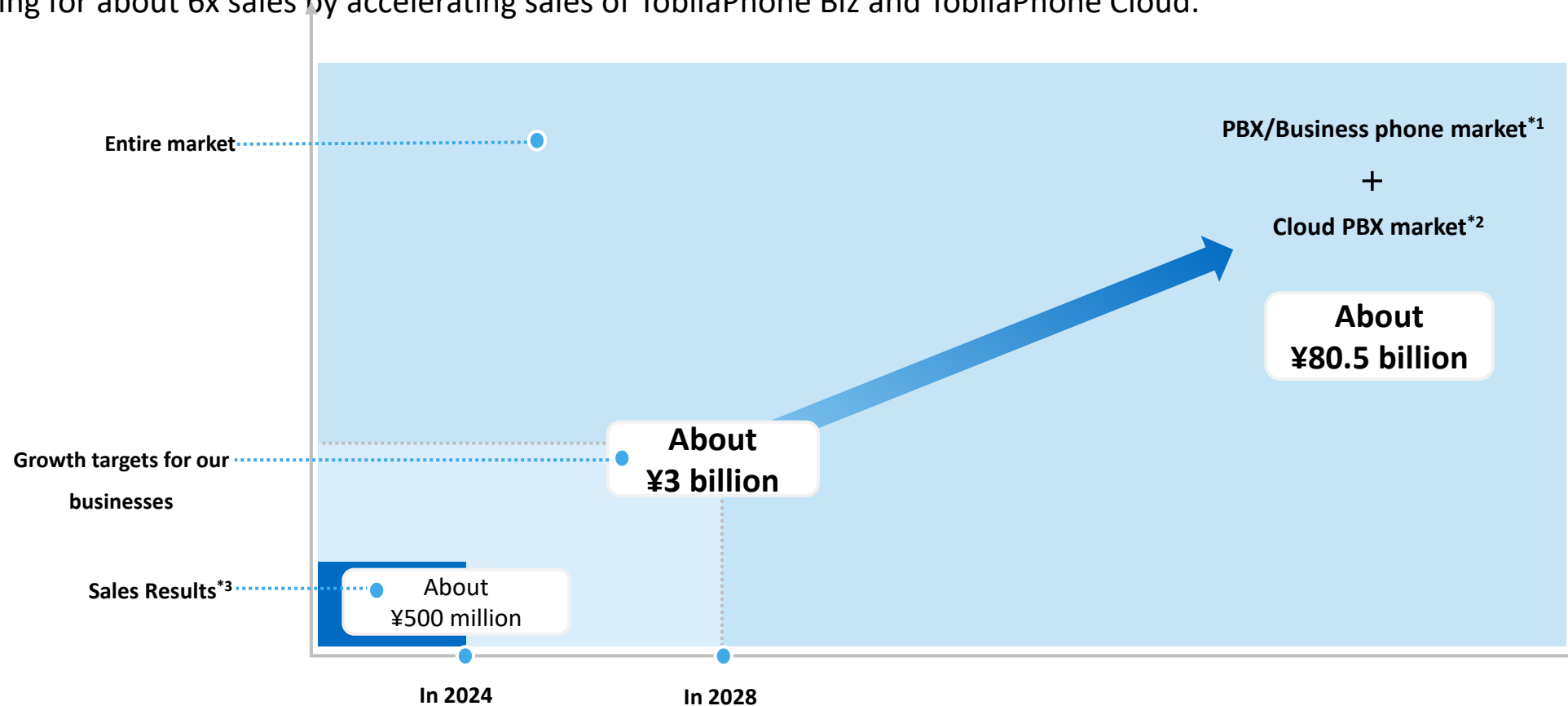
We will invest management resources in five key initiatives as part of our strategy to strengthen business phone services.



Represented from 2028 materials of the medium-term management plan

## Market Size of Business Phone Services

- The total size of the PBX, business phone, and cloud PBX market is estimated to be about ¥80.5 billion, indicating significant room for growth.
- Aiming for about 6x sales by accelerating sales of TobilaPhone Biz and TobilaPhone Cloud.



\*1: PBX and key telephone system sales in fiscal 2022 based on the CIAJ FY2022 – FY2027 Mid-Term Demand Forecast for Telecommunication Equipment.

\*2: Fiscal 2022 forecast in 2022 Communications Marketing Survey by Fuji Chimera Research Institute.

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



## **3. 1Q FY2025 Financial Results**

## Financial Summary

- Sales and profit at all levels increased steadily YoY and QoQ.

	FY2024 1Q (Previous year)	FY2024 4Q (Previous quarter)	FY2025 1Q Results	YoY	QoQ
Unit: Millions of yen					
Net sales	567	634	<b>672</b>	118.5%	106.1%
EBITDA*	247	222	<b>302</b>	122.4%	136.0%
Operating profit	202	162	<b>259</b>	128.0%	159.6%
Ordinary profit	201	162	<b>257</b>	127.7%	158.3%
Profit	155	136	<b>172</b>	111.2%	126.8%

