PLAID

PLAID Inc.

Financial Results Briefing Q2 FY 9/21

May 13, 2021

Presentation

Moderator: Thank you very much for gathering. We would like to hold the PLAID Q2 explanatory session for the period ending September 2021. Before we go into the content, allow me to explain how the proceedings will be.

As mentioned in the previous earnings report, our CFO, Muto, will provide the financial update of Q2, followed by our CEO, who will explain about the business updates and directions.

In today's explanation, forward-looking statements will be included. These statements do not constitute a guarantee of future results. Please note that the actual results may differ materially from those expressed or implied due to environmental changes and other factors.

Please refer to the slide with care.

We will open for a Q&A session after our CFO and CEO present. We also will have QA forms available. So, please type in your questions if you have any questions.

Mr. Muto, please.

Muto: Hi, maybe good morning, good evening, everyone. So, let me start with the financials. So, can you go to page 3.

Earnings Results
Q2 FY 9/21

- JPY [1] 1,322 mil. of Net sales, up 38.4% yoy basis
- 861 mil. of SG&A, down 15.8% yoy basis
- 120 mil. of Operating income
- 88 mil. of Net income

Note: 1. All figures are JPY otherwise specifically mentioned

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(JPY mil.)	Q2 FY9/21	Q2 FY9/20	YoY	Q1 FY9/21	QoQ
Net sales	1,322	955	+38.4%	1,209	+9.4%
Cost of sales	340	264	+28.7%	348	▲2.3%
Gross profit	982	691	+42.1%	861	+14.1%
Gross profit margin	74.3%	72.3%	+1.9pt	71.2%	+3.1pt
SG&A	861	1,023	▲15.8%	848	+1.6%
% of Net sales	65.1%	107.1%	▲42.0pt	70.1%	▲5.0pt
Operating income	120	▲332	-	12	+846.6%
Operating margin	9.1%	▲34.8%	+43.9pt	1.1%	+8.1pt
Non-operating income	3	0	+658.3%	1	+237.5%
Non-operating expenses	34	26	+32.3%	175	▲80.3%
Listing expenses	29	24	+22.6%	170	▲82.8%
Other	5	2	+147.1%	4	+24.8%
Ordinary income	89	▲358	-	▲161	-
Extraordinary losses	-	-	-	70	▲100.0%
Loss on valuation of investment securities	-	-	-	70	▲100.0%
Net income	88	▲358	-	▲232	-

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Okay. So, let me start. So, this is a summary of our Q2 results. But before talking about figures, let me verbally comment on our business environment and the sales and marketing activities. Regarding our business environment, I would say, the tailwind for KARTE continued. The COVID-19 pandemic made companies accelerate their shift to the online economy and encourage them to make digital transformations of the operations. Companies are paying more attention to bring better customer experiences to their customers, which lead to the further penetration of KARTE. On the other hand, we are seeing some existing and potential customers facing cost reduction pressures, having a certain impact on our business.

Our sales and marketing activities are going well. We have successfully increased ARR, or annual recurring revenue, to the level that we aimed up internally.

Let me walk you through our Q2 sales and marketing activities by step. Firstly, leads and pipeline, the number of leads and pipelines created within Q2 have increased. This is because of holding CX Conference, one of the largest events generating lead on KARTE that lasted 7 days in total. Besides, our reinforced inside sales team contributed to the results too.

Next, new customer acquisition activities. Our customer acquisition activities were going well in terms of revenue or ARR. We have successfully obtained new enterprise customers.

Next is about churn and net retention of existing customers. The dollar-based net retention of existing customers, which is net expansion minus churn and down sell was positive, which means that we are so-called negative churn status. Reflecting this, our net revenue retention rate has increased from 102.1% to 105.3%. As a result, as you can see, our Q2 net sales was JPY1.320 billion, up 38.4% YoY basis or up 8.4% against the previous quarter.

Q2 gross profit margin was 74.3%, up 1.9 points from the same quarter of the last fiscal year or up 3.1 points from the previous quarter. As a result, Q2 operating income was JPY120 million, and net income was JPY88 million.
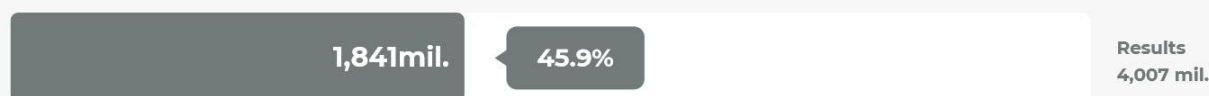
Progress Against the Guidance for This Fiscal Year

- Better progress compared with previous fiscal year

Net Sales for Q1-Q2 (6 months) FY 9/21

2,532 mil. | 48.6%

**Guidance[1]
5,211mil.**

Net Sales for Q1-Q2 (6 months) FY 9/20

1,841mil. | 45.9%

Results
4,007 mil.

So, let me take a look at our progress rate toward our forecast of this fiscal year. Against our revenue guidance of JPY5.211 billion, the progress rate was 48.6%, which is higher than 45.9% of progress rate for the same quarter of the last fiscal year. Q2 net sales surpassed Q2 analyst consensus of JPY1.292 billion.

Financial and Performance Results

Net Sales and ARR

- 1,322 mil. of net sales, up 38.4% yoy basis
- 5,169 mil. of ARR, up 39.2% yoy basis

Net Sales

Growth rate of Net Sales
38.4% (Q2 FY9/20-Q2 FY9/21)

ARR [2]

Growth rate of ARR
39.2% (Q2 FY9/20-Q2 FY9/21)

■ Subscription revenue [1]   ■ Other revenue   ■ Net increase in ARR

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: MRR for the last full month of the given period * 12

Next, we would like to walk you through KPIs and financial performances. Firstly, net sales and ARR, both are growing steadily. YoY sales growth rate was 38.4%, led by both subscription number growth and ARPA growth. The number of subscription and ARPA are growing at 12.7% and 23.4% YoY basis, respectively. ARPA growth is contributing higher than number growth. Subscription revenue ratio remained high, at 95%. Our ARR as of the end of March was JPY5.169 billion. Net

increase in ARR was 395 million yen ,higher than JPY233 million for the same quarter of the previous fiscal year and almost the same level with the previous quarter.

