

# English Translation

This is a translation of the original release in Japanese. In the event of any discrepancy, the original release in Japanese shall prevail.



## Financial Results for the 3rd Quarter of the Fiscal Year Ending September 30 (Japanese GAAP)

August 10 2021

Company Name: PLAID, Inc.  
 Listing: Tokyo Stock Exchange  
 Securities code: 4165  
 URL: <https://plaid.co.jp>  
 Representative: Kenta Kurahashi, Representative Director and CEO  
 Inquiries: Kentaro Muto, CFO  
 TEL: +81-50-5434-8563

Scheduled date to file quarterly securities report: August 10, 2021  
 Scheduled date of commencing dividend payments: -  
 Preparation of supplementary materials for quarterly results: Yes  
 Holding of financial results meeting: Yes

(Millions of yen with fractional amounts rounded down, unless otherwise noted)

### 1. Non-Consolidated Financial Results for the 3rd Quarter of the Fiscal Year Ending September 30, 2021 (from October 1, 2020 to June 31, 2021)

#### (1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating income (loss)		Ordinary income (loss)		Net income (loss)	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2021	3,934	36.1	221	—	13	—	(59)	—
June 30, 2020	2,892	—	(994)	—	(1,114)	—	(1,116)	—

	Net income (loss) per share		Diluted income (loss) per share	
Nine months ended	Yen		Yen	
June 30, 2021	(1.60)		—	
June 30, 2020	(31.69)		—	

#### (2) Non-consolidated Financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of June 30, 2021	6,359	4,908	77.2
As of September 30, 2020	3,068	1,604	52.3

Reference: Equity  
 As of June 30, 2021: 4,906 millions of yen  
 As of September 30, 2020: 1,604 millions of yen

### 2. Non-Consolidated Dividends

	Dividend per share				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended September 30, 2020	—	0.00	—	0.00	0.00
Fiscal year ending September 30, 2021	—	0.00	—		
Fiscal year ending September 30, 2021 (Forecast)			—	0.00	0.00

Note: Revisions to the forecasts of cash dividends most recently announced: None

## English Translation

This is a translation of the original release in Japanese. In the event of any discrepancy, the original release in Japanese shall prevail.

### 3. Forecast of Non-Consolidated Results for Fiscal Year Ending September 30, 2021 (from October 1, 2020 to September 30, 2021) (Percentages indicate year-on-year changes.)

	Net sales		Operating income (loss)		Ordinary income (loss)		Net income (loss)		Net income (loss) per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full Year	5,437	35.7	151	—	(59)	—	(132)	—	(3.59)

Note: Revisions to the forecast of results since most recent announcement: Yes

#### \* Notes

- (1) Application of specific accounting for preparing the quarterly consolidated financial statements: None
- (2) Changes in accounting policies, accounting estimates and restatement
  - a. Changes in accounting policies due to revisions to accounting standards and other regulations: None
  - b. Changes in accounting policies other reasons: None
  - c. Changes in accounting estimates: None
  - d. Restatement: None

#### (3) Number of issued shares (Common shares)

##### a. Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2021	37,886,900 shares
As of September 30, 2020	35,408,900 shares

##### b. Number of treasury shares at the end of the period

As of June 30, 2021	25 shares
As of September 30, 2020	-

##### c. Average number of outstanding shares during the period

As of June 30, 2021	37,064,846 shares
As of March 31, 2020	35,217,027 shares

\* This quarterly financial results report is out of scope from quarterly review conducted by certified public accountants or audit firms

\* Explanation on the appropriate usage of earnings forecasts and other notes

The earnings forecasts and other forward-looking statements contained in this document are based on information currently available to the Company and on certain assumptions deemed reasonable by the Company. They are not intended as a promise by the Company that they will be achieved. Further, actual earnings, etc. may differ materially due to a variety of factors. Please refer to “1. Qualitative Information Regarding Results for the period and (3) Future Outlook on page 3 of the attached materials for the conditions that form the assumptions for earnings forecasts and for cautions concerning the use of earnings forecasts.

## English Translation

This is a translation of the original release in Japanese. In the event of any discrepancy, the original release in Japanese shall prevail.

### Table of Contents

1. Qualitative Information Regarding Results for the period	2
(1) Overview of Operating Results during the period	2
(2) Overview of Financial Position during the period	3
(3) Future Outlook	3
2. Quarterly Non-Consolidated Financial Statements and Significant Notes Thereto	4
(1) Quarterly Non-Consolidated Balance Sheets	4
(2) Quarterly Non-Consolidated Statements of Income	5
(3) Notes on Quarterly Non-Consolidated Financial Statements	6
(Notes Regarding Assumption of a Going Concern)	6
(Notes on Significant Changes in the Amount of Shareholders' Equity)	6

## 1. Qualitative Information Regarding Results for the period

The forward-looking statements contained in the descriptions below are forecasts determined as of June 30, 2021.

