



Earnings Results for the quarter ended Sep 2021 (Q4 FY 9/21)

PLAID, Inc. (4165, TSE Mothers) | November 2021

Forward-Looking Statements

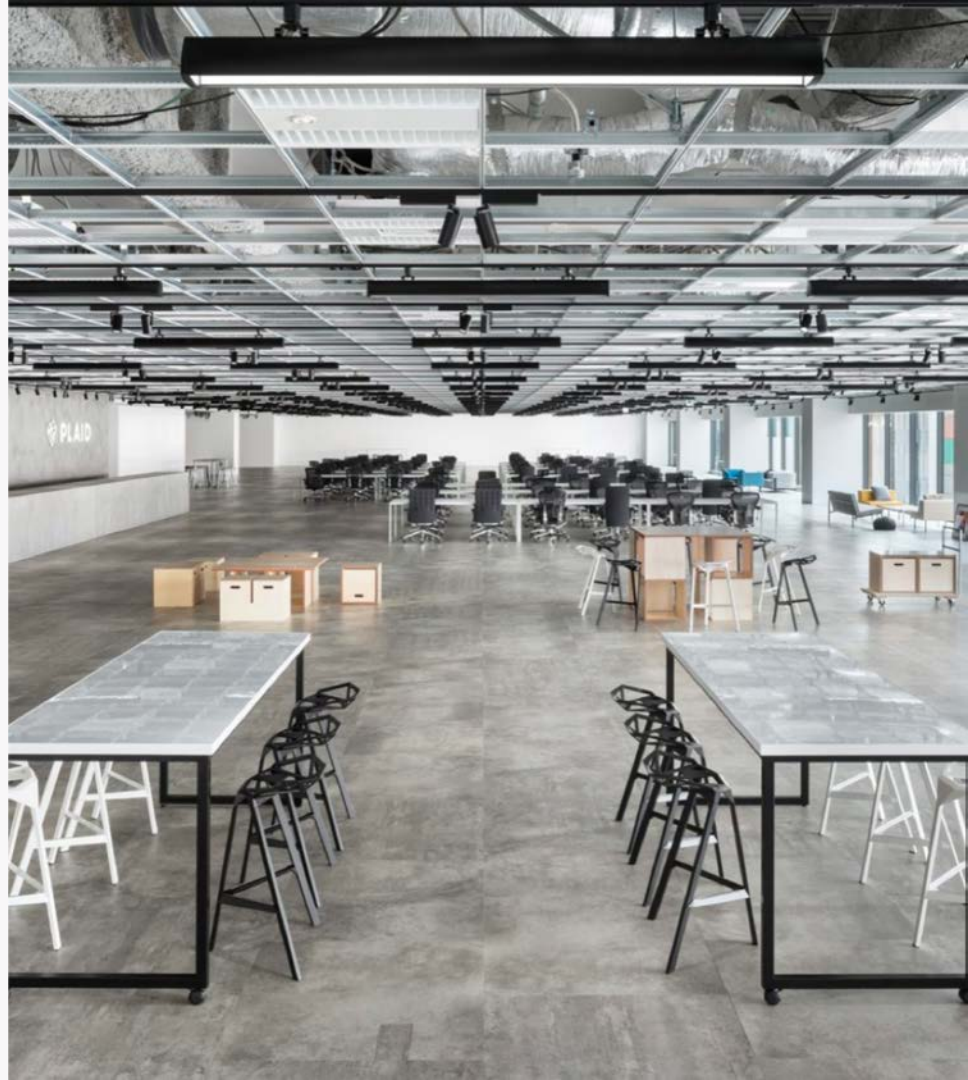
This document contains forward-looking statements. These statements are based only on information that is available at the time the statements are made. In addition, these statements do not constitute a guarantee of future results. They are subject to risk and uncertainty. Please note that actual results may differ materially from those expressed or implied in the forward-looking statements due to environmental changes and other factors.

Factors that may affect actual results include, but are not limited to, domestic and overseas economic conditions and trends in the industries that the Company serves.

Even when new information is obtained or an event that is not forecast herein, etc. occurs in the future, the Company assumes no obligation to update or revise any of the forward-looking information contained in this document.

Additionally, the information concerning companies or groups outside the Company is quoted from public information and elsewhere. The Company does not verify in any way or guarantee its accuracy, appropriateness, etc.

- 1. Mission and Growth Strategy**
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Maximize the Value of People with the Power of Data

No algorithm goes beyond imagination and flexibility of people.

That is why we focus on developing technologies that encourage people's creativity.

Mission and Growth Strategy

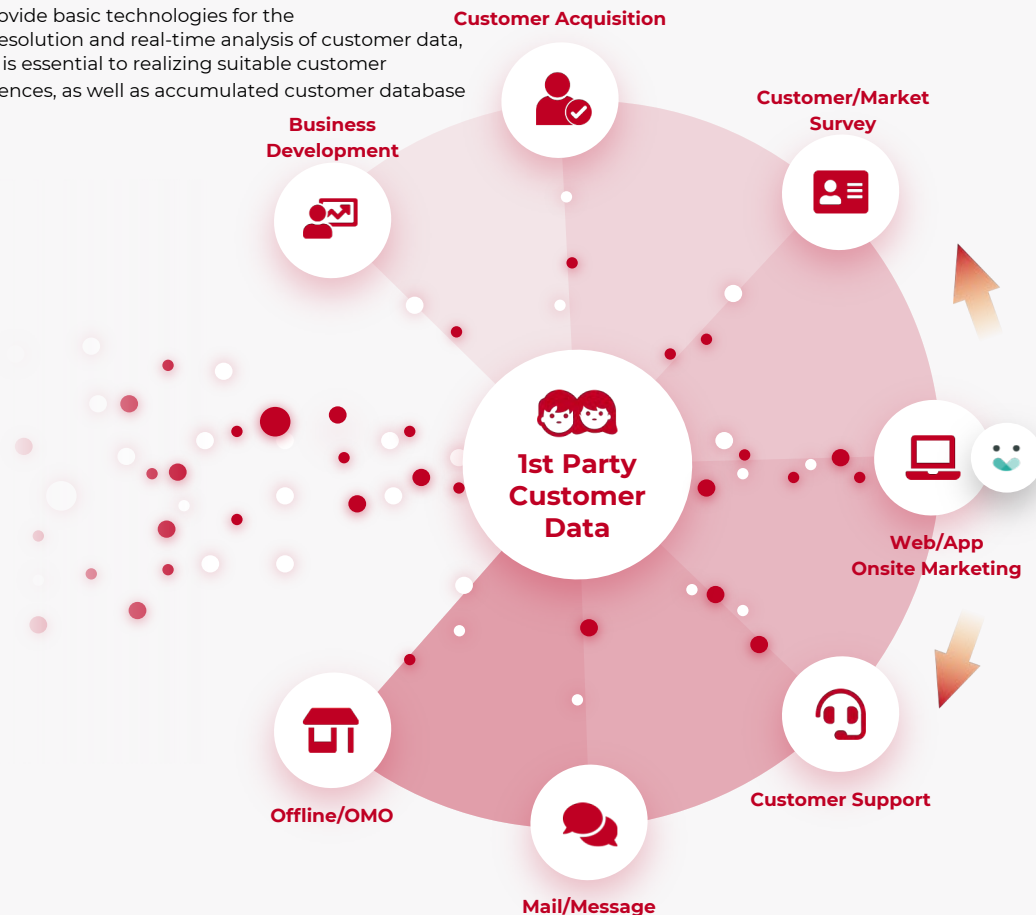
To Realize Customer-Focused Business Activities by Supporting the Use of Customer Data

A high-resolution understanding of the customer is essential to realizing suitable customer experiences

Plaid supports customer-focused business activities based on the proprietary real-time analysis engine enabling high-resolution customer understandings and accumulated customer database as our core value

Our Core Value

We provide basic technologies for the high-resolution and real-time analysis of customer data, which is essential to realizing suitable customer experiences, as well as accumulated customer database



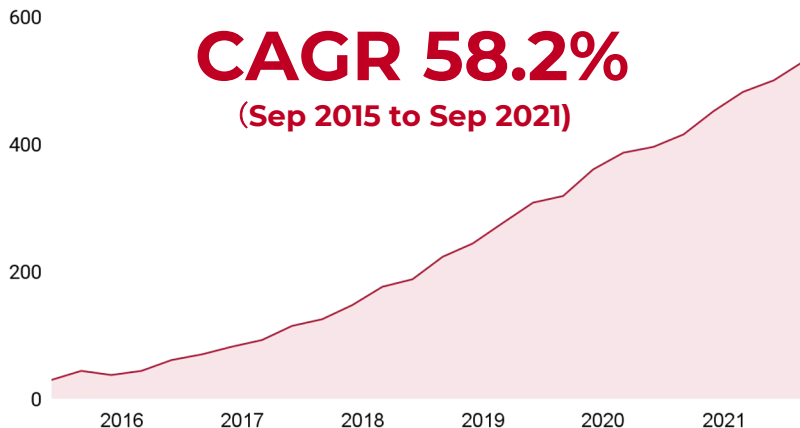
Customer Data Accumulation

- Customer data has been steadily accumulated since KARTE was launched in 2015
- We plan to continuously enrich data environment for supporting customer-focused business activities through product development

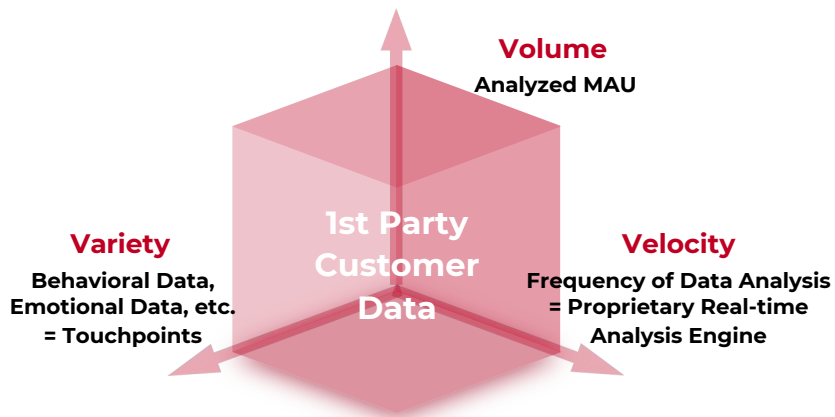
MAU mil. (2)(3)

Analyzed MAU⁽¹⁾ Trend

CAGR 58.2%
(Sep 2015 to Sep 2021)

