



# Earnings Results for the quarter ended Sep. 2023 (Q2 FY 9/23)

PLAID, Inc. (4165, TSE Growth) | May 2023

## Forward-Looking Statements

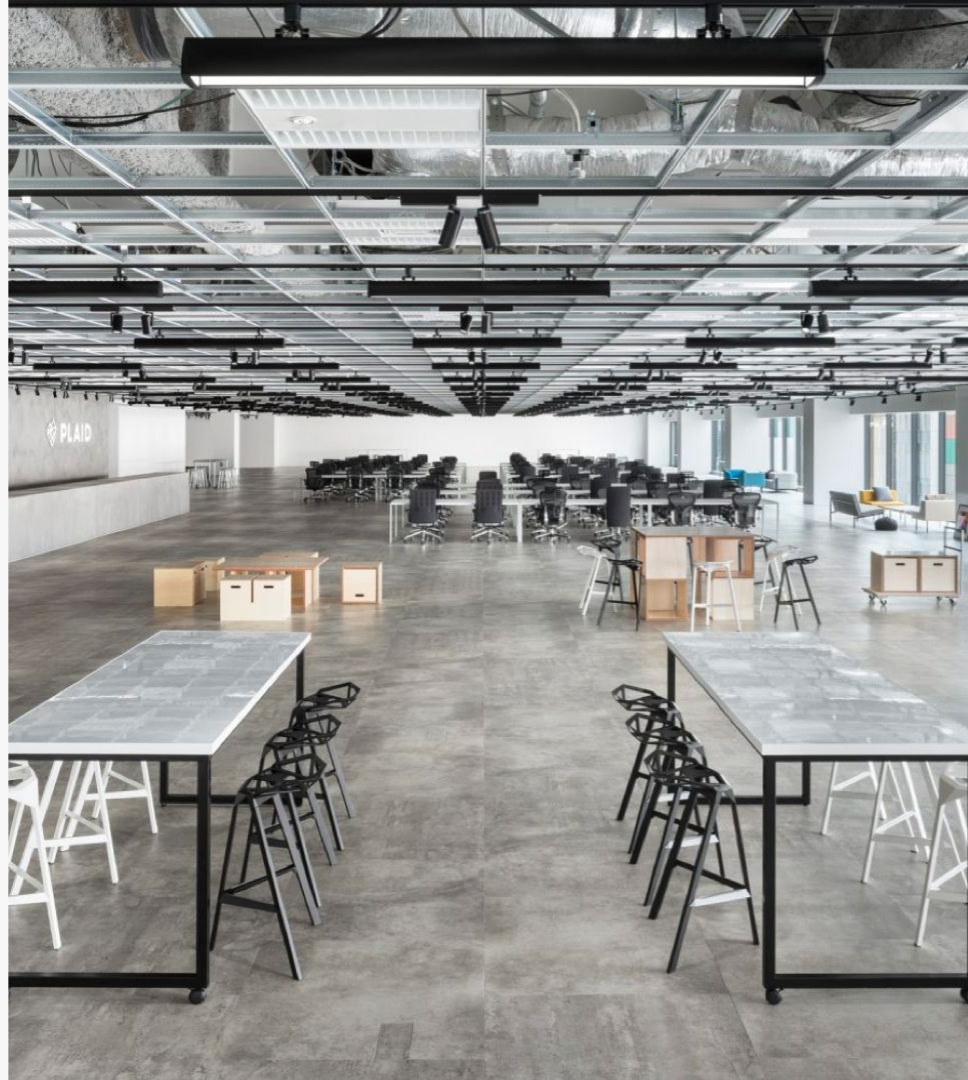
This document contains forward-looking statements. These statements are based only on information that is available at the time the statements are made. In addition, these statements do not constitute a guarantee of future results. They are subject to risk and uncertainty. Please note that actual results 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.

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.

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2. Earnings Results Q2 FY 9/23
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# Maximize the Value of People with the Power of Data

Leading the next society by utilizing people's ideas  
and intuition to maximize their creativity with  
technology



## Vision of The Plaid Group

- A new one-stop platform for data utilization that provides “multi-channel”, “1st party customer data”, and “real-time”

