1Q FY10/21
Results of Operations for the First Quarter
of the Fiscal Year Ending October 31, 2021

Tobila Systems Inc.
(Tokyo Stock Exchange First Section 4441)

Contents

TOBILA SYSTEMS

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Business Overview

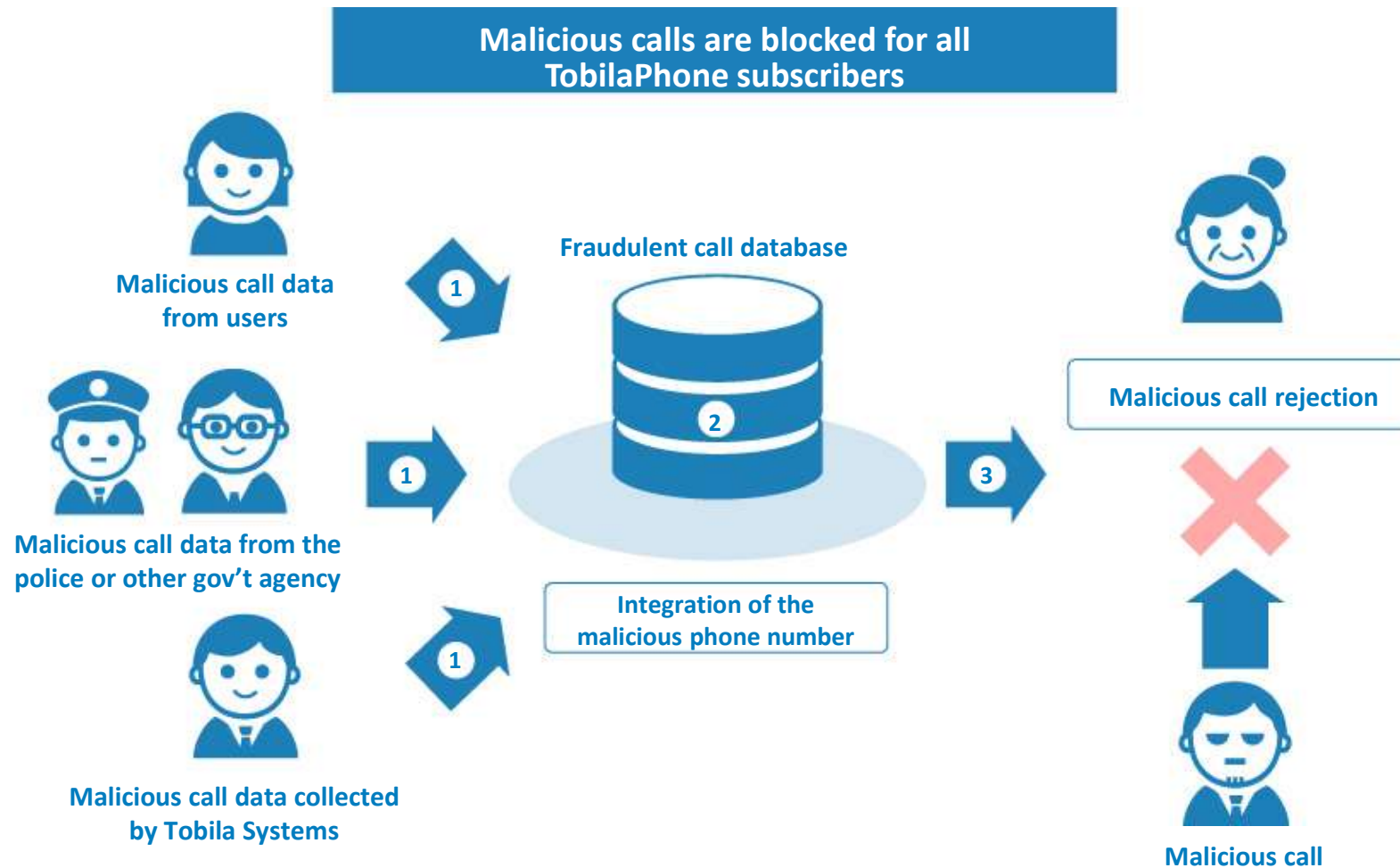# We open the door to a better future for our lives and the world

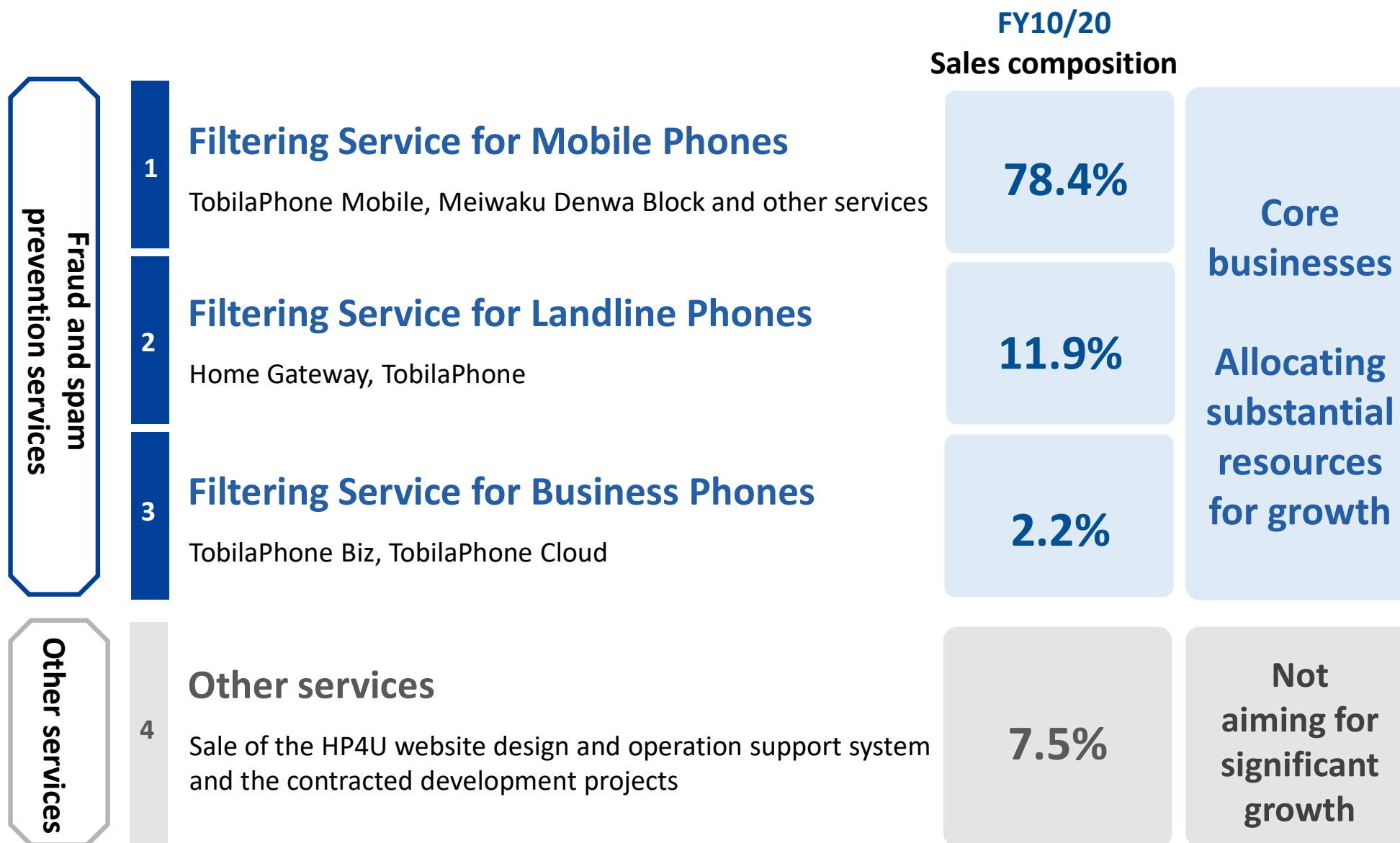## Using technologies for the challenge of solving social issues

We are constantly changing without any fear of failure and challenging conventional thinking to realize a better future which we dream of. We will be a source of products that help solve social issues and have benefits for people. We will also pursue appropriate earnings for 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 lead directly to our growth and a better life for people worldwide.

We will strive to solve social issues using security for people in order to create a society with peace of mind.

The Fraud and Spam Prevention Services of Tobila Systems

The only business in Japan that uses a fraudulent call database for the prevention of malicious calls and other fraud and spam activities

Malicious calls are blocked for all TobilaPhone subscribers

Malicious call data from users

Malicious call data from the police or other gov't agency

Malicious call data collected by Tobila Systems

Fraudulent call database

Integration of the malicious phone number

Malicious call rejection

Malicious call

Business Fields

FY10/20
Sales composition

Fraud and spam prevention services

1
Filtering Service for Mobile Phones
TobilaPhone Mobile, Meiwaku Denwa Block and other services

78.4%

2
Filtering Service for Landline Phones
Home Gateway, TobilaPhone

11.9%

Core businesses

3
Filtering Service for Business Phones
TobilaPhone Biz, TobilaPhone Cloud

2.2%

Allocating substantial resources for growth

Other services

4
Other services
Sale of the HP4U website design and operation support system and the contracted development projects

7.5%

Not aiming for significant growth

Results of Operations

2

1Q FY10/21 Highlights

Highlights

Sales and operating profit are in line with the FY forecast
Priority is investments in people and alliances for faster medium/long-term growth

Results of 1Q FY10/21	Net sales:	**¥335 million** (up 23.9% YoY)
	Operating profit:	**¥123 million** (up 22.7% YoY)

▮ 1Q FY10/21 Topics

| Strategic actions	A stronger infrastructure	Flexible working environment
• **Investment in Thinca Co., Ltd.** • **Studies for new security services** • **More alliance partners for TobilaPhone Cloud**	• **Started a new human resources system** An environment where people can realize their potential • **Established a stock remuneration system** Increases employees' focus on medium/long-term growth	• **Downsize of the Tokyo and Osaka Offices** Actively promote telework as a company committed to DX