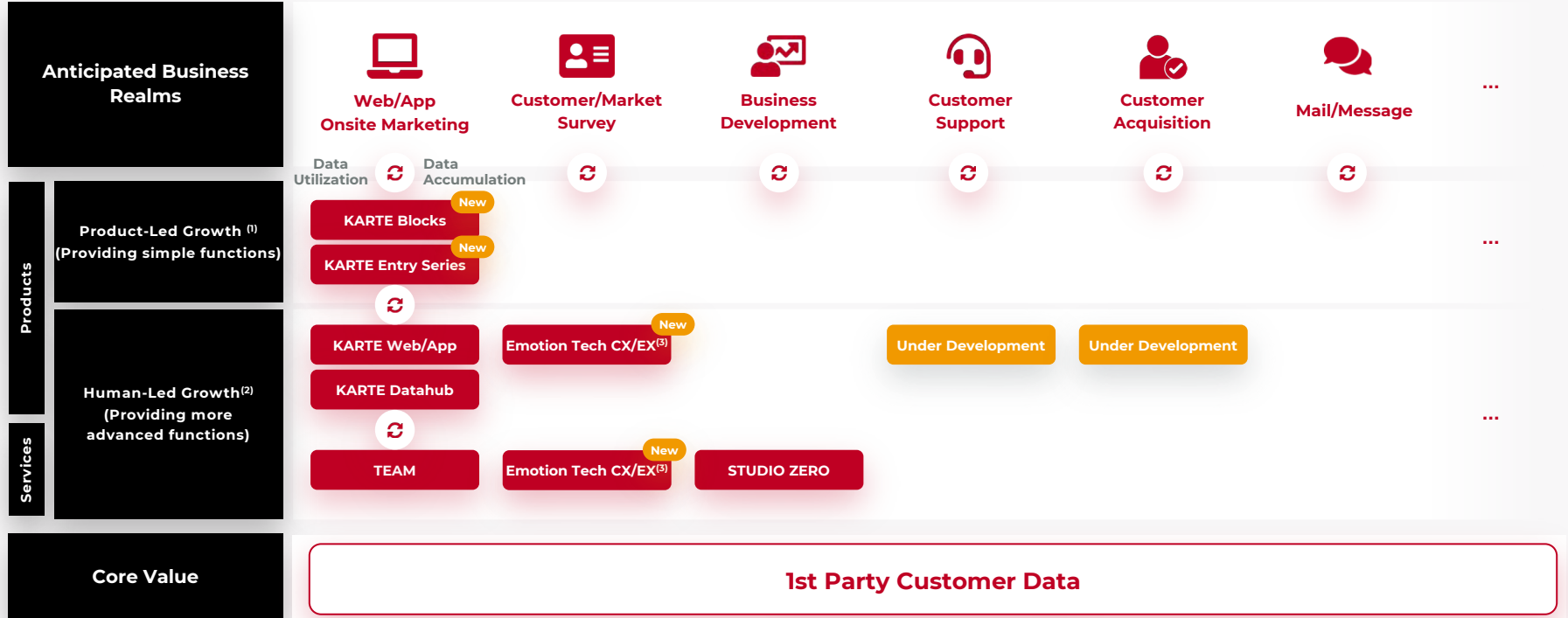


Data Environment Required for Enabling Customer-Centric Business Activities

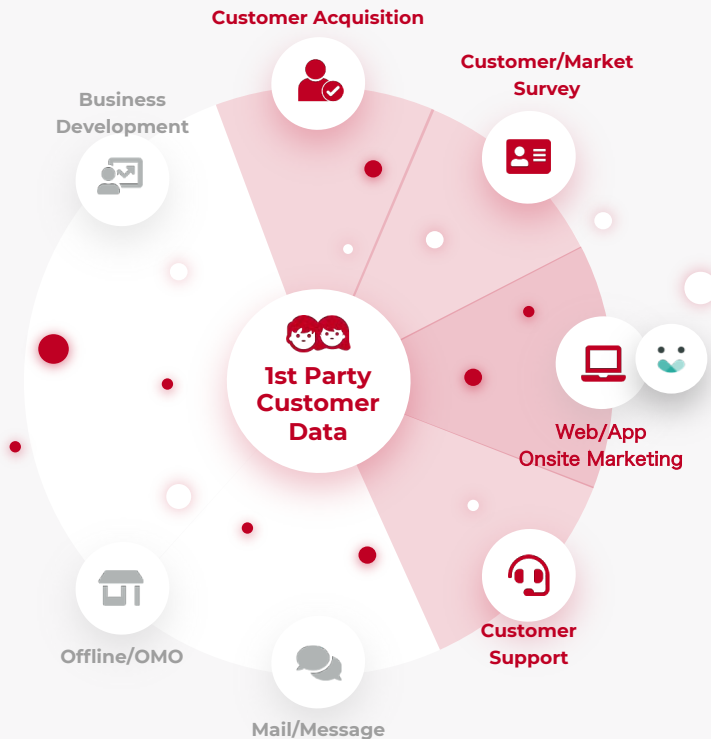


Development of Products and Services Based on Customer Data

- We will provide new products and services into business areas where leveraging customer data is a key success factor



Expanding into New Business Realms in FY9/22



Business Expansion Plan in FY9/22

Customer/Market Survey

Emotion Tech Inc. joining the Plaid Group was a bold move to this area.
We will **develop** collaborated solutions in the realm of first-party customer/market survey

Customer Support

We will develop and launch a product that enables customer support to design **appropriate customer experiences, even for "pre-enquiry" silent customers**, based on their behavioral data and feedbacks

Customer Acquisition

We will develop and launch a product that leverages **first-party data to enable consistent onsite and offsite customer communications**

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Launch of the Official Version of KARTE Blocks

- On September 14, 2021, we launched the official version of KARTE Blocks, which had previously been provided as a beta version
- Started a 'freemium' model, by offering a free plan that can be used by anyone involved in website updating and improving operations, regardless of the size of their company



Feature 1

BMS

(Block Management System)

KARTE Blocks is a new website management system which redefines websites as an aggregation of 'blocks' and allows each blocks to be updated, evaluated, and improved



Feature 2

No-code Management

Users can update, evaluate, and improve any component of their website without writing code just by pasting a single line of tag



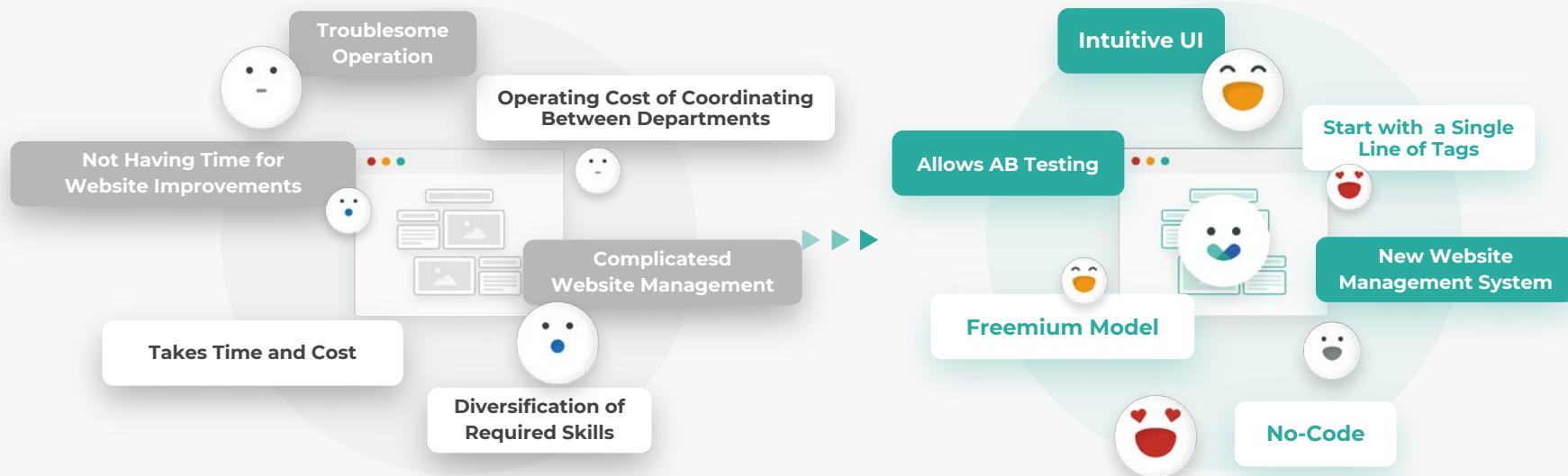
Feature 3

Free Plan Available

Users can start with free plan. Furthermore, every procedure for utilizing KARTE Blocks, including signing up, changing plans, and onboarding, etc. can be completed online

Aims of KARTE Blocks

- Contribute to eliminating “pain points” of management operations in every website
- Around 700 websites have signed up within just 1.5 months⁽¹⁾ since the launch of the official version



KARTE Blocks helps reduce troubles and costs of every website operator

Around 700 Websites have Signed up within 1.5 Months since the Launch

Launch of KARTE Entry Series for EC

- Developing various solution packages with the goal of “quickly achieving clear results” by identifying common issues for each industries based on accumulated use cases and knowledge through providing KARTE
- As our first initiative, launched Cart Package, which includes "Easy win scenarios" such as cart abandonment and operating agent

Features of KARTE Entry Series for EC



Plan

Proven Scenarios

We have prepared some EC scenarios based on accumulated use cases and knowledge through providing for hundreds of companies so far



Do

Plaid Handles both the Initial Setup and Operations

Plaid handles the initial setup and scenario improvement, as well as reporting. Neither additional resources nor learning tool utilization, etc. is required for customers



Check

New Pricing Plan, Easy to Start

Putting single issue and goal of EC sites into one solution package, and providing it with new pricing plan, easy to start

Aims of Cart Package

Cart abandonment is a serious issue for many EC operators

Cart abandonment rate: around **70%⁽¹⁾** = Estimated opportunity loss: around **2.3X** the monthly sales

Major Concerns of EC Users



Loss of Time and Opportunity

Too long purchasing process /
out of stock



Insufficient Information

Users can't quickly find the
information as they want

Major Concerns of EC Operators



Loss of Time and Resources

Operators don't have enough time
and resources for thinking up and
executing their idea



Insufficient Know-how

Operators don't have much
know-how for improving results

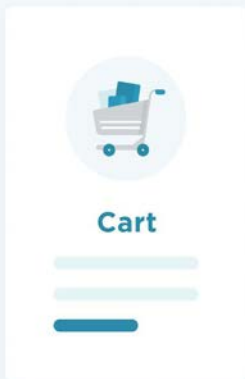
Overview of Cart Package

- With customer utilizing data collected through KARTE, It is possible to understand the results of and reasons for cart abandonment, and to leverage this insight in order to improve each and every customer's experience
- We plan to offer the other solution packages for the EC industry beyond cart abandonment, planning to launch further line-up of KARTE Entry Series for various industries other than EC as well

 **KARTE** Entry Series

Cart Package

Various functions to visualize the cart experience and effectively prevent cart abandonment (cart abandonment analysis, A/B testing, multi-step email automation, etc.)



Package Overview

Settings and Operation	PLAID (as consignee)
Pricing Structure	Fixed monthly fee + Variable fee
Usage Fee + Commission⁽¹⁾	10,000 yen/month + 3% of sales via scenarios ⁽²⁾
Contract Term	12 months

Client Feedback

"We have implemented a variety of measures using the Cart Package. As a result, the cart abandonment rate fell by about 10%. Having actually used it, it becomes clear how effective it is."

Major Apparel Company A



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Note: 1. All figures are JPY otherwise specifically mentioned



Annual Results

FY 9/21 Annual Financial Highlights

- 1 Net sales up 35.9% YoY basis, resulting from successfully shifting our focus from new to existing customers under COVID-19 pandemic
- 2 Gross profit margin improved by YoY +2.1pt through more efficient server usage
- 3 Operating results turned positive as a result of controlled spendings in light of the COVID-19 pandemic
- 4 Achieved recently revised guidance level

ARR ⁽¹⁾ / Growth Rate Yoy Basis

5,807mil. ^(9/2021) / **32.3%**

Subscription Revenue Ratio ⁽²⁾

95.3% ^(FY9/21)

Net Sales / Growth Rate Yoy Basis

5,444mil. ^(FY9/21) / **35.9%**

NRR ⁽³⁾

110.7% ^(LTM avg.)

Gross Profit Margin

73.3% ^(FY9/21)

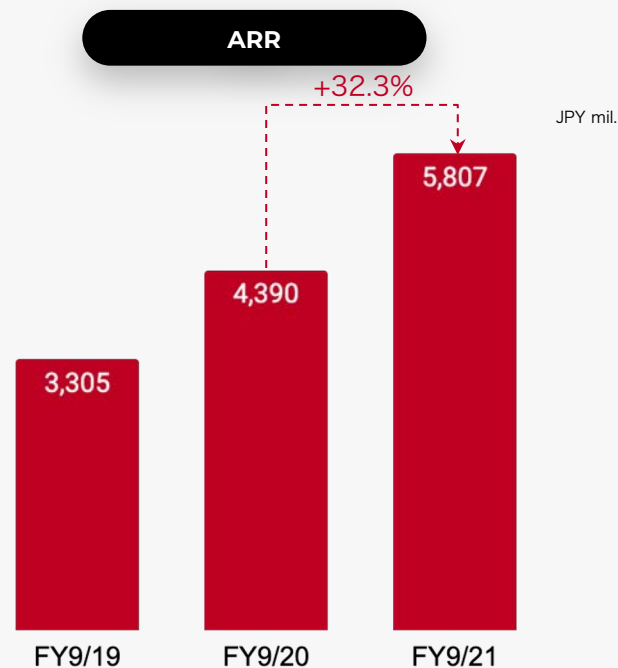
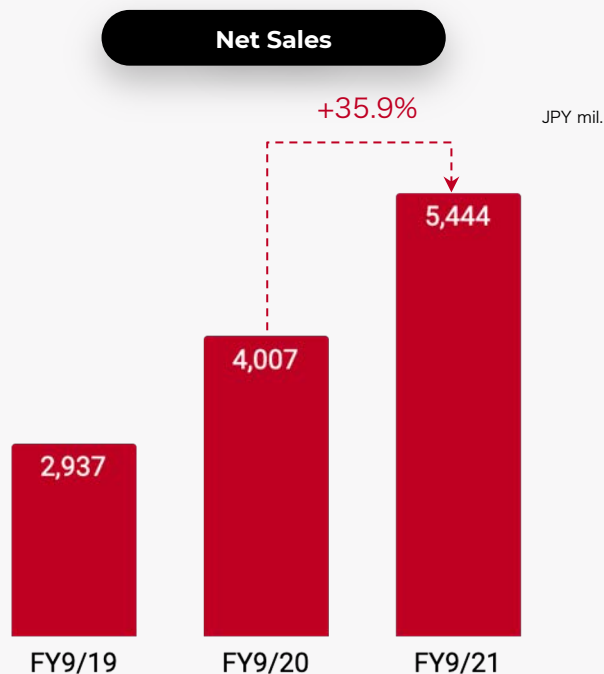
Employees

218 ^(9/2021)