\* EBITDA = Operating profit + Depreciation + Goodwill amortization

## Net Sales by Segment

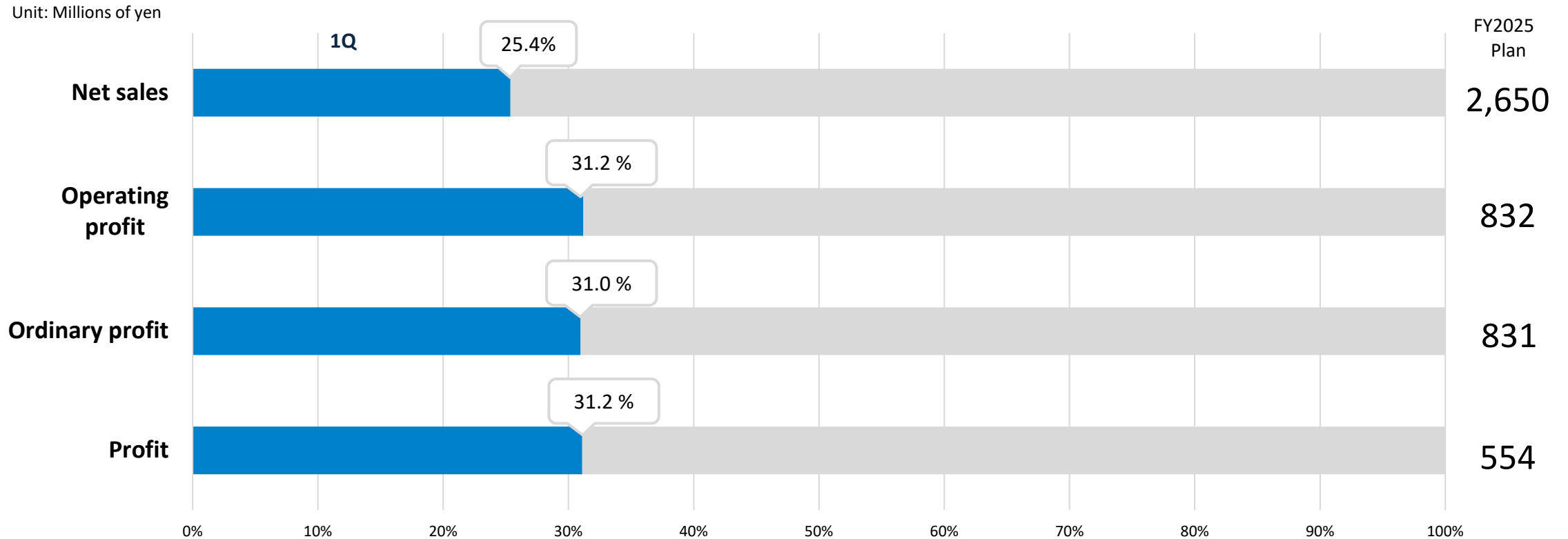
- [Security Business] Sales of services for mobile phones increased steadily YoY due to factors such as contract renewals for carriers in the previous fiscal year. Significant increases in other services are due to temporary income.
- [Solution Business] Sales of TobilaPhone Biz and TobilaPhone Cloud continue to increase steadily.

Unit: Millions of yen

	FY2024 1Q (YoY)	FY2024 4Q (Previous quarter)	FY2025 1Q Results	YoY	QoQ
<b>Security Services Business</b>	454	469	<b>493</b>	108.6%	105.1%
Mobile phone services	397	414	<b>420</b>	105.8%	101.4%
Landline phone services	51	53	<b>54</b>	104.4%	101.1%
Other	5	1	<b>18</b>	368.7%	1,488.4%
<b>Solutions Business</b>	113	164	<b>179</b>	158.4%	109.2%

## 1Q vs. FY2025 Forecast

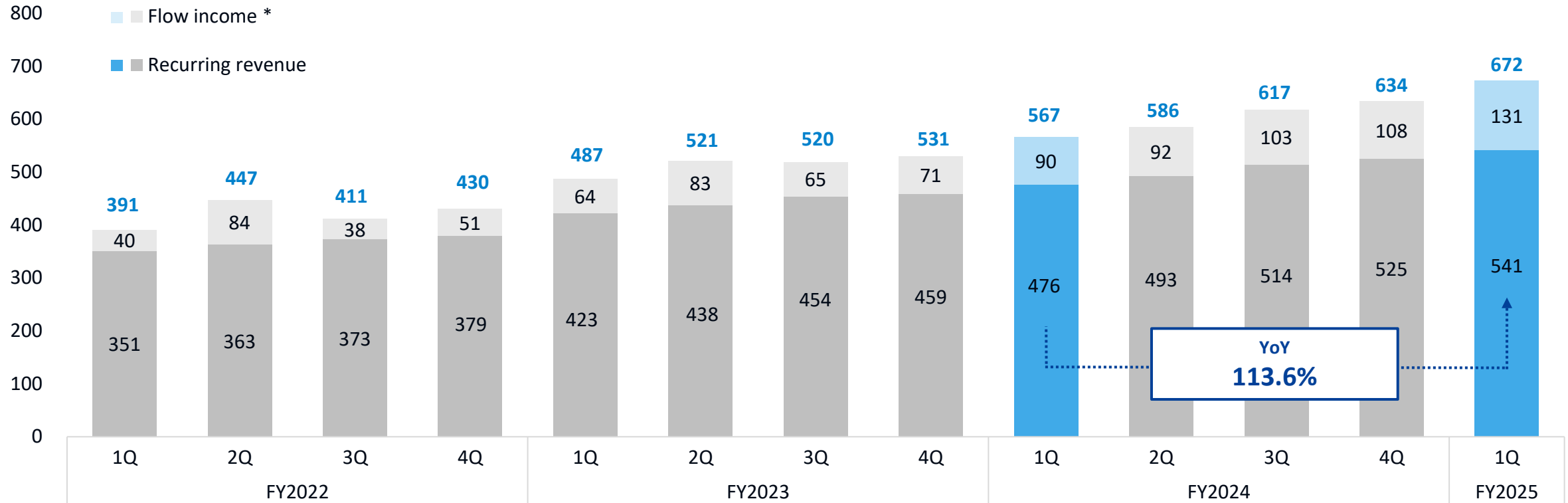
- Steady sales and profit at each stage compared to the forecasts disclosed in December 2024.
- We plan to make investments for the future and expect the fiscal year to be about the same as the earnings forecast.



## Quarterly Sales (Recurring Revenue and Non-recurring Revenue)

- Steady growth in recurring revenue due to stable growth of services for mobile phones and strong sales of services for business phones.