Accumulate data from various channels

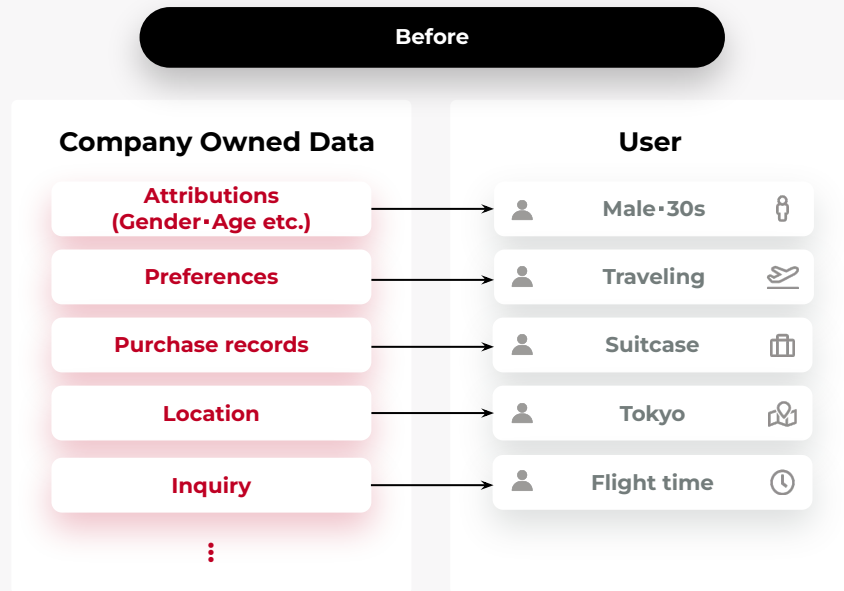
Analyze and visualize customer data

Utilize customer data across channels and benefit back to users

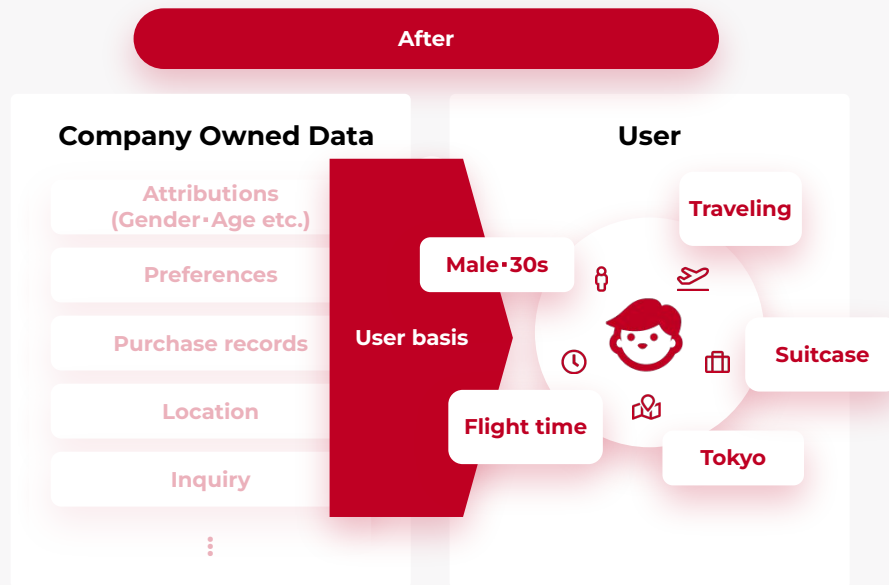


## The era to come :

Integrate fragmented user data, better understand customers through the data, and give back comfortable customer experience to the users provided the data



- × Data is fragmented, and even if it is integrated, it is difficult to capture on a per-user basis
- × Users do not obtain better customer experience as a return for the data provided



- Data is organized and integrated per user basis, making companies easily handle data
- Users obtain better customer experience as a return for the data provided

