



We will refrain from disclosing specific figures, but we assume that the impact of this contract renewal on the current fiscal year will fall under the immateriality standard of less than 10% of sales. In addition, this price revision will be for the major telecommunication carriers of the "number of subscribers × unit price" model and will not affect other carriers.

2. Rakuten Mobile announced that it would provide an optional service "Malicious SMS Rejection Settings" for free from July 9, 2024. Are you involved in this service?

We are not involved in the service you pointed out. We will not be able to answer specific negotiations, but as we continue to work on developing telecommunication carriers, we will promptly disclose any specific matters that can be conveyed.

#### [Business phone filtering services]

3. You said that you would like to increase the number of sales agents in order to expand sales of "TobilaPhone Biz." Is it correct to approach the business phone market through sales agents?

When introducing office equipment such as business phones, we recognize that sales agents are necessary partners to grasp the status and needs of customers and conduct sales activities efficiently. In some cases, the introduction and management of office equipment are entrusted to sales agents with whom the Company has close relationships. We believe that sales through sales agents are effective because they can identify sales opportunities in detail, such as the timing of replacement and office relocation.

Q4. This quarter looks like a period of strong growth for "TobilaPhone Cloud." Will this progress continue?

We will strive to make it sustainable. Sales of "TobilaPhone Cloud" increased significantly in the second quarter. We believe that this does not mean that we have won a major project, but that our activities to date have led to results. We continue to improve the service quality and functions of the product and has been strengthening its sales structure and marketing since the previous fiscal year. These activities are functioning well, and we have been able to steadily lead to orders.

#### [Others]

Q5. This quarter looks like a period of progress in sowing seeds for the long term, including contract renewals for mobile phone filtering services and strong sales of "TobilaPhone Cloud." What is your medium-term vision?

The medium-term outlook is currently being scrutinized. In addition to the renewal of mobile phone service contracts and the growth of "TobilaPhone Cloud," it is also necessary to forecast

major trends in various services, and we are currently considering how to present the plan. We will disclose it when we are ready to do so.

Q6. What is the intention behind the change in the outlook for net sales by service and expenses at the end of the second quarter?

As of the end of the second quarter, although the prospect of achieving the full-year company-wide net sales remains unchanged, there are services deviating from the initial plan. We have determined that it is necessary to gain an appropriate understanding of these services. In addition, we plan to make additional investments for growth in and after the third quarter. As a result, we have decided to revise the outlook for expenses.

Q7. You said that you plan to hire 10 to 15 people this fiscal year, but how many people have you hired as of the end of the second quarter?

By the end of the second quarter (April 30), four new employees had joined us. Including those who have been finalized for employment since the third quarter (May), the number of new employees has increased to more than 10. We plan to hire 10 to 15 new full-time employees in 2024 as a whole, but we believe that there will be a certain amount of delays in the timing of hiring and increases or decreases in the number of employees as necessary.

Q8. I believe that the policy to strengthen public relations has increased exposure to television. Will there be any impact on business results?

In the current fiscal year, we are promoting information dissemination with the aim of branding as an expert on special fraud and phishing fraud. As a result of such activities, we have been able to expand recognition, especially among media professionals and IT related business operators. The number of inquiries about collaboration and inquiries about introducing services is increasing, and we will make efforts to firmly link them to earnings in the future. We will let you know if there are any specific results in the future.

<Contact for inquiries regarding this matter>

In charge of IR, Tobila Systems

<https://tobila.com/contact/> or Email: [ir@tobila.com](mailto:ir@tobila.com)