



Medium-term Management Plan

(FY10/21-FY10/23)

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

The background of the slide is a blue sky with white clouds. In the top left corner, there are three vertical white bars of increasing height. A network of white dots connected by thin lines is overlaid on the sky. The text 'Corporate Philosophy' is in white, bold, sans-serif font.

Corporate Philosophy

**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.

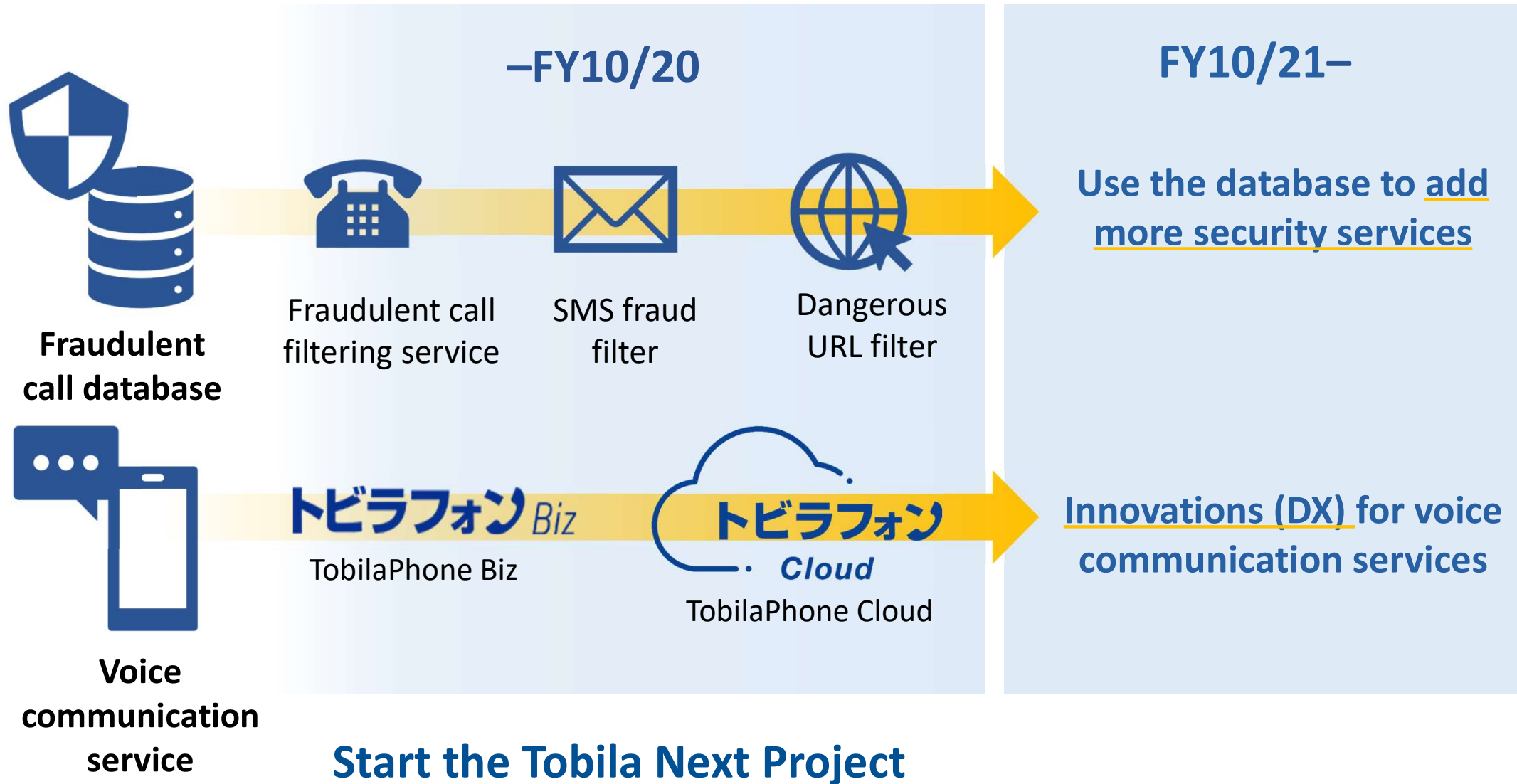
We will strive to solve social issues using security for people in order to create a society with peace of mind.

Corporate History

Growth by using technology to solve the social problem of fraudulent phone calls and other scams

Dec. 2006	Established A&A tecnologia Co., Ltd.
May 2010	Changed the company name to Tobila Systems Inc.
Jun. 2011	Developed and released TobilaPhone for filtering fraudulent calls
Jan. 2012	Started fraudulent call filtering demonstration trial with the Aichi prefectural police
Mar. 2015	Signed memorandum with the National Police Agency concerning fraudulent calls; established system for receiving nationwide fraudulent call information
Jul. 2015	Signed agreement with NTT Docomo to provide a smartphone fraudulent call filter app as an option Started providing this app as part of the Anshin Package
Feb. 2016	Started supplying the TobilaPhone Mobile for au smartphone app by using KDDI's au Smart Pass platform
Nov. 2016	Started supplying a smartphone fraudulent call filter app to SoftBank as part of an optional service agreement
Jun. 2017	Started sales of TobilaPhone Biz for fiber-optic links for the filtering of fraudulent calls
Apr. 2019	Listed on the Tokyo Stock Exchange Mothers Market (Securities code: 4441)
Mar. 2020	Started sales of TobilaPhone Cloud, a cloud-based business phone service
Apr. 2020	Listed on the First Section of the Tokyo Stock Exchange