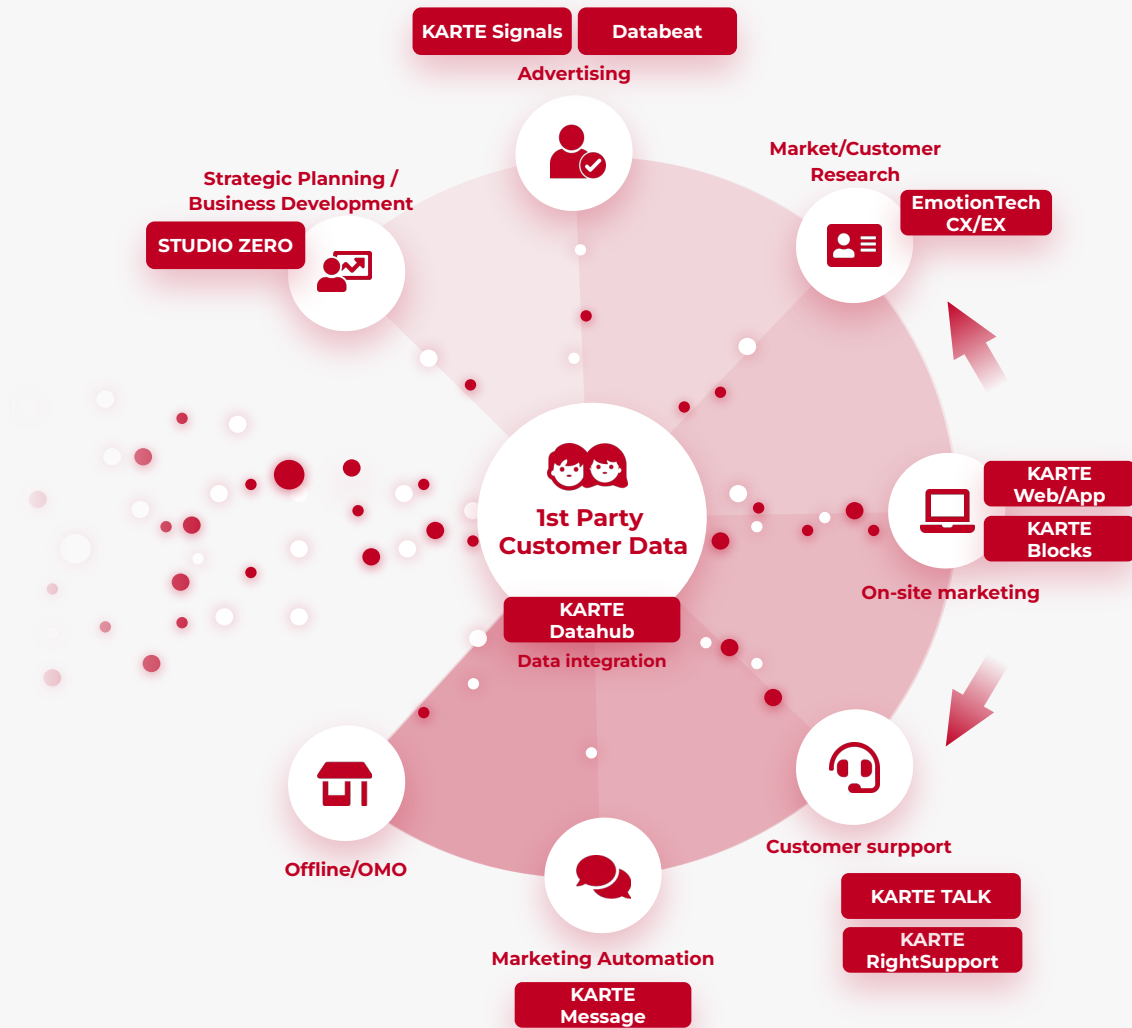
## Mission and Growth Strategy

# Overall Strategy of the Plaid Group

Initially started our business around on-site marketing area by offering KARTE Web/App, which has strengths in per-user real-time data analytics and real-time on-site actions

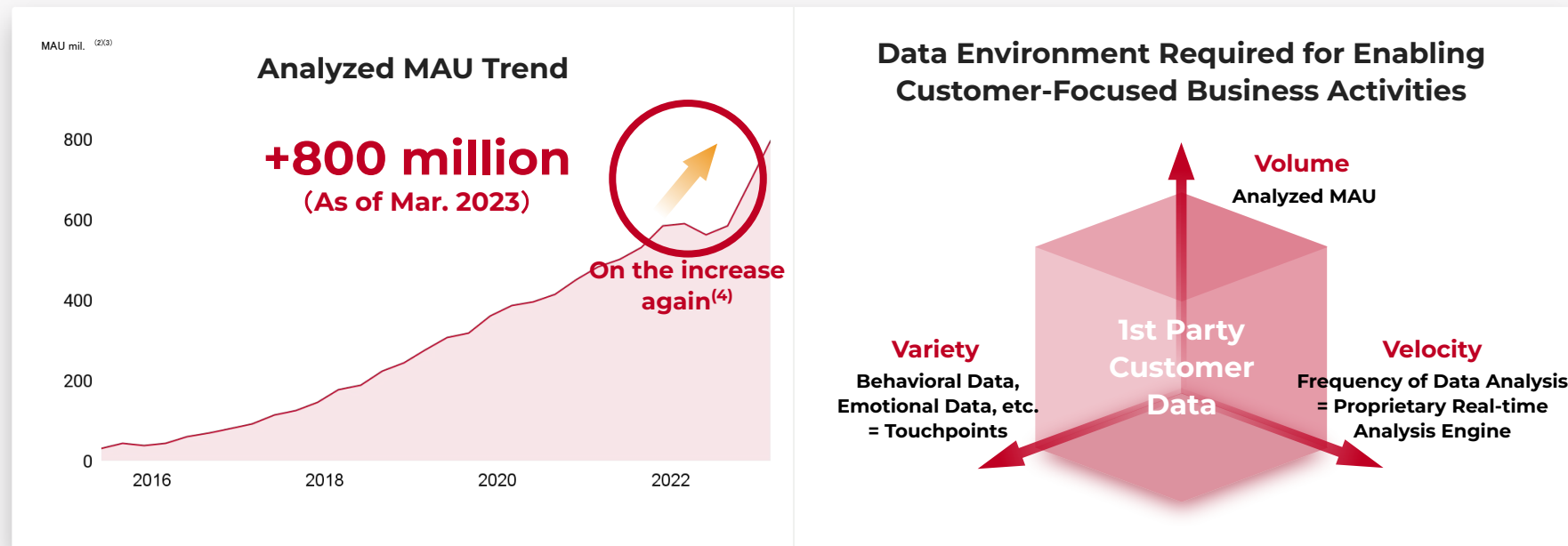
Thereafter expanded touch points and obtained multi-channel contacts with users by offering products and services optimized for specific areas or use cases such as customer support or Market/Customer Research

Now developing a foundation for a platform with strengths in “multi-channel,” “1st party customer data,” and “real-time.”