Notes: 1. ARR: Annual Recurring Revenue. It is calculated by multiplying the monthly subscription sales at the end of each quarter by 12. It is an indicator that expresses the net sales expected to be obtained from existing subscriptions alone during the 12 months starting the month following the final month of the quarter based on the assumption that all existing subscriptions will be renewed at the specified time / 2. Percentage of net sales taken up by the total amount of monthly charges for KARTE that can be earned on a recurring basis / 3. NRR: Net Revenue Retention (Rate) Calculated by dividing the (i) monthly subscription sales of current customers who have continued to subscribe for at least one year by (ii) the monthly subscription sales for the same month in the previous year

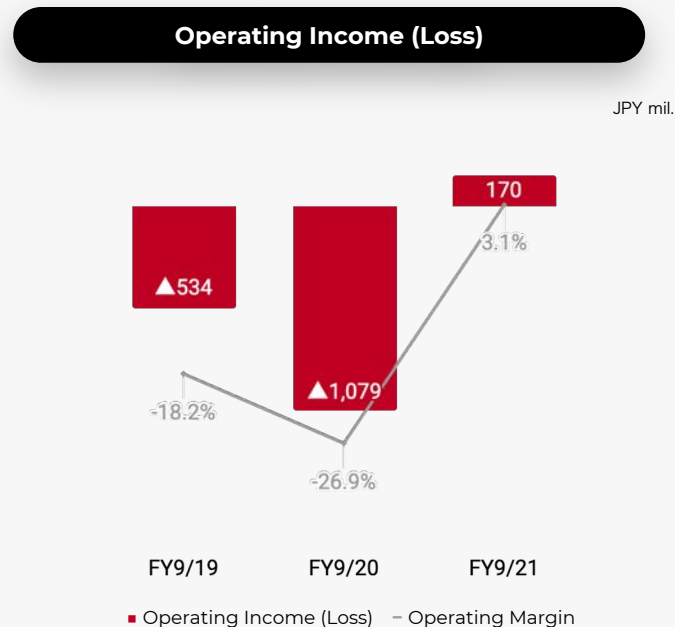
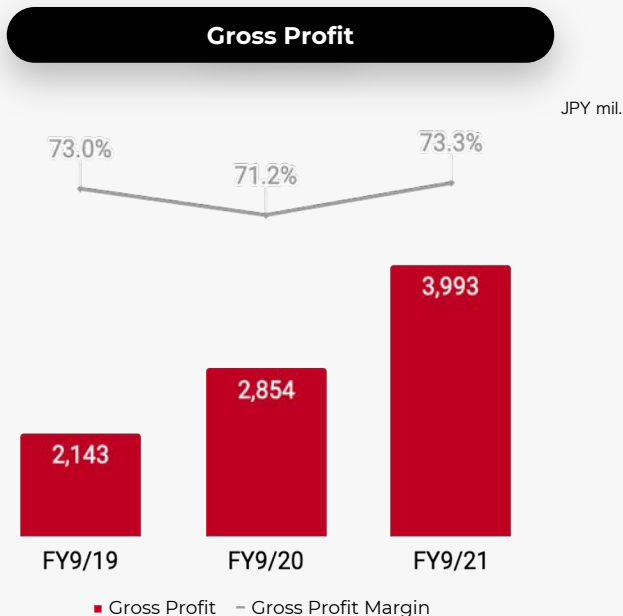
Both Net Sales and ARR Keep High Growth Rate

- Both Net Sales and ARR continue to grow over 30% YoY basis
- Successfully shifted our focus from new to existing customers under COVID-19 pandemic



Gross Profit Margin Improved and Operating Income Turned Positive as a Result of Controlled Spendings in Light of the COVID-19 Pandemic

- Gross profit margin improved by YoY +2.1pt through more efficient server usage, improving profitability
- Operating results turned positive at JPY 170 mil., as a result of controlled spendings under COVID-19



Q4 Results

Q4 of FY 9/21 Financial Highlights

- 1 Both new customer acquisition and existing customer expansion contributed to the steady increase in ARR
- 2 Gross profit margin continued to be kept at a high level due to efficient server usage and upselling & cross-selling
- 3 Q4 resulted in operating losses due to SG&A increase used for FY 9/22 growth or beyond

ARR ⁽¹⁾ / Growth Rate Yoy Basis

5,807 mil. (9/2021) / **32.3%**

Subscription Revenue Ratio ⁽²⁾

94.9% (Q4 FY9/21)

Net Sales / Growth Rate Yoy Basis

1,509 mil. (Q4 FY9/21) / **35.3%**

NRR ⁽³⁾

110.7% (LTM avg.) / **111.7%** (Last three months avg.)

Gross Profit Margin

73.5% (Q4 FY9/21)

Employees

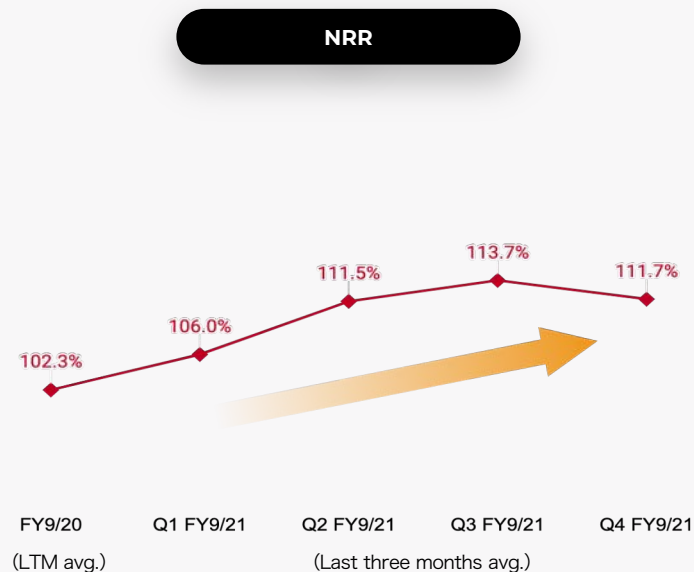
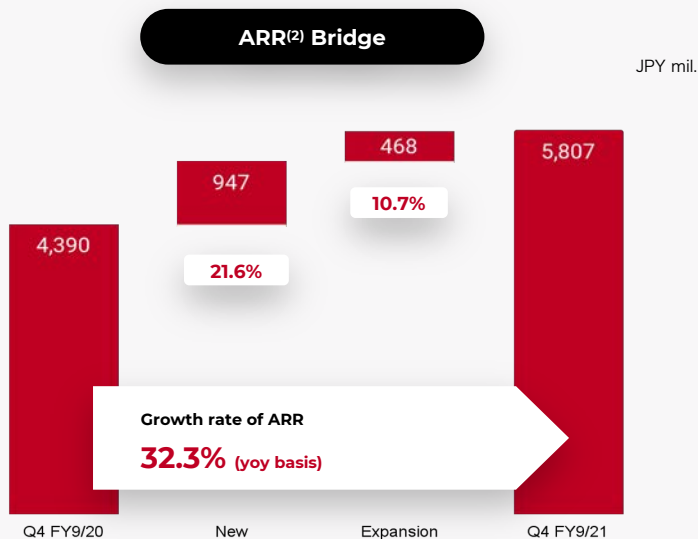
218 (9/2021)

Notes: 1. ARR: Annual Recurring Revenue. It is calculated by multiplying the monthly subscription sales at the end of each quarter by 12. It is an indicator that expresses the net sales expected to be obtained from existing subscriptions alone during the 12 months starting the month following the final month of the quarter based on the assumption that all existing subscriptions will be renewed at the specified time / 2. Percentage of net sales taken up by the total amount of monthly charges for KARTE that can be earned on a recurring basis / 3. NRR: Net Revenue Retention (Rate) calculated by dividing the (i) monthly subscription sales of current customers who have continued to subscribe for at least one year by (ii) the monthly subscription sales for the same month in the previous year



ARR Growth Rate and NRR Keep Favorable Level

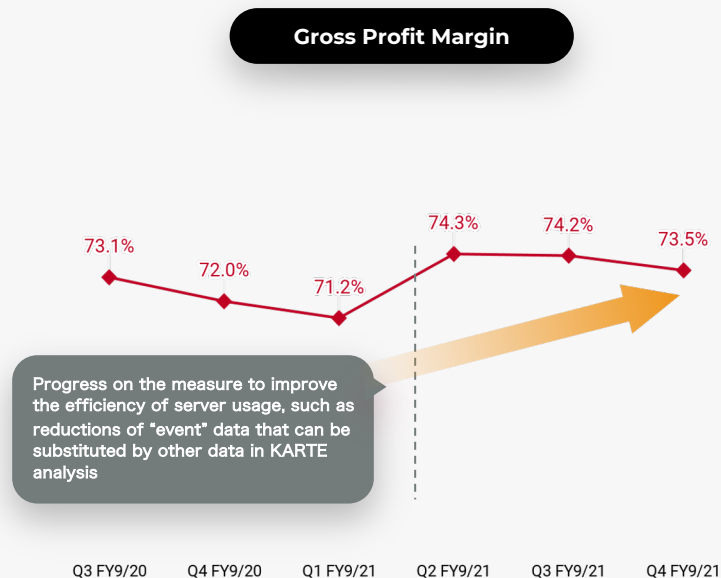
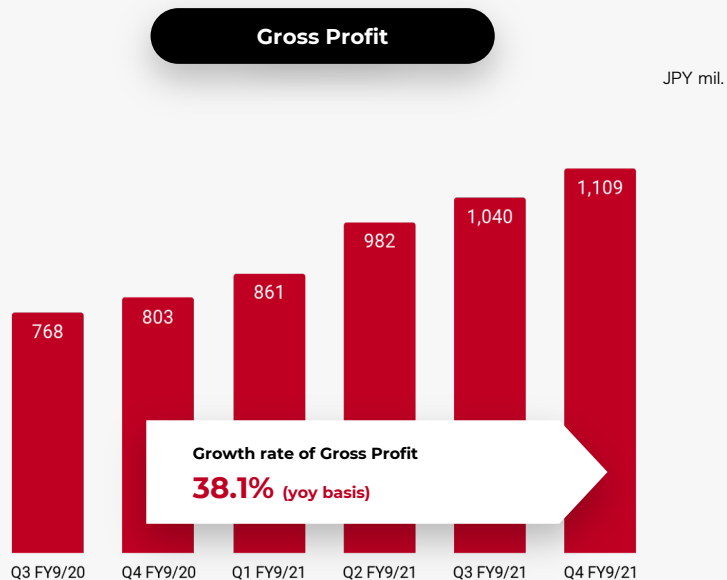
- Both new customer acquisition and existing customer expansion contributed to the steady increase in ARR
- NRR⁽¹⁾ was 111.7%, keeping favorable level



Notes: 1. NRR: Net Revenue Retention (Rate) calculated by dividing the (i) monthly subscription sales of current customers who have continued to subscribe for at least one year by (ii) the monthly subscription sales for the same month in the previous year / 2. ARR: Annual Recurring Revenue. It is calculated by multiplying the monthly subscription sales at the end of each quarter by 12. It is an indicator that expresses the net sales expected to be obtained from existing subscriptions alone during the 12 months starting the month following the final month of the quarter based on the assumption that all existing subscriptions will be renewed at the specified time

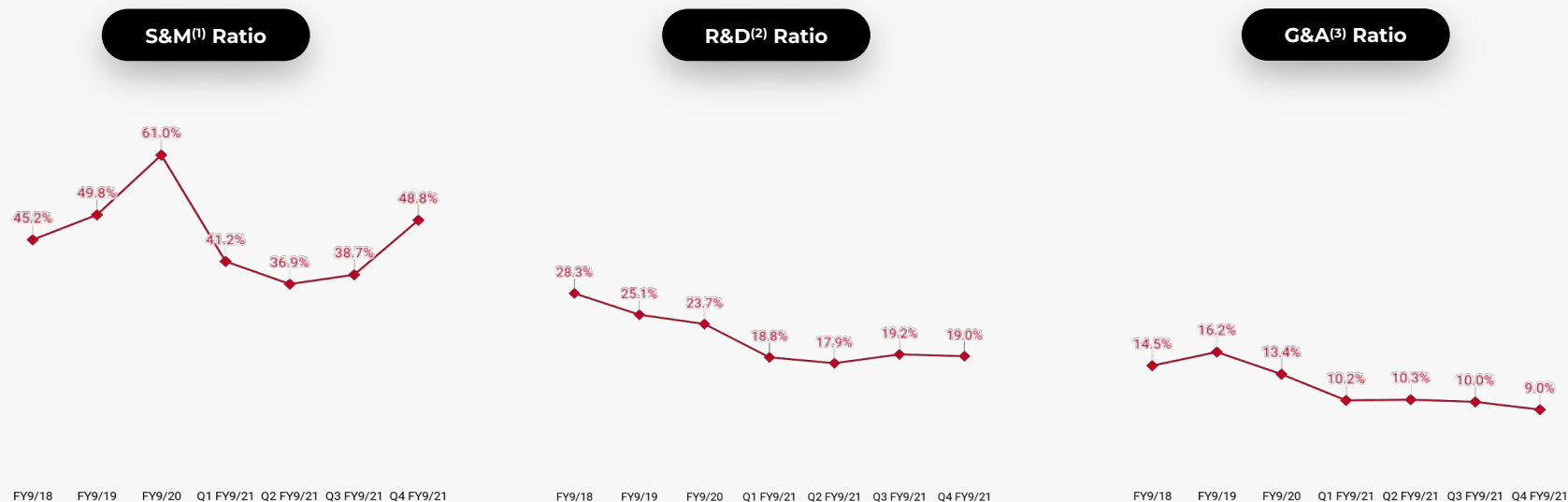
Gross Profit Margin Continue to Exceed the Level of Previous Year

