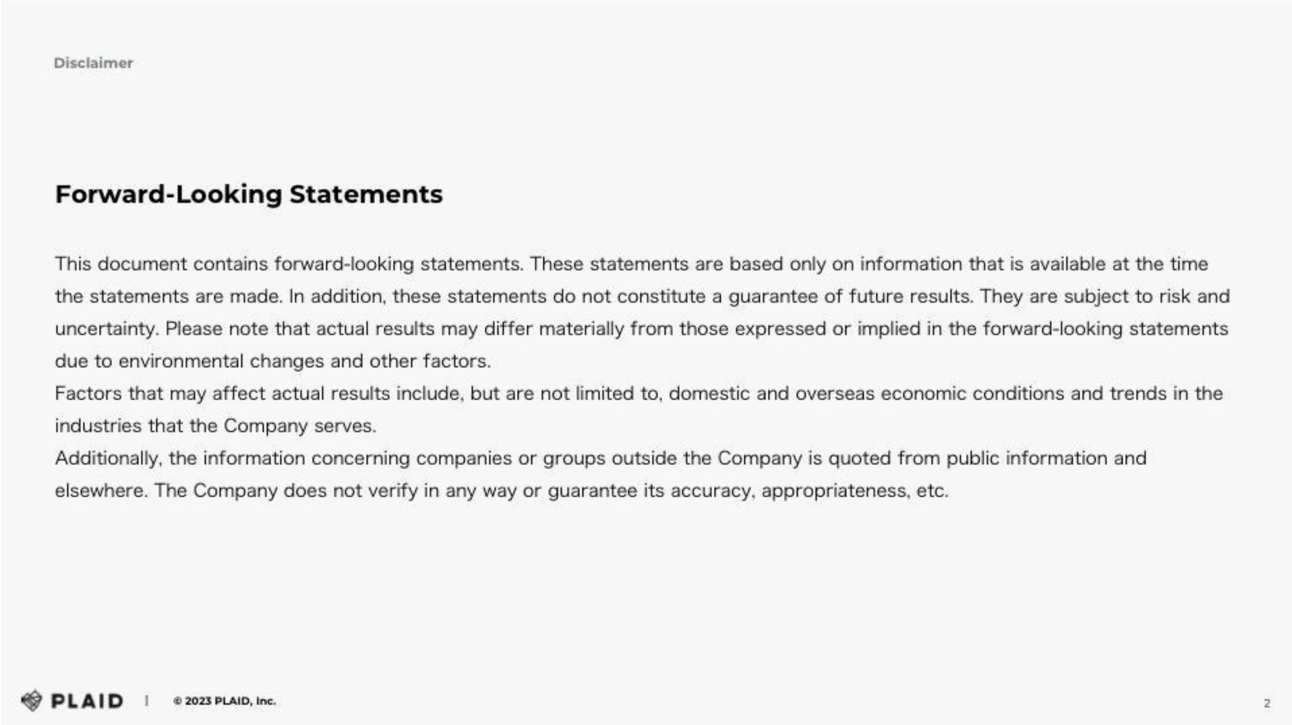
PLAID, Inc.

Financial Results Briefing Q2 FY 9/23

May 11, 2023

Presentation

Moderator: It is time to begin. Thank you for joining us. PLAID, Inc. will now present the financial results for Q2 of the fiscal year ending September 30, 2023.

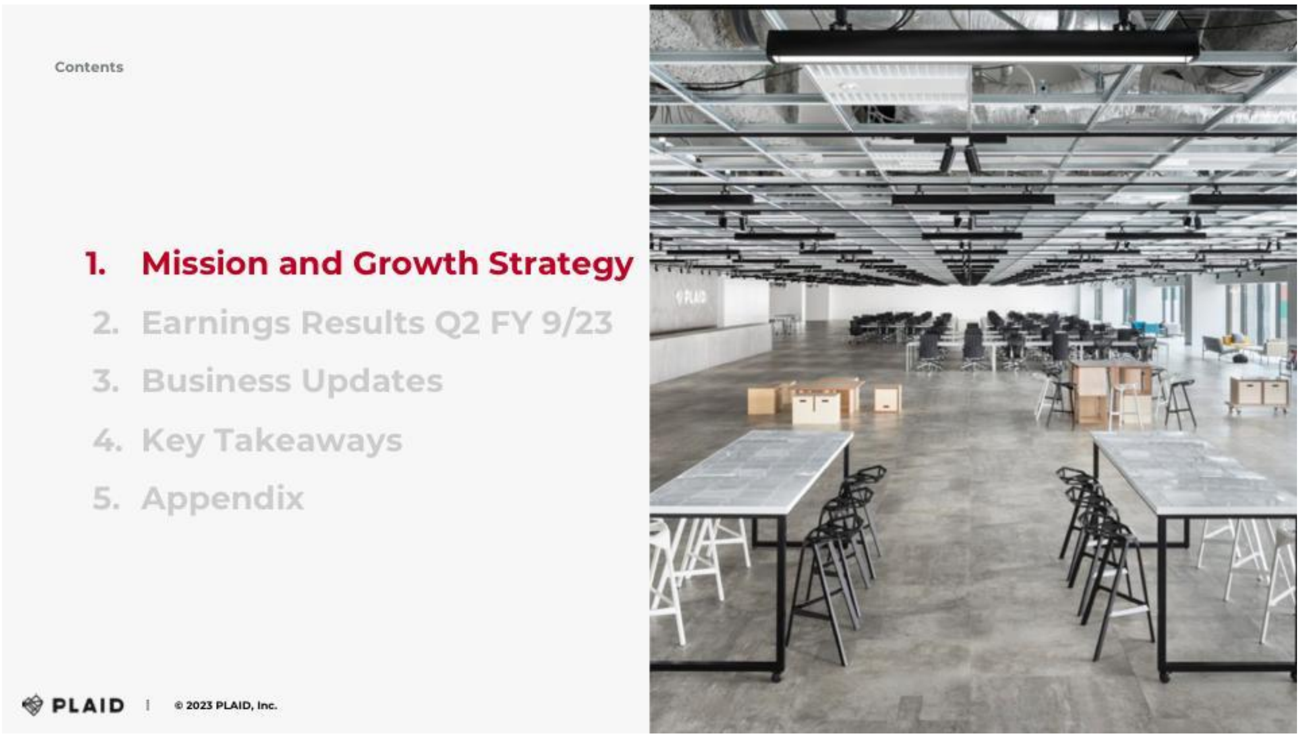


Today's presentation contains forward-looking statements. These statements are not guarantees of future results and involve risks and uncertainties. Please note that actual results may differ materially from these forward-looking statements due to changes in the environment and other factors. In addition, please read this note carefully.

There will be a Q&A session after the presentation. We also have a Q&A form available, so you may text us your questions at any time.

CEO Kurahashi and CFO Muto will give today's presentation.

We will now begin. Mr. Kurahashi, please.



Kurahashi: I am Kurahashi, CEO of PLAID. Thank you for joining us here today.

I will begin with a brief presentation of our mission and growth strategy, followed by CFO Muto's report on Q2 results. I would also like to proceed with a business update and summary. Thank you for your cooperation.

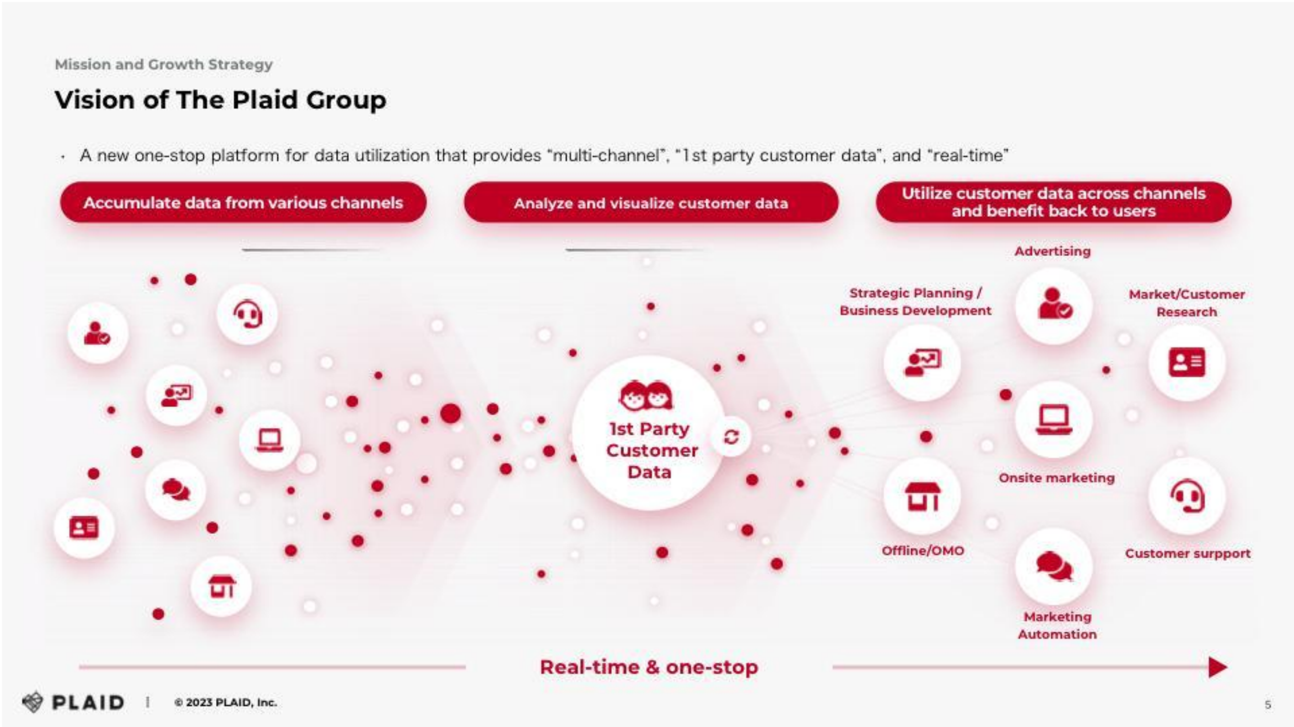
This is our mission, "Maximize the value of people with the power of data."

Once again, I have the strong impression that investments in IT, technology, and products have been relatively focused on the defensive aspects of corporate activities to increase productivity and business efficiency.

We will be aggressive in our use of products and technology, and we will be looking for ways to draw out the potential and creativity of people, which will become increasingly important in the future, through technology, products, and data. By doing so, how will we create a more prosperous future? We have been focusing on such things while advancing our business to this point.

In the context of AI, I feel there is one major global trend coming in recent years. Among these, our focus on how to use data to unlock the potential of people will be the source of competition for the companies of the future, and the reason why they are the companies of the future.

This is our approach, and we believe that we are finally starting to establish a foothold in the world as we have envisioned it.



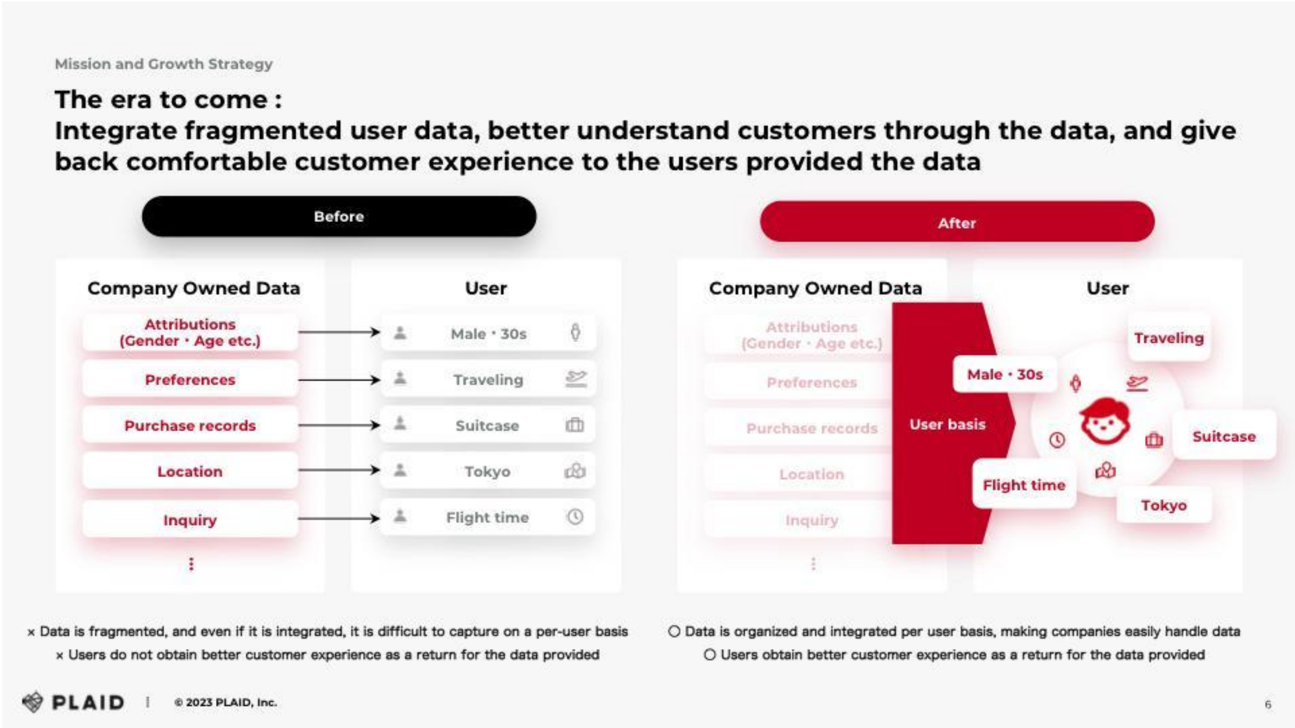
I think the future that we, the PLAID group, are aiming for can be described in the diagram shown.