Unit: Millions of yen

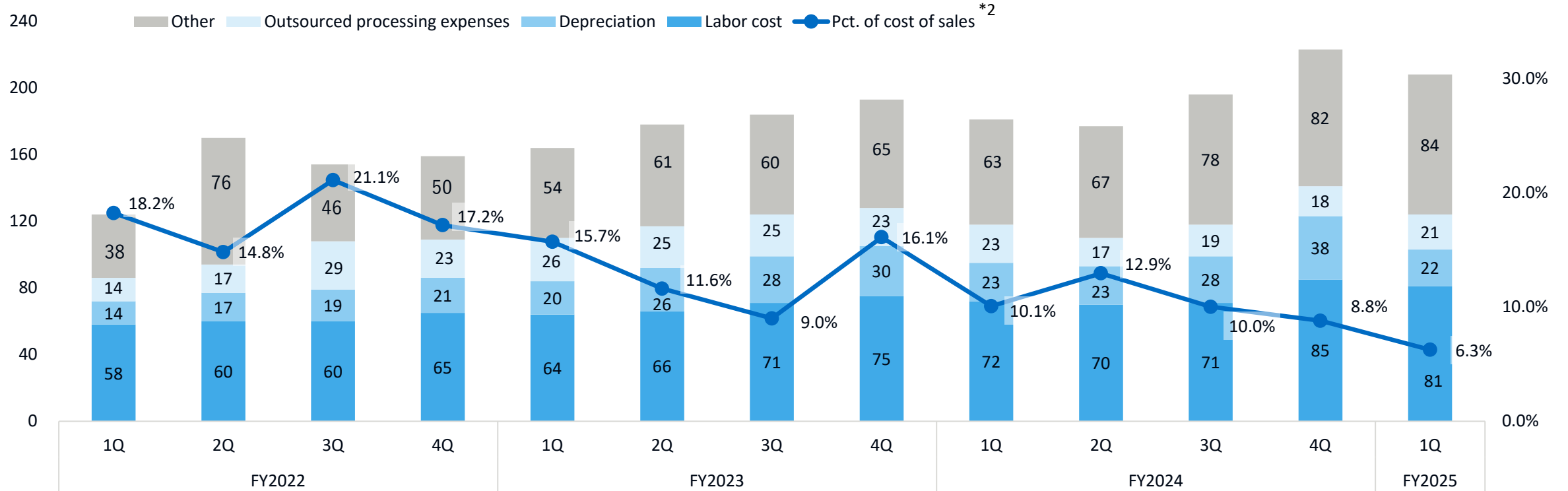


\*: Non-recurring revenue includes sales of [280blocker], hardware for [TobilaPhone] and [TobilaPhone Biz]

## Cost of Sales

- Depreciation expenses decreased from the previous quarter because depreciation expenses had increased temporarily in 4Q FY2024 due to the effects of the termination of TalkBook services.
- Planning to continue to actively recruit personnel.

Unit: Millions of yen



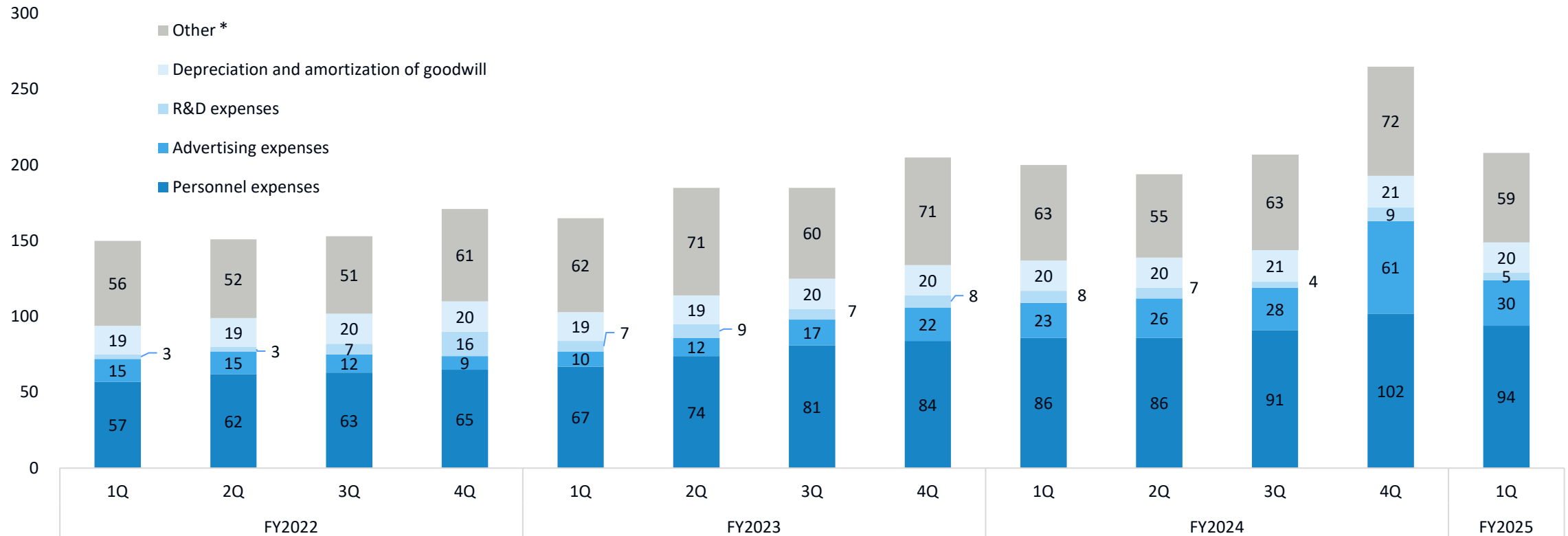
\*1: The sum of labor cost, depreciation, outsourced processing cost and others does not match the total cost of sales on the income statement because these figures are before adjustments for reclassified expenses and work in process transfers

\*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

## SG Expenses

- SG Expenses were down in 1Q FY2025 as a reaction to increased advertising expenses as a trial and an increase in hiring expenses due to the concentration of hiring in 4Q FY2024.
- Plans to continue to strengthen investment in human resources, the foundation of the medium-term management plan.