Project Tobila Next



Three Growth Drivers to Aim for Sales of ¥10 Billion

The Tobila Next Project



Sales and Earnings Goals

Aiming for steady growth of existing businesses while making big investments for rapid growth of new businesses

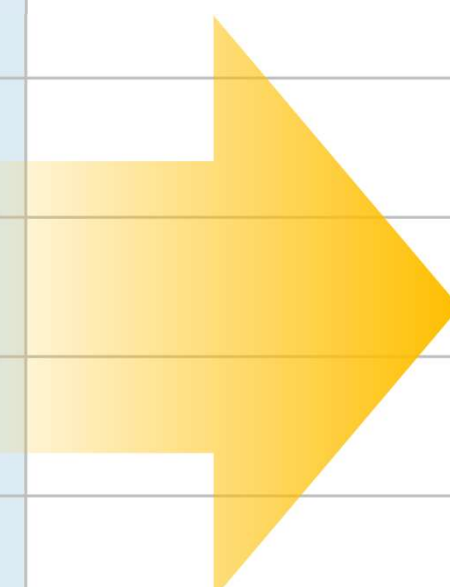
Unit: Millions of yen	FY10/20	FY10/23
Net sales	1,234	1,826
Operating profit	498	565

Base annual sales growth rate goal is 13%-14%, but aiming for even faster growth. Placing priority on investments for growth during the next three years to increase the pace of medium/long-term sales growth. As a result, plan to keep annual growth of operating profit between 3% and 5%.

Sales Goals by Category

Anticipate rapid growth of sales of mobile phone services.
Anticipate steady growth of sales of landline phone services.
Aiming for a big increase in sales of business phone services.

Unit: Millions of yen	FY10/20	FY10/23
Mobile phone services 1 Existing businesses	967	1,284
Landline phone services 1 Existing businesses	146	217
Business phone services 2 New businesses	26	274
Other services	92	49
Total	1,234	1,826



Steady Growth of Existing Businesses

Filtering Service for Mobile Phones (Existing businesses)

External Environment

- New MNO carriers and rate reductions by mobile phone carriers
- More phishing and other diversification of scams



Stronger ties with current carriers

- ▶ Add functions to increase fees
- ▶ More monthly active users

Sell services to new carriers

- ▶ Add filtering services to option packages of new mobile network operators
- ▶ Add filtering services to option packages of mobile virtual network operators

Increase the added value of services with the goal of including filtering services in the optional service packages of every mobile phone carrier.

Steady Growth of Existing Businesses

Filtering Service for Landline Phones (Existing businesses)

External Environment

- Major telecommunications companies are switching from analog to IP
- Small decline in landline phone users as IP phone users increase



The Home Gateway* initiative

- ▶ Use alliances to expand the sales network

Reinforce relationships with current partners and establish alliances with more companies to continue increasing sales.

*A HomeGateway is a fiber-optic router for a phone that allows the interconnection of many devices.

New Businesses for Much Faster Growth

Filtering Service for Business Phones (New businesses)

External Environment

- Emergence of new working styles because of COVID-19
- Increasing use of IT due to the digital transformation



TobilaPhone Biz

- ▶ Make this a certified and recommended product of sales agents
- ▶ Use customer data analysis to upgrade marketing activities

TobilaPhone Cloud

- ▶ Use advertising to raise public awareness of this service
- ▶ Make large investments in products to add new functions

In the business phone sector, increase the number of customers by strengthening sales activities and providing products with added value.

An M&A Strategy with the Goal of Dynamic Growth

M&A Strategy



Selection criteria

- ▶ Can the company provide new products/services to Tobila Systems' customers? (product development strategy)
- ▶ Does the company have customers who can use Tobila Systems products and services? (market development strategy)

Evaluation criteria

- ▶ Is the acquisition properly priced? (EBITDA multiple between about 5 and 10)
- ▶ Will the M&A deal make a medium/long-term contribution to earnings?

Aim at expanding existing services and create new services as a business designed to solve social issues.

*Additional sales due to potential M&A activity are not included in the sales forecast.

ESG Activities

–FY10/20

FY10/21–

E

Environment

- Using virtual server technology for an efficient IT infrastructure
- This infrastructure lowers electricity consumption and expenses

Even higher efficiency by using a cyber infrastructure and investing in R&D for new technologies

S

Social

- Providing fraud prevention and protection products that reduce losses and other problems
- Providing assistance at no cost to regional non-profit organizations

Aiming to eliminate fraud and scams by developing even more effective security services

G

Governance

- Increased the number of outside directors to three (more than 40% of all directors)
- Increased the quality of disclosure activities, including the provision of English-language materials

More and even better activities for compliance with the Corporate Governance Code

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	65 (Includes 12 temporary employees; as of October 31, 2020)
Locations	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



Atsushi Akita

Representative Director and President

Born in 1980



Executive Vice President

Tomoki Matsushita



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

Full-year Results

Unit: Millions of yen	FY10/18	FY10/19	FY10/20
Results of operations			
Net sales	842	981	1,234
Operating profit	228	406	498
Ordinary profit	222	392	471
Profit	147	248	322
Net income per share (Yen)	15.92	25.53	31.30
Balance Sheet			
Total assets	469	1,310	1,647
Net assets	270	1,000	1,347
Equity ratio (%)	57.7	76.4	81.7
Net assets per share (Yen)	28.94	97.91	129.71
ROE (%)	75.8	39.1	27.5

*Net income per share and net assets per share have been calculated as if a 3-for-1 stock split had taken place at the beginning of FY10/18.

Disclaimer

- 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.
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