### (1) Overview of Operating Results during the period

The digital marketing services market, which the SaaS business of the Company belongs to, continues to grow. On the other hand, as a result of the introduction of various marketing tools by each company, the marketing industry is facing the challenge of "fragmented customer experience". This presents difficulties when companies attempt to take the customer's point of view and consider what kind of experience would satisfy the customer. This challenge has been exacerbated by the ongoing marketing trend in which the customer's existence is only recognized as a pile of data and figures.

The Company offers KARTE, a customer experience SaaS platform, and is continuously enhancing the functions of KARTE to "understand each and every customer" in a multifaceted manner including both quantitative and qualitative aspects, and is reinforcing its analysis and action functions. KARTE is utilized not only in the digital marketing services domain, but also in a number of other divisions like customer support and sales since it offers a path to the customer's viewpoint, and the service's user companies are cropping up more and more across different industries.

The Company took action for ongoing acquisition of new customers and, in particular, worked toward stronger support for existing customers and promotion of sales for optional products to the same during the nine months of the current fiscal year.

Consequently, as of June 30, 2021, ARR (Note 1) had increased by 32.6% year-over-year to 5,426,679 thousand yen, the number of subscriptions (Note 2) increased by 14.6% to 777, average revenue per account (Note 3) increased by 15.7% to 582 thousand yen, the number of customers utilizing our services and products increased by 14.1% to 517, and average revenue per customer (Note 4) increased by 16.2% to 874 thousand yen, and the subscription revenue ratio (Note 5) increased by 0.8 percentage points to 95.5%.

Therefore, results for the third quarter of the fiscal year ending September 30, 2021, were net sales of 3,934,920 thousand yen, up 36.1% year-over-year, as well as operating income of 221,465 thousand yen (994,454 thousand yen for the same period of the previous fiscal year, same hereinafter). The ordinary loss was 13,847 thousand yen (1,114,369 thousand yen) as a result of posting temporary listing expenses for its listing on the Tokyo Stock Exchange Mothers, and the net loss was 59,287 thousand yen (1,166,088 thousand yen) mainly because the Company posted an extraordinary loss on valuation of investment securities.

The description by segment is omitted because the SaaS business is the only segment of the Company.

- Notes: 1. ARR: Annual Recurring Revenue. It is calculated by multiplying monthly subscription revenue at the end of each quarter by 12. This figure serves as a performance indicator for net sales, expected to be obtained over the 12 months starting from the month following the final month of the fiscal year only from existing subscriptions. This assumes all existing subscriptions will be renewed at their various renewal timings.
2. Refers to the total number of websites and smartphone applications implementing our services and products at the end of each quarter.
3. It is calculated by dividing monthly subscription revenue at the end of each quarter by the number of subscriptions as of the end of the same period.
4. It is calculated by dividing monthly subscription revenue at the end of each quarter by the number of customers implementing our services and products as of the end of the same period.
5. Refers to the ratio of the total amount of monthly charges for KARTE that can be earned on a recurring basis to net sales.

## (2) Overview of Financial Position during the period

### (Assets)

Current assets as of June 30, 2021 were 6,002,930 thousand yen, up 3,360,568 thousand yen from September 30, 2020. This was mainly due to an increase of 3,259,590 thousand yen in cash and deposits as a result of issuing new shares associated with the listing on the Tokyo Stock Exchange Mothers. Non-current assets were 356,328 thousand yen, down 70,303 thousand yen from September 30, 2020. This was mainly due to a decrease of 70,283 thousand yen in investments and other assets as a result of posting a loss on valuation of investment securities.

As a result, total assets as of June 30, 2021 were 6,359,258 thousand yen, up 3,290,265 thousand yen from September 30, 2020.

### (Liabilities)

Current liabilities as of June 30, 2021 were 1,287,572 thousand yen, up 202,713 thousand yen from September 30, 2020. This is mainly due to increases in deferred revenue and accrued consumption taxes included in other current liabilities. Non-current liabilities as of June 30, 2021 were 163,300 thousand yen, a decrease of 216,740 thousand yen from September 30, 2020. This was due to a decrease in long-term debt.

As a result, total liabilities as of June 30, 2021, were 1,450,872 thousand yen, down 14,026 thousand yen from September 30, 2020.