- Gross profit margin continued to be kept at a high level due to efficient server usage and upselling & cross-selling



SG&A Ratios to Net Sales Increased due to Acceleration of Recruiting and Marketing

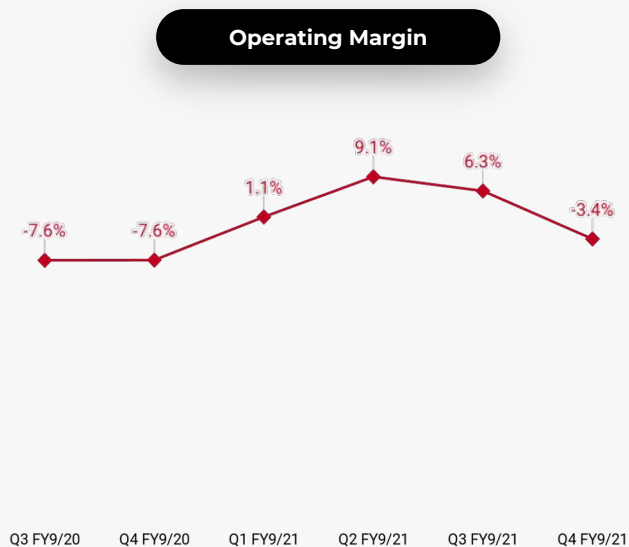
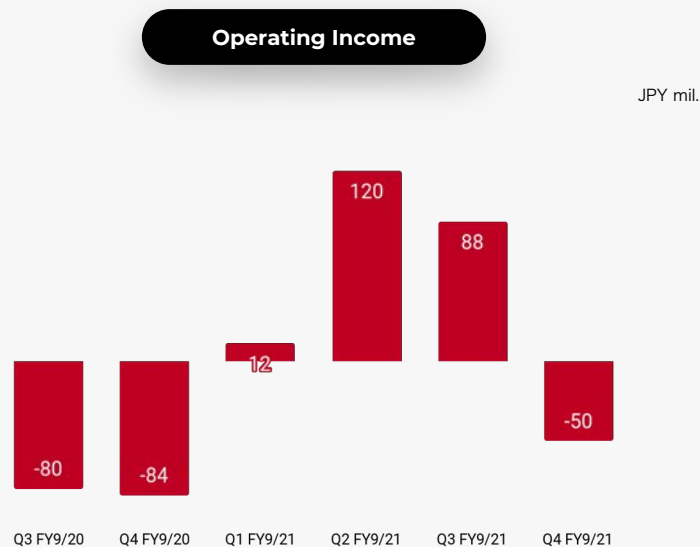
- SG&A increased in Q4 due to spendings for growth in FY 9/22 and beyond such as recruiting and marketing expenses etc.



Notes: 1. S&M: Expenses related to sales activities, which consist primarily of salaries and allowances for our sales and marketing personnel and advertising expenses as well as allocated overhead costs, and allocated depreciation and amortization, which are generally allocated based on the number of employees / 2. R&D: Expenses consist primarily of salaries and allowances for our engineering, product and design teams, as well as allocated overhead costs, and allocated depreciation and amortization / 3. G&A: Expenses consist primarily of salaries and allowances for our legal, finance, and HR operations, as well as allocated overhead costs, and allocated depreciation and amortization

Operating Loss in Q4 due to Increased SG&A

- Made losses in Q4 due to increased SG&A while gross profit increased



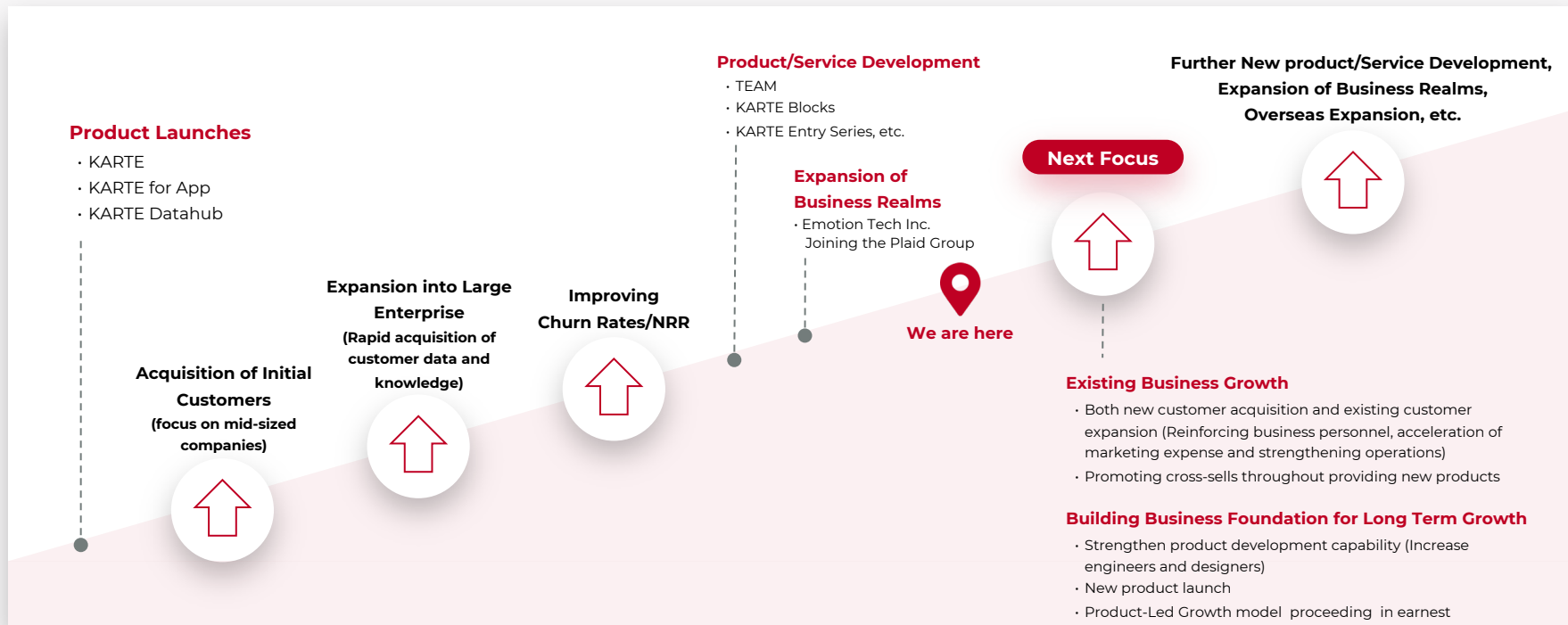
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Strategic Initiatives Underlying Earnings Forecasts for the FY 9/22

- Reinforce our business foundation for long term growth as a strategic initiative in addition to the growth of existing businesses through developing new products or businesses by hiring talents, investing in marketing and new product offering



Earnings Forecasts for FY 9/22

Earnings Forecasts⁽¹⁾ for the FY 9/22

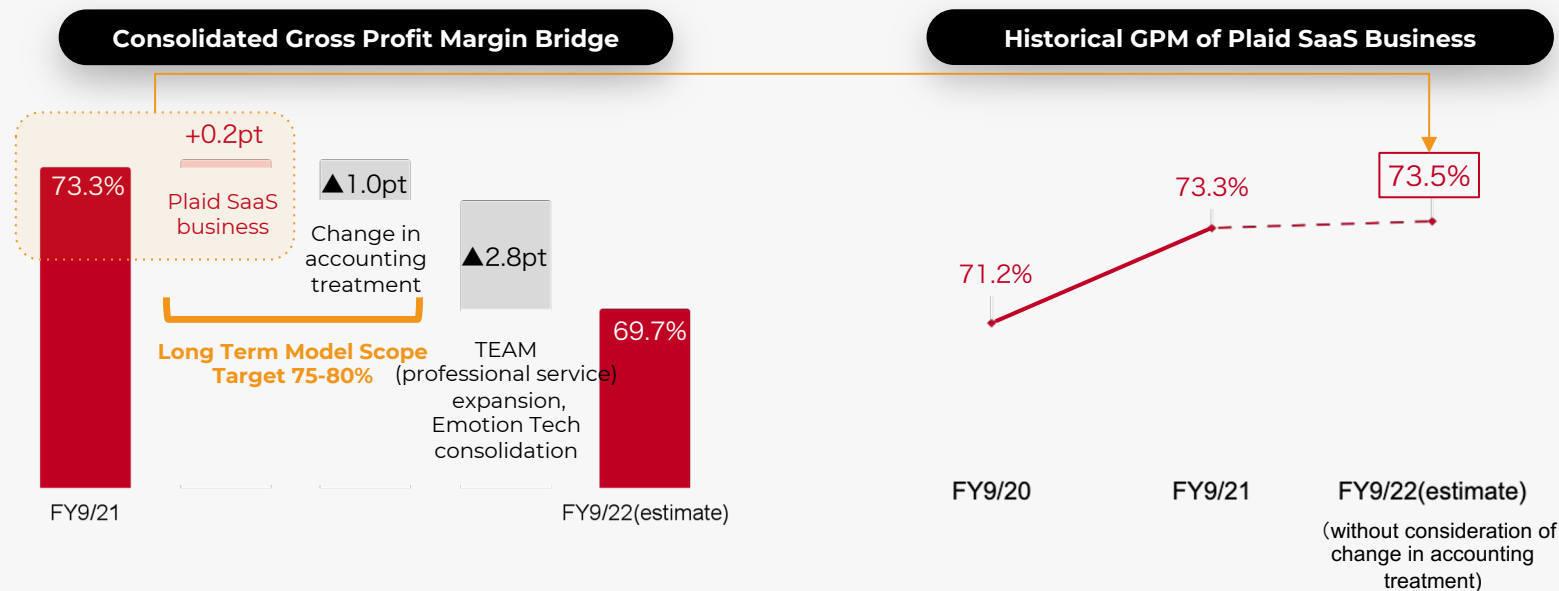
- Presented a range as our guidance, reflecting upside and downside potentials of existing businesses and uncertainty of new businesses
- Consolidated net sales is forecasted to grow at +36.3% ~ 43.8% YoY basis
- ARR of Plaid's SaaS business⁽²⁾, equivalent business scope with the previous fiscal year, is aimed to growth >30%

Notes: 1. Acquired 64.0% voting rights in Emotion Tech Inc. on September 28, 2021, and consolidates statement of income from FY 9/22 / 2. Non-consolidated SaaS business excluding TEAM business, etc.

