

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 2nd Quarter of the Fiscal Year Ending September 30, 2021  
(Japanese GAAP)

May 13, 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: May 13, 2021  
 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 2nd Quarter of the Fiscal Year Ending September 30, 2021  
(from October 1, 2020 to March 31, 2021)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating income (loss)		Ordinary income (loss)		Net income (loss)	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended								
March 31, 2021	2,532	—	133	—	(71)	—	(143)	—
March 31, 2020	—	—	—	—	—	—	—	—

	Net income (loss) per share		Diluted income (loss) per share	
	Yen		Yen	
Six months ended				
March 31, 2021	(3.91)		—	
March 31, 2020	—		—	

(2) Non-consolidated Financial position

	Total assets		Net assets		Equity-to-asset ratio	
	Millions of yen		Millions of yen		%	
As of March 31, 2021	6,141		4,806		78.3	
As of September 30, 2020	3,068		1,604		52.3	

Reference: Equity  
 As of March 31, 2021: 4,806 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 (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	5,211	30.0	25	—	(235)	—	(238)	—	(6.51)	

Note: Revisions to the forecast of results since most recent announcement: None

#### \* 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 March 31, 2021	37,855,900 shares
As of September 30, 2020	35,408,900 shares

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

As of March 31, 2021	-
As of September 30, 2020	-

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

As of March 31, 2021	36,667,285 shares
As of March 31, 2020	-

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

## 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) Overview of Cash Flows during the period	4
(4) Future Outlook	4
2. Quarterly Non-Consolidated Financial Statements and Significant Notes Thereto	5
(1) Quarterly Non-Consolidated Balance Sheets	5
(2) Quarterly Non-Consolidated Statements of Income	6
(3) Quarterly Non-Consolidated Statements of Cash Flow	7
(4) Notes on Quarterly Non-Consolidated Financial Statements	8
(Notes Regarding Assumption of a Going Concern)	8
(Notes on Significant Changes in the Amount of Shareholders' Equity)	8

## 1. Qualitative Information Regarding Results for the period

The forward-looking statements contained in the descriptions below are forecasts determined as of March 31, 2021. Since the Company has not prepared quarterly financial statements for the 1st six months of the previous fiscal year, the Company does not conduct a comparative analysis with the same period of the previous fiscal year.

### (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 1st six months of the current fiscal year.

Consequently, as of March 31, 2021, ARR (Note 1) amounted to 5,169,000 thousand yen, the subscription revenue ratio (Note 2) came to 95.0%, the number of subscriptions (Note 3) was 752, average revenue per account (Note 4) was 572 thousand yen, the number of customers utilizing our services and products was 502, and average revenue per customer (Note 5) was 858 thousand yen.

Therefore, results for the 1st six months of the fiscal year ending September 30, 2021, were net sales of 2,532,383 thousand yen and operating income of 133,459 thousand yen. However, as a result of booking temporary listing expenses for its listing on the Tokyo Stock Exchange Mothers, the Company recorded an ordinary loss of 71,321 thousand yen. The Company also posted an extraordinary loss on valuation of investment securities and therefore recorded a loss of 143,506 thousand yen for the 1st six months of the current fiscal year.

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 ratio of the total amount of monthly charges for KARTE that can be earned on a recurring basis to net sales.
3. Refers to the total number of websites and smartphone applications implementing our services and products at the end of each quarter.
4. Average revenue per account 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.
5. 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.

## 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) Overview of Financial Position during the period

#### (Assets)

Current assets as of March 31, 2021 were 5,787,297 thousand yen, up 3,144,936 thousand yen from September 30, 2020. This was mainly due to an increase of 3,095,078 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 354,547 thousand yen, down 72,084 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 March 31, 2021 were 6,141,845 thousand yen, up 3,072,851 thousand yen from September 30, 2020.

#### (Liabilities)

Current liabilities as of March 31, 2021 were 1,110,581 thousand yen, up 25,722 thousand yen from September 30, 2020. This was mainly due to an increase of 33,320 thousand yen in current portion of long-term debt, and increases in accrued consumption taxes included in other current liabilities. Non-current liabilities as of March 31, 2021 were 224,520 thousand yen, a decrease of 155,520 thousand yen from September 30, 2020. This was due to a decrease in long-term debt.

As a result, total liabilities as of March 31, 2021, were 1,335,101 thousand yen, down 129,797 thousand yen from September 30, 2020.

#### (Net assets)

Total net assets as of March 31, 2021 were 4,806,743 thousand yen, up 3,202,649 thousand yen from September 30, 2020. This was mainly due to increases of 1,672,792 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 143,506 thousand yen for the 1st six months of the current fiscal year.

As a result, the equity-to-asset ratio was 78.3% as of March 31, 2021 (52.3% as of September 30, 2020).

## 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) Overview of Cash Flows during the period

Cash and cash equivalents (hereinafter referred to as “cash”) as of March 31, 2021 were 5,186,776 thousand yen, up 3,095,078 thousand yen from September 30, 2021. This was mainly due to factors such as proceeds from issuance of new shares associated with the listing on the Tokyo Stock Exchange Mothers, despite a net loss in income before taxes, an increase in accounts receivable, trade, a decrease in accounts payable, other, repayment of long-term debt, and expenditures for listing expenses.

The status of cash flows and their contributing factors for the 1st six months of the current fiscal year, are as follows..

#### (Cash Flow from Operating Activities)

Net Cash obtained from operating activities was 78,097 thousand yen. This was mainly due to a loss before taxes of 141,604 thousand yen for upfront investment in advertising expenses and personnel expenses for new customer acquisition with adjustment items such as an increase in accounts receivable of 62,229 thousand yen, a decrease in accounts payable of 64,901 thousand yen, listing expenses of 200,417 thousand yen, losses on valuation of investment securities of 70,283 thousand yen and an increase of 35,193 thousand yen in accrued consumption taxes, etc.