As digitalization continues to advance, we are entering a world in which the activities and communications of various customers, companies, and service touch points are being converted into data.

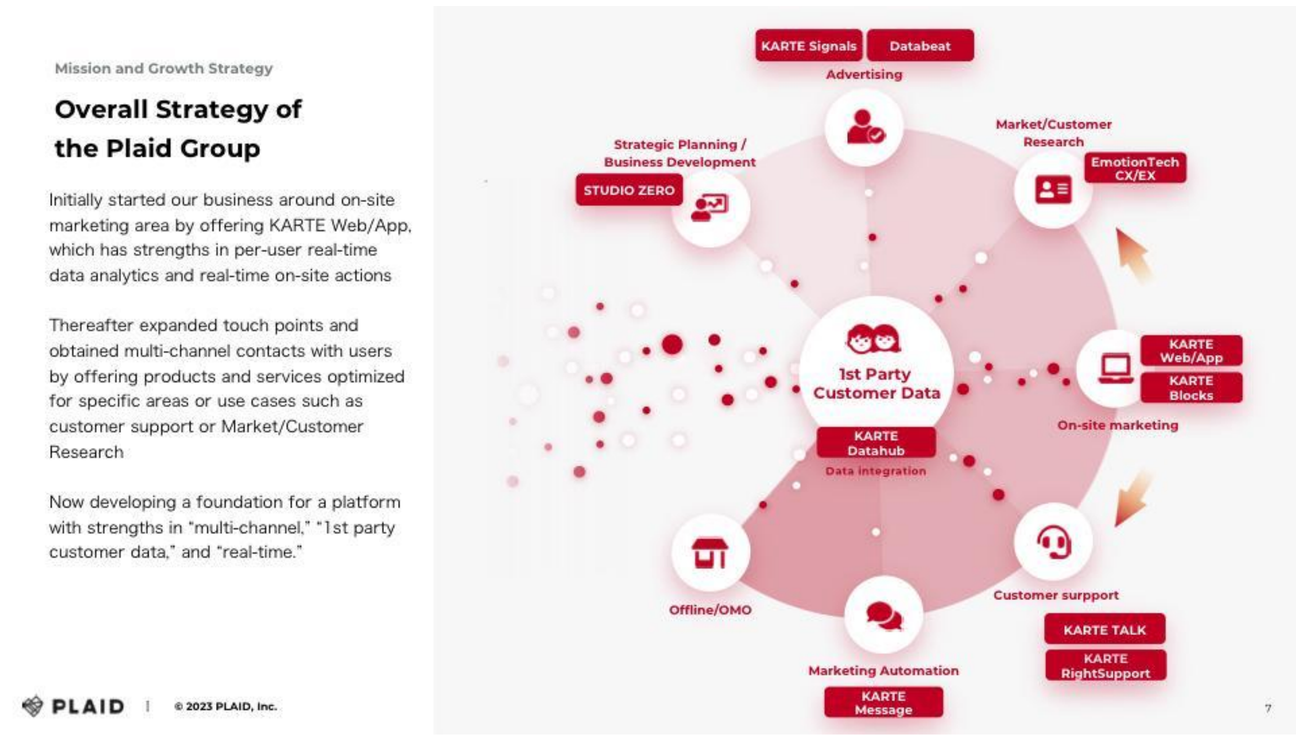
We can integrate, organize, and make use of the customer-oriented data from multiple points of contact in the form of a single user database, 1st party customer data, which can then be utilized and analyzed in various corporate activities. We have a background of creating such an environment, both as a product and as a service.

This customer data, and data from multi-touch points, will be integrated on the user axis. It is then utilized at multiple points of contact, and the reactions and feedback from users are stored in the database. Through the use of such data, a PDCA cycle is accumulated.

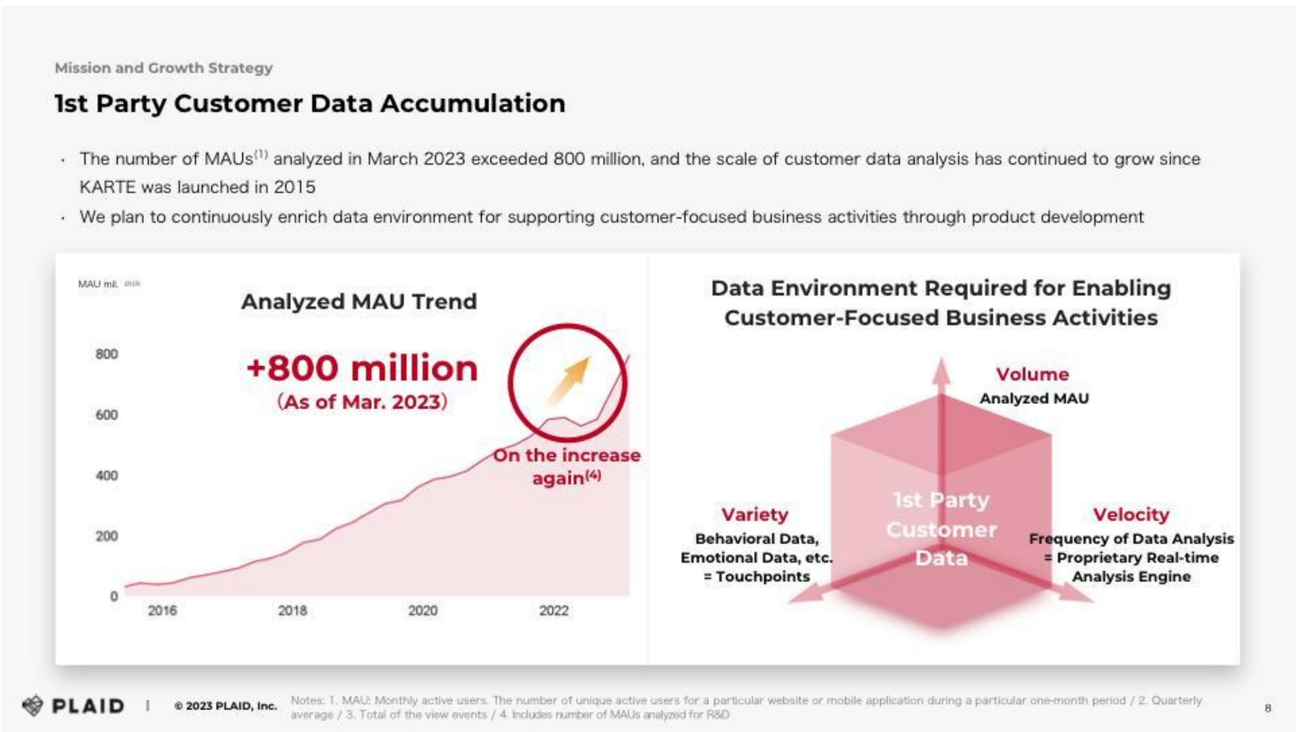
We believe that this kind of environment will be important as the basis for each company's strategy for the future.



In fact, the data that will be measured and integrated from various points of contact will be organized along the user axis in this way. Then, a company can thoroughly refine an experience of a user that it should be providing. We have been providing such products until now.



We are now in our ninth year since we started developing products for web customer service, as we called it at the time in 2015. We have been providing applications and services that can be utilized in various corporate activities based on the 1st party customer data as shown here.



As we analyze the number of MAUs and the fact that the number of unique users has exceeded 800 million through these activities, this has become a relatively large base for us to measure and analyze very large data on a daily basis, and for companies to use.

Even if the context of AI advances in the future, as I mentioned at the beginning, the part that will be difficult to automate will be the part of understanding users and working with them.

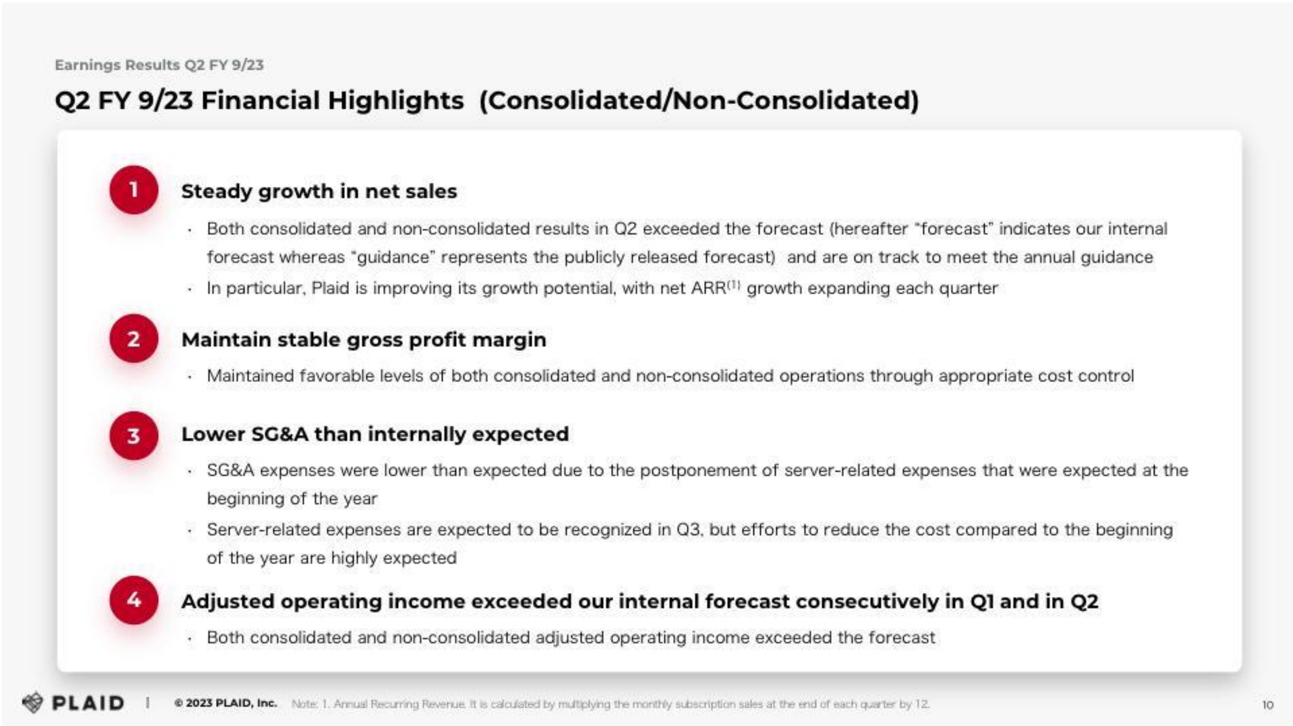
In this regard, we believe that the volume of our products and the variety of data we have as a data measurement platform, as shown on the right, will be a very important competitive advantage for PLAID as we look to the future.

From here, CFO Muto will report on Q2 results.

In the last fiscal year, PLAID has taken steps to improve and modify some major activities throughout the business.

It has been about a year since then, and I feel that we are making very good progress, achieving good results, and building a strong organization, leadership, and foundation. With this perspective in mind, we will present the results of this fiscal year and the business update that follows.

Now, Mr. Muto, please.



Muto: Thank you all for joining us. I am Muto, CFO. Now, I would like to explain the results of Q2.

Here are the Q2 performance highlights.

In a nutshell, I think Q2 was pretty strong and a good result. It is true with this top-line growth, sales growth, and operating income, or the bottom-line profitability. We will look at each of these four points.

First of all, consolidated net sales exceeded the plan. Consolidated net sales for Q2 totaled JPY2.147 billion, a 15.7% growth over the same month last year.

In terms of consolidated net sales, PLAID alone and its group companies have both increased their net sales. For PLAID alone, not only in the core KARTE domain, but also in all new domains, growth in Q2 exceeded the plan.