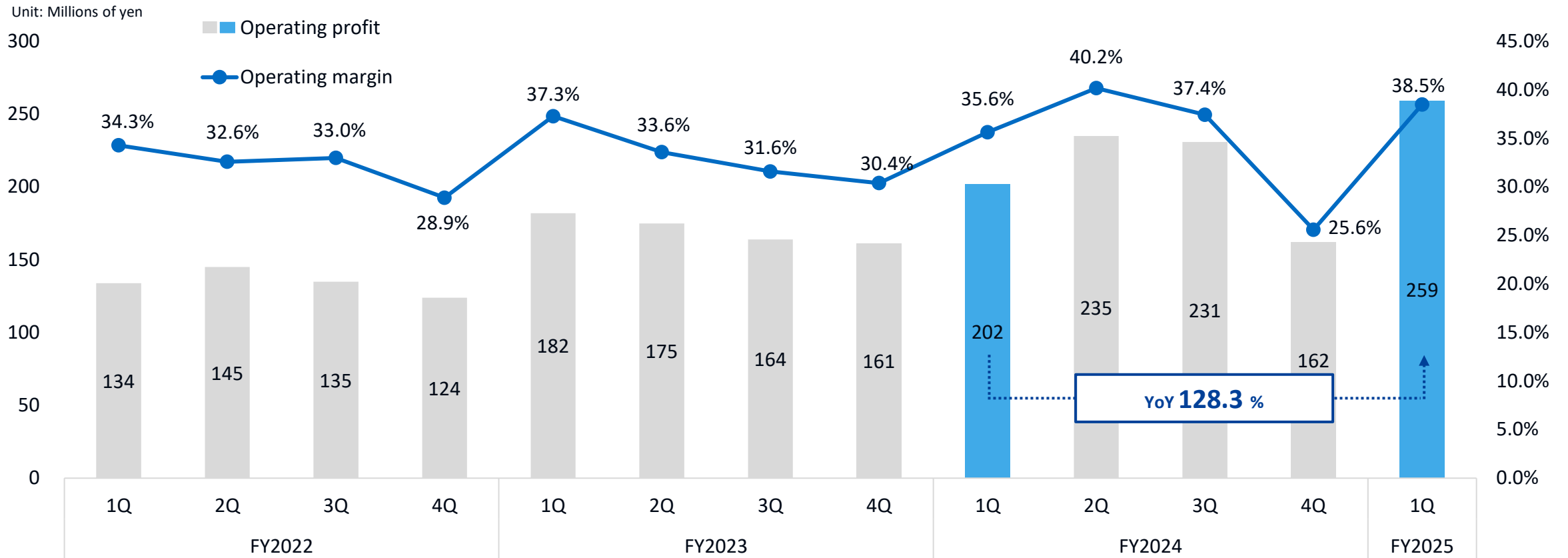
Unit: Millions of yen



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

## Operating Profit

- Profit increased from the previous quarter due to the reaction to a temporary increase in depreciation expenses and the use of advertising expenses in 4Q FY2024.
- Plans call for active recruitment of human resources and new advertising and other measures for future growth.

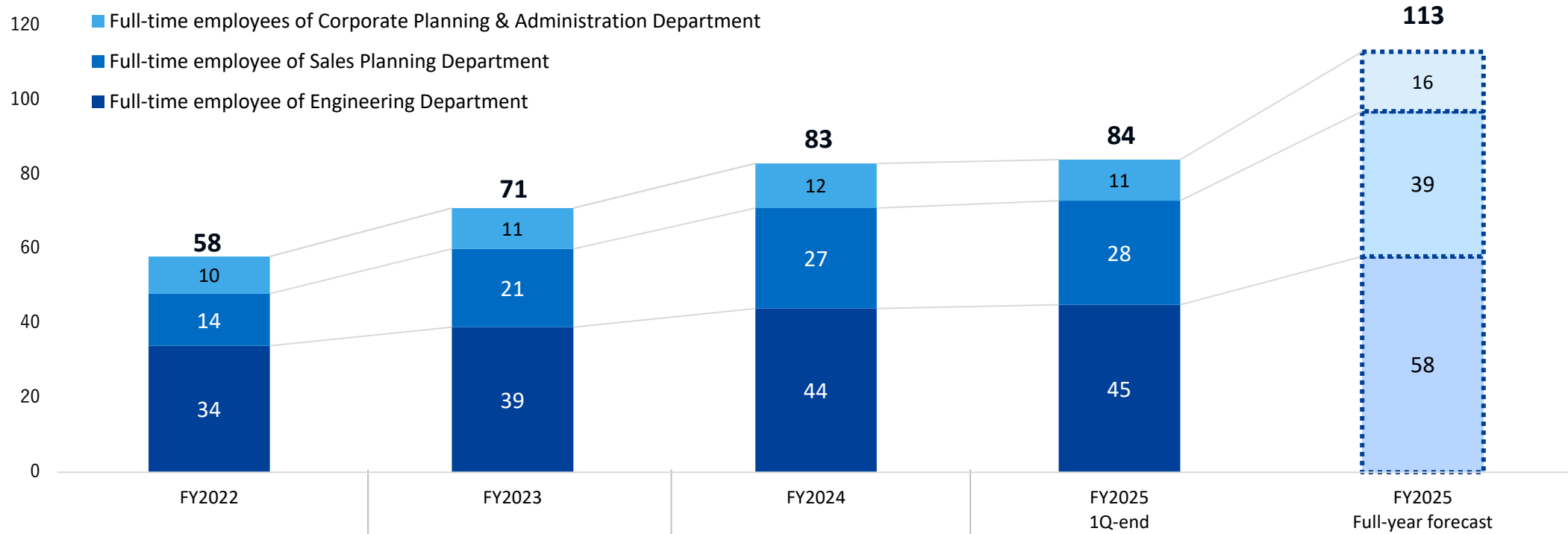




## Number of Full-Time Employees

- The company plans to secure the necessary personnel to achieve the medium-term management plan. Currently, the plan is to hire 30 or more employees in FY2025.
- Although fewer new employees joined the company in 1Q, the company is actively engaged in recruiting activities. The number of new employees who have joined the company in 2Q (February) and thereafter is increasing steadily.