This larger YoY net increase in ARR for Q2 resulted from better net retention. Q2 net retention was positive, thanks to a successful upsell and cross sell, which accounted for more than 50% of our total ARR increases, while the net retention for the same quarter of the last fiscal year was slightly negative.
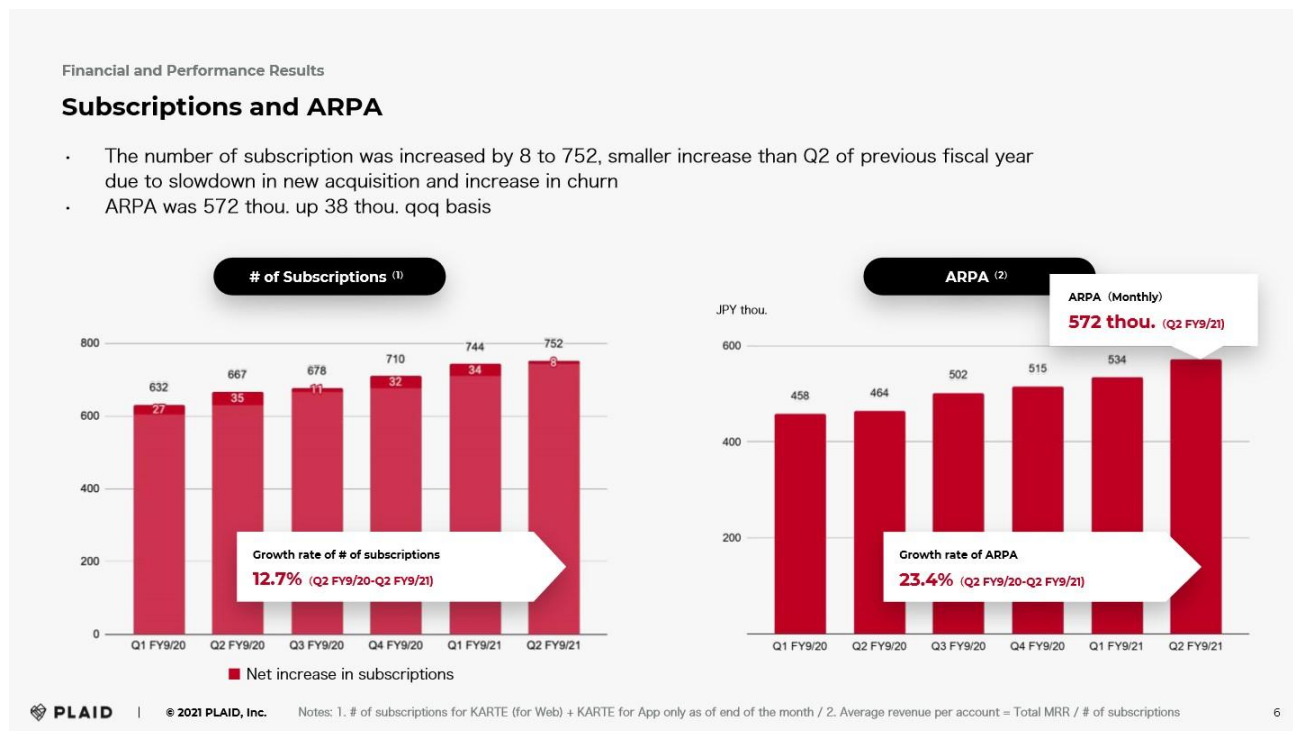
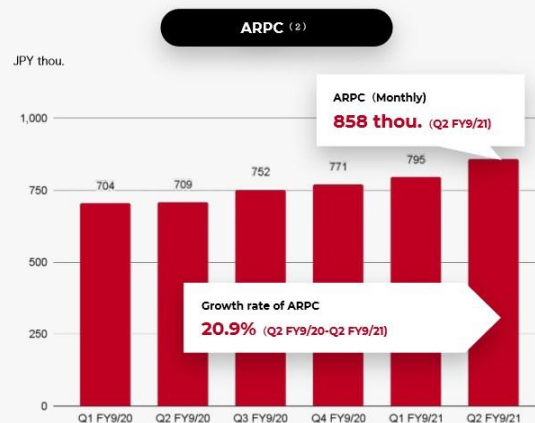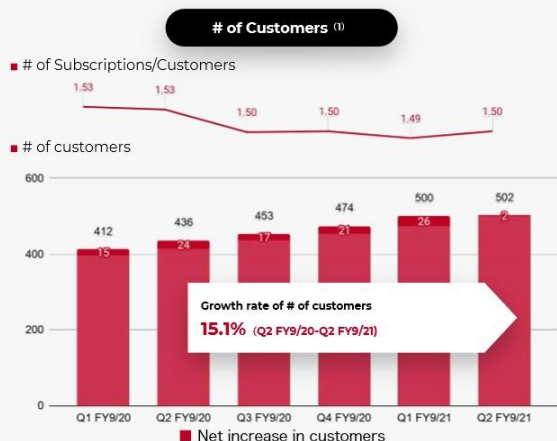So let's take a look at breakdown by subscription number and ARPA.