Take on the Challenge of Developing New Security Services

Phishing reports are about six times higher than one year earlier

To protect customers from phishing, Tobila Systems collects and analyzes information for about 100 million MMS/SMS messages every month and has a fraudulent mail database with more than 160,000 entries. In addition, we are using this database to create ideas for new services.
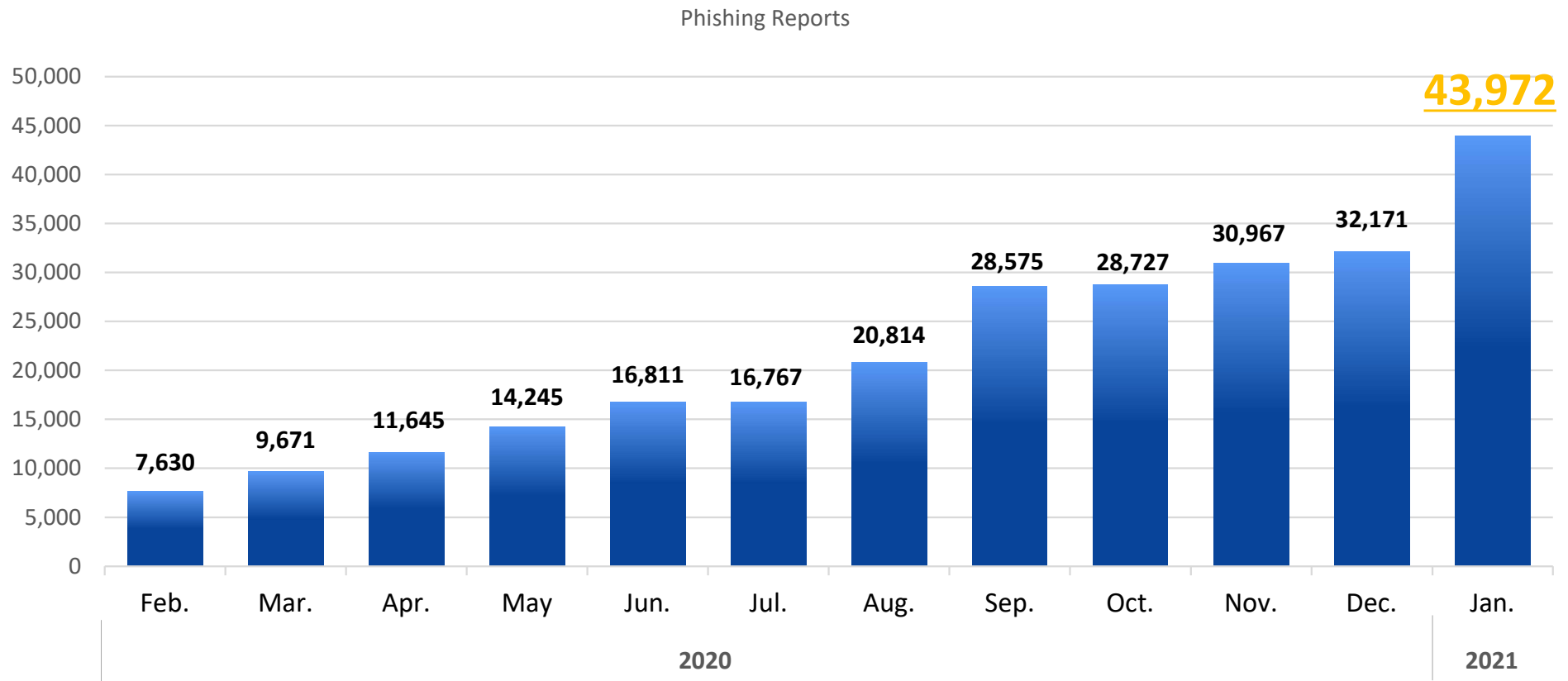
Phishing Reports

Source: October 2020 Phishing Reports, Council of Anti-Phishing Japan

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1Q FY10/21 Financial Results

Sales and earnings up more than 20% from one year earlier

Unit: Millions of yen	1Q FY10/21 Results	4Q FY10/20		1Q FY10/20	
		Results	**QoQ**	**Results**	**YoY**
Net sales	**335**	331	101.2%	270	**123.9%**
Operating profit (Operating margin)	**123** (36.7%)	122	100.8%	100	**122.7%**
Ordinary profit (Ordinary profit margin)	123 (36.7%)	121	101.3%	100	122.6%
Profit (Profit margin)	84 (25.3%)	80	105.5%	69	121.9%

3

1Q FY10/21 Financial Results
Financial Summary (2/2)　　Progress vs. Plan

Performance was consistent with the first half and fiscal year plans for sales and earnings

Emphasis on advertising and other SG&A expenses temporarily decreased due to the priority on building a marketing framework for faster growth starting in the second half. Operating profit was briefly ahead of the plan as a result.

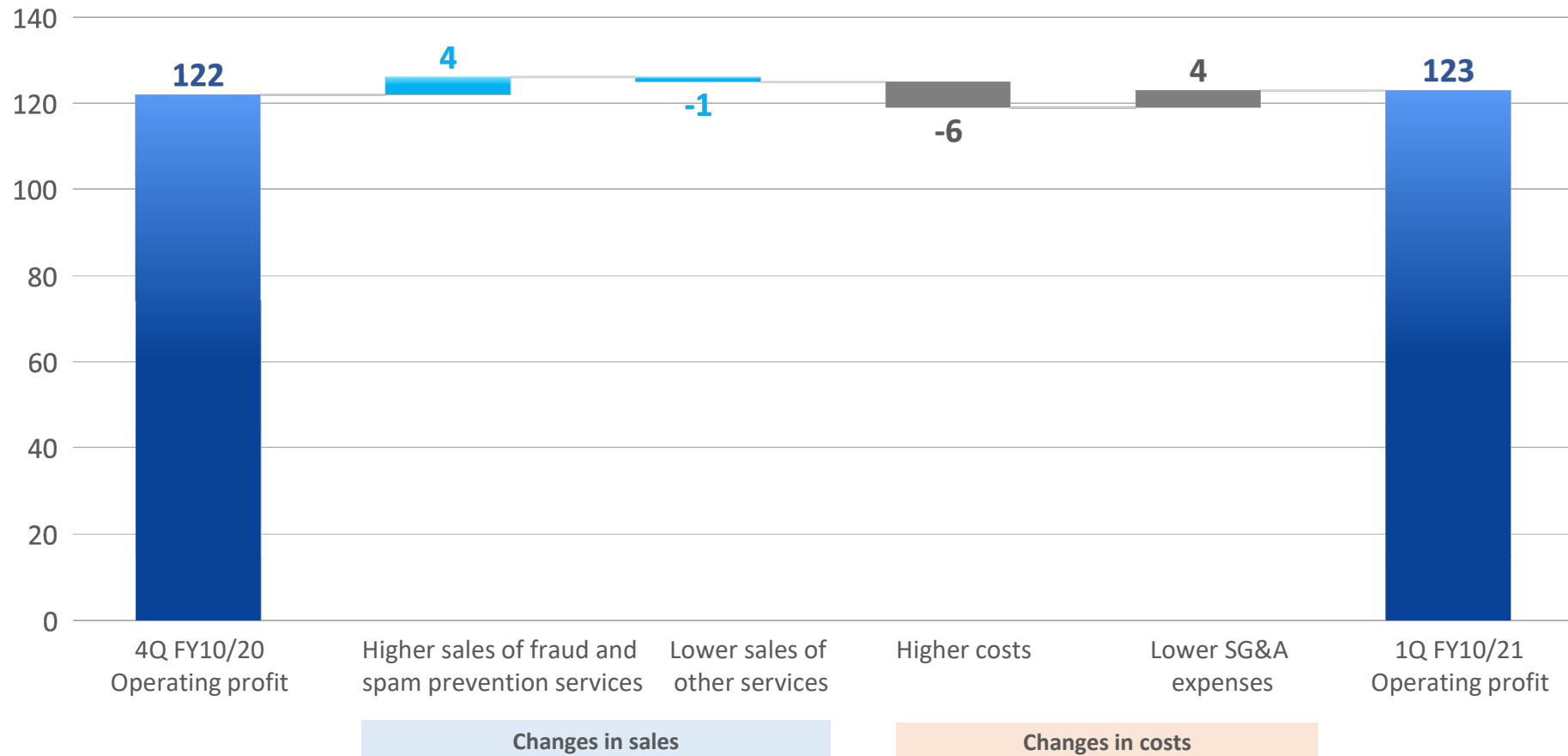| Unit: Millions of yen	1Q FY10/21 Results	FY10/21		FY10/21	
		FY Plan	1Q vs. FY Plan	1H Plan	1Q vs. 1H Plan
Net sales	335	1,410	23.8%	681	**49.3%**
Operating profit	123	517	23.8%	241	**51.1%**
Ordinary profit	123	515	23.9%	240	51.2%
Profit	84	352	24.1%	164	51.7%

Sales growth in the core mobile phone services category has slowed somewhat and we are taking actions to increase the number of users

Landline phone services sales were higher than forecast due to the demand created by the switch from old to new products. This demand is expected to continue until February 2021.

Unit: Millions of yen	1Q FY10/21 Results	1Q FY10/20		FY10/21	
		Results	YoY	1H Plan	1Q vs. 1H Plan
Fraud and spam prevention services	316	244	129.6%	645	49.0%
Mobile phone services	265	211	125.5%	**555**	**47.9%**
Landline phone services	38	27	140.4%	**68**	**56.9%**
Business phone services	11	4	251.4%	22	53.1%
Other services	19	26	72.2%	36	53.1%

QoQ Changes in Operating Profit

The cost of sales, including the cost of attachments, which is a variable expense, increased because of the temporary upturn in sales of landline phone services

Unit: Millions of yen

	4Q FY10/20 Operating profit	Higher sales of fraud and spam prevention services	Lower sales of other services	Higher costs	Lower SG&A expenses	1Q FY10/21 Operating profit
Value	122	4	-1	-6	4	123

Changes in sales | Changes in costs

FY10/21 Quarterly Expenses

The cost of sales and SG&A expenses were generally as planned Advertising expenses temporarily decreased because some expenditures were made later than planned

Unit: Millions of yen	1Q FY10/21	4Q FY10/20		1Q FY10/20	
		Results	QoQ	Results	YoY
Cost of sales	89	83	107.9%	77	116.0%
Labor cost	58	55	106.4%	54	108.0%
Depreciation	10	12	86.6%	11	89.5%
Others	48	47	101.0%	30	156.5%
Pct. of cost of sales classified as R&D expenses and assets*	23.7%	28.5%	83.2%	20.1%	117.9%
SG&A expenses	122	126	97.2%	93	131.8%
Personnel expenses	45	44	102.7%	41	110.4%
Advertising expenses	**15**	29	**51.6%**	0.8	1,760.3%
R&D expenses	16	17	98.0%	8	210.5%
Others	44	35	127.9%	42	104.9%

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

Balance Sheet

Stock repurchases and dividend payments reduced cash and deposits. Priorities are the efficient use of capital, financial stability and shareholder distributions. Debt can be used to fund upcoming investments.

Unit: Millions of yen	1Q FY10/21	FY10/20	Change
Current assets	1,150	1,413	-263
Cash and deposits	944	1,218	-273
Notes and accounts receivable-trade	161	150	+10
Other	44	45	0
Non-current assets	267	234	+33
Property, plant and equipment	61	65	-3
Intangible assets	118	114	+4
Investments and other assets	86	54	+32
Total assets	1,417	1,647	-230
Liabilities	287	300	-13
Current liabilities	278	288	-10
Non-current liabilities	8	11	-3
Net assets	1,129	1,347	-217
Equity ratio	79.7%	81.7%	-2.0%

* All amounts are rounded down to the nearest million yen

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FY10/21 Earnings Forecast

Business Environment

No significant negative impact of the second state of emergency. Moving quickly regarding changes in Japan's cell phone carrier market while watching for the effects on prospects for more growth.