## 1st Party Customer Data Accumulation

- The number of MAUs<sup>(1)</sup> analyzed in March 2023 exceeded 800 million, and the scale of customer data analysis has continued to grow since KARTE was launched in 2015
- We plan to continuously enrich data environment for supporting customer-focused business activities through product development



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## Q2 FY 9/23 Financial Highlights (Consolidated/Non-Consolidated)

1

### Steady growth in net sales

- Both consolidated and non-consolidated results in Q2 exceeded the forecast (hereafter “forecast” indicates our internal forecast whereas “guidance” represents the publicly released forecast) and are on track to meet the annual guidance
- In particular, Plaid is improving its growth potential, with net ARR<sup>(1)</sup> growth expanding each quarter

2

### Maintain stable gross profit margin

- Maintained favorable levels of both consolidated and non-consolidated operations through appropriate cost control

3

### Lower SG&A than internally expected

- SG&A expenses were lower than expected due to the postponement of server-related expenses that were expected at the beginning of the year
- Server-related expenses are expected to be recognized in Q3, but efforts to reduce the cost compared to the beginning of the year are highly expected

4

### Adjusted operating income exceeded our internal forecast consecutively in Q1 and in Q2

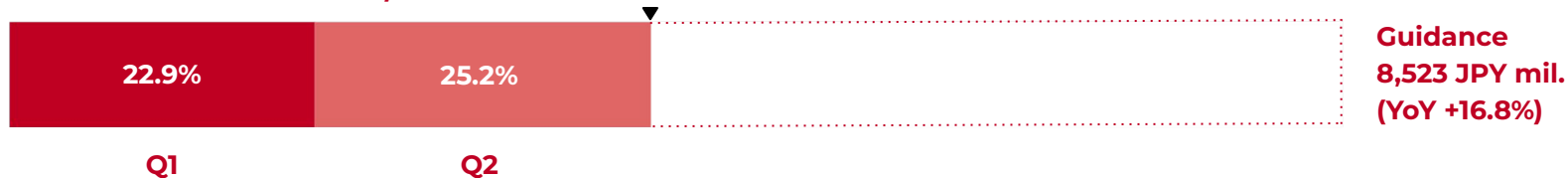
- Both consolidated and non-consolidated adjusted operating income exceeded the forecast



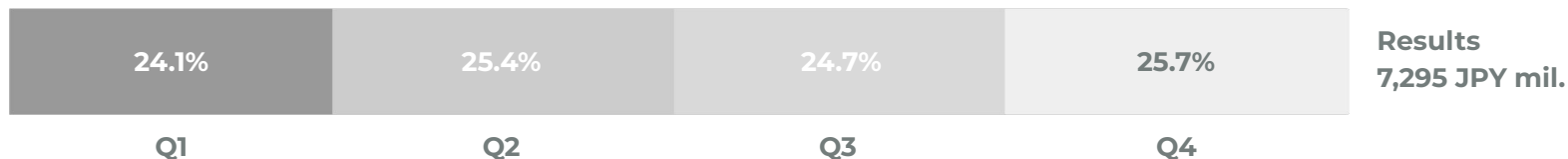
## Progress against guidance for this fiscal year

- Q2 progress rate of consolidated net sales against our guidance was 25.2% (and cumulative progress rate for 1H was 48.1%)
- As well as Q1, Q2 results also exceeded our internal plan and are on track to achieve the annual guidance