#### (Cash Flow from Investing Activities)

Net Cash used in investing activities amounted to 3,465 thousand yen. This was mainly due to acquisition of property and equipment of 4,802 thousand yen associated with the purchase of employee PCs and office equipment.

#### (Cash Flow from Financing Activities)

Net Cash obtained from financing activities amounted to 3,020,446 thousand yen. This was mainly due to proceeds from issuance of new shares associated with the listing on the Tokyo Stock Exchange Mothers of 3,312,240 thousand yen, despite payments of listing expenses of 202,640 thousand yen and repayment of long-term debt of 122,200 thousand yen.

### (4) Future Outlook

The Company does not make any changes to its earnings forecasts for this fiscal year, though operating income for the 1st six months of this fiscal year exceeds its full-year forecast. This is because the Company might make expenditures to personnel-related expenses, marketing expenses or others in the third quarter and beyond.

**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 March 31, 2021
<b>Assets</b>		
Current assets:		
Cash and deposits	2,091,698	5,186,776
Notes and accounts receivable, trade	475,149	537,378
Other	77,015	63,953
Allowance for doubtful receivables	(1,501)	(810)
<b>Total current assets</b>	<b>2,642,361</b>	<b>5,787,297</b>
Non-current assets:		
Property and equipment	36,761	34,960
Investments and other assets	389,870	319,587
<b>Total non-current assets</b>	<b>426,631</b>	<b>354,547</b>
<b>Total assets</b>	<b>3,068,993</b>	<b>6,141,845</b>
<b>Liabilities</b>		
Current liabilities:		
Short-term debt	200,000	200,000
Current portion of long-term debt	317,720	351,040
Accounts payable, other	424,028	361,278
Allowance for losses on orders received	2,634	583
Other	140,476	197,679
<b>Total current liabilities</b>	<b>1,084,858</b>	<b>1,110,581</b>
Non-current liabilities:		
Long-term debt	380,040	224,520
<b>Total non-current liabilities</b>	<b>380,040</b>	<b>224,520</b>
<b>Total liabilities</b>	<b>1,464,898</b>	<b>1,335,101</b>
<b>Net assets</b>		
Shareholders' equity:		
Common stock	961,321	2,634,113
Capital surplus	2,921,324	4,594,116
Retained earnings (Accumulated deficit)	(2,278,551)	(2,422,058)
<b>Total shareholders' equity</b>	<b>1,604,094</b>	<b>4,806,171</b>
Stock acquisition rights	-	571
<b>Total net assets</b>	<b>1,604,094</b>	<b>4,806,743</b>
<b>Total liabilities and net assets</b>	<b>3,068,993</b>	<b>6,141,845</b>

**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)

	Six months ended March 31, 2021
Net sales	2,532,383
Cost of sales	688,846
Gross profit	1,843,536
Selling, general and administrative expenses	1,710,077
Operating income (loss)	133,459
Non-operating income	
Interest income	14
Subsidy income	2,963
Gain on sales of fixed assets	582
Other	1,117
Total non-operating income	4,676
Non-operating expenses	
Interest expenses	7,520
Listing expenses	200,417
Other	1,519
Total non-operating expenses	209,457
Ordinary income (loss)	(71,321)
Extraordinary losses	
Loss on valuation of investment securities	70,283
Total extraordinary losses	70,283
Income (loss) before income taxes	(141,604)
Income taxes - current	1,902
Total income taxes	1,902
Net income (loss)	(143,506)



**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) Quarterly Non-Consolidated Statements of Cash Flow**

(Thousands of yen)

	Six months ended March 31, 2021
<b>Cash flow from operating activities</b>	
Income (loss) before income taxes	(141,604)
Depreciation expense	10,345
Stock-based compensation expenses	571
Loss (gain) on valuation of investment securities	70,283
Increase (decrease) in allowance for doubtful receivables	(690)
Increase (decrease) in allowance for losses on orders received	(2,050)
Interest income	(14)
Subsidy income	(2,963)
Interest expenses	7,520
Listing expenses	200,417
Loss (gain) on sales of fixed assets	(582)
Decrease (increase) in accounts receivable, trade	(62,229)
Decrease (increase) in prepaid expenses	15,813
Increase (decrease) in accounts payable, other	(64,901)
Increase (decrease) in accrued consumption taxes	35,193
Other	19,824
Subtotal	84,932
Interest received	14
Subsidy income received	2,963
Interest expenses paid	(7,520)
Income taxes paid	(2,292)
Net cash provided by (used in) operating activities	78,097
<b>Cash flow from investing activities</b>	
Purchase of property and equipment	(4,802)
Proceeds from sale of property and equipment	1,336
Net cash provided by (used in) investing activities	(3,465)
<b>Cash flow from financing activities</b>	
Repayments of long-term debt	(122,200)
Proceeds from issuance of stock	3,312,240
Proceeds from issuance of shares resulting from exercise of share acquisition rights	33,046
Payments of listing expenses	(202,640)
Net cash provided by (used in) financing activities	3,020,446
Net Increase (decrease) in cash and cash equivalents	3,095,078
Cash and cash equivalents at beginning of year	2,091,698
Cash and cash equivalents at end of quarter	5,186,776

## 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.

### (4) 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 1st six months of the current fiscal year, resulting in increases of 16,672 thousand yen in both common stock and paid-in capital.

As a result, common stock as of March 31, 2021 was 2,634,113 thousand yen, and capital surplus was 4,594,116 thousand yen.