The economy	Japan's real GDP growth rate has been recovering, but consumer spending is expected to decline because of the current second state of emergency.
Changes in business environment	• A shift to online sales as **cell phone** carriers start offering new service plans and rates • Realignment of the mobile phone market as users change to new carriers
Responses	• Work with **cell phone** carriers for taking actions that reflect carriers' new service plans and rates and the accelerating growth of online sales of mobile phones • Continue creating proposals for services for new **cell phone** carriers to adapt to the realignment of Japan's **cell phone** carrier market.

No change in the fiscal year forecast as first quarter sales and earnings were generally as planned
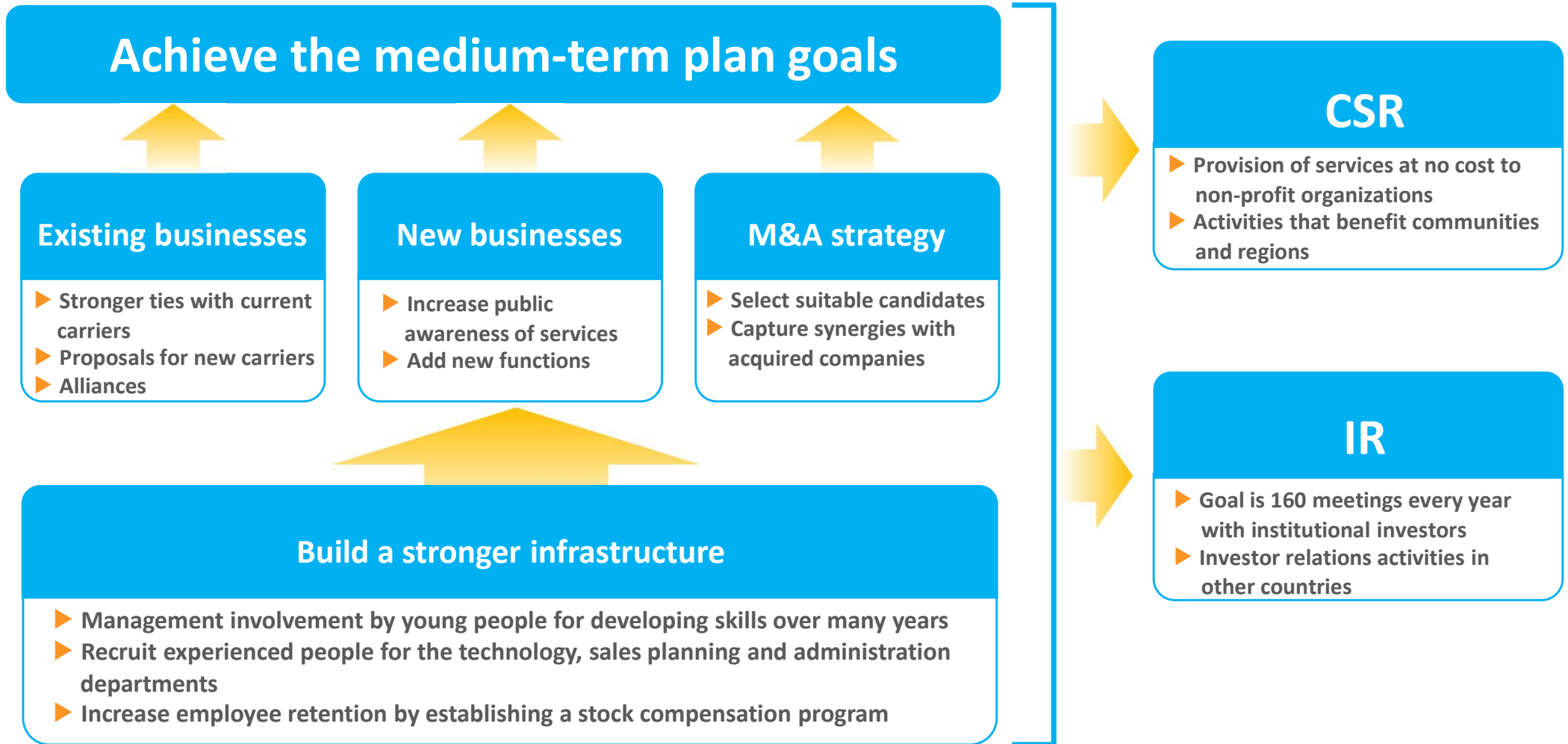
Unit: Millions of yen

	FY10/21 Plan	1Q FY10/21	1Q vs. FY10/21 Plan
Net sales	1,410	335	23.8%
Operating profit	517	123	23.8%
Ordinary profit	515	123	23.9%
Profit	352	84	24.1%

Although progress vs. the plan differed in each business sector, there are no revisions to the fiscal year forecast for sales, earnings and the dividend.

**Results of Operations**

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1Q FY10/21 Action Plan Progress

FY10/21 Action Plan

Achieve the medium-term plan goals

Existing businesses
- Stronger ties with current carriers
- Proposals for new carriers
- Alliances

New businesses
- Increase public awareness of services
- Add new functions

M&A strategy
- Select suitable candidates
- Capture synergies with acquired companies

Build a stronger infrastructure
- Management involvement by young people for developing skills over many years
- Recruit experienced people for the technology, sales planning and administration departments
- Increase employee retention by establishing a stock compensation program

CSR
- Provision of services at no cost to non-profit organizations
- Activities that benefit communities and regions

IR
- Goal is 160 meetings every year with institutional investors
- Investor relations activities in other countries

Growth in Monthly Active Users of Fraud and Spam Prevention Service

About 11.33 million monthly active users* (as of January 31, 2021)

Temporary decline in the fixed-payment contracts carriers' active users due to migrate from old apps to new apps

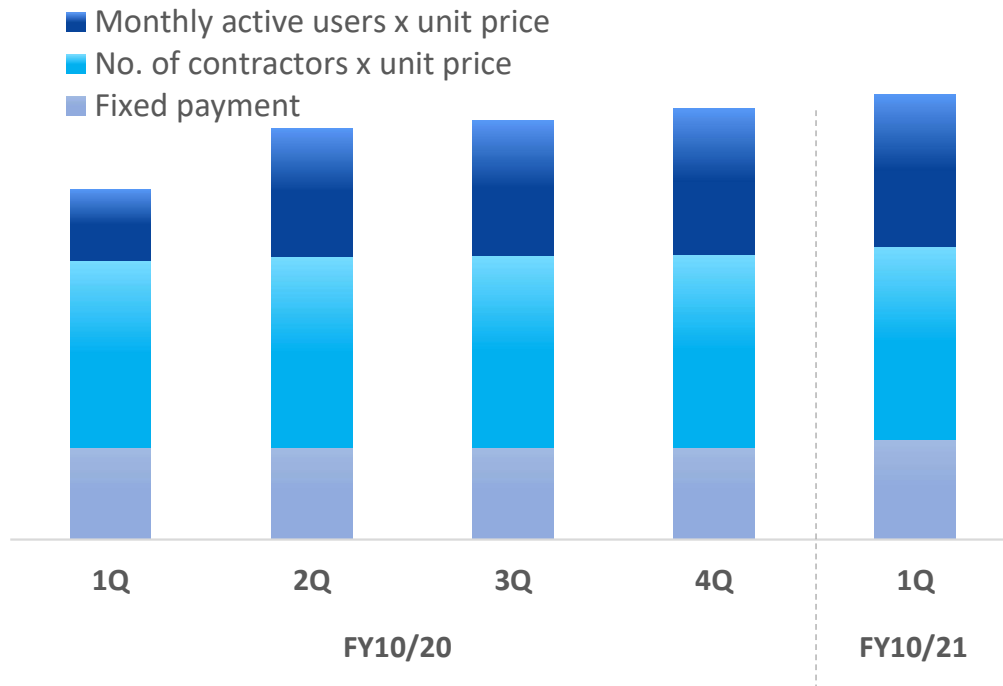**Sales based on monthly active users x unit price are continuing to climb**

Unit: Millions
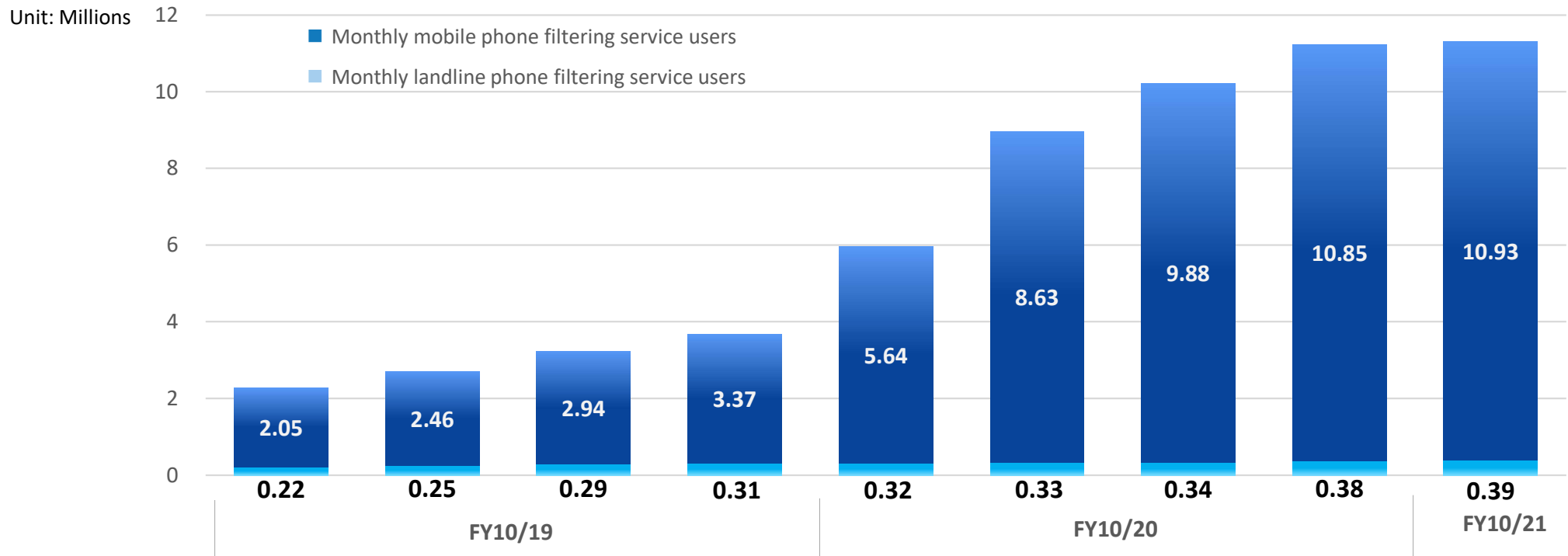
* Monthly active users (MAU) are the number of users of our products and services who access our server at least once a month to update a blocked phone number list automatically or to activate our app or other services. If a person uses multiple devices and each device has a separate agreement, the person is counted as different users.

* Number of the monthly active users includes some provisional figures. The data may vary somewhat when the finalized figures are released and reflected in the data.