### (Net assets)

Total net assets as of June 30, 2021 were 4,908,386 thousand yen, up 3,304,291 thousand yen from September 30, 2020. This was mainly due to increases of 1,681,132 thousand yen in both common stock and additional paid-in capital, by reason of the issuance of new shares associated with the listing on the Tokyo Stock Exchange Mothers, and of a net loss of 59,287 thousand yen for the nine months of the current fiscal year.

As a result, the equity-to-asset ratio was 77.2% as of June 30, 2021(52.3% as of September 30, 2020).

## (3) Future Outlook

For earnings forecasts for the fiscal year ending September 30, 2021, see the “Announcement regarding Revision of Earnings Forecast” announced today.

# English Translation

This is a translation of the original release in Japanese. In the event of any discrepancy, the original release in Japanese shall prevail.

## 2. Quarterly Non-Consolidated Financial Statements and Significant Notes Thereto

### (1) Quarterly Non-Consolidated Balance Sheets

(Thousands of yen)

	As of September 30, 2020	As of June 30, 2021
<b>Assets</b>		
Current assets:		
Cash and deposits	2,091,698	5,351,288
Notes and accounts receivable, trade	475,149	562,842
Other	77,015	89,600
Allowance for doubtful receivables	(1,501)	(800)
Total current assets	2,642,361	6,002,930
Non-current assets:		
Property and equipment	36,761	36,741
Investments and other assets	389,870	319,587
Total non-current assets	426,631	356,328
Total assets	3,068,993	6,359,258
<b>Liabilities</b>		
Current liabilities:		
Short-term debt	200,000	200,000
Current portion of long-term debt	317,720	294,500
Accounts payable, other	424,028	387,630
Allowance for losses on orders received	2,634	1,337
Other	140,476	404,103
Total current liabilities	1,084,858	1,287,572
Non-current liabilities:		
Long-term debt	380,040	163,300
Total non-current liabilities	380,040	163,300
Total liabilities	1,464,898	1,450,872
<b>Net assets</b>		
Shareholders' equity		
Common stock	961,321	2,642,454
Capital surplus	2,921,324	4,602,456
Retained earnings (Accumulated deficit)	(2,278,551)	(2,337,839)
Treasury shares	—	(114)
Total shareholders' equity	1,604,094	4,906,956
Stock acquisition right	—	1,429
Total net assets	1,604,094	4,908,386
Total liabilities and net assets	3,068,993	6,359,258

# English Translation

This is a translation of the original release in Japanese. In the event of any discrepancy, the original release in Japanese shall prevail.

## (2) Quarterly Non-Consolidated Statements of Income

(Thousands of yen)

	Nine months ended June 30, 2020	Nine months ended June 30, 2021
Net sales	2,892,021	3,934,920
Cost of sales	840,657	1,050,899
Gross profit	2,051,363	2,884,020
Selling, general and administrative expenses	3,045,818	2,662,555
Operating income (loss)	(994,454)	221,465
Non-operating income		
Interest income	9	14
Subsidy income	237	3,998
Gain on sales of fixed assets	—	582
Other	1,055	1,232
Total non-operating income	1,302	5,827
Non-operating expenses		
Interest expenses	6,848	10,729
Listing expenses	105,793	200,417
Other	8,576	2,297
Total non-operating expenses	121,218	213,444
Ordinary income (loss)	(1,114,369)	13,847
Extraordinary losses		
Loss on valuation of investment securities	—	70,283
Total extraordinary losses	—	70,283
Income (loss) before income taxes	(1,114,369)	(56,435)
Income taxes - current	1,718	2,852
Total income taxes	1,718	2,852
Net income (loss)	(1,116,088)	(59,287)

## English Translation

This is a translation of the original release in Japanese. In the event of any discrepancy, the original release in Japanese shall prevail.

### (3) Notes on Quarterly Non-Consolidated Financial Statements

(Notes Regarding Assumption of a Going Concern)

Not applicable.

(Notes on Significant Changes in the Amount of Shareholders' Equity)

Due to the issuance of new shares associated with the listing of the Company's common stock on the Tokyo Stock Exchange Mothers, both common stock and additional paid-in capital increased by 1,126,280 thousand yen.

In addition, both common stock and paid-in capital increased by 529,840 thousand yen. This is due to proceeds from issuance of new shares on January 14, 2021 by third-party allotment as resolved by Board of Director's meetings held on November 12, 2020 and November 30, 2020.

In addition, stock acquisition rights were exercised during the nine months of the current fiscal year, resulting in increases of 25,012 thousand yen in both common stock and additional paid-in capital.

As a result, common stock as of June 30, 2021 was 2,642,454 thousand yen, and capital surplus was 4,602,456 thousand yen.