(JPY mil.)	FY9/21	FY9/22 (estimate)	YoY
Net sales	5,444	7,419 ~7,828	+36.3% ~+43.8%
Gross profit	3,993	5,169 ~5,454	+29.4% ~+36.6%
Gross profit margin	73.3%	69.7%	▲3.6pt
SG&A	3,822	6,734 ~6,797	+76.2% ~+77.8%
Operating income (loss)	170	▲1,565 ~▲1,343	-

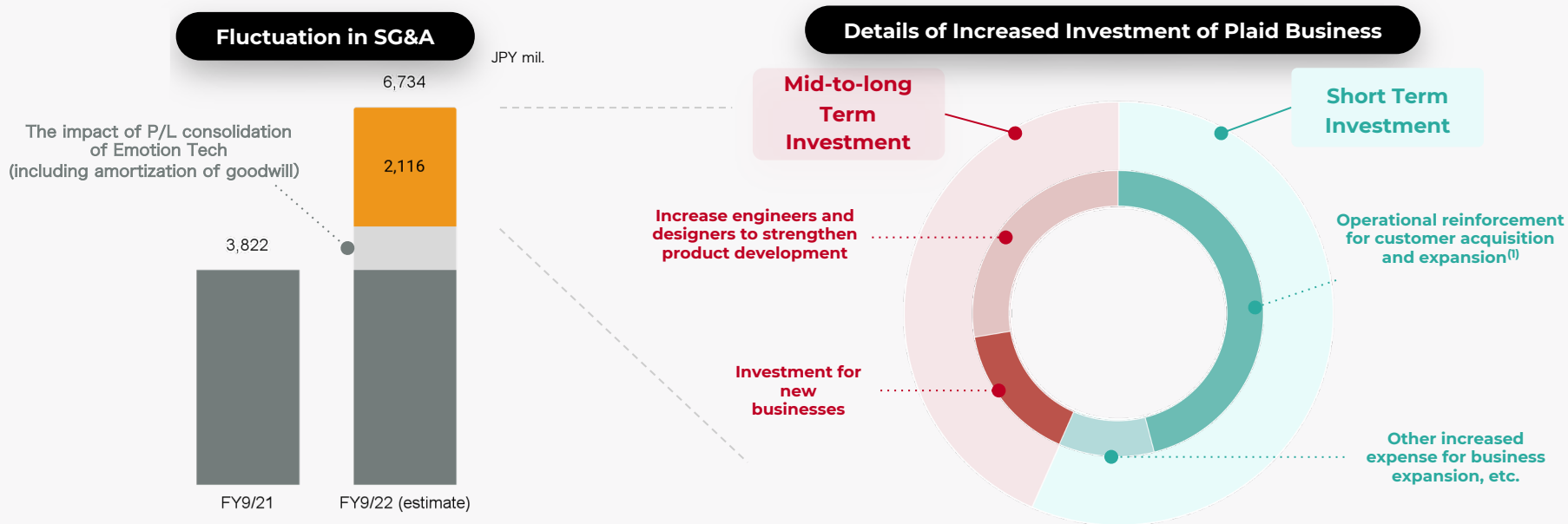
Plaid's SaaS Business Gross Profit Margin Continues to be Improved

- Consolidated gross profit margin for FY 9/22 is expected to be 69.7%
- Changes the accounting treatment of customer support and onboarding cost, moving those from SG&A to COGS from this FY
- Gross profit margin of Plaid SaaS continues to improve due to more efficient server usage



Breakdown of Spendings into Short and Mid-to-long Term Growth Related

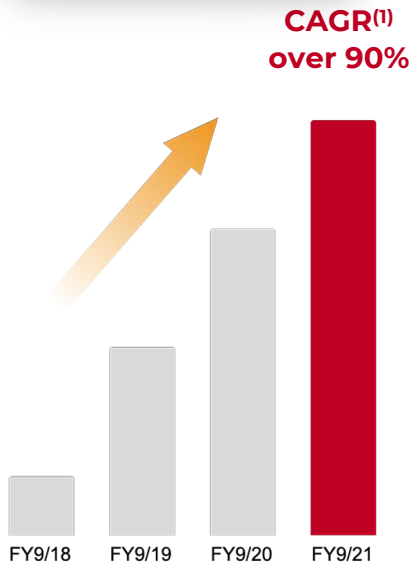
- Ratio of incremental SG&A spendings for Plaid's existing business (**Short Term Investment**) portion to previous SG&A is about 30% while overall ratio of incremental SG&A is about 76.2% under this fiscal year guidance
- Significantly increase spendings for hiring product developments talents (**Mid-to-long Term Investment**)
- Emotion Tech makes investments for growth as planned, taking advantage of the timing to join Plaid Group



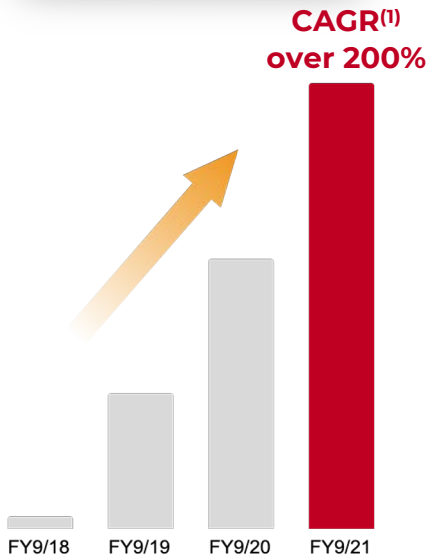
Strengthen Product Development Capabilities for Mid-to-long Term Growth

- Strengthen our product development capabilities in advance to be prepared for new product launches in FY 9/22 and onward
- As successful cases, KARTE for App and KARTE Datahub, both of which were launched in 2018, have been expanding ARR strongly, contributing to our sales growth

KARTE for App ARR



KARTE Datahub ARR



New Launches



KARTE Blocks

Official version launch on September 14, 2021



KARTE Entry Series for EC

Launch on September 30, 2021



Customer Support Realm

New launch in FY 9/22



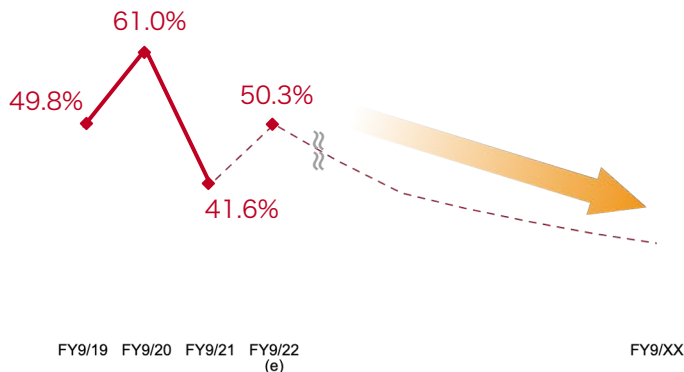
Customer Acquisition Realm

New launch in FY 9/22

⋮

Returning to Appropriate S&M spending considering the Current Business Growth

- Regard 41.6% of S&M ratio for FY 9/21 as “under-investment”, resulted from less spendings in hiring and marketing for new customer acquisition and existing expansion under COVID-19 situation
- The S&M ratio is adjusted to an appropriate level, aiming at > 30% ARR growth of Plaid's SaaS business
- The S&M ratio is expected to gradually converge into 25-30% of that of Long Term Model

S&M Ratio to Net Sales

Long Term Model ⁽¹⁾ for the Plaid SaaS Business

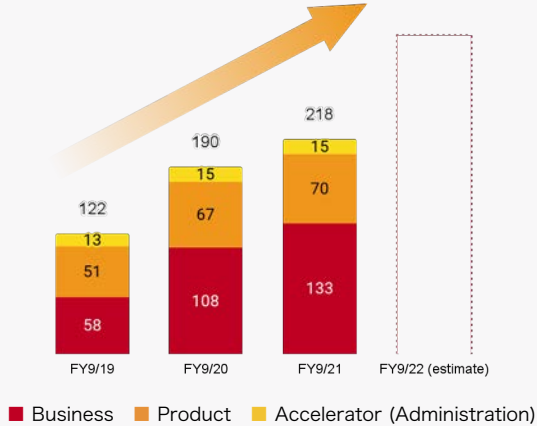
	FY9/20	FY9/21	Long Term Model
Gross profit margin	71.2%	73.3%	75-80%
S&M	61.0%	41.6%	25-30%
R&D	23.7%	18.7%	18-20%
G&A	13.4%	9.8%	8-10%
Operating margin	▲26.9%	3.1%	20-25%

Note: 1. This long term model is forward-looking, is subject to significant business, economic, regulatory and competitive uncertainties and contingencies, many of which are beyond the control of the Company, and is based upon assumptions with respect to future decisions, which are subject to change. Actual results will vary and those variations may be material due to a number of factors, including those described in the “Risk Factors” section of the Offering Circular issued as of December 17, 2020. Nothing in this presentation should be regarded as a representation by any person that this long term model will be achieved, and the Company undertakes no duty to update its model as circumstances change

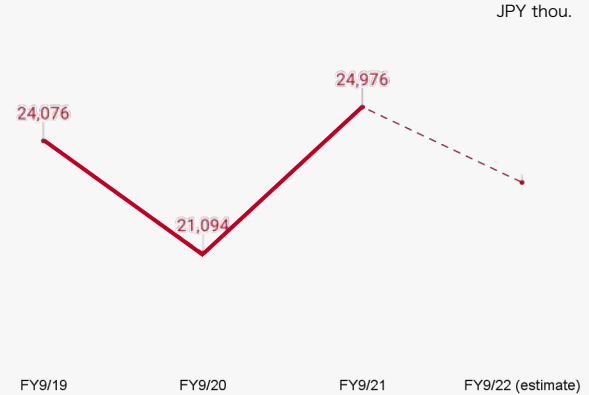
Hiring of All Job Types will be Accelerated with an Aim to Expand Growth

- Continue to accelerate hiring, which already started in Q3 of FY 9/21
- Manage spendings with an eye to the balance of growth potential and high productivity, taking into account net sales per employee as a performance indicator

Number of Employees



Net Sales per Employee



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Strategic M&A and Investment and Ecosystem Investment

- Make strategic M&A and investment following below guidance
- Separately make ecosystem investment aside from strategic M&A and investment

Strategic M&A and Investment

Strategic Rationales

- Expanding presence or scale in our existing markets
- Making entry into new markets we are aiming at
- Enhancing our group's value propositions through acquisitions of new capabilities or services

Investment Criteria

- Strategic rationales
- Potential synergies with The Plaid Group
- Appropriate valuations and structuring

Structure Alternatives

- Majority acquisitions
- Minority investments as a step to majority
- Minority investments with clear strategic purpose

Ecosystem Investment

Aim

- Forming an ecosystem by expanding KARTE's 'pluggable' products and collaborative partners

Investment Criteria

- 'Plugging' with KARTE or other products contributing to the formation of the ecosystem

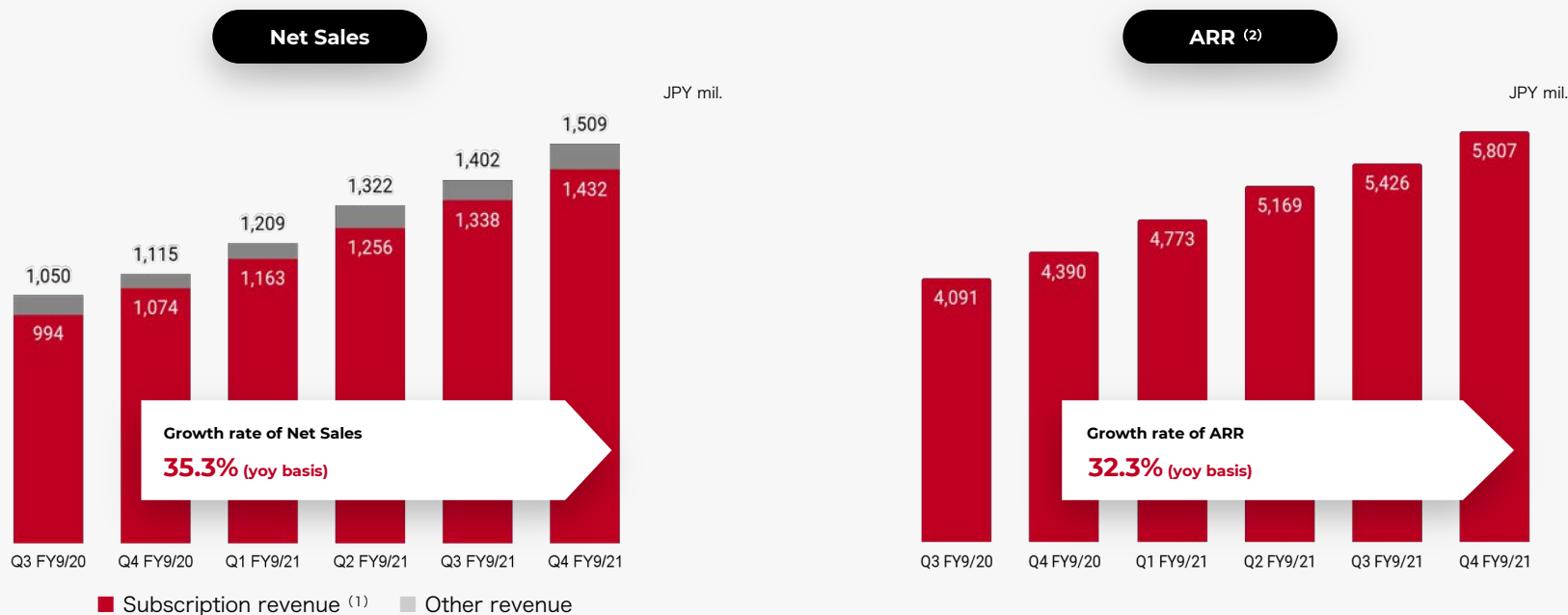
Structure

- Less-significant minority investment, the sum of which is internally pre-approved

Financial Information

Net Sales and ARR

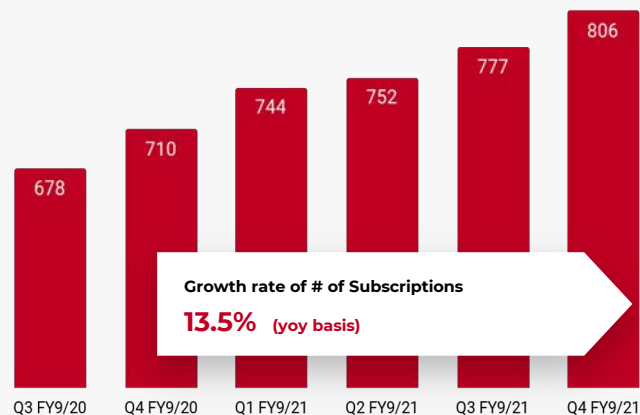
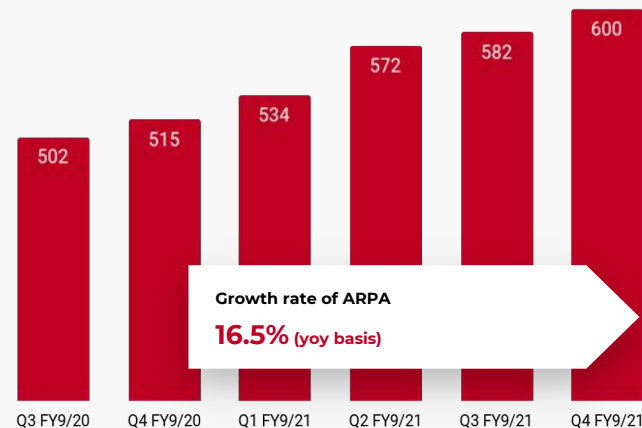
- Due to a strategic shift away from acquiring new customers towards existing customers on account of the COVID-19 pandemic, upselling/cross-selling expanded and customer retention rates trended favorably.