Mobile Business Category Growth

Improved the terms of fixed-payment contracts (2/3 of 1Q sales are after this revision) Slowing growth of sales based on monthly active users x unit price because of change in installation method

Quarterly sales of major contract categories of filtering services for mobile phones

■ Monthly active users x unit price
■ No. of contractors x unit price
■ Fixed payment

1Q 2Q 3Q 4Q   1Q

FY10/20   FY10/21

*Difference between 4Q FY10/20 and 1Q FY10/21
*See page 35 for information about the contract categories.

Performance vs. Prior Quarter*

▶ **Monthly active users ✕ Unit price**

Sales	**104.1%**
Monthly active users	101.2%

▶ **No. of contractors ✕ Unit price**

Sales	100.0%
Monthly active users	109.9%

▶ **Fixed payment**

Sales	**108.8%**
Monthly active users	99.2%

5 Action Plan for New Businesses (1)

TobilaPhone Cloud

The first step of the medium-term plan alliance strategy Starting to study collaboration that can generate synergies

Investment in Thinca Co., Ltd.

Plan to conduct studies concerning the integrated operation of Thinca's Kaiwa Cloud ("Kaikura"), a customer contact cloud for inbound calls (calls from customers), and TobilaPhone Cloud, which is used for outbound calls (calls to customers).

We are seeking more partners to advance to the second and third steps of this alliance strategy involving the use of TobilaPhone Cloud as well as other services and our database.

Action Plan for New Businesses (2)

Considering a new service using a fraudulent database created by collecting and analyzing data for mail messages from a single cell phone carrier

New security service proposals

We have a fraudulent mail database with more than 160,000 entries resulting from the collection and analysis of dangerous URL information obtained from about 100 million mail messages every month. We plan to use this database for shutting out spoof websites that masquerade as legitimate sites and for other purposes.

We are explaining this idea and submitting proposals to companies in trouble with spoofing as we consider launching this new security service.

Action Plan to Build a Stronger Infrastructure (1)

Repurchased stock for the establishment of a restricted stock compensation program for employees

Objective of the restricted stock compensation program

This program gives employees an additional incentive to contribute to the sustained growth of corporate value and further aligns the interests of employees with those of shareholders.

Requirements for receiving restricted stock

To encourage employees to remain at Tobila Systems for many years, restricted stock cannot be sold for three years. In addition, part of the restricted stock cannot be sold until Tobila Systems' results of operations reach a predetermined level.

We will consider granting more restricted stock as needed in order to recruit and retain talented individuals.

Action Plan to Build a Stronger Infrastructure (2)

Recruiting activities attract talented people and succeeded at hiring people quickly, including hiring for sales/administration positions; recruiting activities are continuing
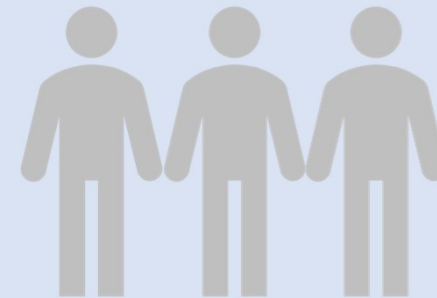
Business Operations

FY10/21 Recruiting: 3
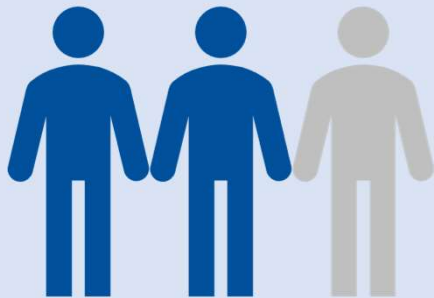
During 1Q, hired 2 of the 3 engineers to be added

Sales/Administration

FY10/21 Recruiting: 3

Plan to hire 3 sales/administrative employees; 2 people have been selected but not yet started work
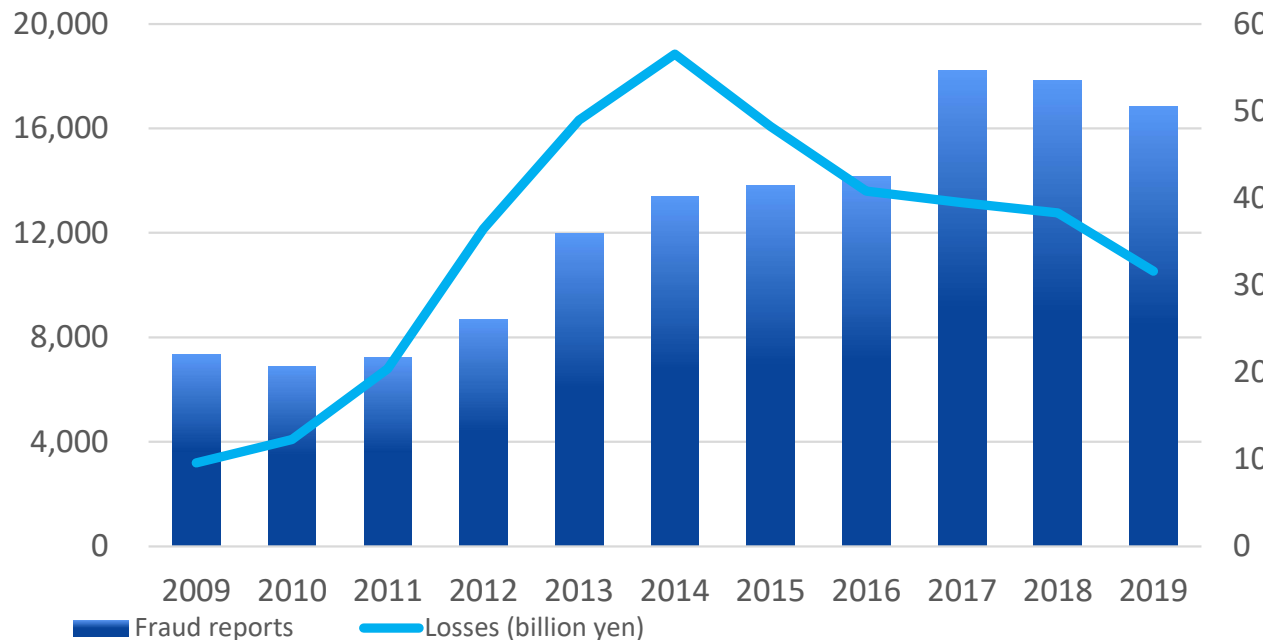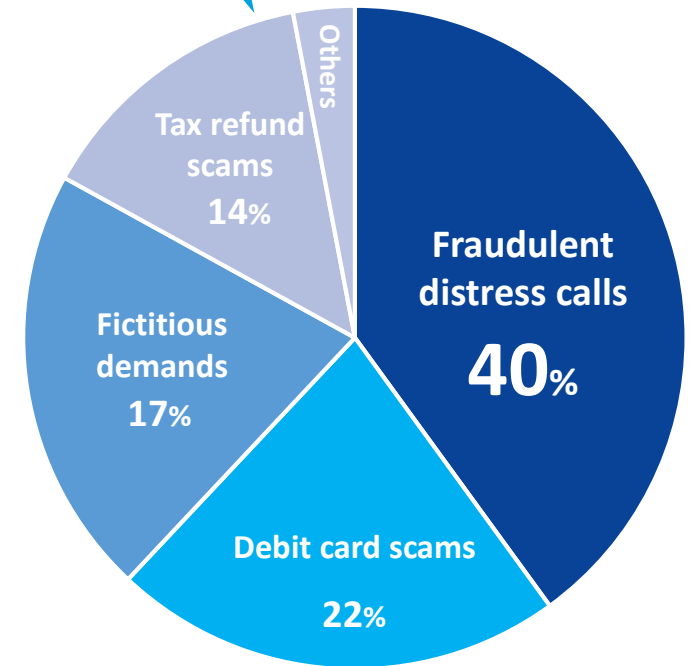
6

Competitive Strengths

The Social Issue of Fraud and Spam Activities

The Significant Need for Filtering Services to Block Fraudulent Calls

▶ In 2019, there were 16,851 recorded cases in Japan of fraud and spam activities.

▶ **Financial losses** caused by this category of fraud remained high, **a total of ¥31.6 billion** in 2019, showing serious concerns.

▶ **Seniors accounted for 83.7% of all individuals who suffered losses due to this type of fraud**, creating an urgent need for measures to create a safe and secured society.

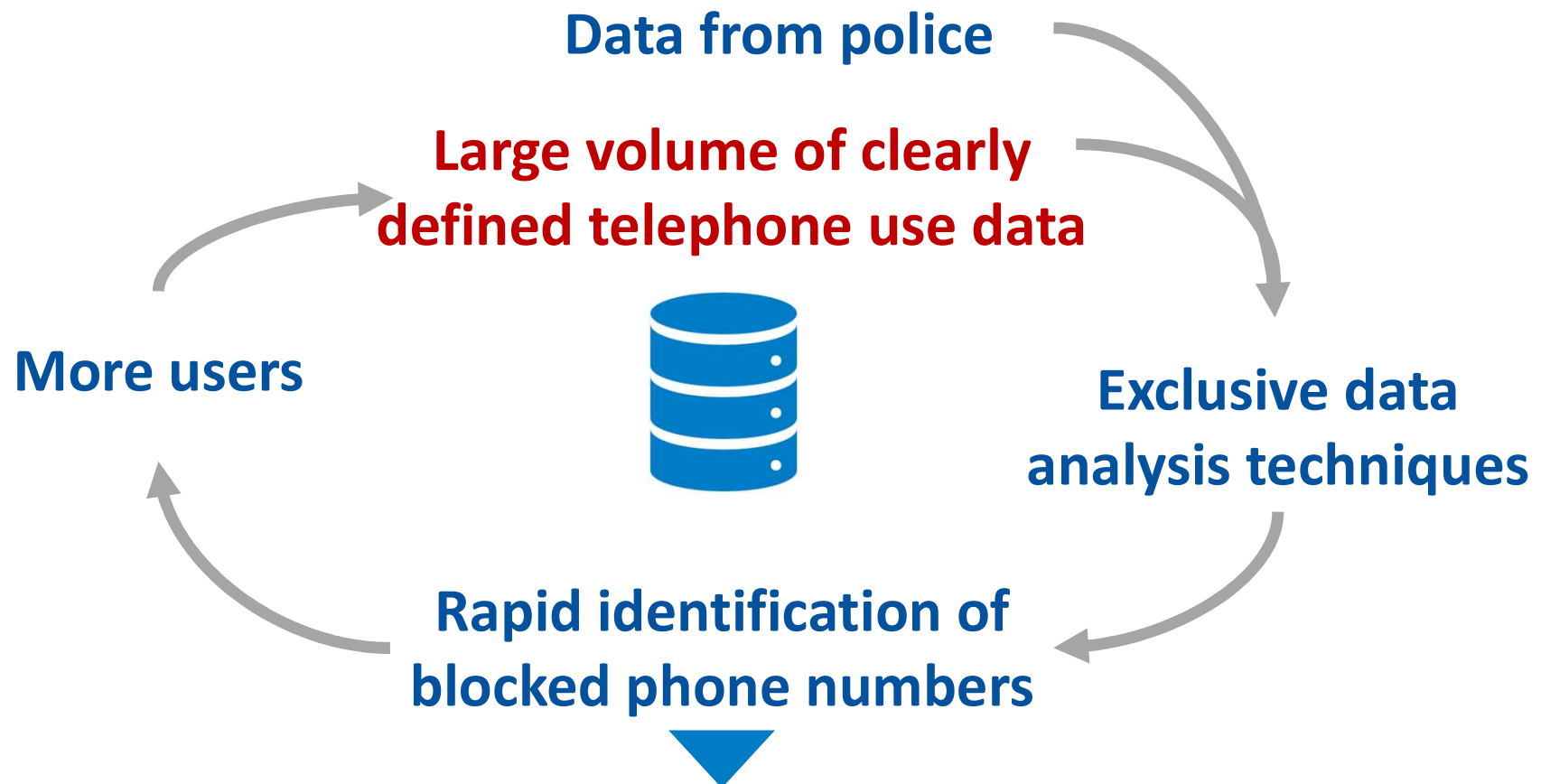An increasing volume of fraud and spam activities taking advantage of the COVID-19 crisis