### Consolidated net sales FY9/23



### Consolidated net sales FY9/22



## Financial results summary

(JPY mil.)		Q2 FY 9/22 <sup>(1)</sup>	Q2 FY 9/23 <sup>(1)</sup>	Increase / decrease	Increase / decrease(%)
Net sales	<b>Consolidated</b>	<b>1,856</b>	<b>2,147</b>	<b>291</b>	<b>+15.7%</b>
	Non-consolidated	1,641	1,863	222	+13.6%
	KARTE domain	1,633	1,794	161	+9.8%
	New Business domain	7	69	62	+806.2%
	Group companies	229	335	106	+46.2%
Subscription revenue <sup>(2)</sup>	<b>Consolidated</b>	<b>1,627</b>	<b>1,800</b>	<b>173</b>	<b>+10.6%</b>
	Non-consolidated	1,552	1,646	94	+6.1%
	KARTE domain	1,552	1,639	87	+5.6%
	Group companies	75	153	78	+103.2%
Gross profit margin <sup>(3)</sup>	<b>Consolidated</b>	<b>73.3%</b>	<b>73.7%</b>	-	<b>+0.4%</b>
	Non-consolidated	73.5%	73.2%	-	▲0.3%
	KARTE domain <sup>(4)</sup>	73.4%	75.8%	-	+2.4%
Adjusted operating income <sup>(5)</sup>	<b>Consolidated</b>	<b>▲81</b>	<b>44</b>	<b>125</b>	-
	Non-consolidated	▲59	88	147	-
	KARTE domain	▲45	154	199	-
	New Business domain	▲13	▲66	▲53	-
	Group companies	▲26	▲48	▲22	-
ARR <sup>(6)</sup>	<b>Consolidated</b>	<b>6,637</b>	<b>7,293</b>	<b>656</b>	<b>+9.9%</b>
	Non-consolidated	6,337	6,666	329	+5.2%
	KARTE domain	6,337	6,628	291	+4.6%

Note: 1. Difference between consolidated amount and the total amount of non-consolidated and group companies is the consolidation adjustment / 2. Net sales taken up by the total amount of monthly charges for products that can be earned on a recurring basis / 3. After deduction of provision for loss on order received / 4. After deduction of provision for loss on order received, and after adjusting intra-group transaction with RightTouch/ 5. Operating income + Goodwill amortization + Stock-based compensation expenses + Other one-time cost / 6. Annual Recurring Revenue. It is calculated by multiplying the monthly subscription sales at the end of each quarter by 12





## KPI results summary

Net sales / YoY Growth rate: Consolidated

**2,147 JPY mil.** (Q2 FY9/23) / **15.7%**

# of Customers<sup>(3)</sup>: Consolidated

**995** (End of Mar. 2023)

ARR<sup>(1)</sup> / YoY Growth rate: Consolidated

**7,293 JPY mil.** (End of Mar. 2023) / **9.9%**

ARPC<sup>(4)</sup>: Consolidated

**610 JPY thou.** (End of Mar. 2023)

Gross profit margin<sup>(2)</sup>: Consolidated

**73.7%** (Q2 FY9/23)

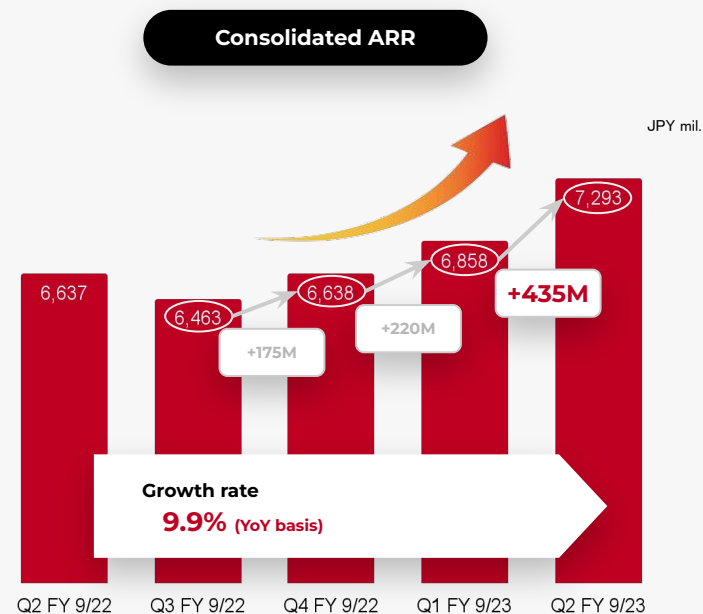
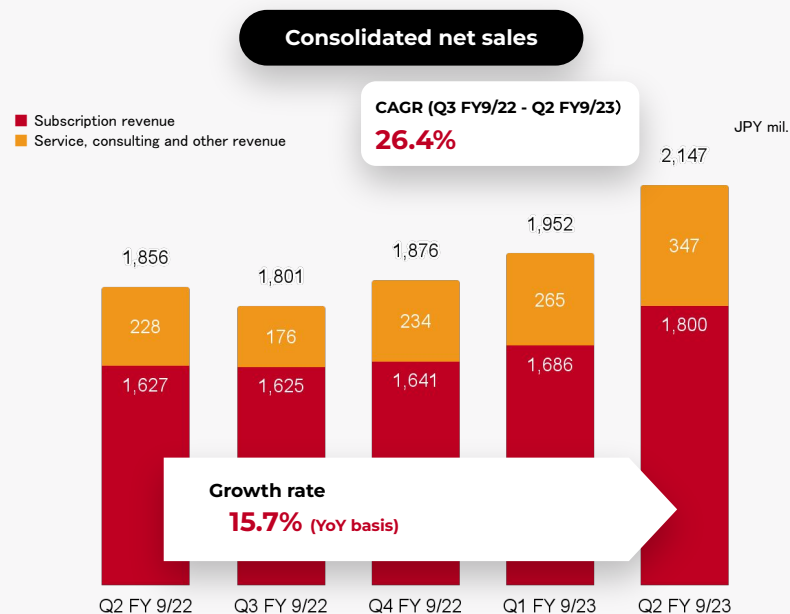
Employees: Consolidated / Non-consolidated