Unit: Number of employees

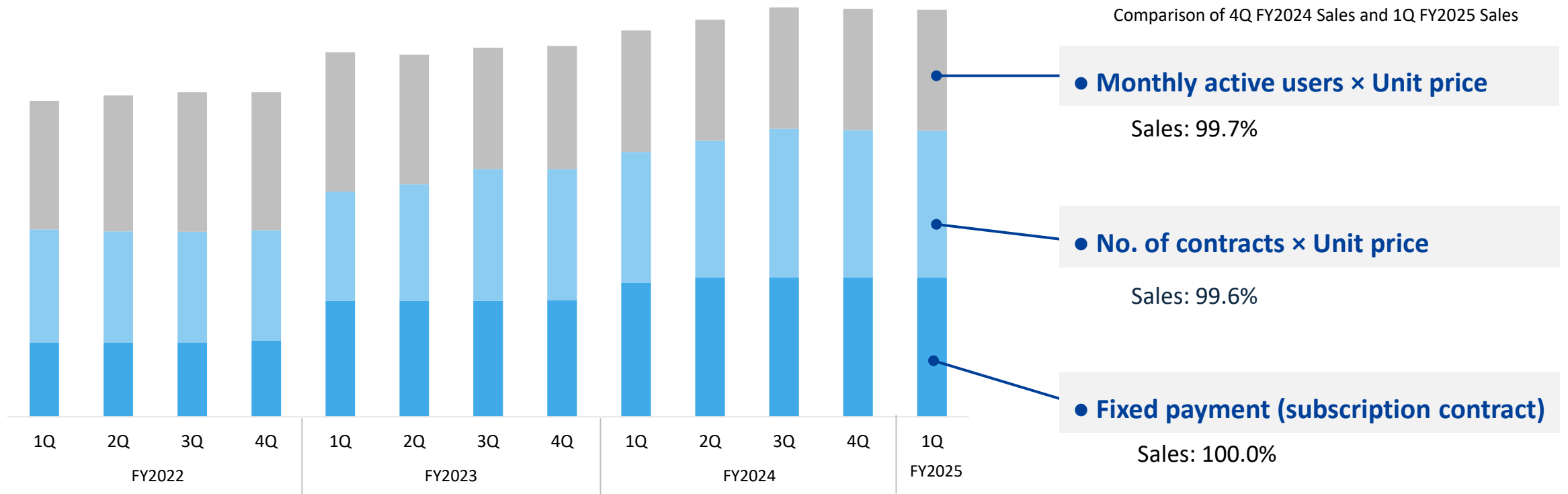


**> Security Business**

## Mobile Phone Services: Quarterly Sales by Contract Format

- Sales to major mobile phone carriers decreased slightly quarter on quarter.
- Considering measures to continue increasing users while consulting with telecommunication carriers.

Quarterly Sales Composition of Contract Formats\*

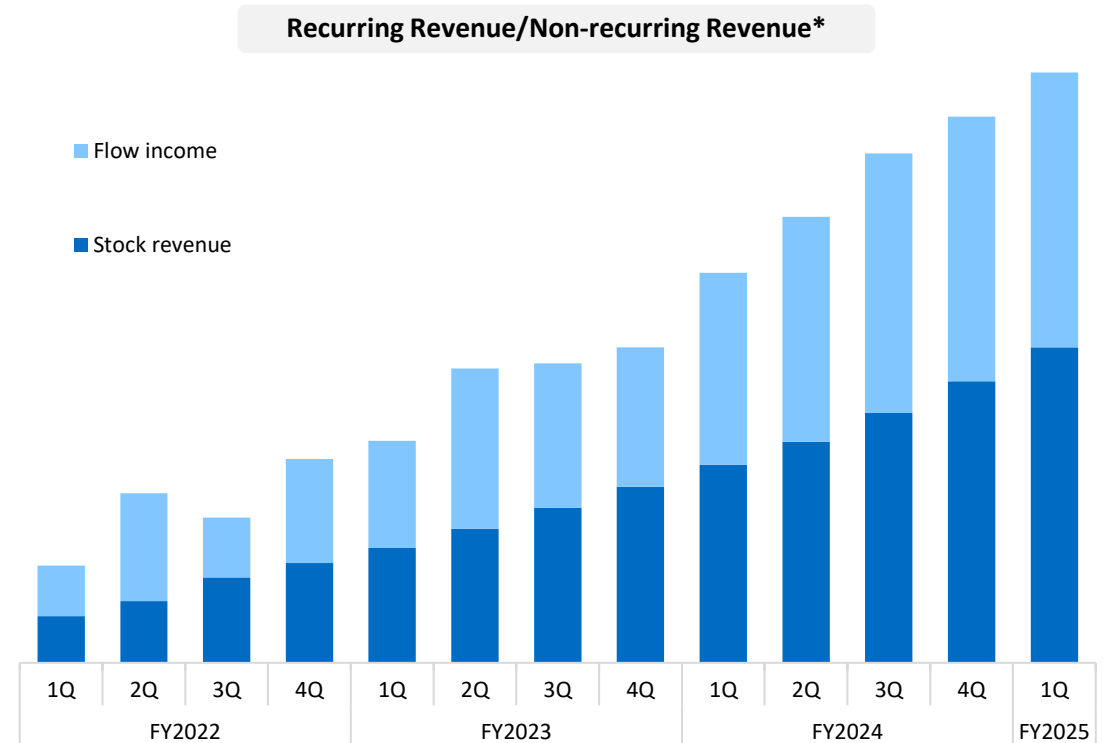
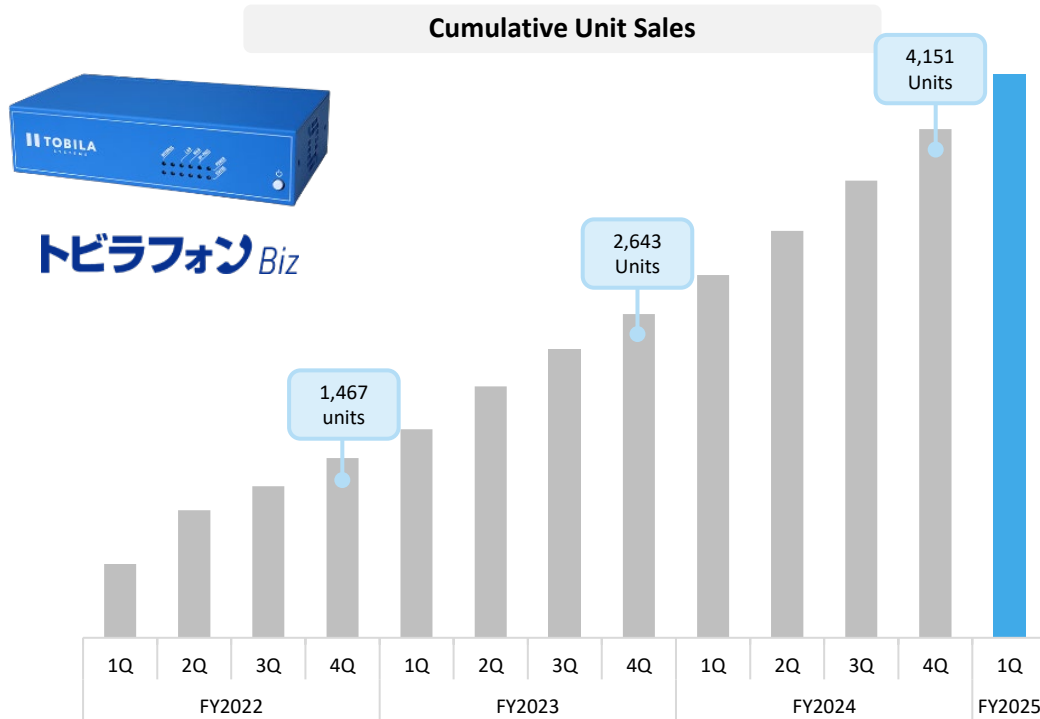