Fraudulent distress calls **40%**

Debit card scams **22%**

Fictitious demands **17%**

Tax refund scams **14%**

Others

Losses by type of scam in 2019: Number of cases detected

Fraud reports — Losses (billion yen)

Source: Identification and Control of Special Fraud in 2019, National Police Agency

Strengths of Tobila's Database Technology

Constant improvement in accuracy because accumulated data increases along with the number of users
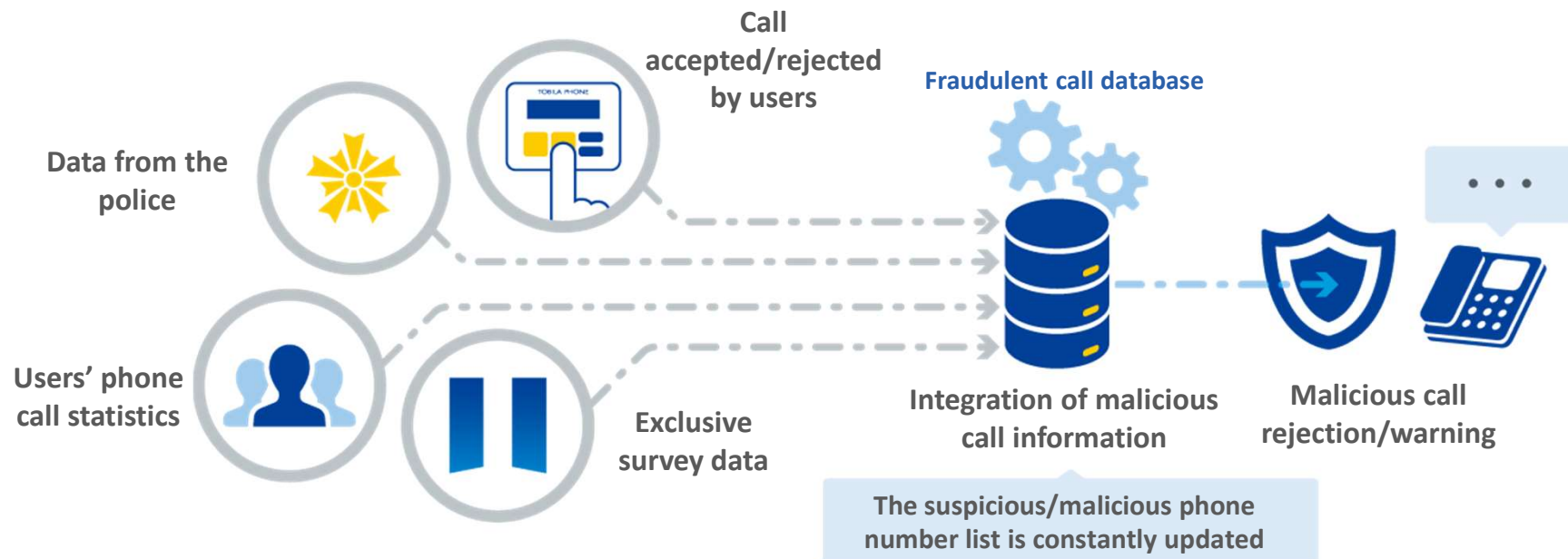
Data from police

Large volume of clearly defined telephone use data

More users

Exclusive data analysis techniques

Rapid identification of blocked phone numbers

Our goal is the elimination of problems caused by fraud and spam activities in Japan!

Tobila Systems is effectively the only source of this service in Japan – No competitors

▶ **Analysis using more than 1.1 billion units of data.** There is no company or service in Japan that can match this level of data analysis.

▶ The 10 patents for our unique algorithms make it very difficult for a new competitor to emerge.

▶ **A cyclical system in which data accuracy improves as the number of users increases.** The database must be constantly checked and updated because criminals are always changing the phone numbers they use.

Call accepted/rejected by users

Data from the police

Fraudulent call database

Users' phone call statistics

Exclusive survey data

Integration of malicious call information

Malicious call rejection/warning

The suspicious/malicious phone number list is constantly updated

7

Our Services and Business Model

Filtering Service for Mobile Phones

Included in the optional packages of NTT docomo, KDDI (au), SoftBank and other cell phone carriers
Offered as an app for filtering fraudulent calls

Carrier/App (Examples)

Incoming call screen (when suspicious/malicious number is detected)

A function for automatically displaying information about the caller

SoftBank

Meiwaku Denwa Block

KDDI(au)

Meiwaku Message & Denwa Block

docomo

Anshin Security

iPhone version

Android version
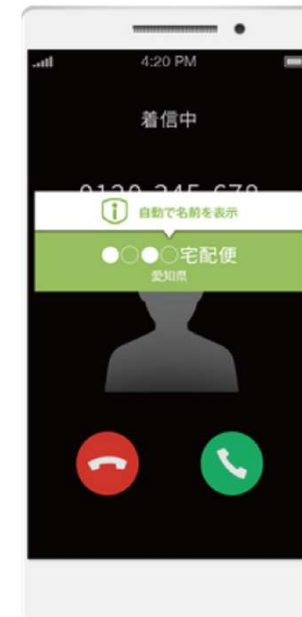
TOBILA 33

Business Model for Filtering Service for Mobile Phones (1/2)

Cell phone carriers offer optional packages containing several apps
Carrier shops explain these apps to customers when they purchase
a phone service subscription

Provision of app

License fees

Packaged with other
optional apps

Explanation/sale when
phones are purchased

Cell
phone
carriers

Carrier
shop

Users

Optional package fee is paid with
the phone service fee
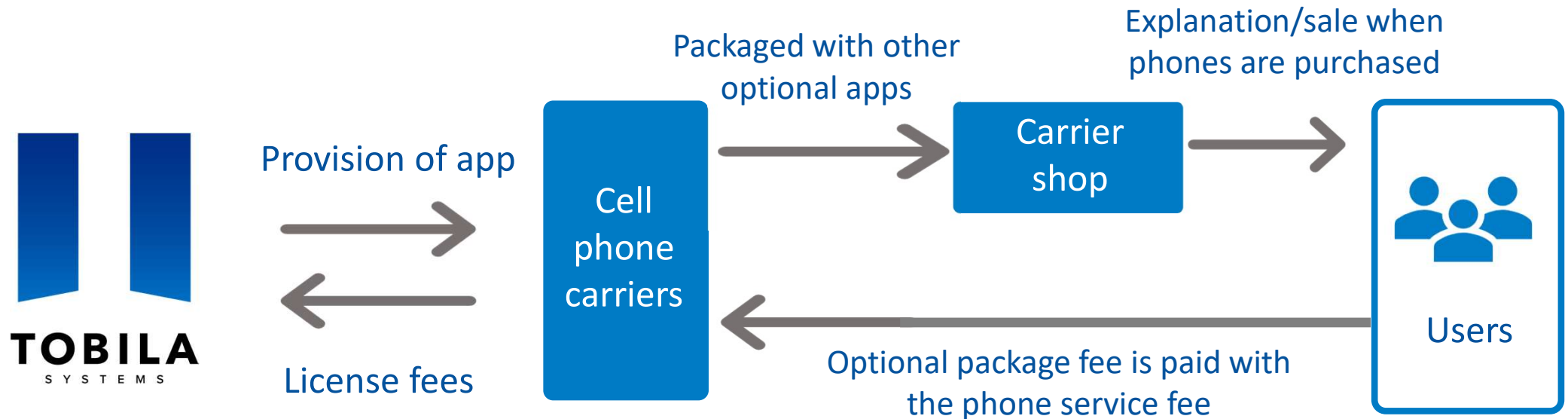
TOBILA
SYSTEMS

**Tobila Systems receives
license fees from the carriers**

**Carriers conduct marketing activities, sell phones
and services to users, and collect fees**

Business Model for Filtering Service for Mobile Phones (2/2)

The three main contract categories with cell phone carriers
The monthly active users ✕ unit price model will be the primary source of growth

Fixed payment

No. of contractors
✕
Unit price

Monthly active users
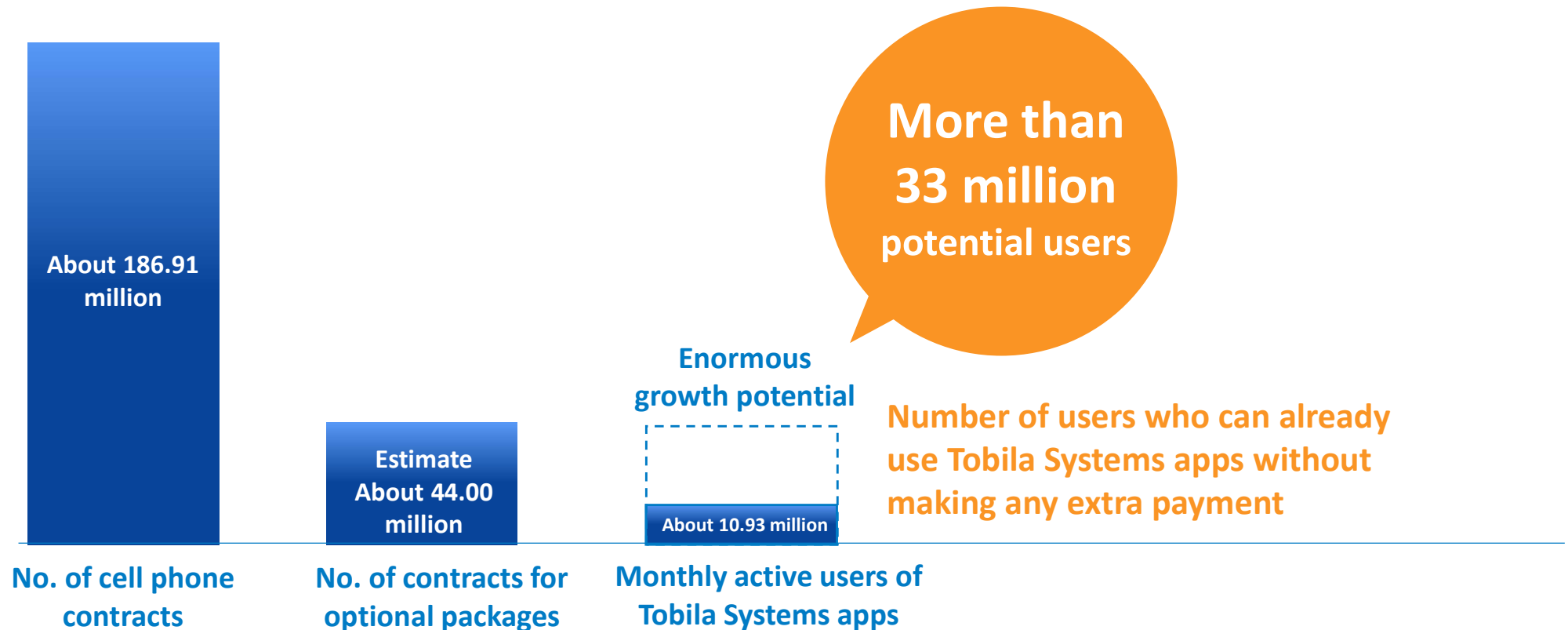**✕**
Unit price

Tobila Systems' sales remain the same regardless of changes in the number of the carrier's user contracts and monthly active users