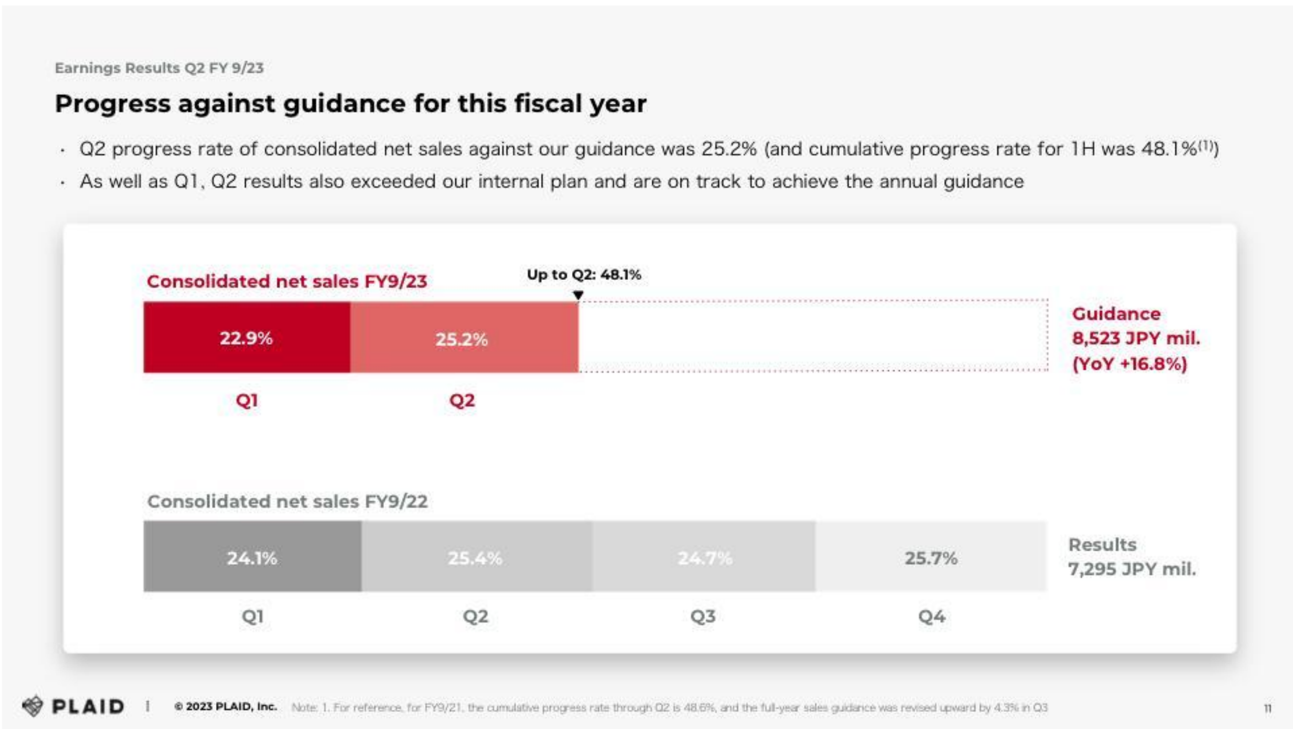
We believe that 15.7% sales growth is not a sufficient number. As you may recall, our ARR fell in Q3 of last year, but the annualized growth rate for the first nine months since that quarter has grown to 26.4%. In other words, our top-line growth rate is recovering close to 30%.

Now, the second point. Gross profit margin has remained stable. The consolidated gross profit margin was 73.7%, up 0.4% from the previous quarter.

Now, the third point. Lower-than-expected SG&A expenses. With regard to server costs, I believe we have talked in past financial presentations that there is a fixed portion of the annual commitment payment that is not fully consumed. We are planning to use that amount, but the timing has slipped out of the term.

Because of the lag, there are some areas where SG&A expenses have fallen more than expected, but even excluding this, we have been able to control SG&A expenses less than planned for the year.

As a result, adjusted operating income was positive in Q2. More than whether the Company is in the black or not, I believe the key point of the financial results is that profitability is recovering and improving naturally without being forced.



This is the progress rate toward the full-year forecast.

We believe that we have a fairly good chance of achieving our full-year forecast of JPY8.523 billion. I think there is a good possibility of an upward revision at the timing of Q3.

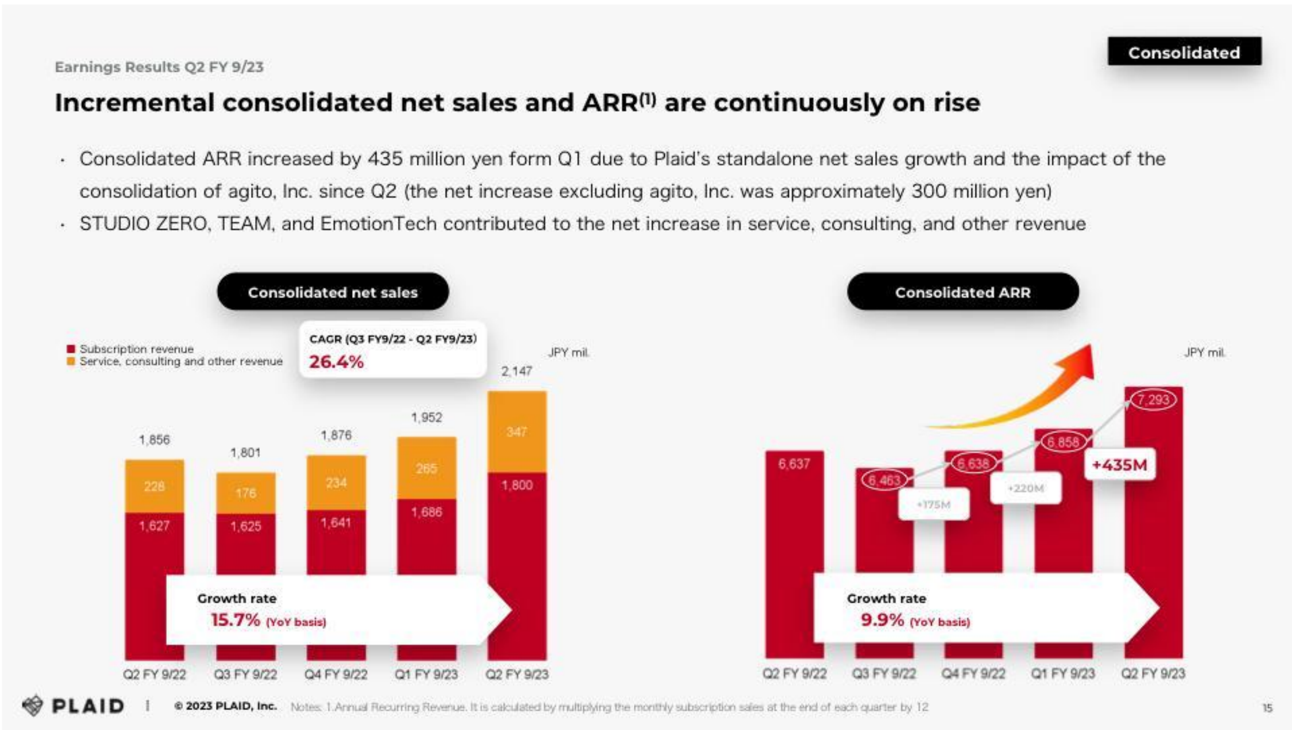
First, if you look at the cumulative progress rate up to Q2, it is 48.1%. Last fiscal year, as I mentioned earlier, we had a drop in Q3, so I don't think it is necessarily appropriate as a comparison. If you compare it to Q2 of the fiscal year before last, which ended September 2021, the progress rate was 48.6% as in a small note at the bottom.

The progress rate is almost the same as that for the fiscal year ended September 30, 2021. What happened in the fiscal year ended September 30, 2021 was an upward revision in Q3. In other words, sales entered Q3 with the same progress rate as in Q2, and it was revised upward because growth was confirmed. In FY2023, progress is being made at about the same pace as this.

It is possible that you are all concerned that something similar to last year's Q3 will happen again.

In this regard, as I will mention again later in the summary, the renewal of contracts at the end of March was completed as planned, with a reasonable renewal rate, so I do not think it is at all possible that the ARR will decrease in Q3, at least as it happened last fiscal year.

Taking this into account, the situation up to Q2 has been quite favorable compared to the forecast for this fiscal year.



From here, I would like to look at the situation on a consolidated and non-consolidated basis, KARTE domain and others, and then by group company.

First of all, in terms of consolidated net sales, I believe we can confirm that we are returning to a growth trajectory. In fact, you can see that the pace of increase is accelerating. The CAGR I mentioned earlier, which is the annualized growth rate for the first nine months from Q3, is 26.4%, approaching 30%.

As you can see from this, the large yellow area indicates that net sales in service and consulting have been growing. This is due in part to operational support, STUDIO ZERO, and the consulting part of EmotionTech.

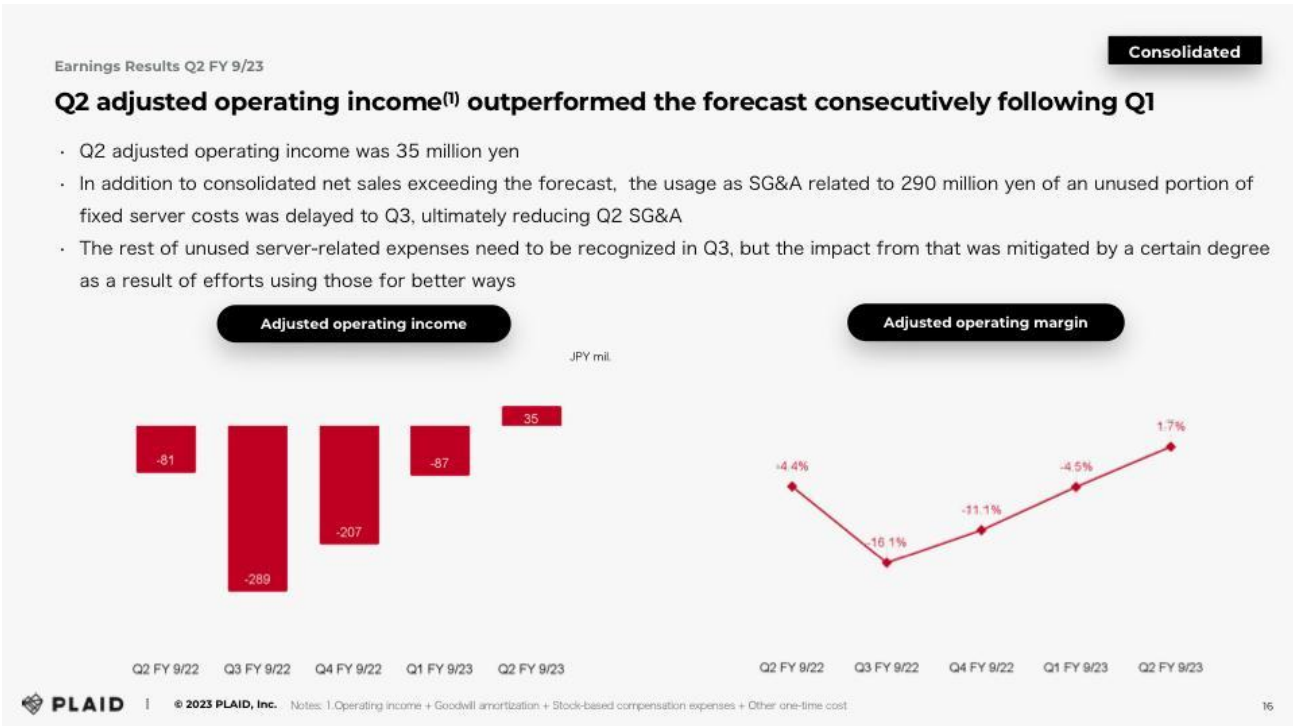
I think we can see here that our hybrid approach of providing a set of products and services to enterprise companies is proving to be successful.

The consolidated ARR, on the right side, is 9.9%. This level itself is not that high, but like before, if we look at it in terms of CAGR, it is a 17.4% annual growth rate from Q3, so I think it is a fair level.

What you should see is that the amount of accumulation has been increasing each previous quarter. It is JPY175 million, JPY220 million, and JPY435 million. Of course, this was influenced by the consolidation of agito, but even excluding that, the amount is still JPY300 million, so the amount has been steadily accumulated.

As for whether we have recovered sufficiently or not, I don't think so at all. We are getting into very good shape, but we are still recovering. For example, if we accumulate a net increase in MRR of JPY10 million per month, the ARR would be JPY120 million. So, in three months, it is about JPY360 million.