Notes: 1. The amount of revenue recognized from subscribers of KARTE (for Web) and KARTE for App, including KARTE Datahub and other add-on options, excluding initial set-up and other one-time fees, for a given period / 2. ARR: Annual Recurring Revenue. It is calculated by multiplying the monthly subscription sales at the end of each quarter by 12. It is an indicator that expresses the net sales expected to be obtained from existing subscriptions alone during the 12 months starting the month following the final month of the quarter based on the assumption that all existing subscriptions will be renewed at the specified time

Subscriptions and ARPA

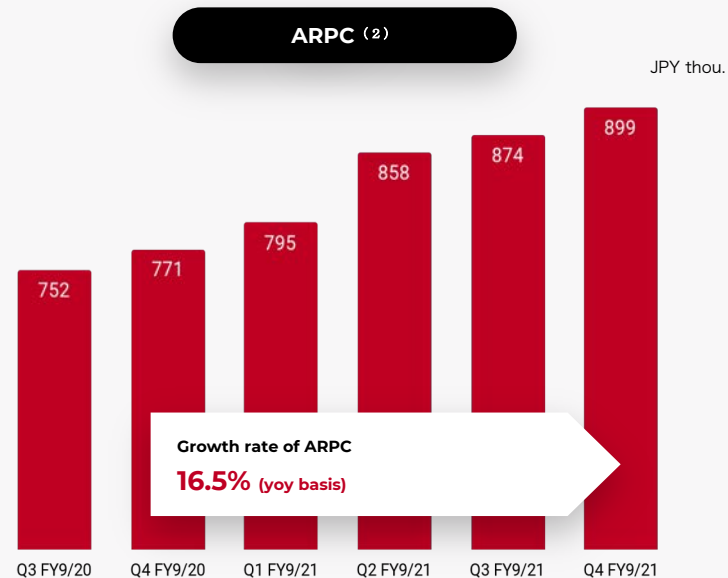
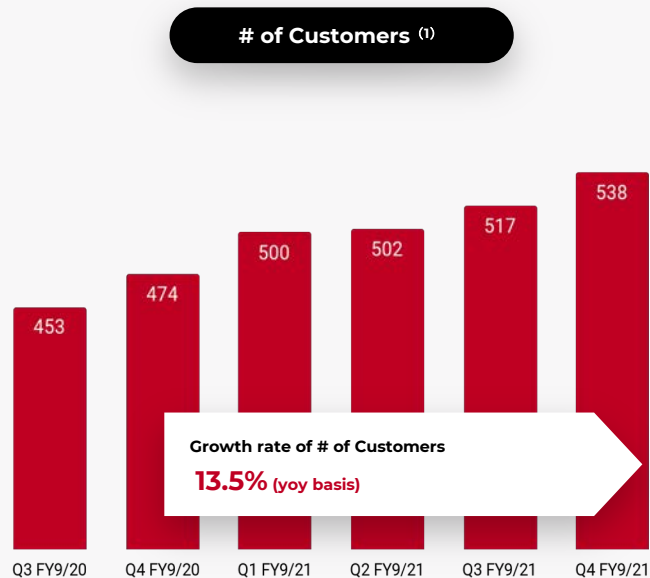
- Steady progress was made in both the number of subscriptions and sales per account
- KARTE Blocks free plans are not included in the number of subscriptions

of Subscriptions ⁽¹⁾ARPA ⁽²⁾

JPY thou.

Customers and ARPC

- Steady progress was made both in the number of customers and average revenue per customer
- KARTE Blocks free plans are not included in the number of customers



Appendix

Income Statement (Quarterly)⁽¹⁾

Note: 1. Plaid acquired 64.0% voting rights in Emotion Tech Inc. on September 28, 2021. We consolidate balance sheet of Emotion Tech Inc. and posted a gain on step acquisitions and other adjustments, in the consolidated statement of income as consolidation adjustments in FY 9/21

(JPY mil.)	Q4 FY9/21	Q4 FY9/20	YoY	Q3 FY9/21	QoQ
Net sales	1,509	1,115	+35.3%	1,402	+7.7%
Subscription revenue	1,432	1,074	+33.3%	1,338	+7.0%
Other	77	40	+88.7%	63	+21.2%
Cost of sales	400	312	+28.2%	362	+10.6%
Gross profit	1,109	803	+38.1%	1,040	+6.6%
Gross profit margin	73.5%	72.0%	+1.5pt	74.2%	▲0.7pt
SG&A	1,160	888	+30.6%	952	+21.8%
% of Net sales	76.8%	79.6%	▲2.8pt	67.9%	+8.9pt
Advertising expenses	208	113	+84.4%	88	+135.4%
% of Net sales	13.8%	10.1%	+3.7pt	6.3%	+7.5pt
Personnel expenses	611	519	+17.9%	568	+7.6%
% of Net sales	40.5%	46.5%	▲6.0pt	40.5%	▲0.0pt
Rents	77	77	-	77	-
% of Net sales	5.1%	7.0%	▲1.8pt	5.5%	▲0.4pt
Sales commission	32	27	+17.7%	30	+6.9%
% of Net sales	2.1%	2.5%	▲0.3pt	2.2%	▲0.0pt
Other	229	151	+52.2%	187	+22.7%
% of Net sales	15.2%	+13.5%	+1.7pt	13.4%	+1.9pt
Operating income	▲50	▲84	-	88	-
Operating margin	▲3.4%	▲7.6%	+4.2pt	6.3%	▲9.6pt
Non-operating income	0	0	+51.6%	1	▲30.2%
Non-operating expenses	69	6	+988.3%	3	-
Listing expenses	-	2	▲100.0%	-	-
Other	69	4	-	3	-
Ordinary income	▲119	▲90	-	85	-
Extraordinary gain	75	-	-	-	-
Gain on step acquisition	75	-	-	-	-
Net income	▲47	▲91	-	84	-

Appendix

Income Statement (Q1-Q4)⁽¹⁾

Note: 1. Plaid acquired 64.0% voting rights in Emotion Tech Inc. on September 28, 2021. We consolidate balance sheet of Emotion Tech Inc. and posted a gain on step acquisitions and other adjustments, in the consolidated statement of income as consolidation adjustments in FY 9/21

(JPY mil.)	FY9/21	FY9/20	YoY
Net sales	5,444	4,007	+35.9%
Subscription revenue	5,191	3,819	+35.9%
Other	253	188	+34.7%
Cost of sales	1,451	1,153	+25.9%
Gross profit	3,993	2,854	+39.9%
Gross profit margin	73.3%	71.2%	+2.1pt
SG&A	3,822	3,934	▲2.8%
% of Net sales	70.2%	98.2%	▲27.9pt
Advertising expenses	467	831	▲43.8%
% of Net sales	8.6%	20.7%	▲12.2pt
Personnel expenses	2,240	1,895	+18.2%
% of Net sales	41.2%	47.3%	▲6.1pt
Rents	310	310	▲0.1%
% of Net sales	5.7%	7.8%	▲2.1pt
Sales commission	116	98	+18.6%
% of Net sales	2.1%	2.5%	▲0.3pt
Other	687	797	▲13.9%
% of Net sales	12.6%	19.9%	▲7.3pt
Operating income	170	▲1,079	-
Operating margin	3.1%	▲26.9%	+30.1pt
Non-operating income	6	1	+261.8%
Non-operating expenses	283	127	+121.8%
Listing expenses	200	107	+85.9%
Other	82	19	+317.3%
Ordinary income	▲105	▲1,205	-
Extraordinary gain	75	-	-
Gain on step acquisition	75	-	-
Extraordinary losses	70	-	-
Loss on valuation of investment securities	70	-	-
Net income	▲106	▲1,207	-

Appendix

Opex Ratios to Net Sales

(JPY mil.)	FY9/18	FY9/19	FY9/20	Q1 FY9/21	Q2 FY9/21	Q3 FY9/21	Q4 FY9/21	FY9/21
S&M	720	1,463	2,443	497	488	542	737	2,266
% of Net sales	45.2%	49.8%	61.0%	41.2%	36.9%	38.7%	48.8%	41.6%
R&D	451	738	951	227	237	269	286	1,020
% of Net sales	28.3%	25.1%	23.7%	18.8%	17.9%	19.2%	19.0%	18.7%
G&A	230	475	538	123	135	140	136	535
% of Net sales	14.5%	16.2%	13.4%	10.2%	10.3%	10.0%	9.0%	9.8%

Cash Flow Statement⁽¹⁾

(JPY mil.)	FY9/18	FY9/19	FY9/20	FY9/21
Cash flow from operating activities	▲80	▲623	▲1,012	410
Cash flow from investing activities	▲490	19	▲167	▲1,330
Cash flow from financing activities	2,498	▲183	1,897	2,999
Net change in cash and cash equivalents	1,927	▲787	717	2,080
Cash and cash equivalents at end of period	2,161	1,374	2,091	4,172

Note: 1. Plaid acquired 64.0% voting rights in Emotion Tech Inc. on September 28, 2021. Table on the right shows non-consolidated figures for FY 9/20 and before, and consolidated figures for FY 9/21 only

Balance Sheet⁽¹⁾

Note: 1. Plaid acquired 64.0% voting rights in Emotion Tech Inc. on September 28, 2021. Table on the right shows non-consolidated figures for FY 9/20 and before, and consolidated figures for FY 9/21 only

(JPY mil.)	FY9/18	FY9/19	FY9/20	FY9/21
Total current assets	2,463	1,892	2,642	4,956
Cash and deposits	2,161	1,374	2,091	4,172
Notes and accounts receivable, trade	232	368	475	645
Other	69	149	75	138
Total non-current assets	494	309	426	2,027
Total current liabilities	519	615	1,084	1,640
Total non-current liabilities	508	397	380	390
Total net assets	1,929	1,188	1,604	4,953

Company Overview

Company Overview




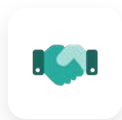
Overview

Company Name	PLAID, Inc.
Founded	October 2011
Headquarter	GINZA SIX 10F, GINZA 6-10-1, Chuo-ku, Tokyo, Japan 104-0061
CEO	Kenta Kurahashi
# of Employees	218 (as of September 2021)
Business Detail	Provision of KARTE (CX⁽¹⁾ Platform SaaS)

Note: 1. Customer experience. This refers to the sum of interactions between an organization and its customer that contributes to the resulting impression that the customer develops and maintains with respect to that organization or its products and services. This can encompass anything from product design and quality to traditional notions of customer service



Current Product/Service Lineup

Products/ Services	 KARTE / KARTE for App	 KARTE Datahub	 KARTE Blocks (Beta)	 TEAM
Details	<p>Visualize the "now" of each and every customer based on a proprietary real-time analysis engine.</p> <p>Enable companies to set up flexible actions or experiences suitable for customer's "now"</p>	<p>Integrate, analyze and visualize the customer data, behavioral data, and other data that exist inside and outside of a company keeping it as big data.</p> <p>Seamlessly linked with Google BigQuery</p>	<p>Allow self-served website management without engineering skills (no code editing, low code customization and measuring site performance etc.) with tearing down every element of a website into blocks</p>	<p>Professional services which accompany companies such as supporting KARTE utilization and CX consulting</p>

KARTE (Launched in March 2015)