Tobila Systems' sales change along with the number of users who have signed up for the optional package

Tobila Systems' sales change along with the number of monthly active users

The Market in Japan for Optional Packages for Filtering Service for Mobile Phones

More than 44 million potential users of Tobila Systems apps at no extra charge
Monthly active users are now only about 10.93 million – Enormous growth potential

About 186.91 million

More than 33 million potential users

Estimate About 44.00 million

Enormous growth potential

About 10.93 million

Number of users who can already use Tobila Systems apps without making any extra payment

No. of cell phone contracts

No. of contracts for optional packages

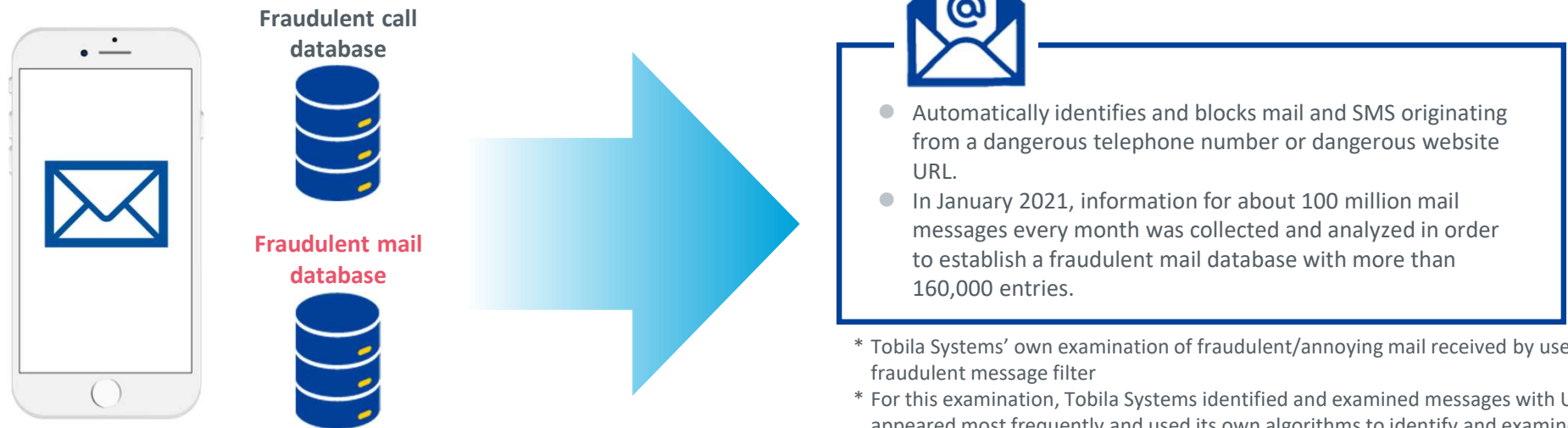**Monthly active users of Tobila Systems apps**

* Number of cell phone contracts: Quarterly Data on Telecommunications Service Contract Numbers and Market Share, Ministry of Internal Affairs and Communications (June 29, 2020)

* Number of contracts for options: Tobila Systems estimate based on data collected by Tobila Systems for SoftBank, Smart Pass and Smart Pass Premium contracts as announced by KDDI for au (https://www.kddi.com/corporate/ir/finance/report-segment/), and the number of contracts for options announced on December 19, 2018 for NTT Docomo

* Number of the monthly active users includes some provisional figures. The data may vary somewhat when the finalized figures are released and reflected in the data.

Horizontal Deployment of Fraudulent Mail Filtering Service for Mobile Phones

▶Goal is to supply a fraudulent/annoying message (MMS/SMS) filter to all carriers
▶Enlarge ways to generate earnings to become even more profitable

Fraudulent call database

Fraudulent mail database

- Automatically identifies and blocks mail and SMS originating from a dangerous telephone number or dangerous website URL.
- In January 2021, information for about 100 million mail messages every month was collected and analyzed in order to establish a fraudulent mail database with more than 160,000 entries.
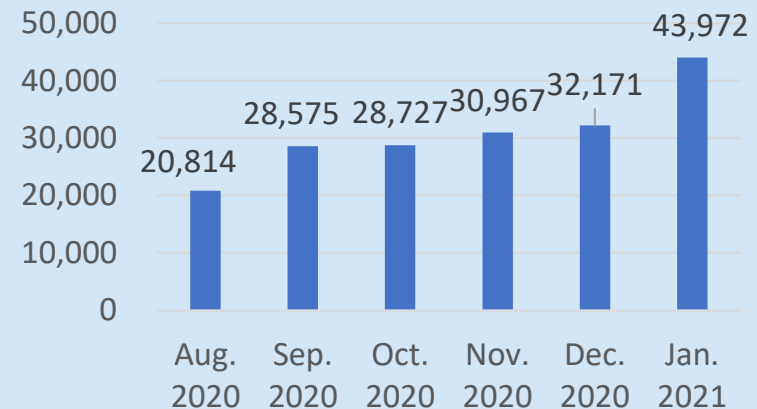
* Tobila Systems' own examination of fraudulent/annoying mail received by users of the fraudulent message filter
* For this examination, Tobila Systems identified and examined messages with URLs that appeared most frequently and used its own algorithms to identify and examine mail having the distinctive characteristics of a fraudulent/annoying message.

Phishing reports more than doubled over a six-month period

- One reason is the COVID-19 crisis
  →Increase in phishing mail professing to pay recipients special government benefits
- Another reason is fraudulent messages appearing to come from a legitimate sender
  → Many reports of phishing messages from parties pretending to be Amazon, a cell phone carrier, parcel delivery service or other company

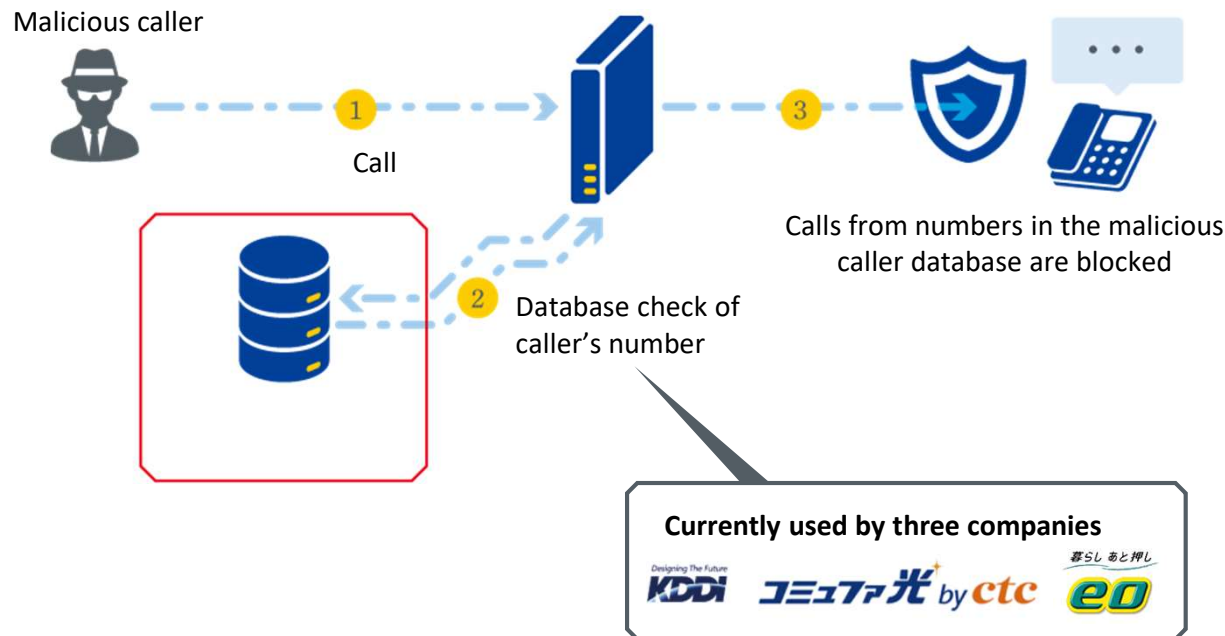Source: October 2020 Phishing Reports, Council of Anti-Phishing Japan

	Aug. 2020	Sep. 2020	Oct. 2020	Nov. 2020	Dec. 2020	Jan. 2021
	20,814	28,575	28,727	30,967	32,171	43,972

Filtering Service for Landline Phones

Offered mainly as a service that is embedded in Home Gateway and sold as an optional package to users of landline phones

▶ The fraudulent call filtering system is embedded in the Home Gateway service that telecommunication companies provide to their customers

▶ The fraudulent call filtering system can be used with a landline phone (IP phone) by selecting the basic optional package

Home Gateway Fraudulent Call Filtering Flowchart

Provided to the Home Gateway systems of three companies

Malicious caller

Call

Calls from numbers in the malicious caller database are blocked

Database check of caller's number

Currently used by three companies

KDDI   コミュファ光 by ctc   eo

With Attachment for Landline Phones

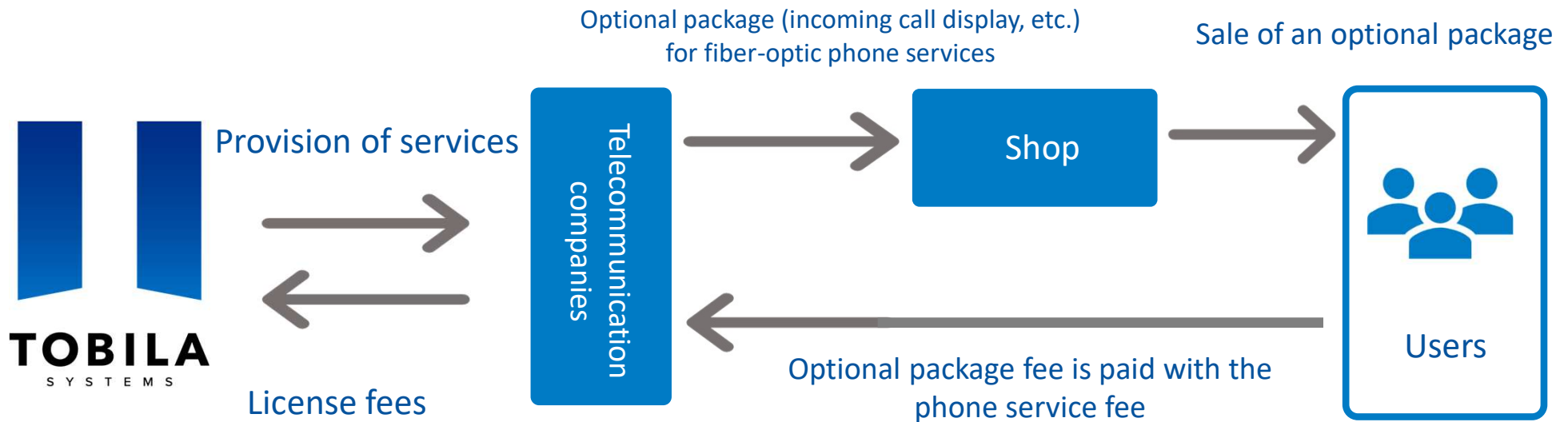**Incoming calls trigger one of three colors depending on the level of safety LED**

LED light emitting unit

For incoming calls

Safe
Green
A phone number that the user has registered for receipt

Neutral
Yellow
A call from public phones or a phone number that is not registered in the blocking list

Dangerous
Red
A phone number that the user has registered for rejection or that is in the blocking list, etc.