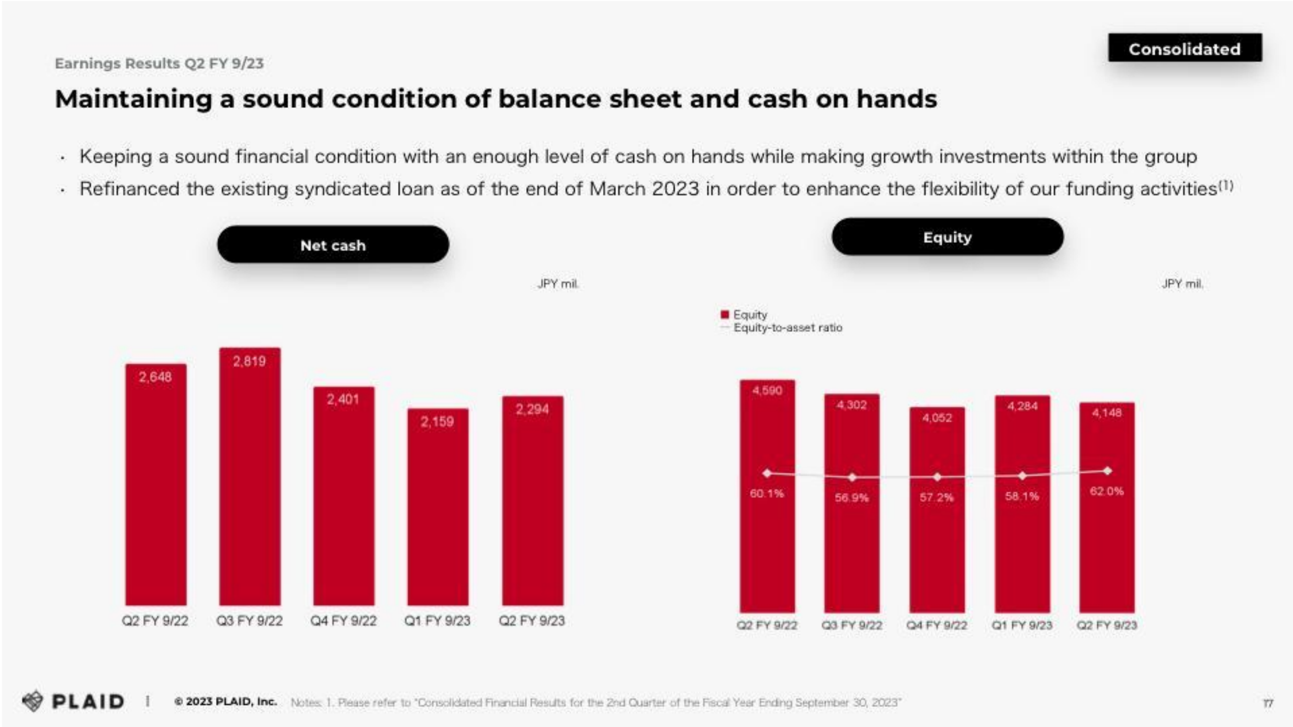
If we continue to increase net MRR every month, we will accumulate JPY360 million in ARR. Since we have already achieved that level in the past, I personally expect that we will return to that level, and we would like to further increase the pace of accumulation from here.



This is the adjusted operating income, and it is JPY35 million in the black.

Frankly, I believe this is going too far. As to why, there is the excess of the fixed portion of server costs that we talked about earlier, which has to be consumed, and we are a little behind in our consumption. That adjustment will appear in Q3, so this JPY35 million plus is too much.

On the other hand, profitability has been steadily improving, and adjusted operating income, even excluding the unused portion, has improved compared to the initial projection.

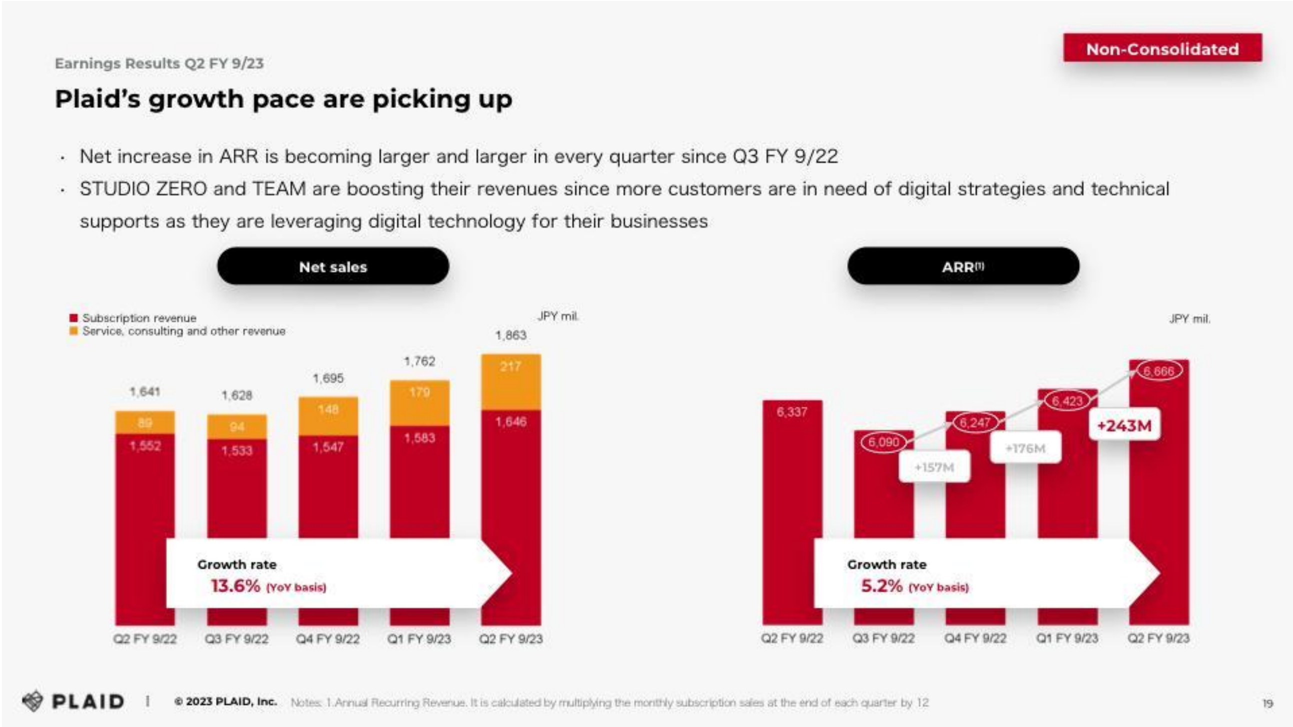


The balance sheet is on page 17, which you are looking at right now.

In a nutshell, I believe we are completely comfortable with our financial situation.

The syndicated loan was refinanced with bilateral Loans. As a result, the amount of cash raised has fallen, so it looks as if the cash growth has decreased, but as for net cash, it has remained roughly in this JPY2 billion area.

Basically, we have stated that we will return to profitability on a consolidated basis by FY9/25. We are proceeding on the assumption that we can grow with cash on hand and the cash flow we generate without raising funds operationally to that point, so our balance sheet or cash situation remains sound with no problems at all.

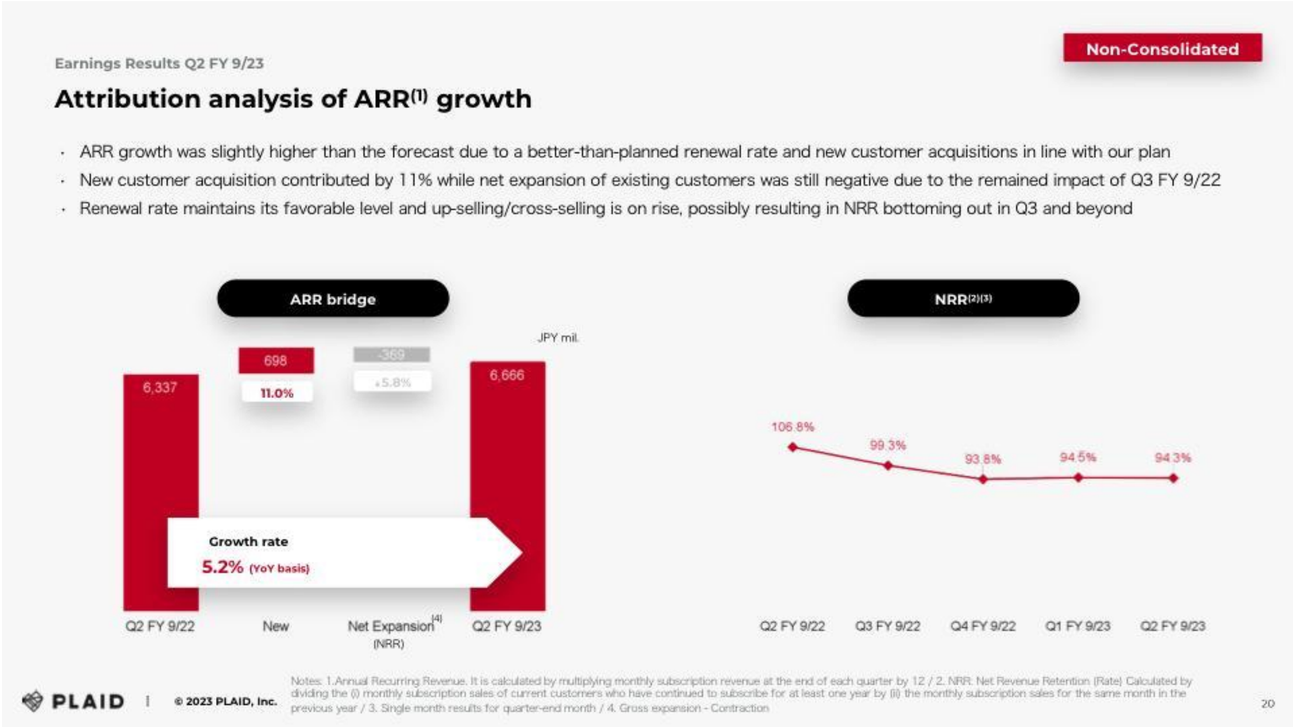


Now let's move on to the non-consolidated results.

First of all, on a non-consolidated basis, as I mentioned earlier, net sales are growing. In particular, I have told you that the increase in net sales of service and consulting is proof that our hybrid model is working well.

ARR growth, on the other hand, was 5.2% in YoY terms. This is not yet such a high number from Q3. However, the amount has been accumulating, and I think you can see the same trend as I mentioned earlier in the consolidated section.

We will look at the ARR in more detail on the next page.



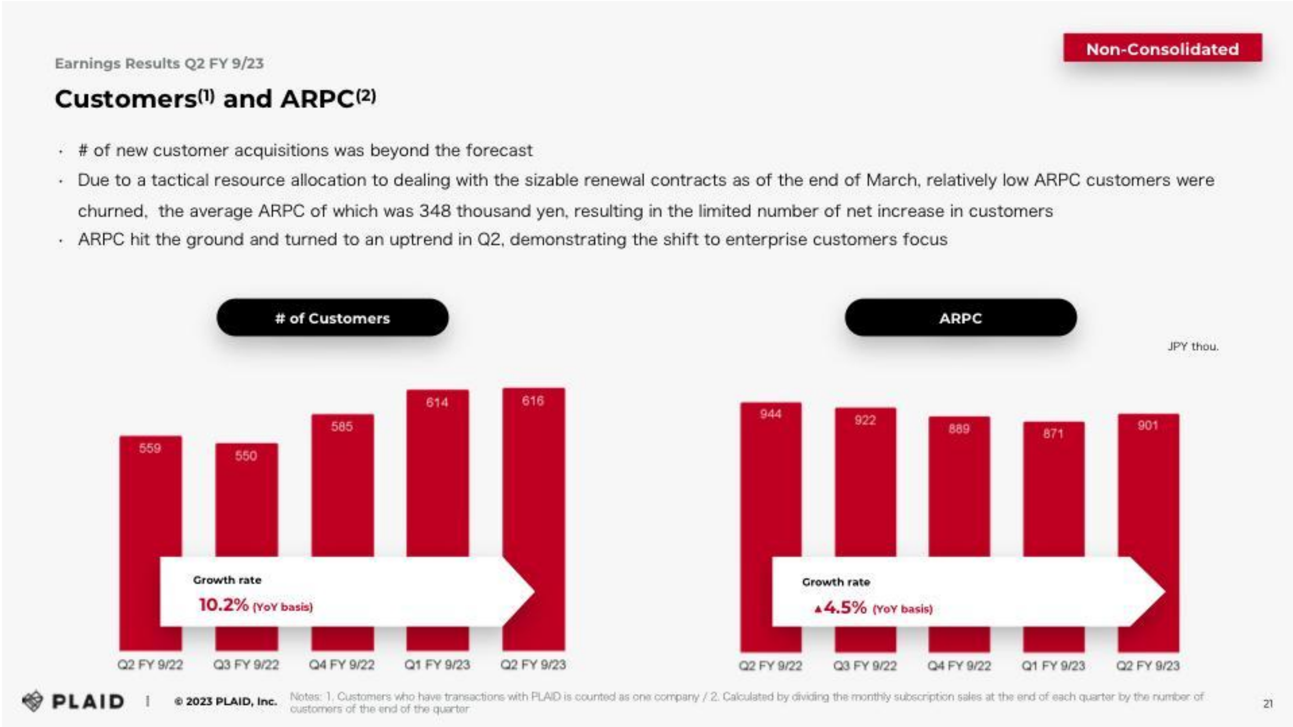
Dividing the ARR accumulation of JPY243 million into existing and new customers, it is plus JPY698 million for new customers and minus JPY369 million for existing customers.

The reason this is negative is that it still reflects the drop in last year's Q3, and once that effect is removed in the next quarter, this will change significantly. That is, the NRR of 94.3% or the ARR bridge with minus 5.8% for existing customers will bottom out in this quarter and go up in the next quarter.

In addition, there is the positive side of up-selling/cross-selling and the negative side of down-selling, but overall, we can say that the contract renewal rate of existing customers through customer success has exceeded the plan. I believe this is the result of our efforts to improve our business operations and our sense of value to customers, as customer success has recovered considerably since Q3 last year.