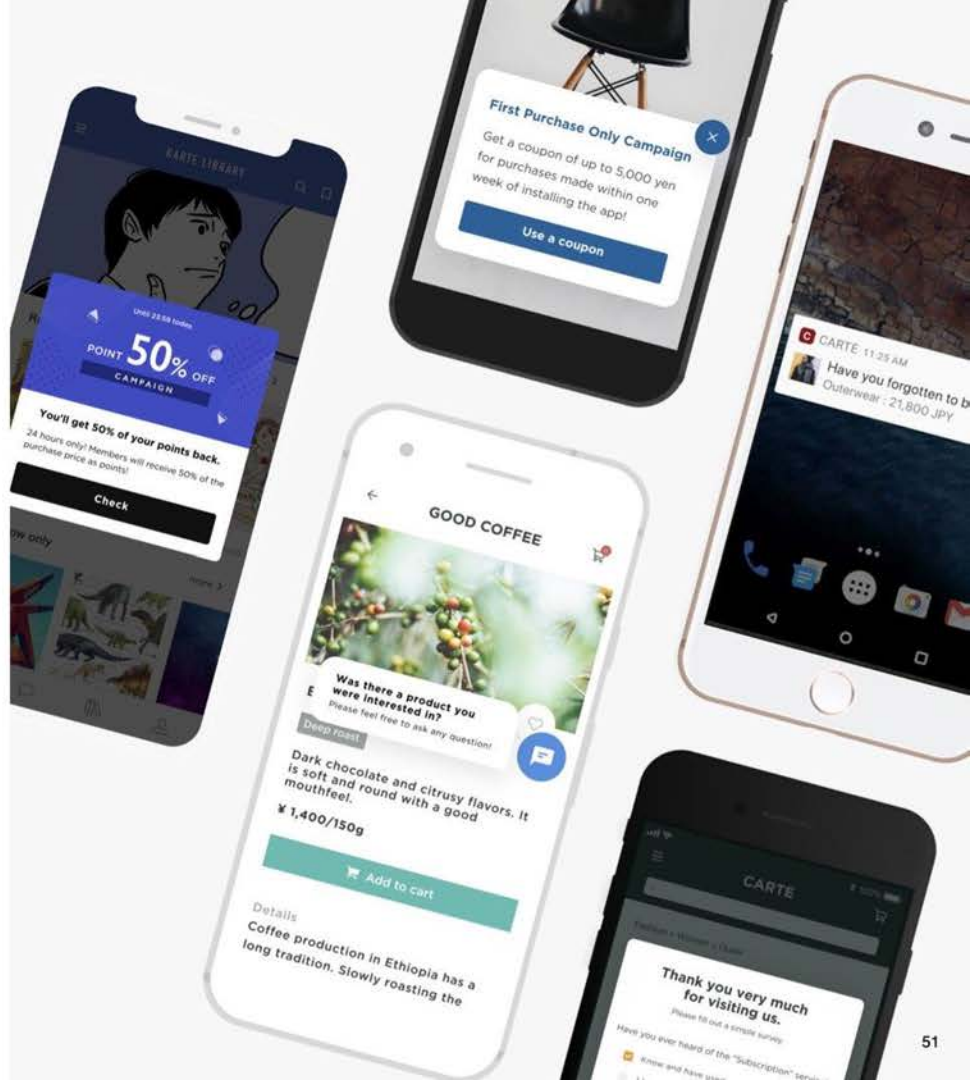
Cloud based software as a service(SaaS) that empowers organizations to make real-time, on-website analysis and segmentation of website visitors and to automate real-time actions such as pop-ups



KARTE for App (Launched in March 2018)



Having the same features with KARTE, KARTE for App provides the features desired by app operators such as automating actions without app version update

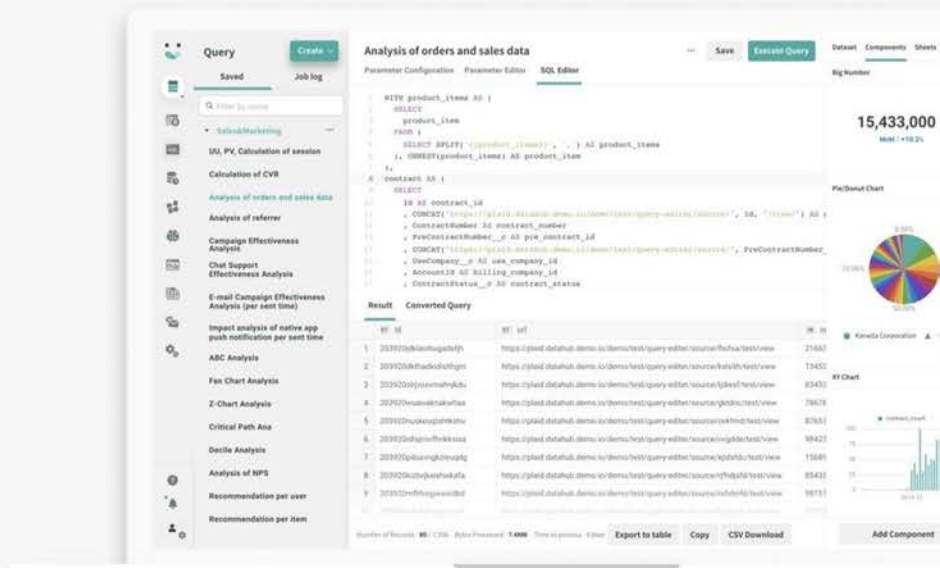


KARTE Datahub

(Launched in December 2018)



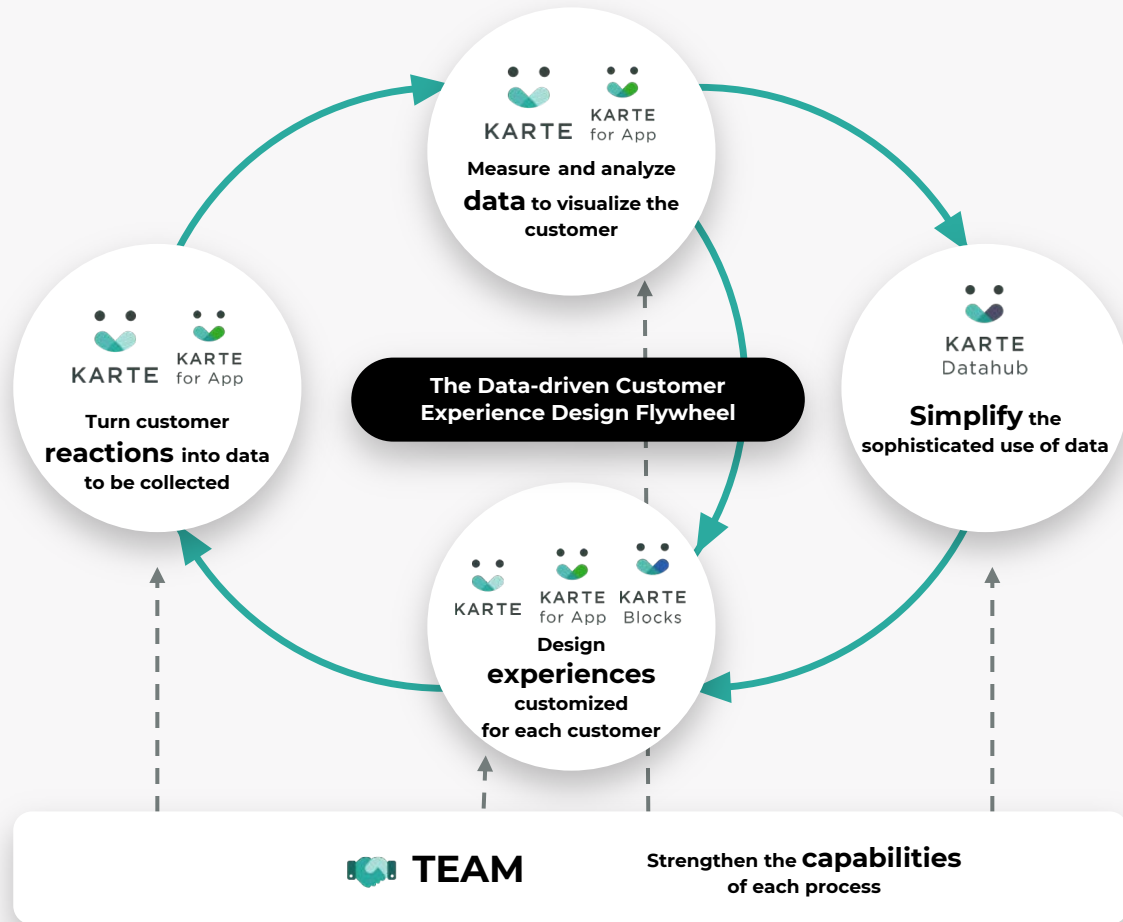
Customer data platform enabling organizations to link various data held by organizations to behavioral data measured and segments created on KARTE



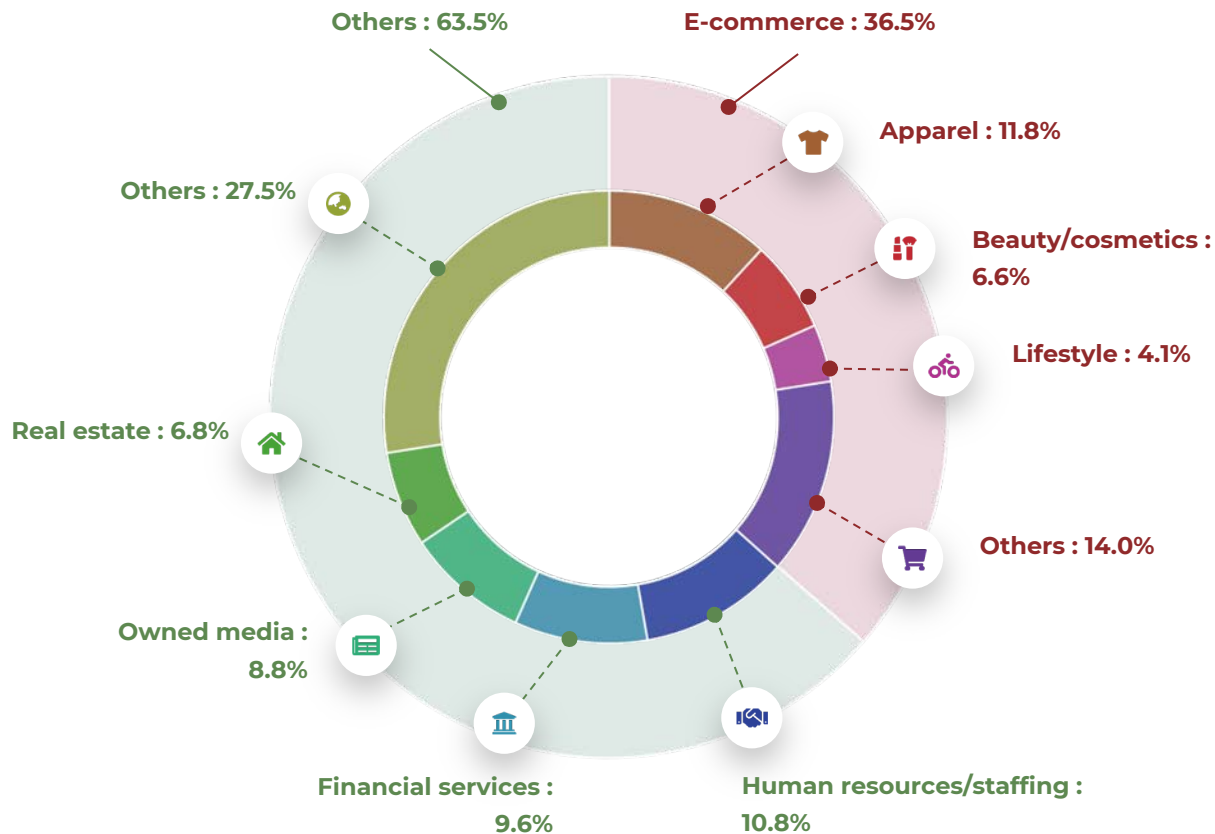
Focus on Supporting the Design of Customer Experience Centered around Customer Data

Improving customer experience value is realized through the cycle of measuring, integrating, and analyzing data, visualizing customers and improving the resolution of customer understanding through analysis, designing customized experiences for every customer, and collecting reactions