\* Sales and the number of monthly users are for only contracts with Japan's three major mobile phone carriers. Low-costsmartphone service and other MVNO contracts are not included.

**Solution Business**

## TobilaPhone Biz Sales

- The number of units sold continues to increase as a result of the favorable effect on sales of "casualty" (harassment from customers) prevention measures and the strengthening of relationships with agents.
- As of the end of FY2024, Tobila Systems had 4,151 units sold, which is a stable earnings base driven by an increase in recurring revenue.



\*: Most sales are made through sales agents using a package of the cost of the device and a five- to seven-year usage fee. Sales of hardware are recorded when the product is sold to agents. License fees are recorded as a liability under contract agreements. Monthly sales are calculated by dividing the cost of sales according to the length of the contract.

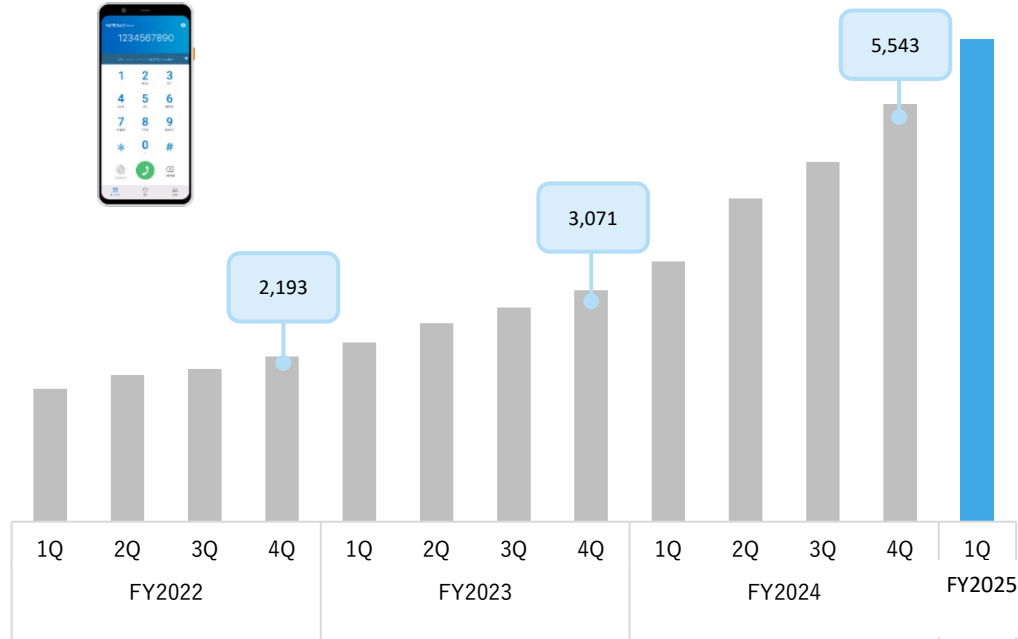
**Solution Business**

## TobilaPhone Cloud Sales

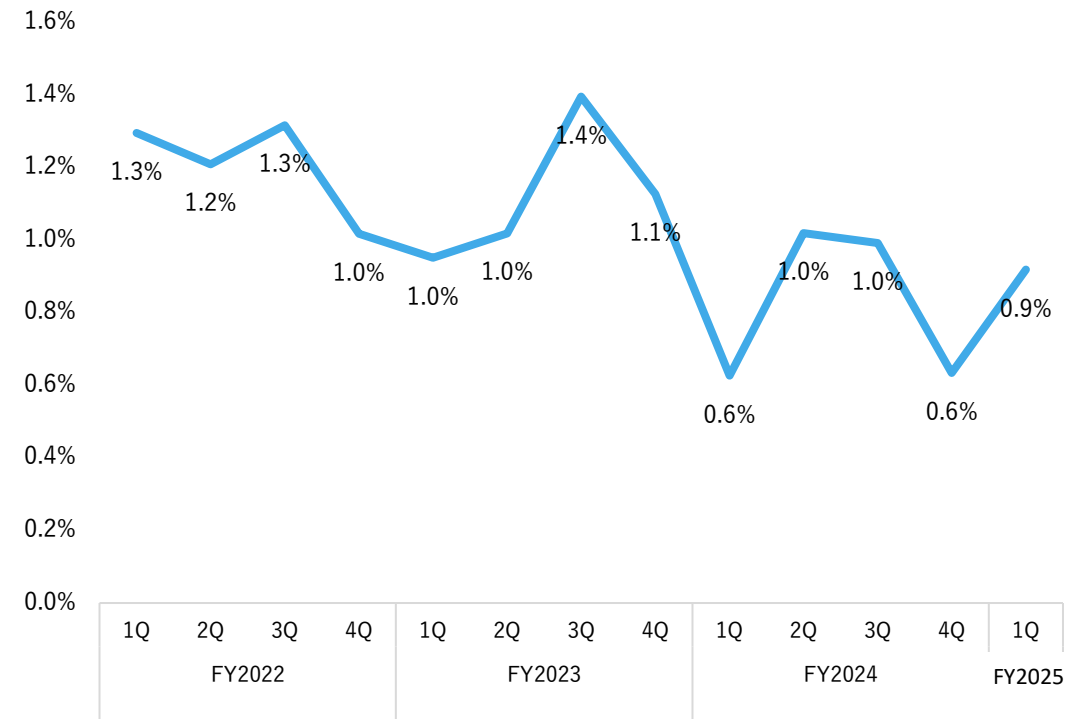
- Steady increase in sales due to the continued efforts to strengthen the sales structure and implement strategies outlined in the medium-term management plan.
- Monthly churn rate also remains below 1%.