At the same time, the new customer part is almost exactly as planned.Up-selling/Cross-selling is also coming along mostly as planned.

On the other hand, if you look at the bridge, it is difficult to see due to the impact of Q3, which I mentioned earlier, but that is how things are looking now.



Here are customers and ARPC trends.

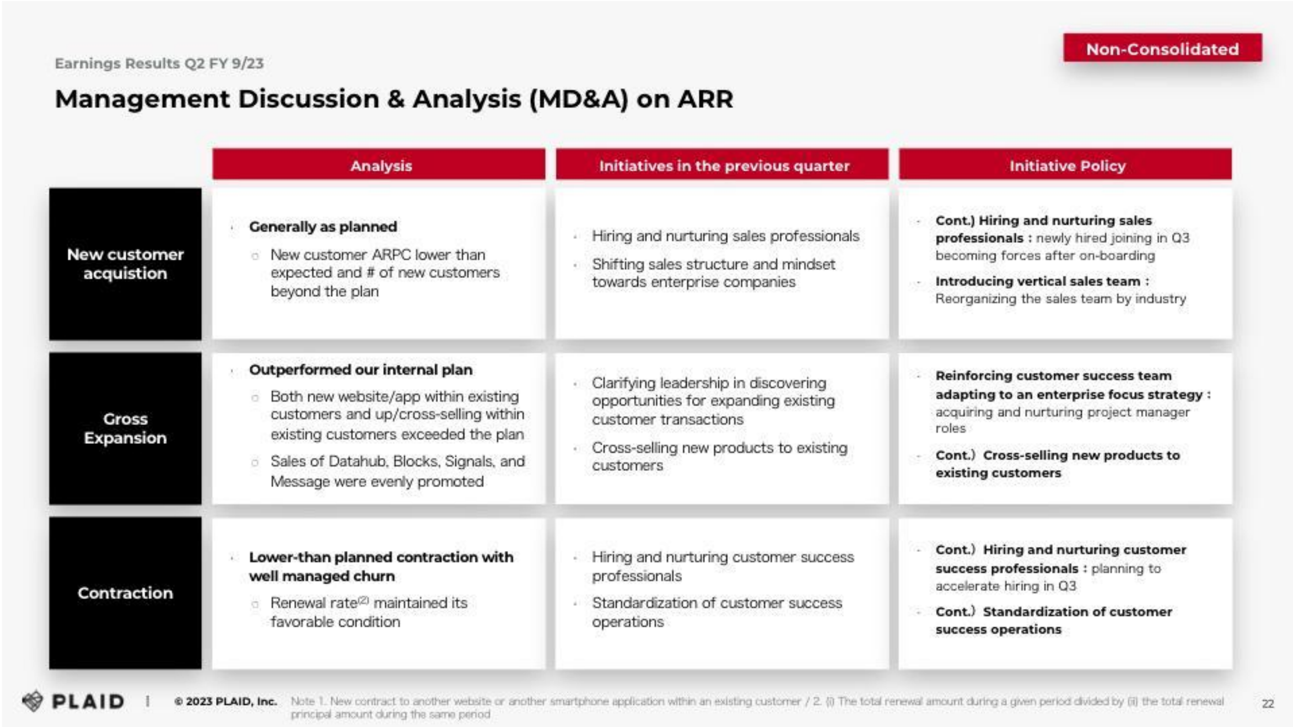
It may appear that the number of companies has not grown much: 614 to 616 companies. If you look at this on a fixed number of cases, there are cancellations. However, the average ARPC that was terminated in Q2 is JPY348,000.

If you compare this to the customer spend on the right side of this chart, you will see that the customer size is less than 1/2 the average. I don't think it should be canceled at all because it is small.

I think this is partly due to the fact that we have been concentrating our limited customer success resources on relatively large customers who renewed at the end of March, and the amount of money is proportional to the sense of value. There have been cancellations, but this in itself is not a problem.

In the future, as our customer success workforce increases, we will be able to increase the sense of value for these mid-sized customers. We believe that this will also lower the number of cancellations.

If you look at the ARPC on the right side, you see that it is rising, which confirms the shift to the enterprise.



This ARR analysis is summarized here.

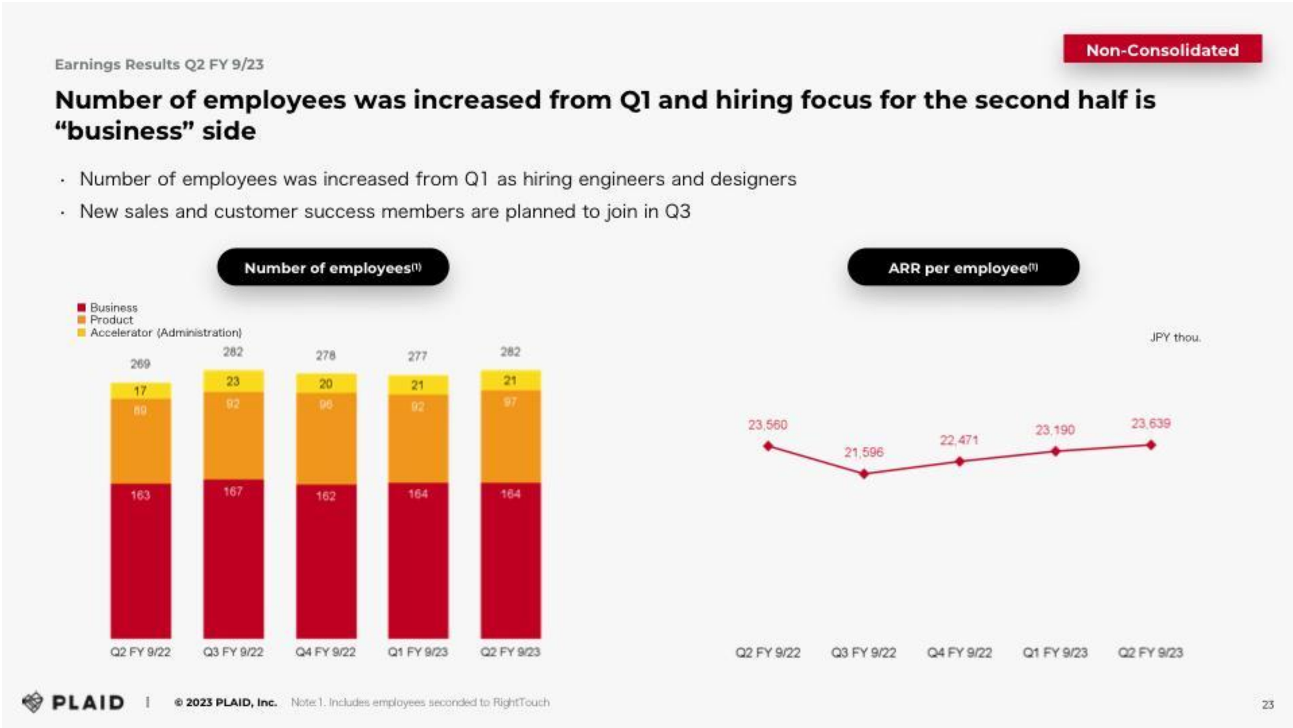
New acquisitions are in line with the plan, and the increase in up-selling/cross-selling of existing customers is slightly above the plan. Contraction is below the plan. In short, the renewal rate has been increased.

Turning to the initiative policy in the last quarter. We will see how they have changed. We did not make much progress in acquiring sales personnel during Q2. We have been able to hire a certain number of people, but the number has not increased due to replacements and other factors. It is expected to increase from Q3. On the flip side, I believe this is a positive aspect because we are acquiring new customers even though the number of people is not increasing.

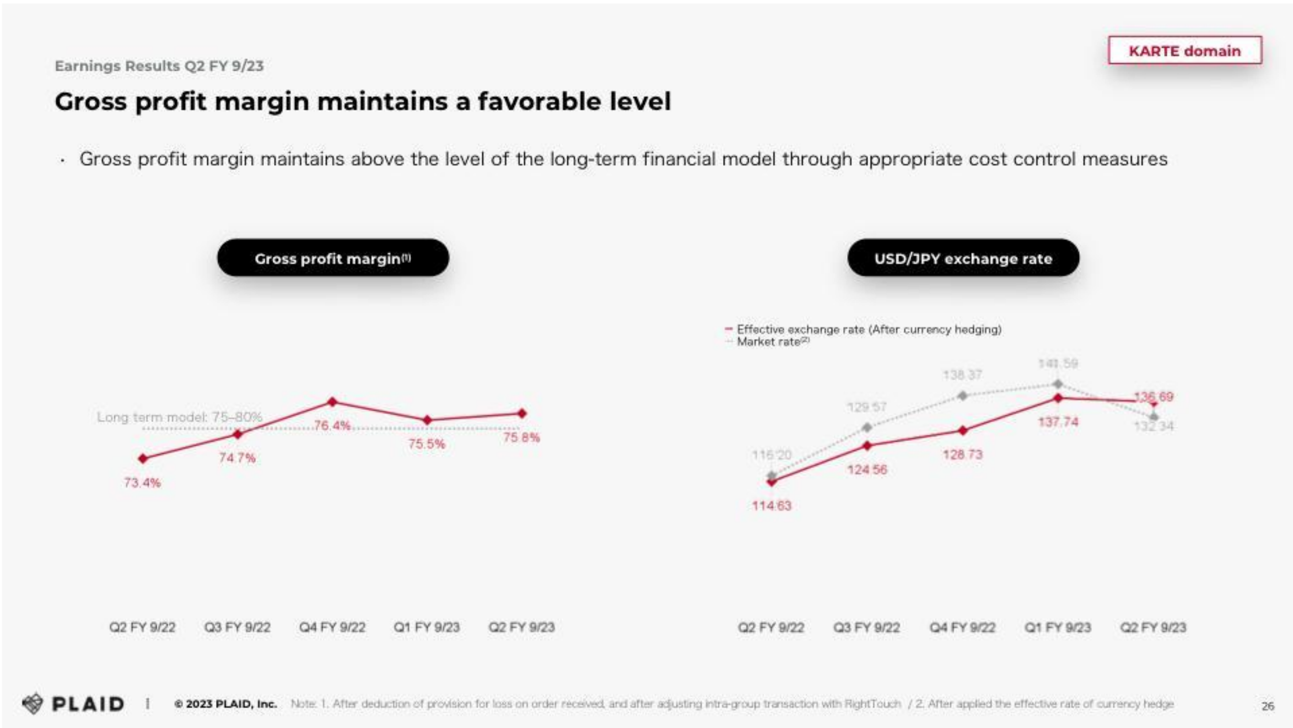
Another move is to build a vertical sales team, which will allow us to better serve the needs of our enterprise customers and provide them with sales services.

Also, the same goes for contraction and existing customers, but we need to further strengthen our customer success staff. This remains a challenge, and we will continue to standardize our customer success operations to increase productivity. We will continue to work in this area.

Also, this will come up later, but as for expanding existing customer transactions shown in the middle, there has been remarkable growth in peripheral products. As a result, gross expansion has exceeded the plan.

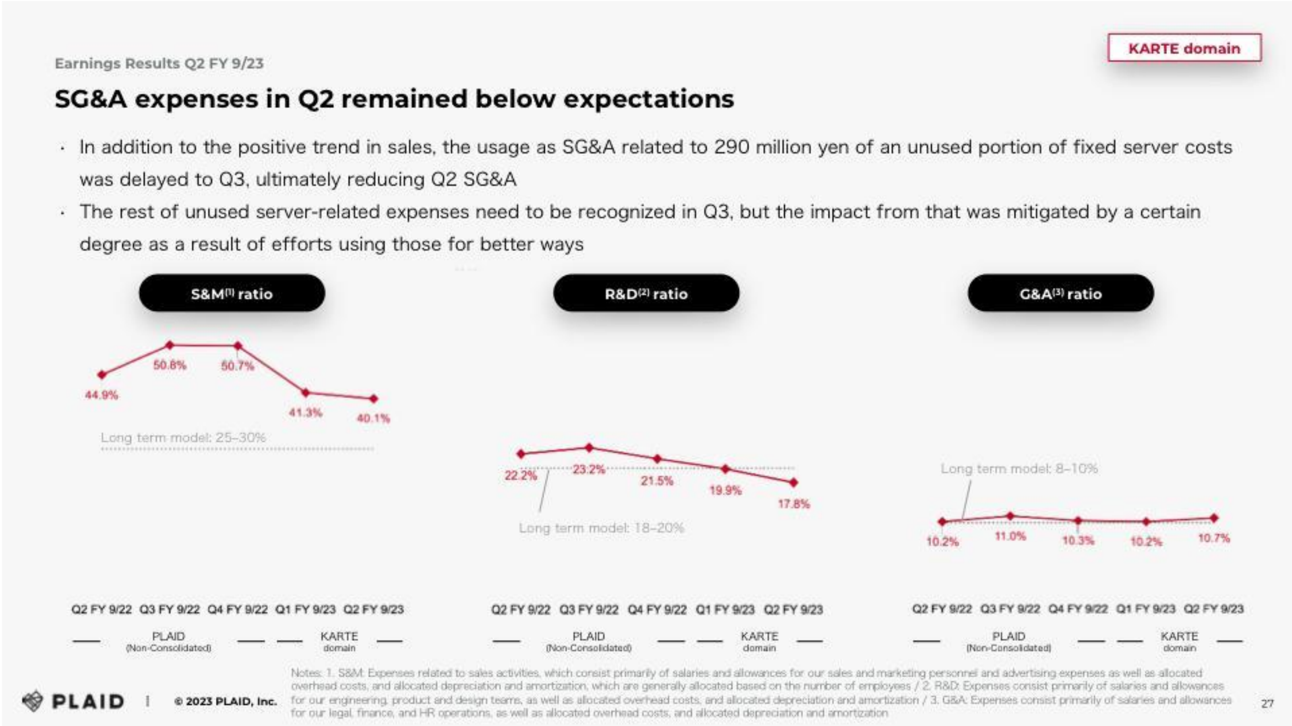


Recruitment is proceeding sequentially and will be accelerated from Q3 onward.