**355 / 282** (End of Mar. 2023)

# Financial Results - PLAID Group (Consolidated) -

## Incremental consolidated net sales and ARR<sup>(1)</sup> are continuously on rise

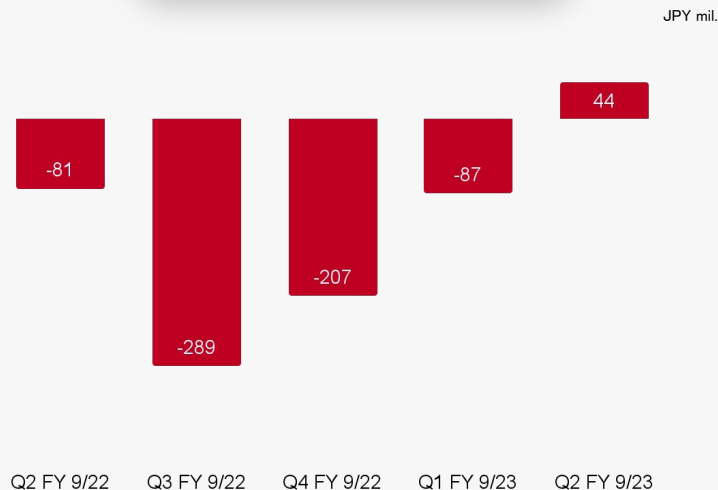
- Consolidated ARR increased by 435 million yen from Q1 due to Plaid's standalone net sales growth and the impact of the consolidation of agito, Inc. since Q2 (the net increase excluding agito, Inc. was approximately 300 million yen)
- STUDIO ZERO, TEAM, and EmotionTech contributed to the net increase in service, consulting, and other revenue



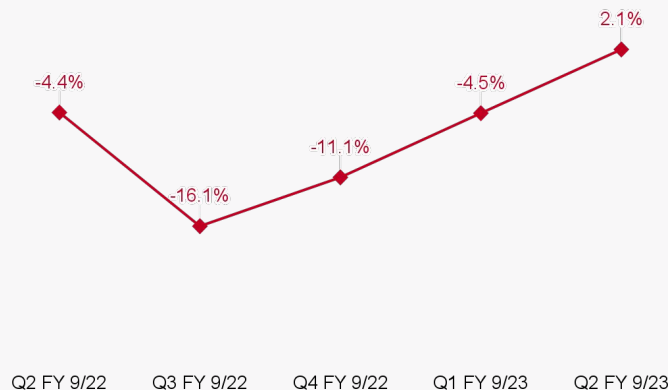
## Q2 adjusted operating income<sup>(1)</sup> outperformed the forecast consecutively following Q1

- Q2 adjusted operating income was 44 million yen
- In addition to consolidated net sales exceeding the forecast, the usage as SG&A related to 290 million yen of an unused portion of fixed server costs was delayed to Q3, ultimately reducing Q2 SG&A
- The rest of unused server-related expenses need to be recognized in Q3, but the impact from that was mitigated by a certain degree as a result of efforts using those for better ways

### Adjusted operating income



### Adjusted operating margin

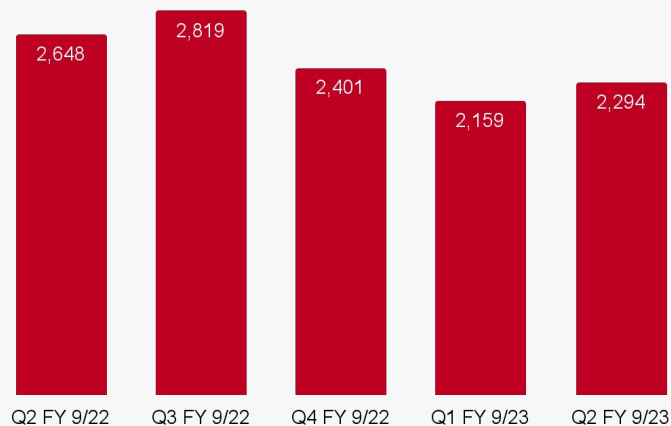


## Maintaining a sound condition of balance sheet and cash on hands

- Keeping a sound financial condition with an enough level of cash on hands while making growth investments within the group
- Refinanced the existing syndicated loan as of the end of March 2023 in order to enhance the flexibility of our funding activities<sup>(1)</sup>