The number of subscriptions as of the end of the last Q2 was JPY752, up 12.7% YoY basis. The net increase was 8, which is fewer than 35 of the same quarter of the previous quarter, and 34 for the previous quarter, which was due to our kind of decreased new subscription and increased churn subscriptions. I will explain details later on in the next page. The average revenue per subscription as of the end of Q2 was JPY572,000 up JPY38,000 from the previous quarter. Actually, this is larger than JPY19,000 increase in the corresponding quarter of the last fiscal year.

I would say the growth pace of ARPA is accelerating.

Financial and Performance Results

Customers and ARPC

- The number of customers was increased by 2 to 502 due to the same reasons mentioned at subscriptions
- ARPC was 858 thou. up 62 thou. qoq basis

# of Customers [1]

# of Subscriptions/Customers

1.53　1.53　1.50　1.50　1.49　1.50

# of customers

	Q1 FY9/20	Q2 FY9/20	Q3 FY9/20	Q4 FY9/20	Q1 FY9/21	Q2 FY9/21
# of customers	412	436	453	474	500	502
Net increase	15	24	17	21	26	2

Growth rate of # of customers
15.1% (Q2 FY9/20-Q2 FY9/21)

Net increase in customers

ARPC [2]

JPY thou.

ARPC (Monthly)
858 thou. (Q2 FY9/21)

Q1 FY9/20	Q2 FY9/20	Q3 FY9/20	Q4 FY9/20	Q1 FY9/21	Q2 FY9/21
704	709	752	771	795	

Growth rate of ARPC
20.9% (Q2 FY9/20-Q2 FY9/21)

PLAID | © 2021 PLAID, Inc. Notes: 1. # of Customers for KARTE (for Web) + KARTE for App only as of the end of the month / 2. Average revenue per customer = Total MRR / # of customers　7

So, this is the breakdown by customer and average revenue per customer. The number of customers increased by two to 502.

And average revenue per customer increased to JPY858,000, up JPY63,000, which is larger than JPY24,000 increase in the corresponding quarter of the last fiscal year. Average revenue per customer growth is also accelerating like ARPA growth.

As a summary, subscription revenue and ARR are growing as expected or actually slightly higher than forecast, while the number growth looks sluggish. So, let me explain why this is happening. So firstly, I would like to say this is in line with our enterprise focus strategy. We have successfully acquired new enterprise customers and expanded contracts with them. Therefore, ARPA and average revenue per customer increased significantly and subscription revenue and ARR grew steadily.

On the other hand, the number of subscriptions and the number of customers did not increase much. This is because our sales team did not make much effort into the mid sized or small SMB segment since it was easier for them to achieve targeted ARR by pursuing enterprise customers. On top of that, cost reduction pressures related to COVID-19 at SMB or mid size customers have started to influence on this.

Let me also touch upon the churn and downside. To be clear, logo churn have slightly increased, but revenue churn is stable. So, most of churn is among midsize or SMB customers, and we are satisfied with the retention of enterprise customers. In this time, we think the impact on the growth of subscription revenue or ARR is quite limited. So, let me give you some data points. The first one is that the average revenue per churned customer for Q2 was JPY286,000. which is much smaller than JPY858,000 of average revenue per customer as of the end of Q2. And the data second point is that more than half of churn customers' average revenue per customer is below our minimum pricing.

From these, it can be said that increased churn is due to churns of smaller subscriptions. As elaborated, we think this is a result of our strategic focus on the larger-size enterprise customer segment. Having said that, we would like to also expand into SMB and mid segments. So, we will consider some measures, including enhancing customer support to SMB and mid-segment to deal with this situation.

Gross Profit

- 982 mil. of gross profits and 74.3% of gross profit margin
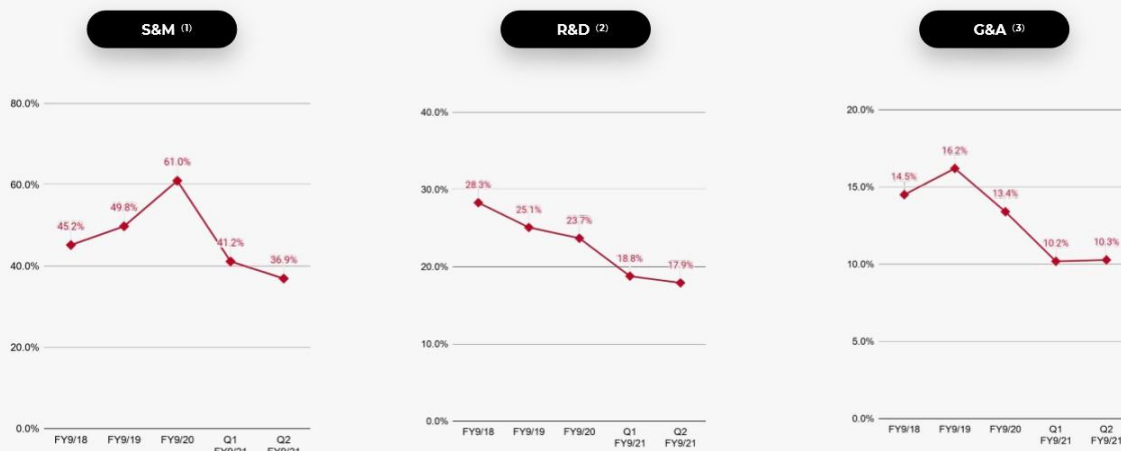- Gross profit margin has been increased due to effective usage of servers and upselling

Gross Profit

JPY mil.

```
            591   691   768   803   861   982
           Q1    Q2    Q3    Q4    Q1    Q2
         FY9/20 FY9/20 FY9/20 FY9/20 FY9/21 FY9/21
```