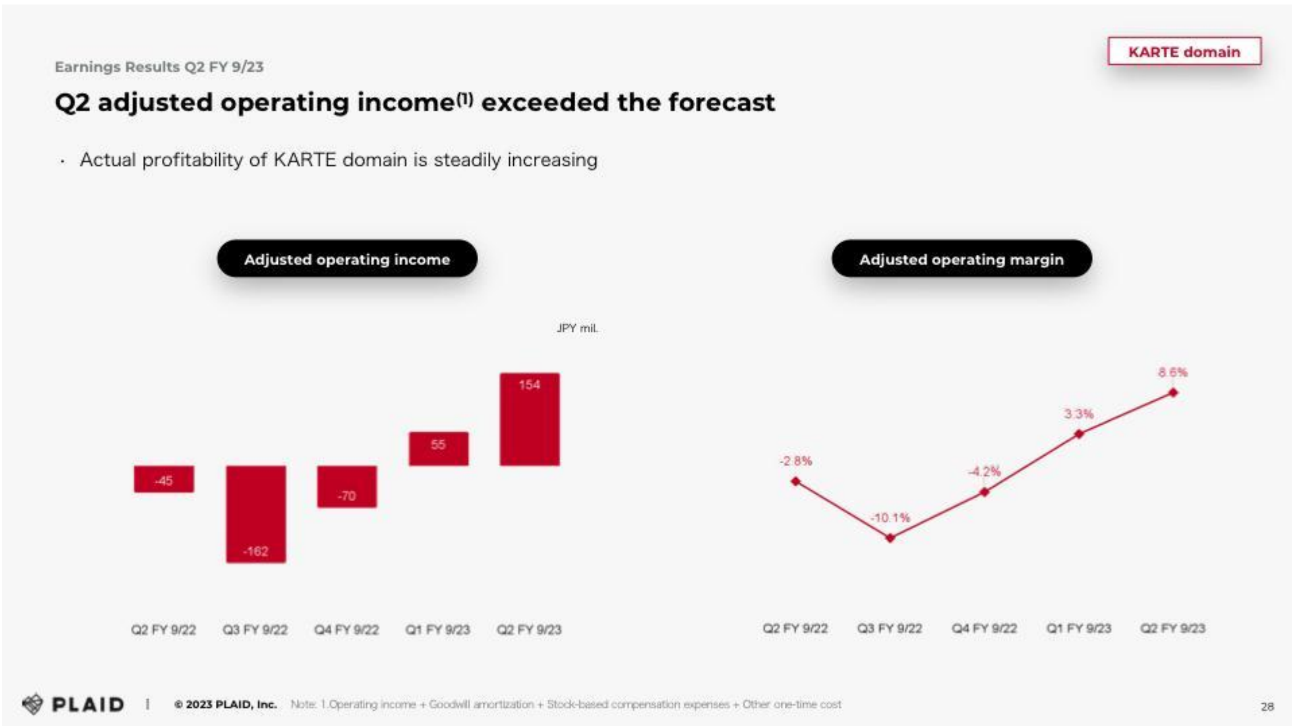


Finally, we would like to look at each business domain.

Gross profit margin for the KARTE domain is maintained at 75.8%, exceeding the long-term financial model.

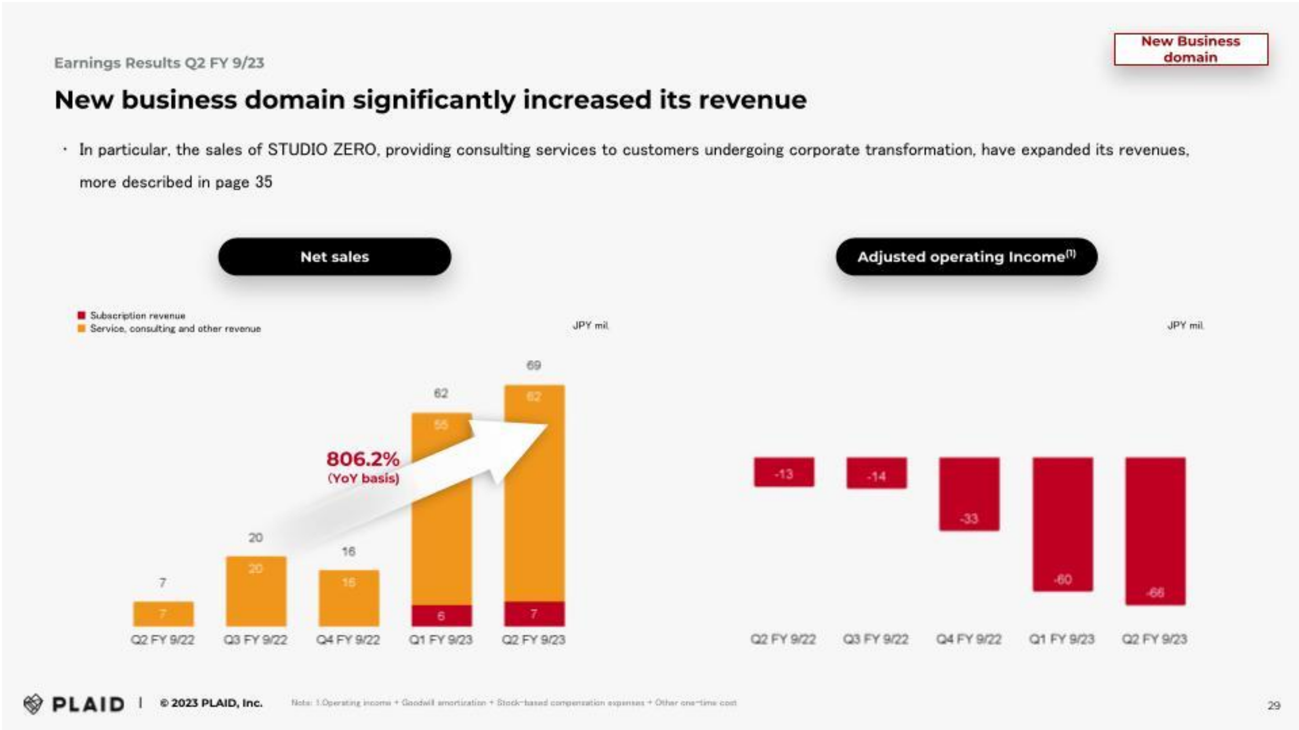


SG&A expenses, R&D, and G&A are at the level of the long-term financial model. The level of sales and marketing has also been dropping, or rather, peaking out and settling down considerably. It will move toward this long-term financial model in the medium to long term. We believe that this level will be achieved naturally as our sales grow, rather than lowering it in a short term.



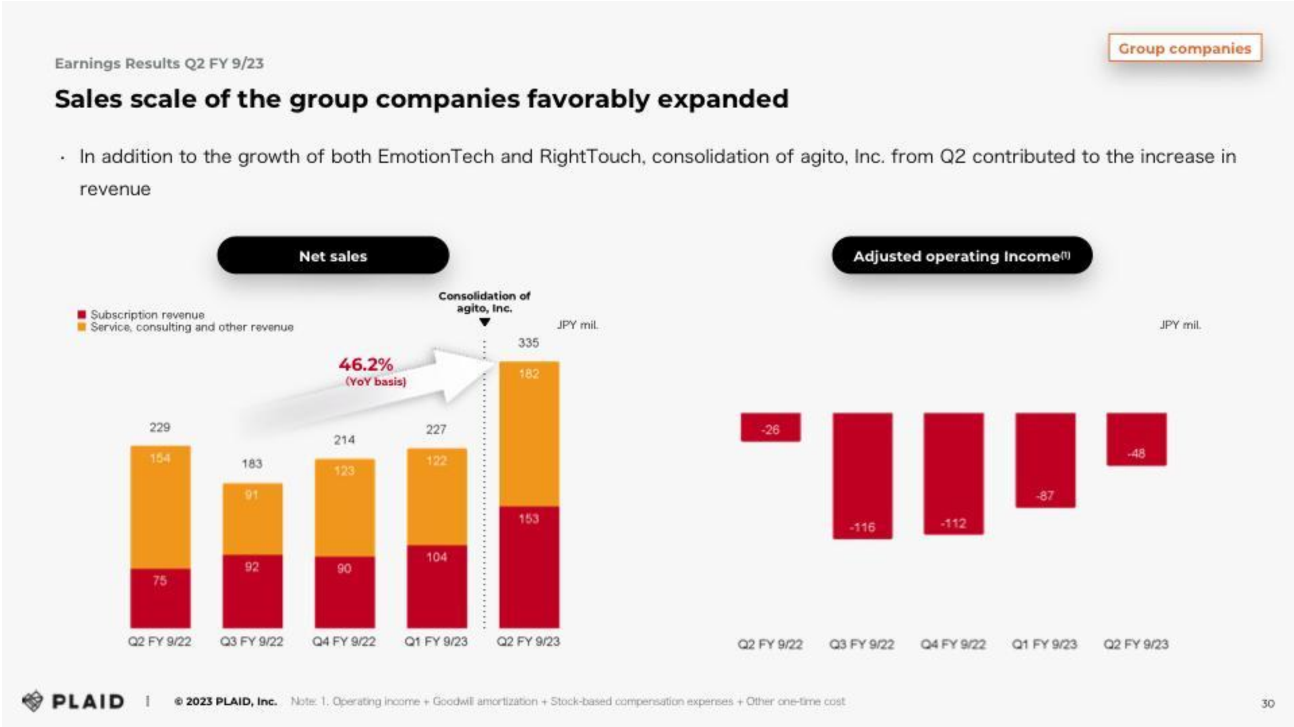
Now, to adjusted operating income. In the KARTE domain, where we are aiming for profitable growth, adjusted operating income of JPY154 million has been generated in the quarter.

This is also affected by the commitment I mentioned earlier. It will be adjusted in Q3 because it seems a little too much, but this is a good trend in terms of profitability.



Next is the new business domain. You can see in this graph that it has grown considerably.

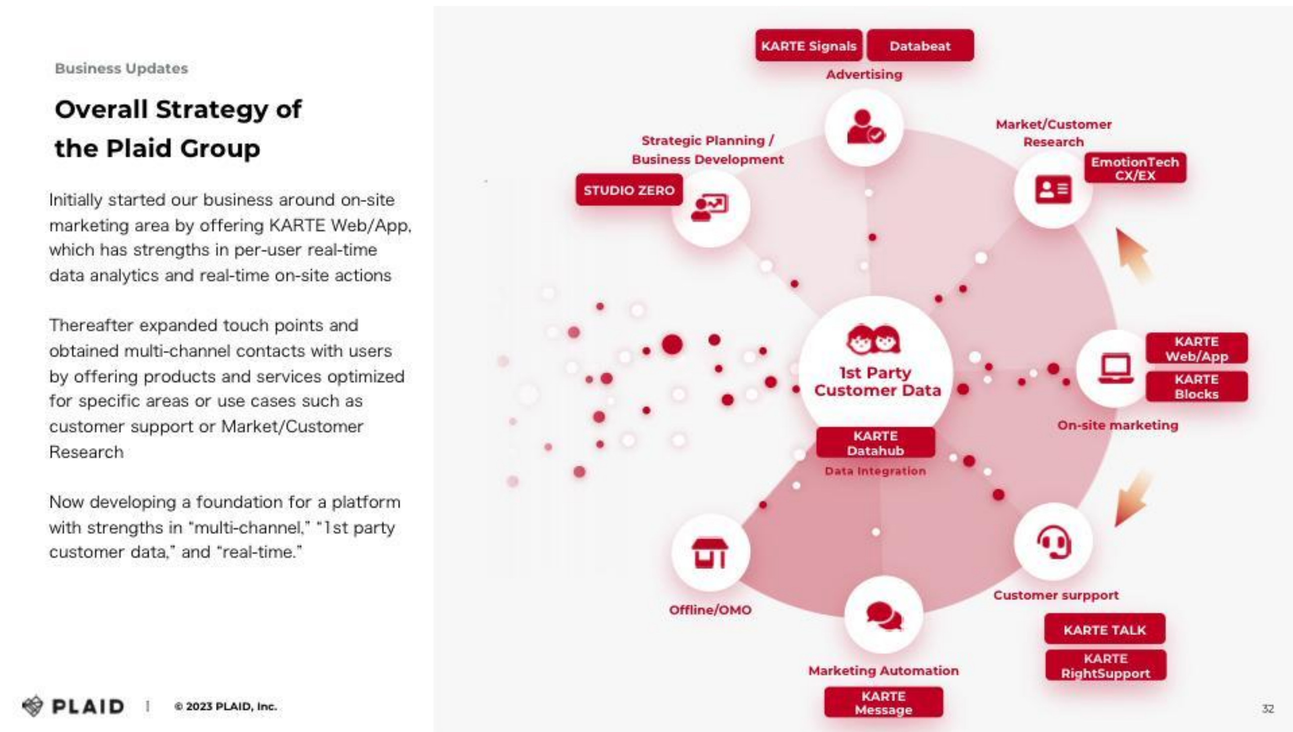
There is a significant need for this consulting service in the market. It is also a very good combination with KARTE, which I think is reflected in these figures.