### Net cash

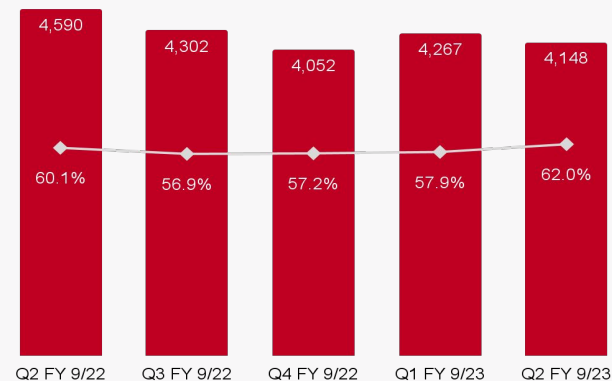
JPY mil.



### Equity

JPY mil.

■ Equity  
— Equity-to-asset ratio

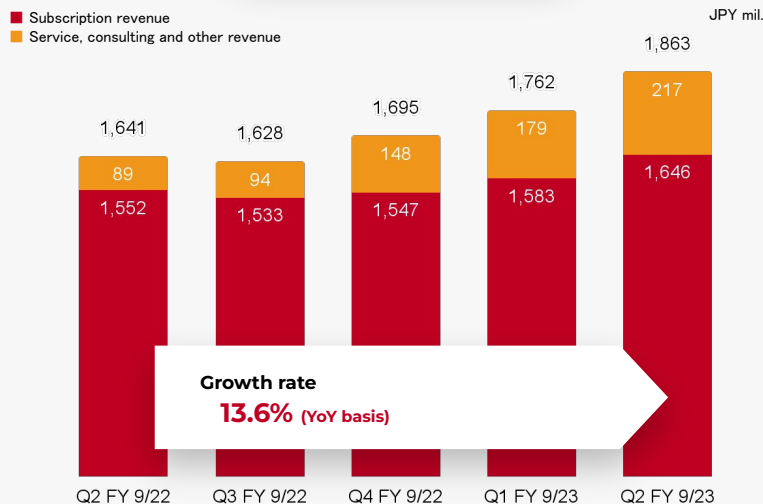


# PLAID (Non-Consolidated)

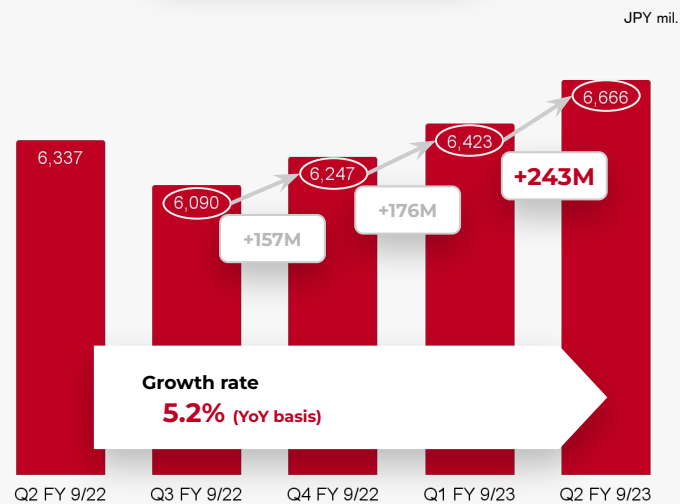
## Plaid's growth pace are picking up

- Net increase in ARR is becoming larger and larger in every quarter since Q3 FY 9/22
- STUDIO ZERO and TEAM are boosting their revenues since more customers are in need of digital strategies and technical supports as they are leveraging digital technology for their businesses

### Net sales

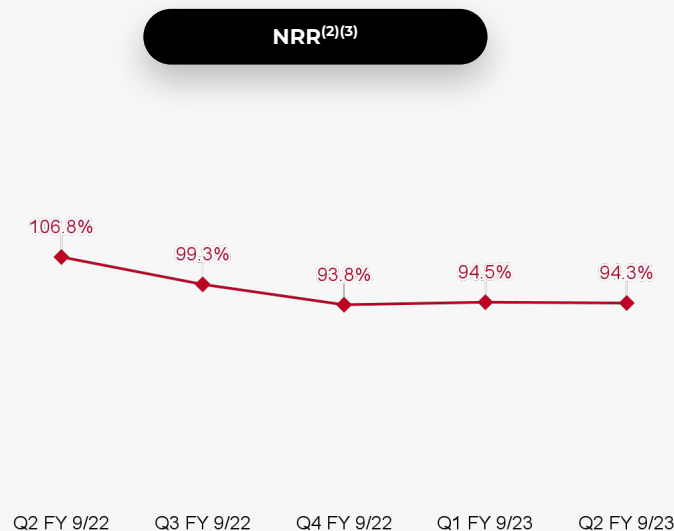
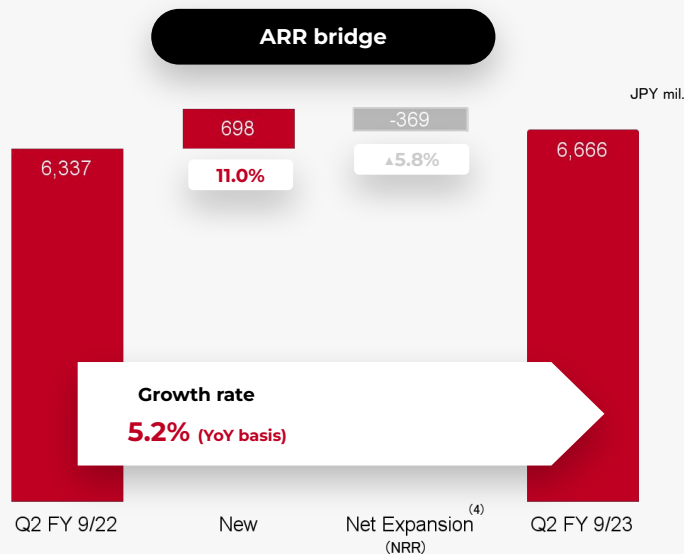