Gross Profit Margin

```
           66.8%  72.3%  73.1%  72.0%  71.2%  74.3%
           Q1    Q2    Q3    Q4    Q1    Q2
         FY9/20 FY9/20 FY9/20 FY9/20 FY9/21 FY9/21
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Next, I would like to talk about gross profit margin. Q1 gross profit margin was 74.3%, up 1.9 points YoY basis. This is driven by server cost reduction.

Actually, server cost is the single largest cost item. And I would say this cost, server cost, was well under control. Our server usage efficiency has improved significantly because we excluded some default event, which was not necessary. By reducing those default events, the transmission between customer server and the KARTE server has significantly reduced, ultimately reducing this server cost and improving gross profit margin level.
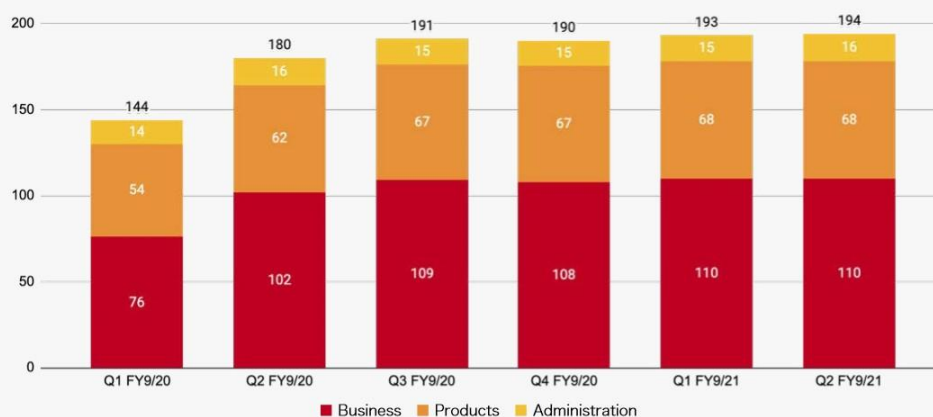
The next page is about SG&A. As you can see, sales and marketing and R&D ratios are in decline, while G&A remained at the same level with the previous quarter.

Q2 sales and marketing ratio, we think, is lower than expected. This might be increased in Q3 or after reflecting our hiring efforts and other sales and marketing activities. Let me show you the number of employees. Although the number of employees was flat from the previous quarter, we are currently accelerating our hiring pace. So, we expect the increase in the number of employees in Q3 or after.

Financial and Performance Results

Operating Income

- Positive at 120 mil., due to an increase in gross profit and delayed spendings in SG&A
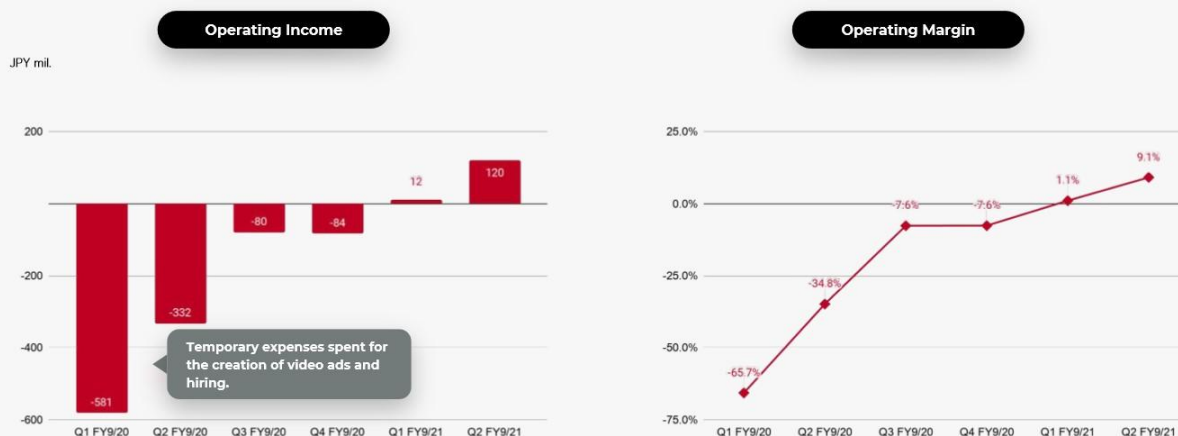
Our operating profit: operating income was JPY120 million, mainly due to expanded gross profit margin in addition to delayed sales and marketing spending.

Financial and Performance Results

Balance Sheet

- 5,186 mil. of cash and cash equivalents, increased due to the exercise of the over-allotment

(JPY mil.)	FY9/18	FY9/19	FY9/20	Q2 FY9/21
Total current assets	2,463	1,892	2,642	5,787
Cash and deposits	2,161	1,374	2,091	5,186
Notes and accounts receivable, trade	232	368	475	537
Other	69	149	75	63
Total non-current assets	494	309	426	354
Total current liabilities	519	615	1,084	1,110
Total non-current liabilities	508	397	380	224
Total net assets	1,929	1,188	1,604	4,806

Let me quickly touch upon our balance sheet. Cash and the equivalent were increased as a result of execution of overallotment option, resulting in additional cash increase by JPY1,059 million as of January 14.

So, here are the summary facts. As said, net revenue retention rate was increased to 105.3% from 102.1% of the previous quarter figure. This is because of the successful expansion of existing customers and a shifting average ped excluding relatively low net revenue retention market.

Here is a takeaway of our Q3 earning core results. Sales and ARR are growing steadily. Net revenue retention was increased. Gross profit margin was expanded. Operating income remained positive.

Finally, let me comment on our forecast. We will keep our top line and bottom-line guidance level for this fiscal year. Our operating income was positive for six months ended March, but this does

not mean we will continue to keep positive operating income. Our operating income guidance level for this fiscal year kept up JPY25 million.

In addition, as a general caution, let me state that it is possible that we might accelerate our investment into opex to accelerate revenue growth and that might have a negative impact on profit for this fiscal year or after. As said, this is a general caution, so we do not have any concrete footing, so for now.

So, let me here conclude my part and pass this to Ken Kurahashi, our CEO, for the business and the strategy update.

Kurahashi: So, for the latter part of the session, I will be providing the marketplace update and also the three business topics that we have just started to work on.
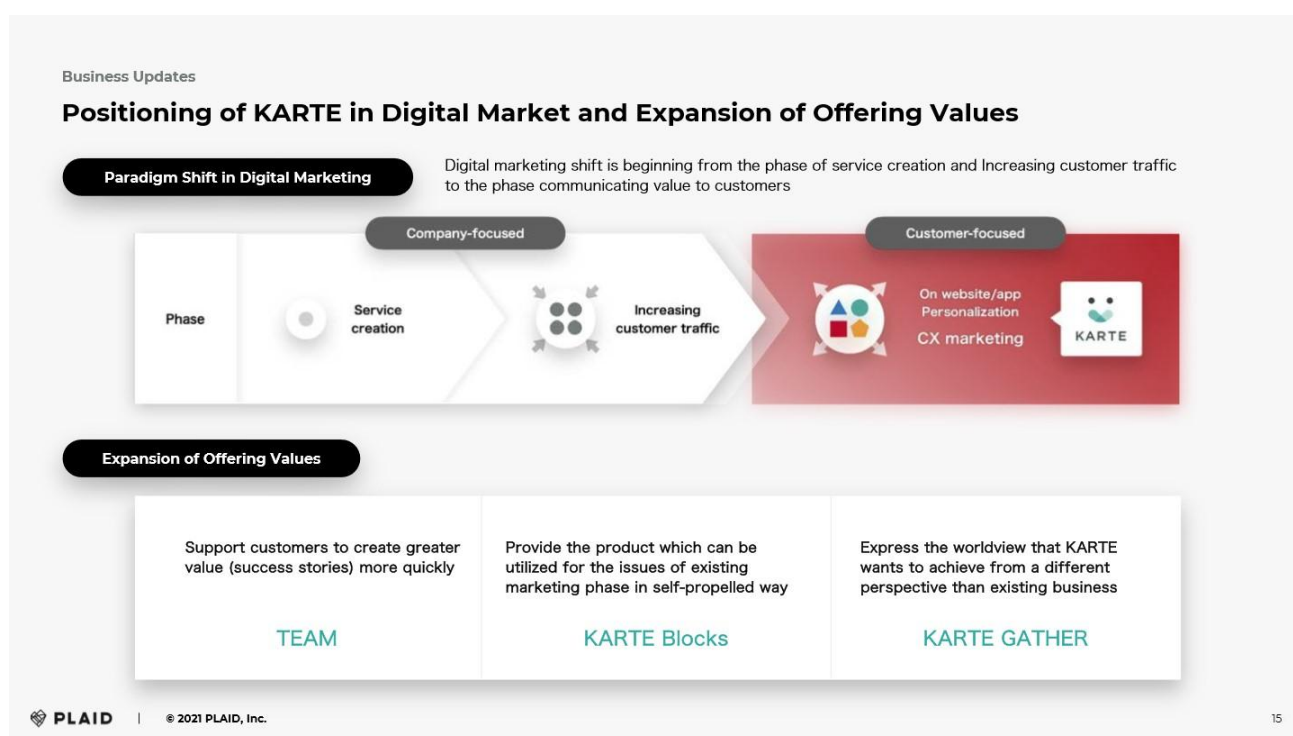

The top part of page 15, this will be a recap of what I have been talking about regarding the paradigm shift of digital marketing.

The conventional phase was establishing a service and maximizing traffic into that. But we believe that the phase will gradually shift toward a consumer experience on the website as well as apps and personalization needs become more and more important.