*Users of landline phones (IP phones) must use a Home Gateway with a link between the Internet and telephone.

Sold as part of the optional package for IP phones
Sold by KDDI and other carriers along with landline phone services

Optional package (incoming call display, etc.)
for fiber-optic phone services

Sale of an optional package

Provision of services

Telecommunication companies

Shop

Users

License fees

Optional package fee is paid with the phone service fee

Tobila Systems receives license fees from the telecommunication companies
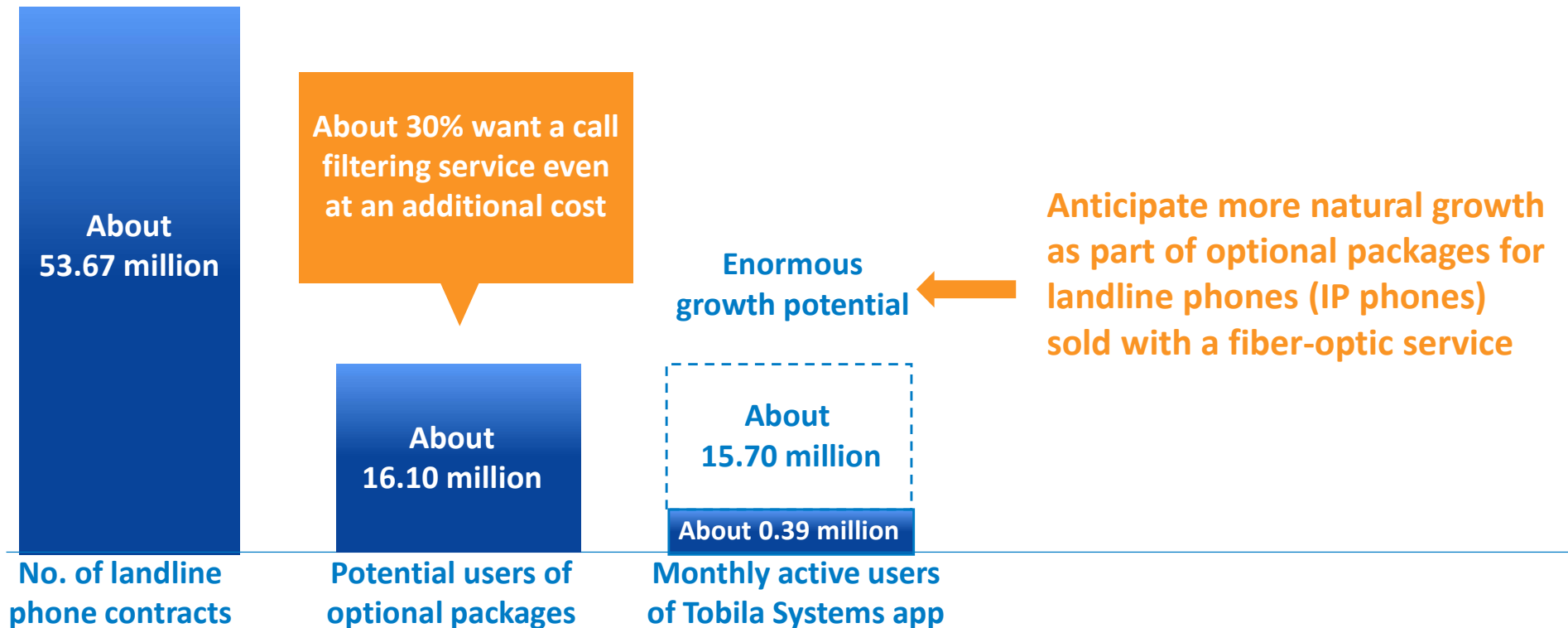
Telecommunication companies conduct marketing activities, sell services to users, and collect fees

● **Licensing fee scheme ••• Number of optional package contracts ✕ Unit price**

The Market in Japan for Optional Packages for Filtering Service for Landline Phones

Three telecommunications companies include the Tobila Systems fraudulent call filtering service in their optional packages

There is much potential for growth by forming alliances with more companies

About 53.67 million

About 30% want a call filtering service even at an additional cost

About 16.10 million

Enormous growth potential

Anticipate more natural growth as part of optional packages for landline phones (IP phones) sold with a fiber-optic service

About 15.70 million

About 0.39 million

No. of landline phone contracts

Potential users of optional packages

Monthly active users of Tobila Systems app

*Number of landline phone contracts: Quarterly Data on Telecommunications Service Contract Numbers and Market Share, Ministry of Internal Affairs and Communications (June 29, 2020)
*29.8% of all users want a fraudulent call filtering service at an additional cost irrespective of whether or not they have ever received a malicious call according to the Smartphone Malicious and Fraudulent Call Survey by Mobile Marketing Data Laboratory (November 5, 2015).

TobilaPhone Biz Business Model (1/2)

Using partners for the sale of the TobilaPhone Biz fraudulent call filtering service

▶ **Automatic call rejection; no need for time-consuming preparation of lists of phone numbers to be blocked**
▶ **Improves operating efficiency by reducing unwanted phone calls by salespeople**
▶ **Includes a recording capability that strengthens corporate compliance and reduces the risk of errors when receiving/placing orders**

TobilaPhone Biz for fiber-optic links

Tobila Systems investigations   TobilaPhone   TobilaPhone Biz for fiber-optic links

Fraudulent call database

Attachment exclusively for TobilaPhone Biz

Simple display for operations

Users can reject calls from unknown numbers

Registration of up to 10,000 numbers for rejection or acceptance

Searches of phone call recordings

Automatic accumulation of malicious phone number data and updating of list of blocked numbers
Use a browser to listen to recordings

Calls from unknown numbers can also be input for rejection.

10,000 rejection and acceptance numbers can be registered. No need to worry about the deletion, or time needed for deletion, of numbers registered in the past for rejection.
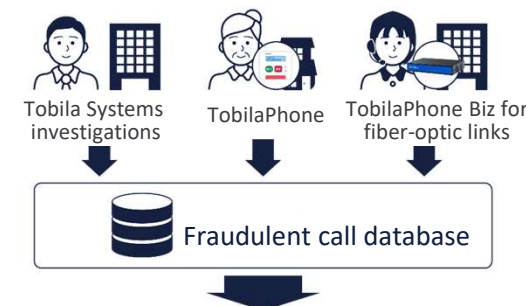
Users can locate a specific recording on a browser by using the attachment's web management screen. All recordings are organized according to the date and time and caller.
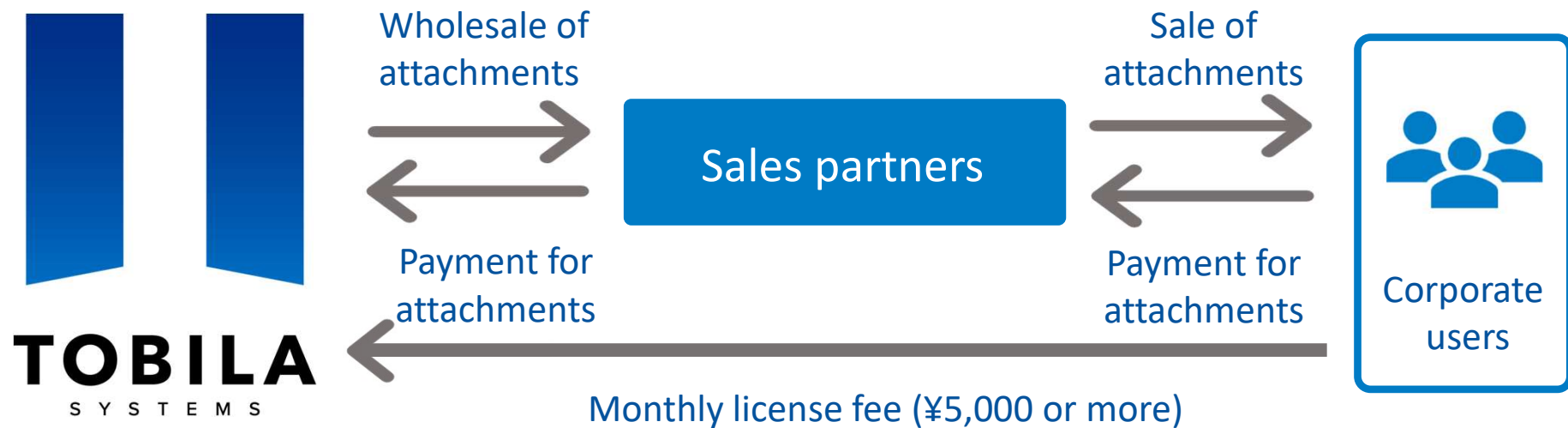
No need to buy playback software because recordings can be heard using a browser. Simply use a PC browser for a recording search on the management screen by inputting a name, telephone number or date and time.

TobilaPhone Biz Business Model (2/2)

A steady revenue stream model in which monthly licensing fees increase along with the number of companies using this service

Wholesale of attachments

Sale of attachments

Sales partners

Corporate users

Payment for attachments

Payment for attachments

Monthly license fee (¥5,000 or more)

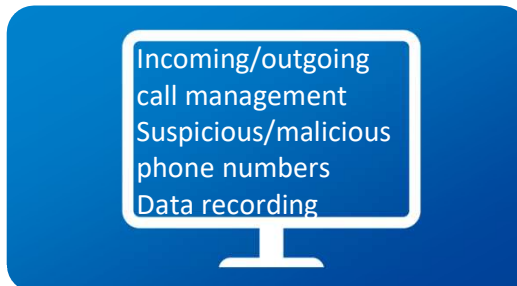TOBILA SYSTEMS

What is TobilaPhone Cloud?