PLAID provides products and services for each of these processes

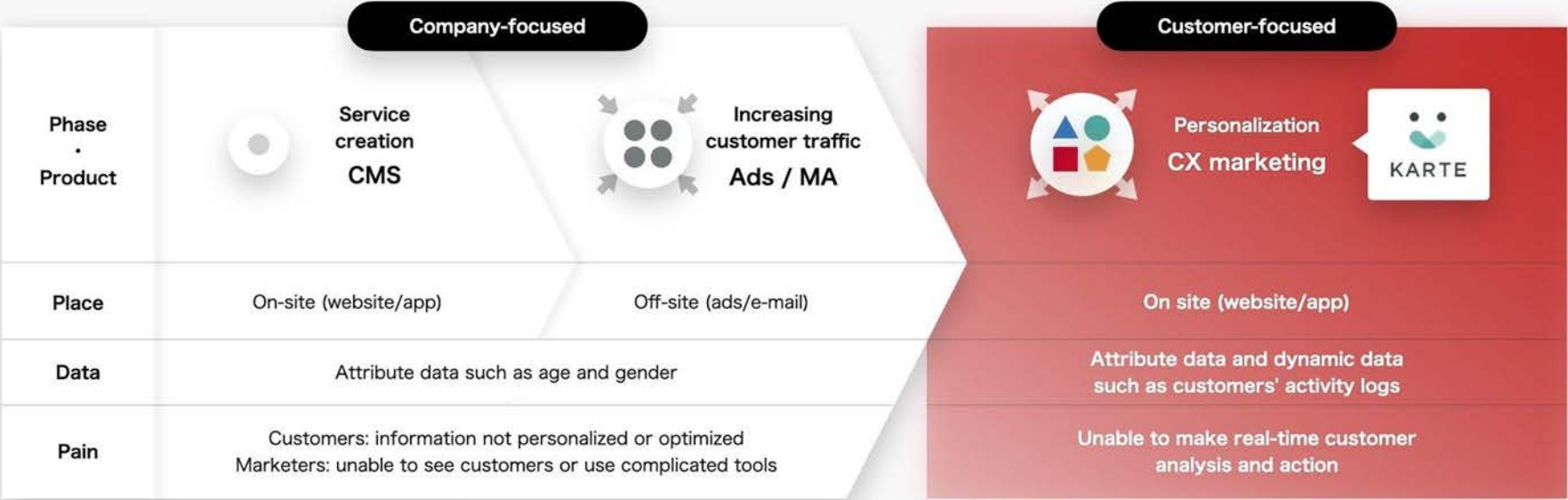


Percentages of Subscriptions by Industry ⁽¹⁾



Note: 1. Industry percentage as of September 30, 2021

Paradigm Shift in Digital Marketing



From the phase of service creation and customer attraction
To the phase communicating value to customers

Increasing Frustrations with Digital Marketing

The customers'



Contents are not
streamlined for individual
customers



Overwhelming amount of
information and repetitive
messages from
marketers

Marketers'



Unable to understand website
customer behavior
and make actions to them
on **real-time** basis



Lack of basis for
"individual"
and **"personalized"**
actions

**Digital marketing initiatives taken by companies
without understanding their customers **do not necessarily contribute to
the improvement of the user and customer experience****

Business Model

A subscription model in which pricing is based on monthly active users on website or smartphone app



Features of KARTE

Feature 1.

**Visualization of
individual customers**

Feature 2.

**Real-time
analysis**

Feature 3.

**End-to-end
solution**

Feature 1.

Visualization of individual customers

KARTE accumulates behavioral data of customers visiting a website on a customer-by-customer basis, and visualizes those by customer. This enables business operators to understand the status and needs of individual customers intuitively and to implement and examine measures to provide a better experience to customers



Feature 2.

Real-time analysis

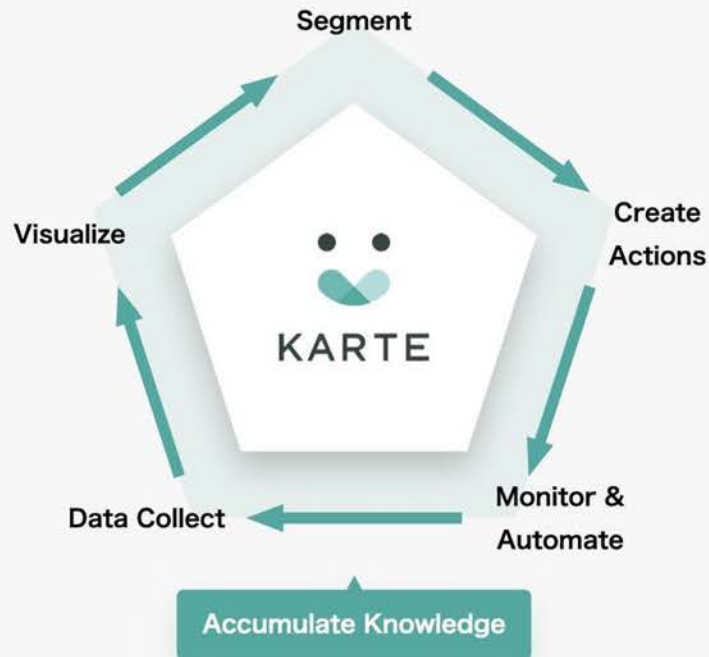
KARTE analyzes the real-time behaviors of customers visiting a website, etc., such as "They have been considering a specific product for a long time," together with the past data. This enables businesses to communicate appropriately with customers, without overlooking a timing or sign of their intent to purchase or similar factor



Feature 3.

End-to-end solution

Unlike dedicated marketing tools for customer analysis, e-mail delivery, Web chat, delivery via social media, or other specific purposes, KARTE enables organizations to implement customer-related operations, from customer analysis to the automating actions



Potential Market Size

Potential Market Size of the CX Platform

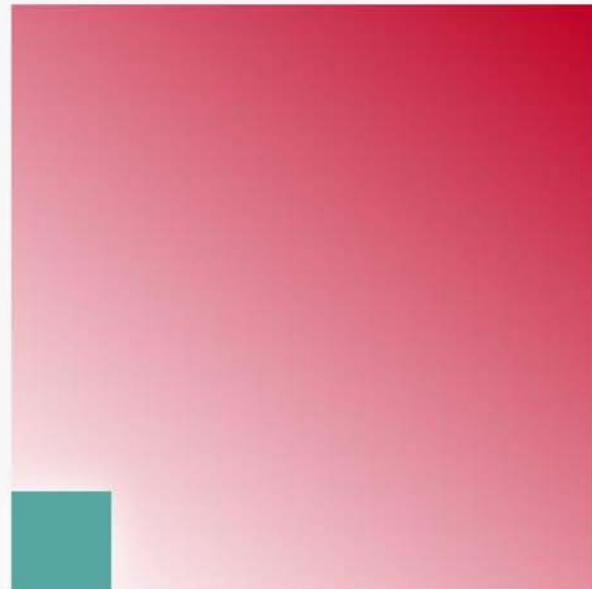
There are approximately 19,100 Japanese websites⁽¹⁾ that have more than 30,000 unique users (UUs) each and those are potentially addressable market for KARTE. We believe that there is a white space for KARTE

This number does not include the number of mobile app so that the size of the potential market including KARTE for App might be even larger

Notes: 1. This is the number of Japanese websites with more than 30,000 UUs each, based on data from SimilarWeb Ltd. as of February 2019.

Websites with
more than
30,000 UUs each

Number of the
websites: 19,100



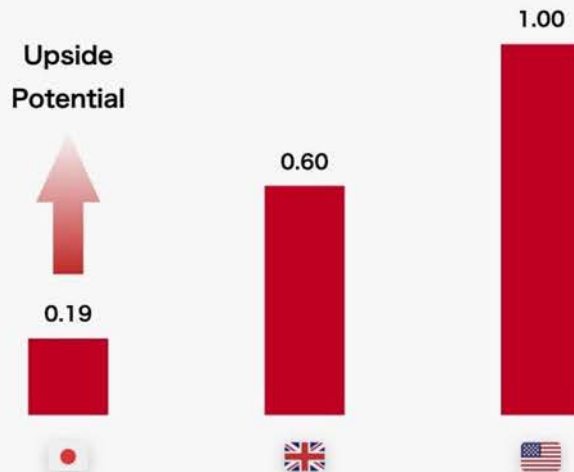
Multiple Touchpoints to Large and Extensive TAM

Extensive Estimated TAM in Japan⁽¹⁾



Cloud CRM Software Penetration⁽⁶⁾

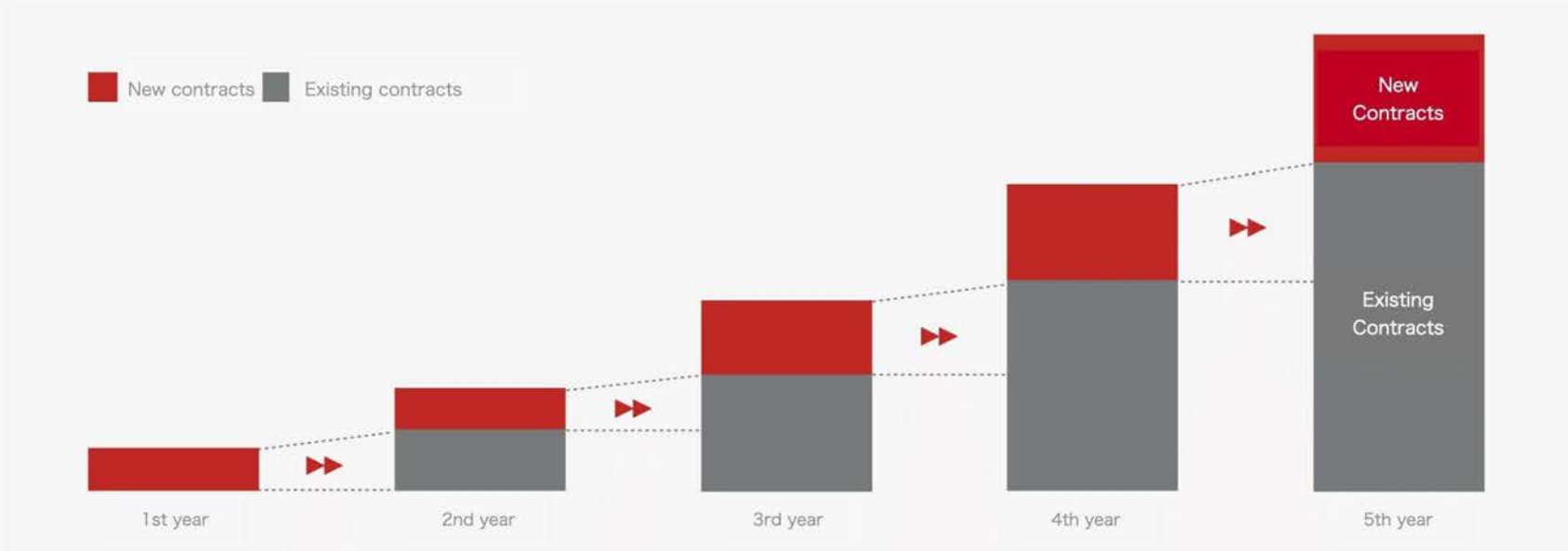
Standardized with the United States as 1.0



Notes: 1. Exchange rate at JPY/USD=110.0. /2. Ministry of Economy, Trade and Industry, "Results of FY2019 E-Commerce Market Survey". /3. Dentsu Inc., "Advertising Expenditures in Japan for 2019". Internet advertising expenditure. /4. IDC, spending in 2019, "Digital Marketing-related Services Market in Japan, 2020-2024". /5. Gartner, "Forecast: Enterprise Application Software, Worldwide, 3Q20 Update". Market size of customer experience and relationship management excluding digital commerce market in 2019. /6. Source: Gartner, "Forecast: Enterprise Application Software, Worldwide, 2018-2024, 3Q20 Update". Neha Gupta, et al., 30 September 2020. Penetration = (Market Size of Customer Experience and Relationship Management (CRM) Software CY2019) / (CY2019 Total Selling and Marketing Expense by Listed Companies). Market Size of Customer Experience and Relationship Management (CRM) Software includes the market both for listed and private companies. Total Selling and Marketing Expense includes numbers only from listed companies.

a Subscription Model in which the Contract Volume Accumulates

- A model in which new contracts continue to accumulate and existing contracts continue to increase
- Regarding existing contracts, the additional sale of optional services and the like can also contribute to the increase of the average revenue per existing contract



Security, Privacy Protection, etc

Information assets handled by the Company are valuable information held by its corporate customers. The Company takes measures based on its understanding of initiatives to protect this information, believing that the protection of privacy and personal information are extremely important. At present, the Company's services are used by a large number of corporate customers including major financial institutions

Security

Authentication

The Company has obtained multiple security authentications, including ISMS (ISO 27001) and cloud security authentications (ISO 27017)

Encryption

All communications with KARTE are encrypted using https (TLS 1.3)

Authorizations

KARTE permits detailed authorizations on a user-by-user basis

SLA

Operation rate of 99.5% is set in SLA for KARTE

Automatic testing

In addition to several hours of automatic testing including testing using multiple browsers, humans also test manually

Auto scaling

Active servers are added automatically based on load, ensuring stable operations



CLOUD 688345 / ISO 27017



IS 622929 / ISO 27001

Redundancy

All servers are redundant, in principle, to improve fault tolerance

Operation

Human error is eliminated by automating deployment, server operations, and other daily operations using commands, etc

Monitoring

The Company has created a flow in which all components such as instances and databases, including the cloud, are monitored so that abnormalities can be addressed immediately

Protection of privacy



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Authentication

The Company has acquired the Privacy Mark certification

Unrestricted permissions

The data sent to KARTE can be designed without restrictions, in accordance with customer's privacy policy

Customer alerts, etc.

The Company takes more initiatives than required by law to protect privacy and personal information, such as alerting customers and receiving agreements from them

Opt-out

The Company has created an opt-out page for end users who wish to opt out of tracking. It is striving to inform users of this page

**Improve creativity and productivity
globally by developing products**