Worldwide users are able to reach to any content around the world, and it is, therefore, very important and needed for the capability of being able to convey the message that the businesses want to. Our main business at the moment is in the market of Japan, and Japan market is still in a prior phase before that, which is DX digitalization, as well as work efficiency.

We believe that we are tangibly feeling progress gradually into the future that we envision. And during the process of that transition, we believe that our current products should be available on top of that, we believe that we need to support many companies in order to enable them to ship toward that phase.

On the bottom of page 15, we have the existing initiatives, and we also have three new initiatives that we have initiated.
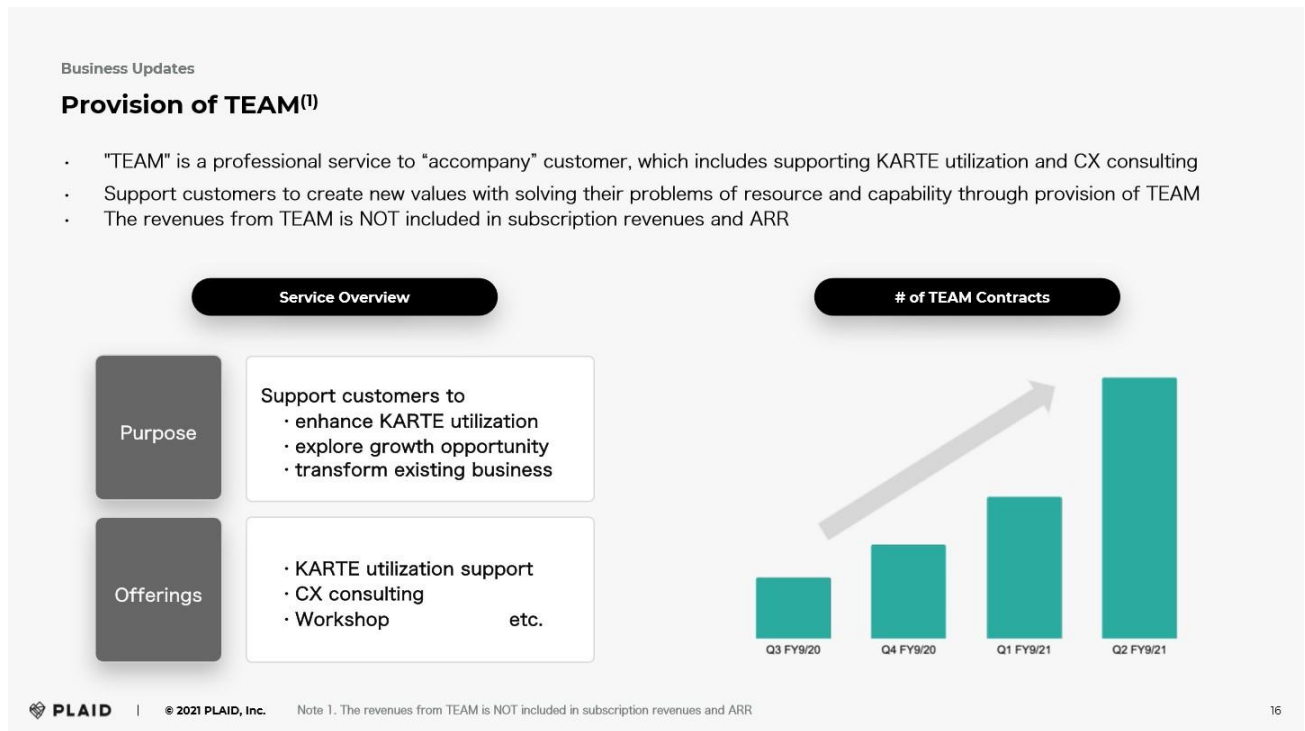
Page 16 would be in a slide that explains the team service.

Within the team service, not only are we utilizing KARTE from an operation or design or data utilization or strategic perspective, but we also provide two values: one is product provision, and the other would be human support.

These services started off from two points.

The first point would be coming from the issues that the creative companies face.

The environment that each of the companies are in that utilize KARTE are very different within the companies and also within the industries.

The business model that we have is to provide a SaaS product that is a common and even a service that we provide to multiple companies.

In order for each of the different companies to fully utilize our products and have them really penetrate that within their organization, not only do we need to provide products, but we also need to make sure that we provide service to complete the overall offer.

The second point would be to pursue toward ideal vision.

It has been six years since we have provided KARTE as a product. And through the six years, we believe that we have been able to solidify our trust relationship with our customer companies. Therefore, we are receiving various consultations from multi aspects of the business.

KARTE is developed to be a product with flexibility and versatility, and therefore, we need to work hand-in-hand with the companies to understand their strategy to maximize the capability that the product offers. Therefore, the second objective of starting this team service is to be able to generate opportunities, both from the client side and also from the KARTE side through discussions.

It has been a little over one year since the services officially started, and we have been able to have more clarity around the customer needs and also our internal operation.

But one point that I would like to have all of you understand is the PLAID remains to have a firm stand and positioning as being a company that provides products. And that core value will remain to be the same. This team support is to help enlarge that value that the product offers. And so, this is an additional offering where people are in the center.

Page 17. I would like to explain about the second topic, which is KARTE Blocks.

KARTE-block has already been simply explained in our previous earnings report. But what this is, is by setting the code or tag that we issued on the customer's website, the customers are able to edit any part of the tech or visuals that are within their website.

So, I will be explaining about how we can compare this with the conventional KARTE offerings.

The KARTE until now is a product that had been adding communication layers on the website or app.

So, on the website, the companies are able to segment the users, or they also are able to target TM by individual level to provide pop-up chats and conduct surveys. And so, these various actions have been taken on the website. The approach is more of a communication type of approach compared to the conventional approach, where it was more centered around content and experience.

On the other hand, the KARTE block is a site layer content management. So, it is able to edit the site, as well as the contents within the website.

For the majority of the companies, what KARTE offers is a communication layer. So, that would be an additional work for the companies. But what KARTE block is, is that it actually makes the current work more easy and more advanced. And so, it is in a closer distance with the customers and users.

So, compared to the conventional product offerings, or KARTE, KARTE block is much, much easier to operate, and it also has a higher usability where people are able to get used to using it more