A cloud-based business phone service that allows people to use their personal smartphones for business activities
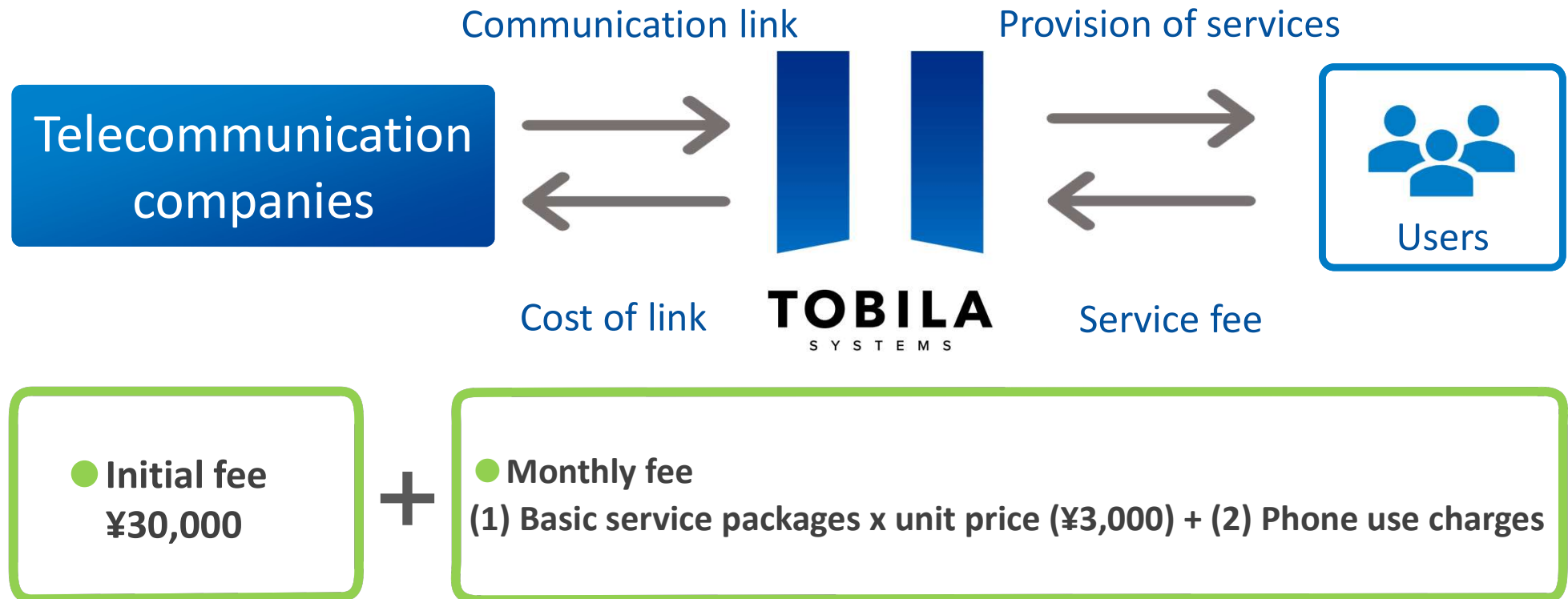
Simply install the app on a smartphone

Everything
¥0

PBX, capital expenditures, lease for business-use phones, communications among employees, etc.

Capital expenditures ¥0

Incoming/outgoing call management
Suspicious/malicious phone numbers
Data recording

Use a single screen for all operations

トビラフォン Cloud
1234567890
050-XXXX-XXXX 代表番号からの発信

1	2 ABC	3 DEF
4 GHI	5 JKL	6 MNO
7 PQRS	8 TUV	9 WXYZ
*	0 +	#

国際電話　一字消去
キーパッド　履歴　連絡帳

TOBILA SYSTEMS　43

TobilaPhone Cloud Business Model

A steady-revenue model in which monthly licensing fees increase along with the number of basic service packages

Communication link

Provision of services

Telecommunication companies

Users

Cost of link

Service fee

TOBILA SYSTEMS

● **Initial fee**
¥30,000

+

● **Monthly fee**
(1) Basic service packages x unit price (¥3,000) + (2) Phone use charges

*Depending on the number of users, one company may have more than one basic service package.
*For more information about the basic service package: (https://tobilaphone.com/biz/cloud/price/)

Medium-term Growth Projection

▶ **Mobile phone services**

Expect rapid sales growth to continue because there is still substantial growth potential
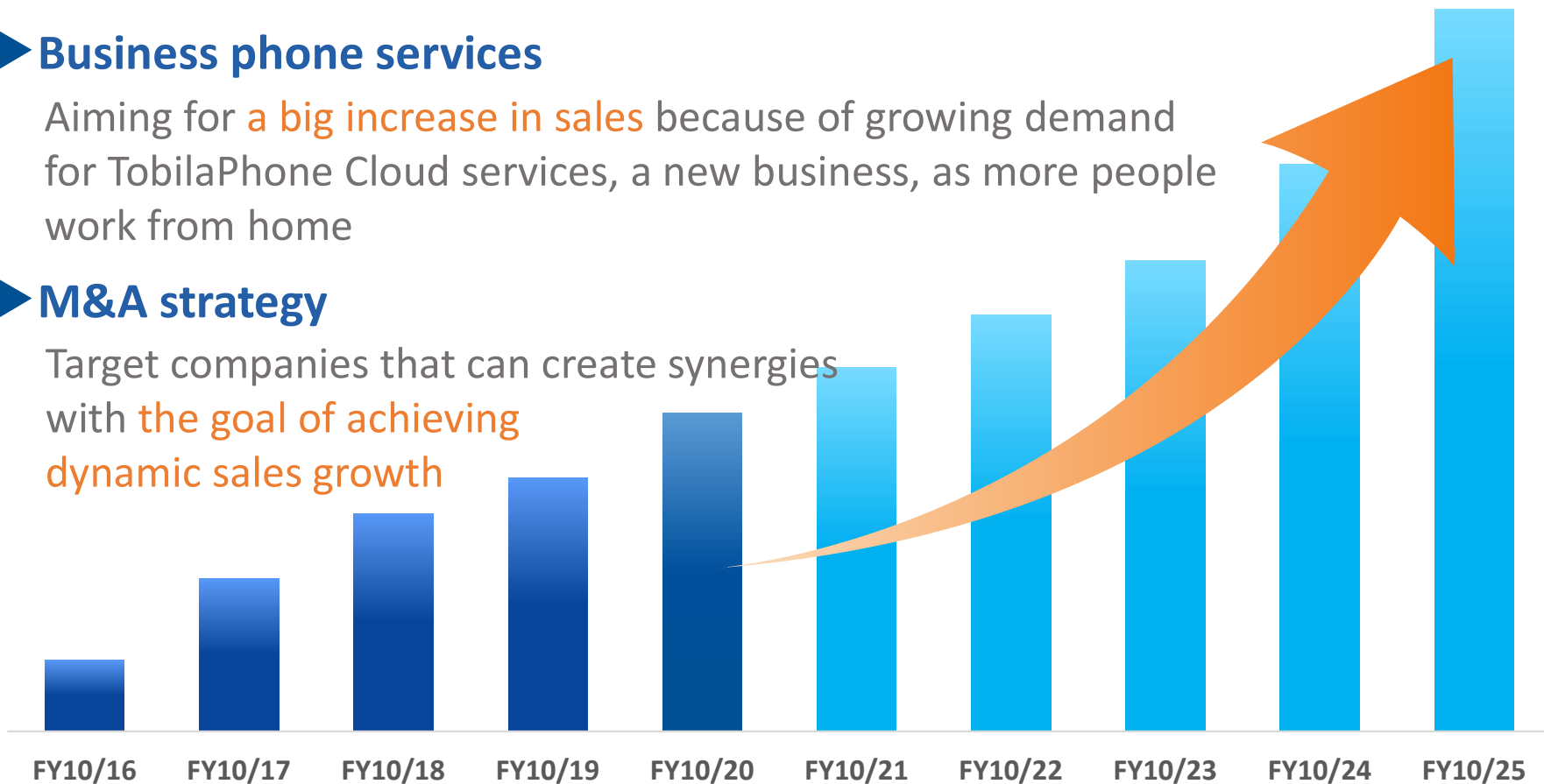
▶ **Landline phone services**

The goal is steady sales growth because of the large potential market for landline phone services and high level of interest in these services

▶ **Business phone services**

Aiming for a big increase in sales because of growing demand for TobilaPhone Cloud services, a new business, as more people work from home

▶ **M&A strategy**

Target companies that can create synergies with the goal of achieving dynamic sales growth

| FY10/16 | FY10/17 | FY10/18 | FY10/19 | FY10/20 | FY10/21 | FY10/22 | FY10/23 | FY10/24 | FY10/25 |

Results of Operations

8

References

Company Overview

Company name	Tobila Systems Inc.
Securities code	4441
Established	December 1, 2006 (Founded on April 1, 2004)
Head office address	Pacific Square Nagoya Nishiki 7F 2-5-12, Nishiki, Naka-ku, Nagoya, Aichi
Business	Development and provision of fraud and spam prevention systems
Management	Atsushi Akita Tomoki Matsushita Toshihito Goto Takuya Yuki Akemitsu Nakahama Tomoyuki Matsui Hisashi Tanaami
No. of employees	66 (Includes 12 temporary employees; as of January 31, 2021)
Location	Nagoya, Tokyo, Osaka
Major memberships	Council of Anti-Phishing Japan Aichi Prefecture Crime Prevention Association Gifu Prefecture Crime Prevention Society Mie Prefecture Crime Prevention Association Shizuoka Prefecture Crime Prevention Association

Directors and Executives

Director

Tomoki Matsushita

Atsushi Akita

Representative Director and President

Born in 1980

Managing Director and CFO, General Manager of Administration Dept.

Toshihito Goto

Director, Full-time Member of the Audit and Supervisory Committee

Takuya Yuki

Outside Director, Part-time Member of the Audit and Supervisory Committee

Akemitsu Nakahama

Outside Director, Part-time Member of the Audit and Supervisory Committee

Tomoyuki Matsui

Outside Director, Part-time Member of the Audit and Supervisory Committee

Hisashi Tanaami

Unit: Millions of yen	FY10/20				FY10/21
	1Q	**2Q**	**3Q**	**4Q**	**1Q**
Net sales	270	319	312	331	335
Fraud and spam prevention services	244	295	290	312	316
Other services	26	23	22	19	19
Cost of sales	77	82	78	83	89
Labor cost	54	53	54	55	58
Depreciation	11	10	10	12	10
Others	30	42	36	47	48
Pct. of cost of sales classified as R&D expenses and assets*	20.1%	22.5%	22.6%	28.5%	23.7%
SG&A expenses	93	94	99	126	122
Personnel expenses	41	42	44	44	45
Advertising expenses	0	11	14	29	15
R&D expenses	8	7	10	17	16
Others	42	32	31	35	44

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

- 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 these statements.

- Risk factors and uncertainties include the economic environment in Japan and other countries, such as the industry and markets where Tobila Systems operates 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 even if there is new information, a future event or any other reason for an update or revision.