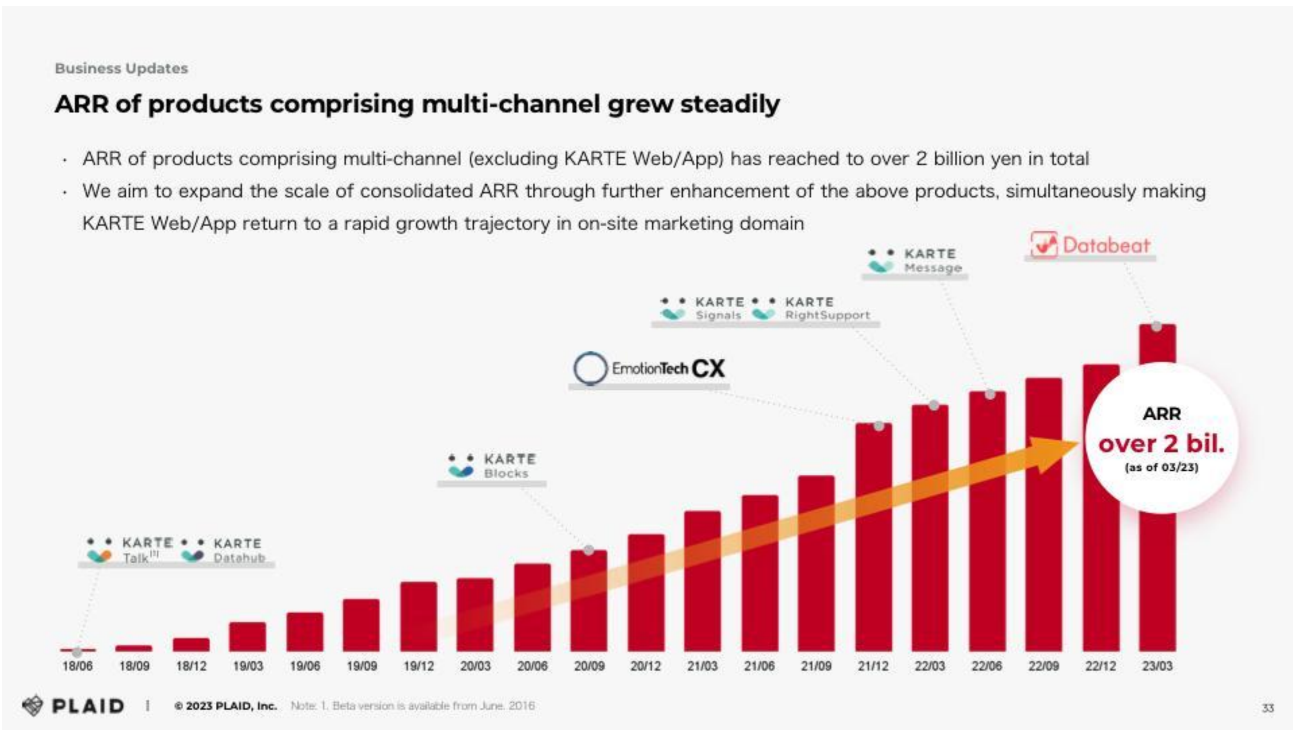
The Group companies, especially EmotionTech, are also growing, and since agito has been consolidated this time, the effects are positive. That is all.

Now, once again, Kurahashi will cover the business update.

Kurahashi: I would like to talk about the business update.



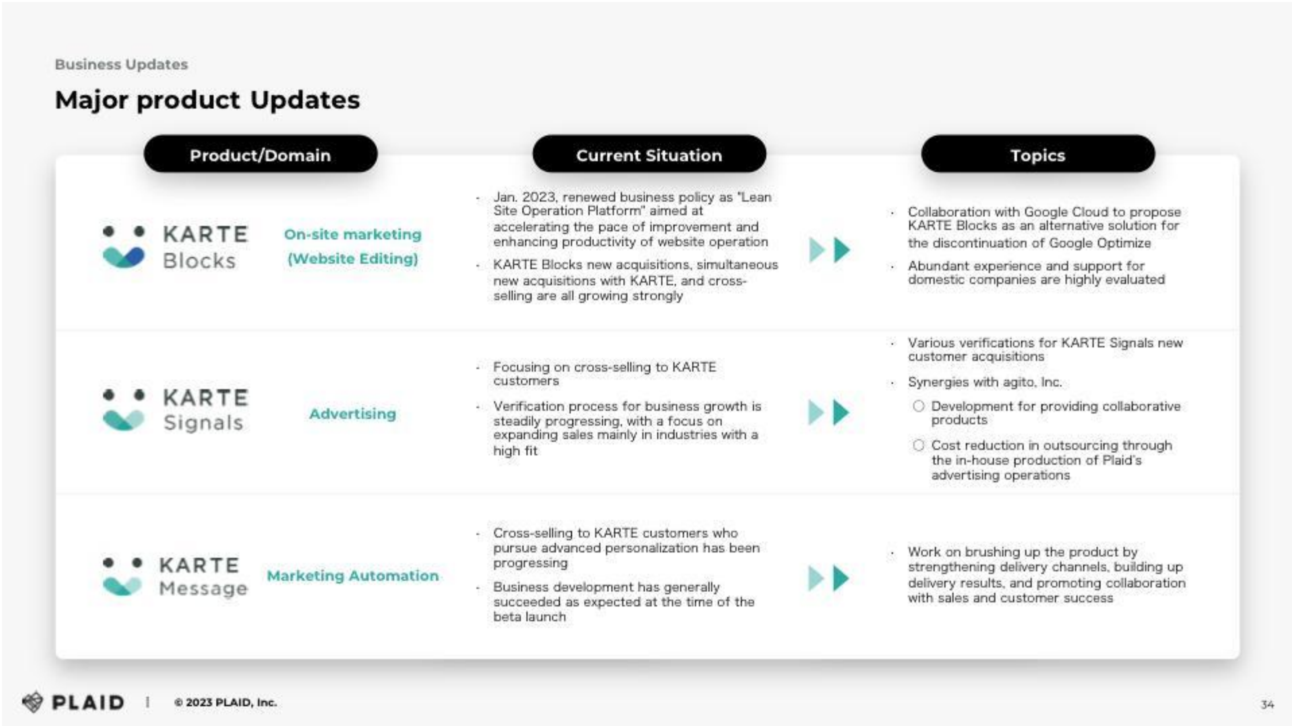
This is a diagram of our business, as I mentioned in my part at the beginning. We have developed applications that can utilize data in various aspects of companies and business activities, while keeping 1st party customer data at the core.



We started with KARTE for websites, then expanded to KARTE for the app business, then to KARTE Talk, and now to Databeat on the far right. We have developed a very broad product lineup.

KARTE's non-web/app ARR, which has been the main focus, has expanded to a scale exceeding JPY2 billion. In the future, we believe that this multi-product, one-platform approach will be effective in various aspects, such as cross-use of products by companies using these products, and advancement to KARTE's multi-products from specific products.

As Muto mentioned in his part, we believe that our business performance, organization, and productivity generated by our human resources have improved significantly over the past year, and we expect that our product and service lineups will be the levers that will carry us forward.



Let us move on to major product updates. This time, I have three points. These are KARTE Blocks, KARTE Signals, and KARTE Message.

KARTE Blocks handles the editing of websites. At the time of its release, it was mainly developed as a freemium service for relatively small companies, but in recent years, we have been conducting business and marketing activities while shifting our focus to enterprise customers, who are similar to KARTE's base customers.

That shift has produced very good results, and the most recent update is that we are making very good progress, including the performance of this KARTE Blocks alone.

Google Optimize, a product that provides similar functions, is a world-renowned product, but it will be closed this fall. I think this is an area where we can expect very strong growth in terms of alternative solutions or the spread of products that are not limited to that.

Below that is KARTE Signals, a product group that promotes the use of KARTE and the 1st party customer data accumulated in KARTE in the advertising domain.

Although KARTE's customers are still the main base for this service, we would like to work with agito, a new member of our group, to capture a wider and more drastically changing advertising market.

Now, in the advertising market, with the timing of 2023 and 2024, how to utilize this 1st party customer data in a user-centric manner, even in the advertising aspect, has already risen as an issue that cannot be ignored. We would like to promote this firmly to make it a de facto standard.

In addition to the strengths of KARTE Signals as a single product, we would like to promote the initiative by the KARTE product line, as I have described so far. Progress is also being made very well here.

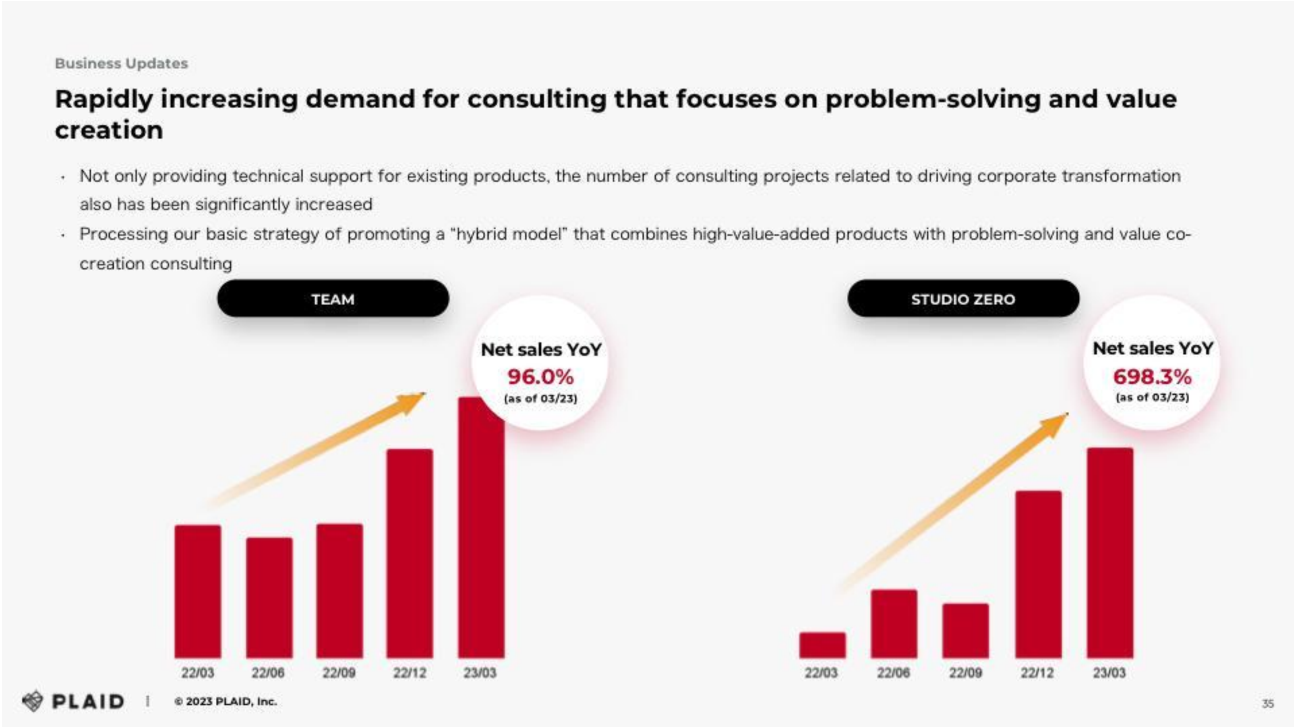
We have also seen very strong performance, with one customer successfully cutting their customer acquisition costs in half. We are in the process of brushing up our products so that we can offer them to a wider range of customers.

Next is KARTE Message, a marketing automation domain, such as email, LINE, and other such messaging functions. It is a marketing automation product that handles the marketing part of a website, application, or other external marketing activities.

Here, too, we have made very good progress since the beta launch. Recently, we have been making more progress, as we have some very good and important contracts.

We are in the marketing automation market, which is relatively mature, as is the aforementioned advertising market. The market was launched earlier than a market we have been focusing on, and it is mature. But we will provide a new option into this very attractive and mature market.

We would like to take the initiative in the marketing automation market by taking the time to create a good product and good recognition, and we are making very good progress toward this goal.