easily. And so By having this included in the overall ecosystem, we believe that this will help accelerate entry into our ecosystem, and we can also make the users use our products or be in the ecosystem with more depth. We are hoping that our multiple products would structure an ecosystem that enable to the all things happen.
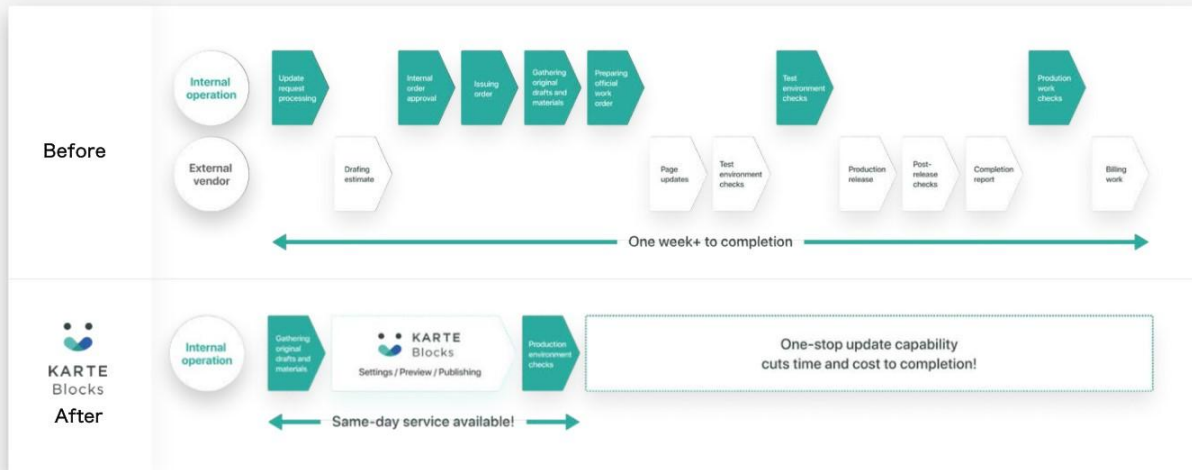
On the next page, page 18, I would like to explain about how the KARTE Blocks can be utilized and also the process of how it is used.

So, I am not going to go in too much detail, but the top part would be how the companies have conventionally been operating their site and the bottom would be what would happen after KARTE blocks is introduced. And obviously, you can see how the operation has become shorter and more simplified and it also provides agility to the PDCA cycle.

User Feedbacks about KARTE Blocks

Ayana Sase
Product Management Department
Stripe Department Co., Ltd.

Run "do-first" PDCA cycles on our own, changing our sense of speed

Before using KARTE Blocks, we had been ordering site improvements with external engineers, which would take time if they had lots of work. Since we've started using KARTE Blocks, we can immediately implement measures that we come up with by ourselves without being overwhelmed by defining requirements or drafting materials. We can just move things and try it out while running quick improvement cycle. By making it easier for us to try out new things, our teams can work more closely and we've had more lively discussions than before.

Eri Yanagi
Marketing and PR, Business Strategy Department,
Real Estate Shop.Nakajitsu.co.,LTD

Streamlined our website maintenance operations with Block Management System

We have basically outsourced the creation of our websites. The other day, we needed to prepare pages for a campaign at a release date, and if we outsourced it, we would not be able to meet the deadline. In this case, we updated the websites with KARTE Blocks and were able to meet the deadline. KARTE Blocks is intuitive and easy to use for everyone, so we'd like to keep improving our website to make it more user-friendly by hearing user's voices and quickly detecting their needs.

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Page 19 would be voices of our customers who have already tried the open beta version.

I am not going to go into the details. But the commonality of the voices that we hear from the users is that every time they had tried to upgrade or update their website, they had to involve their internal engineers and designers to do this work. And they also had to, in some cases, use outside partners like production partners to make changes to the website. And that required adjustment in additional cost to all of this work. But with KARTE blocks, the marketing representative alone is able to pretty much operating   on his or her own.

So, as I mentioned today, we are still in the process of verifying the beta version so that we can polish it to make it an even better product and also make it more operational. And so, we hope that this would be an additional product lineup to our KARTE ,KARTE for app and KARTE Datahub.
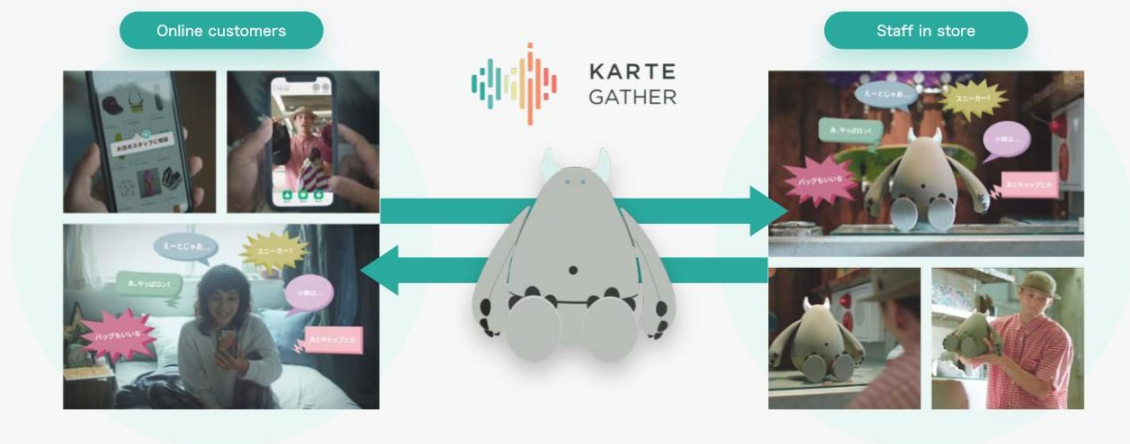
I would like to use page 20 to simply explain about the third topic, which is KARTE GATHER.

Recently, we heard or we received inquiries from our customers on how they can connect the online and off-line customer experience. I think that there are key words called OMO that are being topic at the moment. And from that aspect, we have come up with this R&D product.

So, let me explain a simple example. This is a scene where a consumer is at home, and she or he is able to interact with the shop staff without having to go to the store and receive this live service through this device.

And with the COVID-19 pandemic, people going to the offline store to receive a shopping experience is becoming a more and more special experience. Even after COVID-19 stabilizes, we believe that people will remain and shift more toward online. Therefore, we believe that a seamless user experience between online and offline will become more and more common and wee believe this is an initiative that helps us examine the opportunities in that area.