**No. of Billing IDs\*1**

トビラフォン Cloud



**Average Monthly Churn Rate\*2**



\*1: The total number of IDs included in the contract in the billing period. Synonym for the number of users

\*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

## 4. FY2025 Plan

Reprinted

## FY2025 Plan

- We plan on making investments in recruitment and expansion of business phone services for growth strategies outlined in the medium-term management plan. As a result, we expect sales to increase by 10.1% YoY to ¥2.65 billion in FY2025 while operating profit is expected to be the same YoY at ¥832 million.

Unit: Millions of yen	FY2023 Results	FY2024 Results	FY2025 Forecast	YoY (After revision)
Net sales	2,061	2,405	<b>2,650</b>	110.1%
EBITDA* <sup>1</sup>	870	1,031	<b>1,015</b>	98.4%
Operating profit	682	831	<b>832</b>	100.0%
Ordinary profit	679	829	<b>831</b>	100.2%
Profit	517	601	<b>554</b>	92.0%
(Profit excluding extraordinary income (loss))	(469)	(580)	<b>(554)</b>	(95.4%)
Operating margin	33.1%	34.6%	<b>31.4%</b>	-
ROE* <sup>2</sup>	26.9%	26.3%	<b>22.8%</b>	-
Equity ratio	58.6%	56.0%	<b>52.4%</b>	-

\*1: EBITDA = Operating profit + Depreciation + Goodwill amortization.

\*2: Equity, which is the denominator in ROE, is calculated by using the average for the period.

Revised in the new segment

## FY2025 Sales Plan by Service Category

- Aiming for solid growth of each service in FY2025 in accordance with the medium-term management plan formulated.
- In particular, we will work to expand the earnings base of the filtering service for business phones, which will be a future growth driver.

	FY2023 Results	FY2024 Results	FY2025 Plan	YoY
Unit: Millions of yen				
<b>Security Services Business</b>	1,730	1,843	<b>1,876</b>	101.8%
Mobile phone services	1,490	1,623	<b>1,635</b>	100.7%
Landline phone services	193	212	<b>216</b>	102.1%
Other	46	8	<b>24</b>	303.6%
<b>Solutions Business</b>	330	562	<b>773</b>	137.6%
TobilaPhone Biz	257	430	<b>532</b>	123.6%
TobilaPhone Cloud	73	131	<b>240</b>	183.7%

\*Figures indicated in Other in FY2023 Results of include HP4U Business that has been sold in September 2023.

Represented

## FY2025 Forecast for Expenses

- We plan to continue to actively recruit more personnel for future growth. Expect higher recruiting expenses, higher labor costs, and personnel expenses.
- Forecast an increase in the cost of sales of hardware based on the plan to increase sales of the filtering service for business phones.

Unit: Millions of yen	FY2023 Results	FY2024 Results	FY2025 Forecast	YoY
<b>Cost of sales*<sup>1</sup></b>	628	699	<b>828</b>	118.4%
Labor cost	278	299	<b>395</b>	131.9%
Outsourced processing cost	100	78	<b>86</b>	109.5%
Depreciation	105	114	<b>101</b>	88.7%
Others	241	291	<b>358</b>	123.1%
Pct. of cost of sales classified as R&D expenses and assets* <sup>2</sup>	13.1%	10.3%	<b>12.1%</b>	1.7pt
<b>SG&amp;A expenses</b>	750	874	<b>989</b>	113.2%
Personnel expenses	308	366	<b>431</b>	117.8%
Advertising expenses	63	139	<b>123</b>	88.6%
R&D expenses	31	29	<b>29</b>	98.8%
Depreciation and amortization of goodwill	80	83	<b>79</b>	95.3%
Others	266	255	<b>325</b>	127.7%