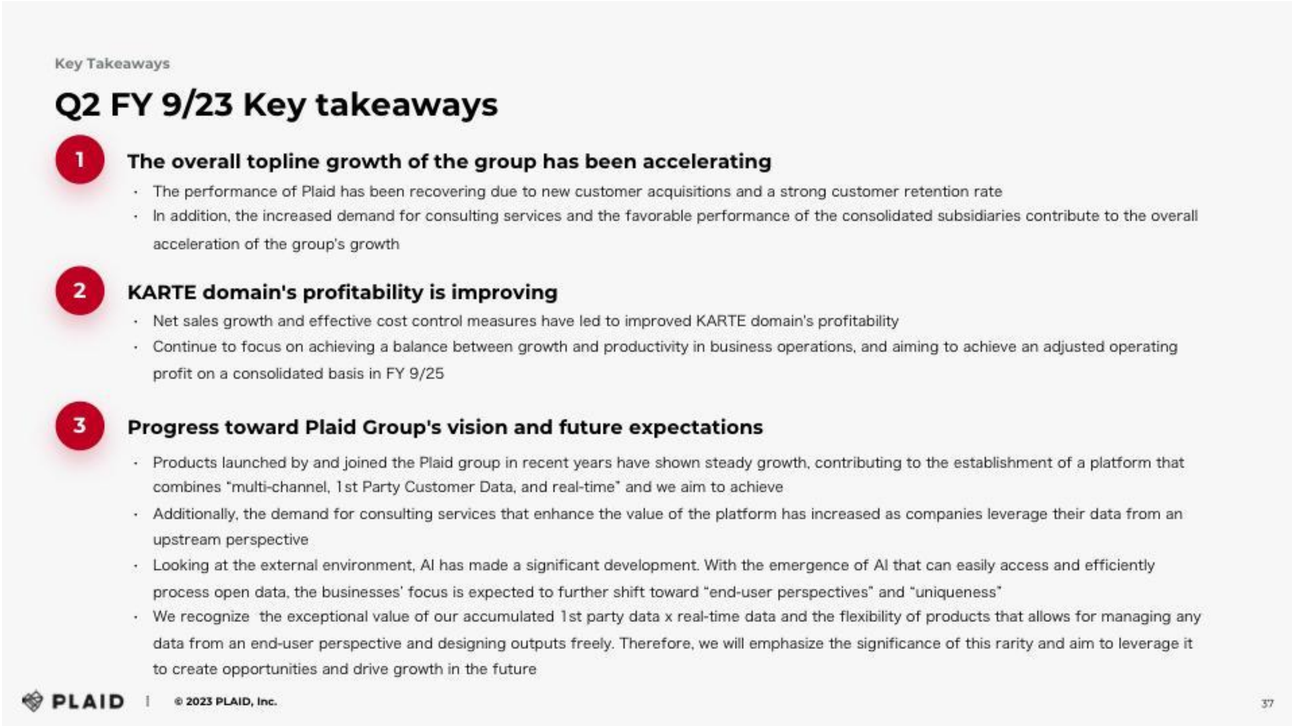
Next, we are providing value not through products, but through services and people. Demand for problem-solving and value creation consulting is very high, and we are receiving a strong response.

There are many such problem-solving consulting and operational support services in circulation. In our case, we are a company that develops products rooted in solving problems or creating upside value.

We are currently seeing a very strong need for consulting that creates the future and co-creates value with customers by making good use of the product. In a nutshell, I would say that it is more than we can receive.

In the future, we would like to strengthen this domain as well as our organization, while working to provide attractive value through both products and people.

These have been the business updates so far.



Finally, a summary from my side. There are three major points.

As we have repeatedly reported today, the Group's overall top-line growth potential is accelerating. I would say that the situation of both new and existing customers is very good. Each of the Group's services is also growing strongly.

Looking back, I think the best time for PLAID will come in the next six months or a year from the aspect of organization, operation, and leadership. With this belief in mind, we have worked to improve and correct ourselves over the past year. We can say that we have progressed to a very confident state.

Second, we will improve profitability in the KARTE domain. As mentioned earlier, that the growth of the product group or the core product, KARTE, is recovering, we will improve profitability in a natural way and generate profit. I hope I have conveyed to you today that these things are becoming feasible.

As mentioned in my business updates, in addition to existing core products, our products and core products are still in the growing phase, but the value of the products we can offer to the world, including the other new products we are working on, is still very large. Despite the fact that we are in this phase, we have been able to show solid profitability at this point, and I believe this is very positive news.

In the future, we intend to provide value to the world through multi-products and multi-value, including these new and existing product groups.

Third, as for progress toward our vision and future expectations, there are multi-products, which I have just touched on. We also provide value through a hybrid of products and people. I think we are making very good progress toward the world we envision.

However, as mentioned in the latter half of this third point, I believe that AI is making great strides in the world these days. We, of course, cannot ignore it. We see a very important and positive change happening for us.

As I mentioned at the beginning of this presentation, our mission is to "maximize the value of people with the power of data." This means that AI will go wild if human value is not required to intervene.

In this regard, we are working to draw out the potential and creativity of people based on customer data in a multichannel environment. This is the reason why we have invested so much in our products and services.

What makes the difference for companies in the world to compete or create value? I believe that one of the critical points will be in the world we have depicted.

We are very much looking forward to the next six months and the next fiscal year, and we hope that we will be able to present our message to you so that you will be able to have dreams or create the future. We hope to have time to talk to you again about our major directions, including these topics, in the next full-year financial results.

That concludes the presentation we have prepared for you today. Thank you for your attention.

Moderator: Thank you for your attention. This concludes our presentation of the financial results of PLAID, Inc. for Q2 of the fiscal year ending September 30, 2023.

Question & Answer

Moderator: We will now begin the Q&A session.

Q1: First of all, the status of cancellations on page 21 of the presentation materials. I have heard your explanation, but based on last year's situation, I was focusing on Q3 this time, and from what you said, the number of customers for next April to June is increasing, and the unit price is also increasing. The first question is that what happened last year won't be the case from this April to June. Is that correct?

Second question is the change in the workforce on page 23. For business, you said that you would start hiring again in Q3, but for product, you lost four in Q1 and then gained five again in Q2. Was the change as planned? Or did you replace the staff that left? I would appreciate if you explain the change in the workforce in product.

Appendix

Income Statement (Quarterly)

(JPY mil.)	Q2 FY 9/23	Q2 FY 9/22	YoY	Q1 FY 9/23	QoQ
Net sales	**2,147**	**1,856**	**+15.7%**	**1,952**	**+10.0%**
Subscription revenue	1,800	1,627	+10.6%	1,686	+6.7%
Service, consulting and other revenue	347	228	+51.9%	265	+30.8%
Gross profit[1]	**1,586**	**1,363**	**+16.3%**	**1,418**	**+11.8%**
Gross profit margin	73.8%	73.5%	+0.3pt	72.7%	+1.1pt
SG&A	**1,648**	**1,486**	**+10.9%**	**1,566**	**+5.2%**
% of Net sales	76.8%	80.1%	▲3.3pt	80.2%	▲3.4pt
Personnel expenses	911	826	+10.3%	905	+0.7%
% of Net sales	42.5%	44.6%	▲2.1pt	46.4%	▲3.9pt
Advertising expenses	140	90	+55.5%	122	+14.9%
% of Net sales	6.6%	4.9%	+170.0%	6.3%	+0.3pt
Other	595	568	+4.8%	538	+10.6%
% of Net sales	27.7%	30.6%	▲2.9pt	27.6%	+0.1pt
Operating income	▲62	▲122	▲49.3%	▲147	▲57.8%
Adjusted operating margin	▲2.9%	▲6.6%	+3.7pt	▲7.6%	+4.7pt
Reconciling items	97	40	+138.9%	60	+63.0%
Goodwill amortization	40	40	+0.0%	40	-
Stock-based compensation expenses	57	0	+6639.0%	19	+190.0%
Other non-recurring expenses	-	-	-	-	-
Adjusted operating income	**35**	**▲81**	**▲143.4%**	**▲87**	**▲140.6%**
Adjusted operating margin	1.7%	▲4.4%	+6.1pt	▲4.5%	+6.2pt

Note 1. After deduction of provision for loss on order received

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The third question is simple. I would like to know how much of the JPY347 million in services and consulting on page 42 is from agito after it was consolidated.

Muto : Okay. I will answer the first question.

I think you are right about the cancellations. Once again, with respect to Q3, the contract renewal rate in value terms at the end of March is at a sound level, so a drop in ARR from Q2 to Q3 will not occur as it did last fiscal year.

On the other hand, it is difficult to say what will happen to the number of customers and the unit price at this point since we are still in the April to June period.

I think we can at least say that the renewals at the end of March and beginning of April in value terms were healthy.

Kurahashi: Regarding the second question, hiring of product members, the general framework of the hiring plan itself is designed with a relatively business-centered approach.

On the other hand, in terms of engineers, product members, and designers, the recent very positive news is that some members who once retired are now returning, creating a new trend to build a strong team of engineers now.

To talk about a slightly different aspect of business hiring, our product development, including design, is very advanced. We are expanding our product team by carefully selecting team members. Rather than dramatically and systematically increasing the number of people, I think it is very important to steadily build a team with good members.

Therefore, in terms of product, the recruitment path is a little different, but overall, we believe that once again, the total number is on an upward trend.

Muto: I will answer the third question, the consulting business of agito. Basically, the numbers have not been disclosed yet, but the consulting revenue is in the low tens of million-yen in value terms, with a large portion of the advertising business. The first half of tens of millions of yen is accounted for on a net basis, so there is a pure share of tens of millions of yen, excluding the portion provided for the purchase of advertising space.

Q1-2: Out of this JPY347 million, JPY20 million, or JPY30 million is the contribution of agito. Is that how you see it?

Muto [A]: Yes.

Q2: The first is about STUDIO ZERO. I believe sales have been boosted here and I would like to see some specific success stories or business updates in this area. That is my first question.

Secondly, in your overall explanation today, I got the impression that there was a lot of reference to improving profitability. As far as progress at this point, do you feel that you will be able to move ahead of your target of returning to profitability in FY 9/25? I would appreciate it if you could clarify whether the timetable for FY 9/25 is not that different.

Kurahashi: Thank you for your questions. We are talking internally about discussing more attractive cases in more detail at the announcement of Q3 financial results or at the time of the full year, but we are seeing a significant increase in the number of major customers.

If you visit our website, you can see an overview of STUDIO ZERO and the types of companies we do business with. I hope you can check the current lineup that is open to the public there. But, we have four major businesses in STUDIO ZERO.

One is to transform, support, and co-create existing businesses. The second is the area of jointly building new businesses. The third is human resources. Fourth point, we also have support programs for governments. We are now operating on these four axes.

For example, we participate in the development of a new business project for a major travel agency from the conceptual stage. In the area of government, as you can see on our website, with Nara City and Sanda City, we have actually started to co-create services for their citizens.

Another important case for us as a group is that we have been focusing on marketing on websites and apps, but we have also added KARTE Signals and other advertising domains, such as agito, to the lineup of value propositions.

From this perspective, it is also the case that STUDIO ZERO's efforts have resulted in major deals that include overall digital strategies, including advertising.

In this process, we have beaten major strategy consulting firms and IT consulting firms on joint proposals. We would like to attract attention as a company that integrates products, people, and vision, while achieving actual results in this area.

I would like to share with you some of the specific cases based on our strategies in the future.

Muto: In your question about profitability, I think you said that we sound like we are more committed to increasing profitability, and I think you made a very good point.

Basically, we are not that committed to increasing profitability, but as I have said before, growth is important. However, rather than trying to grow with a loss, I believe that growth while balancing with profitability is important.

Since I talked about profitability and the gross profit margin on a consolidated basis, on a non-consolidated basis, and in the KARTE domain, respectively, I think I may have sounded a little more profitability-centered, but basically it is important to balance profitability and growth.

I still think JPY7 billion or JPY8 billion is a totally small company. Even if we make a profit at this level, I don't think we can contribute enough value to our current shareholders. I am aware that we need to increase our scale overwhelmingly, but I think growth is more important.

If you ask me if we can bring forward the return to profitability on a consolidated basis for FY 9/25, we could if we wanted to, but as I said earlier and now, I believe it is more important to grow appropriately than to delay growth by doing so, and we will not relax our investment for this purpose.

Q3: I'm sorry, I have one question about the number on page 12. In the consolidated financial summary, are these figures for Q2 of adjusted operating income correct?

The non-consolidated figure of JPY88 million includes the KARTE domain and the new domain, but even if we subtract these, it still does not amount to JPY88 million, and the total of the Group and group companies does not amount to JPY35 million. May I ask IR to confirm this later?

If I understand correctly, adding the KARTE domain and the new domain would make the non-consolidated results, but JPY154 million minus JPY36 million should not be JPY88 million, right? Is there a subtle difference between the sum of the non-consolidated and group companies, which would be JPY35 million? This can be checked later, but please confirm the numbers, if it is not difficult now.

Muto: We will provide details separately.

Moderator : With the end of the questions, we will now adjourn the presentation of the financial results of PLAID, Inc. for Q2 of the fiscal year ending September 30, 2023. Thank you all for taking time out of your busy schedules to join us.

[END]

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