Our business is set on the access of a SaaS offering company. And so, our business is centered on online customer experience. But by capturing the trend in the world and by providing an experience that people can intuitively emphasize, we believe that it would help us increase our branding and presence in the new world, in new norm. We believe that it is an opportunity for us to have products on the off-line experience area as well.

In reality, we have been able to get cooperation from North Face in uniting this device as a part of our initiative. And the main objective of KARTE GATHER is branding. Therefore, it is a slightly different business model than a profitability generating model. But we believe that this type of activity is necessary to be able to help people envision how the future will be in the long run. So, I hope that you understand that this is more toward our future opportunities.

So, that would be all for the update regarding the product and business from myself. And now we would like to go into Q&A session.

Question & Answer

Moderator: Thank you very much. So, now we would like to open for Q&A. If you have a question, please click the raise your hand button or enter your question in the QA form. Any questions?

Q1: Thank you for taking my question. I wanted to ask about the acceleration in the ARPA. And what exactly do you think is driving the faster-than-expected growth in ARPA? And the second part of that—I am sorry, did you hear the first part of my question?

Company Representative: Yes, we did.

Q2: Okay. And the second part of my question is, you mentioned that customer acquisition slowed down in the second quarter for two reasons. One, you were focusing on large accounts; and two, you were impaired due to COVID in terms of acquiring SMBs, who may have also been holding back on spending. Do you expect your customer acquisition to accelerate in the second half of the year? So, two questions.

Muto: Okay. So, let me answer the question. The first part is ARPA. I think there are multiple points of increasing ARPA. But mainly cross-selling and upselling went really well for the second quarter. That is why ARPA has increased a lot. And that can be also observed in increased net revenue retention rate from around 102% to 105%. So, we are successfully expanding existing contracts, especially a large size existing contract with enterprise customers. That is the reason for the first part. The second part, let me clearly mention that we are doing okay with the new customer acquisition because we are obtaining enterprise segment new customers.

But regarding smaller SMB or midsized customers, the number of contracts has not increased much. That is why the number of the net customer increase, is just two. That is not due to our enterprise customers, but that is due to SMB or midsized customers. So, we suspect those smaller customers have been influenced negatively due to covid because of kind of cost of budget or cost of limitation due to the covid situation.

So, going forward, I do not think COVID situation will change soon, but that will be changed maybe within few months. So meanwhile, I think there relatively kind of a smaller transaction, a smaller customer might be weak, but I don't think enterprise customers, which are mainly our kind of focusing customers, would be doing fine. So, we will be able to acquire enterprise new customers going forward.

Q3: Just a follow up on that question if it is okay. One quick follow up is you talk about cross-selling and upselling within your larger enterprise customers. Can you talk a little bit about what exactly you are doing to cross-sell and upsell that is causing the ARPA to go up?

Muto: Sure. For upselling because our pricing is based on MAU. So, as our customer monthly active users, or MAU, increases, our pricing will increase. So, given some COVID situation or the general trend to online economy, our customers are, in general, increasing their MAU. So we have chances to increase our pricing. So, that is upsell. Regarding cross-selling, mainly we are selling Datahub. This is a customer data platform option adapted to our care. We are successfully selling that option to our customers ultimately successfully increasing the contract size by selling Datahub.

Q4: Could you just tell us just a little bit more about Datahub and the additional functionality that it brings to your customers?

Kurahashi: In a nutshell, what KARTE for web or KARTE for app does is that it is able to have this function where it identifies each individual and tracks them real time on the app or the website.