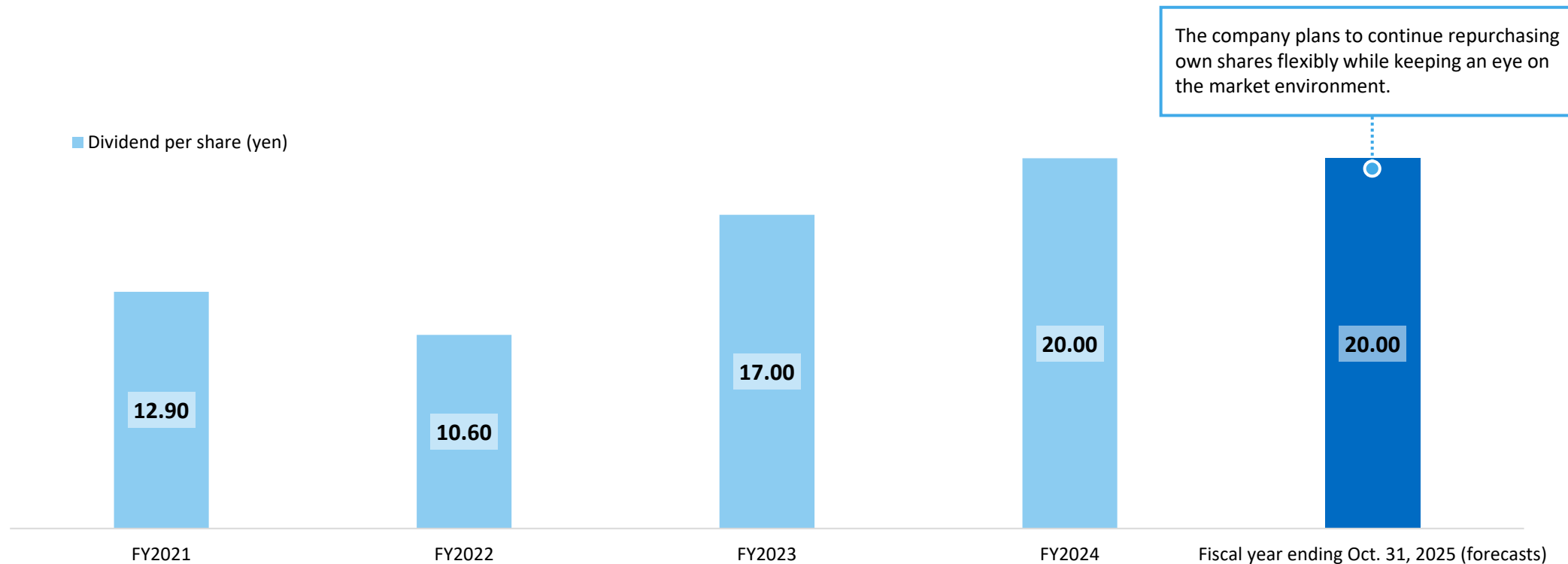
\*1: The sum of labor cost, depreciation, outsourced processing cost, and others do not match the total cost of sales on the income statement because these figures are before adjustments for reclassified expenses and work-in-process transfers.

\*2: The percentage of the cost of sales included in R&D expenses and assets due mainly to the characteristics of work performed by employees.



## Returns to Shareholders - Dividends and Share Buybacks

- Based on a dividend payout ratio of 35%, the lower limit on dividends is ¥20.00, and the year-end dividend is expected to be ¥20.00 in FY2025.
- Acquisition of own shares up to the maximum of ¥400 million, which started on December 11, 2024, ended without reaching the maximum amount. Considering the possibility of flexible acquisition in the future.



## Disclaimer

Tobila Systems plans to announce 2Q FY2025 results of operations **on June 10, 2025 (Tuesday)**.

This presentation includes forward-looking statements that incorporate the current outlook, forecasts and risk factors. There are many uncertainties that may cause actual performance to differ from what is described in such statements.

Risk factors and uncertainties include general economic conditions in Japan and other countries, such as general industry and market conditions and changes in interest rates and foreign exchange rates.

Tobila Systems has no obligation to update or revise the forward-looking statements in this presentation, whether as a result of new information, future events, or otherwise.

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.

■ Contact

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E-mail [ir@tobila.com](mailto:ir@tobila.com)

Website <https://tobila.com/contact/>

# 5. Appendix

## Reference Information

### ● Reference Materials

#### Medium-Term Management Plan 2028 (Disclosed on December 10, 2024)



#### Materials for New Investors (As of Oct. 31, 2024)



### ● Distribution of IR Information

#### IR note Magazine

- Information about financial results and Monthly Reports are periodically distributed.

**note**

▶ <https://note.com/tobila4441>



#### Official X (formerly twitter) IR Account

- Early announcement of the latest financial results and IR information

Account name: Tobila Systems IR Official

Username : @tobila\_ir

URL : [https://x.com/tobila\\_ir](https://x.com/tobila_ir)



## Answers to Expected Questions

Categories	Questions	Answers
<b>Actual Results &amp; Forecasts</b>	While the first quarter of the fiscal year ending October 31, 2025, is strong, the full year shows a 10% increase in revenue, while operating income and ordinary income are flat and net income is down. Growth appears to be sluggish in the second through fourth quarters; what is the reason for this?	We have positioned FY2025, the first year of the Medium-Term Management Plan 2028, as a period of preparation for our next leap forward. While sales are expected to increase by 10%, profits are expected to remain flat due to aggressive investments. The key initiatives of the Medium-term Management Plan 2028 are to accelerate sales of TobilPhone Cloud, accelerate sales of TobilPhone Biz, expand sales to telecommunications carriers, create new businesses, and expand and grow personnel, and we plan to invest management resources in these five areas for the next four years. We also plan to invest aggressively in products and human resources, and intend to achieve growth while making the necessary investments.
<b>Finance</b>	What were the reasons for the change in segments?	The change was made in light of future business development. The main growth target in the Medium-Term Management Plan 2028 is business phone services, and in light of future business development, we thought it appropriate to make the change starting this fiscal year, the first year of the Medium-Term Management Plan. We have also disclosed our financial data on our website for investors who are analyzing our business. We hope you will make use of this information as well.
<b>Finance</b>	In terms of profit contribution for business phones, which is larger, TobilPhone Biz or TobilPhone Cloud?	At present, TobilPhone Biz contributes more to profits than TobilPhone Cloud due to factors including the scale of sales, differences in current distribution channels, and the need for advertising and promotion. We believe that the profit margin of TobilPhone Cloud will improve as sales expand and sales through agents, as indicated in the medium-term management plan, make progress.
<b>Capital Policy &amp; Shareholder Returns</b>	Please explain why the share buyback did not reach the maximum limit.	We planned to purchase the maximum number of its own shares in accordance with the plan. However, we entrusted the transaction to a securities company, and took all necessary precautions to ensure that it did not violate market manipulation and other regulations in accordance with various laws and regulations. As a result, the acquisition schedule has expired without reaching the maximum limit. We intend to conduct future share repurchases in a flexible manner, while maintaining a sound financial position and taking into consideration the cash flow situation.