What KARTE Datahub does, is that it merges this real-time and dynamic customer data with their static data that each of the companies withhold within their own database. So, it generates a base where the customers are able to integrate and do analysis and also utilize data.

And the customers who use KARTE would merge the dynamic in static data from the Datahub. They will take various action on either the website and app or they can also establish dashboards, or they can use it in multiple ways for multiple purposes.

Q5: Great. Last part of that question, and I will hand it over. What is the attach rate among your KARTE customers with Datahub right now?

Muto: That number, we are not disclosing. But roughly speaking, I would say, 20% to 30% attach rate.

Participant: Thank you very much.

Q6: I have a question on the chat box.

Could you please comment on customer concentration, for example, the percentage of your sales from your top 10 customers? Has this changed much in recent quarters?

Muto: Thank you very much for the question. Okay. I do not have this number right now. But I am pretty sure that percentage does not change much from the last fiscal year, although we have seen some significant upsells from one or several top 10 customers. But at the same time, we are increasing other non-top 10customers. I would say the percentage will not heavily concentrated on top 10 customers, which is almost same with the previous fiscal year ended September 2020.

Q7: And there is another question on the chat. Can you explain how you are planning to charge for GATHER products? Is it a subscription model? And when will it be rolled out?

Kurahashi: So basically, the reason why we have the gathered product is because we want to help people envision the role that we have, we envision within KARTE. So, it is not for business.

However, as in our initiative with North Face, obviously, there is a cost that is affiliated in order to process data, and we also provide the device itself. And so, accordingly to the usage volume, we plan to charge a monthly fee and the customers will be using this service within the contractual period.

So, with this initiative with North Face, if it drastically grows, then we may possibly examine the business opportunity, but the current main purpose is for branding.

Moderator: Can I take any other questions?

Q8: I have one more question. Looking on page 26 of your presentation, you have your long-term model. And my question is, when do you think you will be able to reach those goals of operating margin of 20% to 25%? The second part of that question is that most of the gains or the improvement in your margin is going to be coming from sales and marketing with R&D and G&A somewhat flattish as a percentage of revenue. I was just wondering; do you only reach this level when your customer acquisition simply slows down to a very low level because the market has matured?

Muto: Okay. So, let me address that point. And basically, this long-term model, we have not disclosed the exact timing we are seeing to achieve this level. But I would say, maybe five to 10 years, we will be able to achieve this operating profit level in the long-term model.

And we are not expecting the SMB or midsized customer acquisition continues to be slowed down. We think that would be a kind of a tentative thing happening in this quarter. Going forward, we are not expecting much, and we are not expecting market is already matured. We think our TAM, total addressable market, we have still a sizeable a total addressable market ahead of us, both for enterprise customers and for our midsize or SMB type customers. So, the one another thing is that because KARTE is advanced product compared to other marketing products, we have to wait. We have to maybe make them understand the importance of customer experiences and make them understand the value of KARTE to let them use. So, that is something we have to do. I do not think market will be maturing soon.

Moderator: Can I entertain any other questions?

Thank you very much. Since there are no further questions, we would like to end the Q&A session. And with this, we would like to close a PLAID FY2021 September Q2 explanatory section

And thank you very much for gathering despite your busy schedule.

Thank you.

[END]

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