### ARR<sup>(1)</sup>



## Attribution analysis of ARR<sup>(1)</sup> growth

- ARR growth was slightly higher than the forecast due to a better-than-planned renewal rate and new customer acquisitions in line with our plan
- New customer acquisition contributed by 11% while net expansion of existing customers was still negative due to the remained impact of Q3 FY 9/22
- Renewal rate maintains its favorable level and up-selling/cross-selling is on rise, possibly resulting in NRR bottoming out in Q3 and beyond



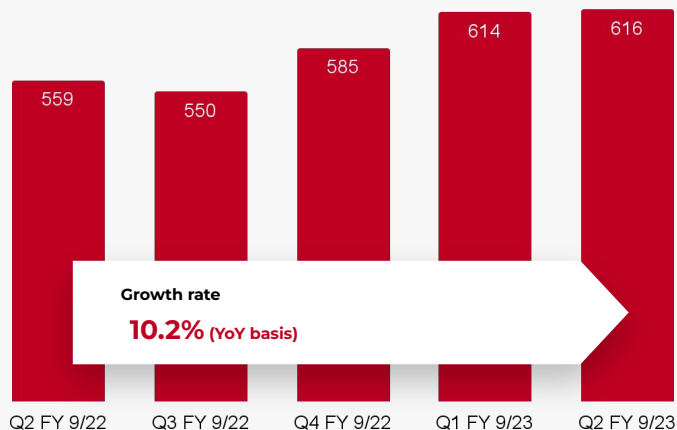
Notes: 1. Annual Recurring Revenue. It is calculated by multiplying monthly subscription revenue at the end of each quarter by 12 / 2. NRR: Net Revenue Retention (Rate) Calculated by dividing the (i) monthly subscription sales of current customers who have continued to subscribe for at least one year by (ii) the monthly subscription sales for the same month in the previous year / 3. Single month results for quarter-end month / 4. Gross expansion - Contraction



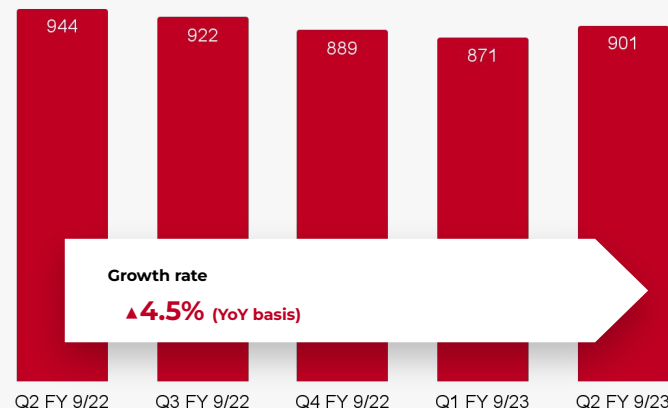
## Customers<sup>(1)</sup> and ARPC<sup>(2)</sup>

- # of new customer acquisitions was beyond the forecast
- Due to a tactical resource allocation to dealing with the sizable renewal contracts as of the end of March, relatively low ARPC customers were churned, the average ARPC of which was 348 thousand yen, resulting in the limited number of net increase in customers
- ARPC hit the ground and turned to an uptrend in Q2, demonstrating the shift to enterprise customers focus

# of Customers



ARPC



JPY thou.



# Management Discussion & Analysis (MD&A) on ARR

	Analysis	Initiatives in the previous quarter	Initiative Policy
<b>New customer acquisition</b>	<ul style="list-style-type: none"> <li>• <b>Generally as planned</b> <ul style="list-style-type: none"> <li>○ New customer ARPC lower than expected and # of new customers beyond the plan</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Hiring and nurturing sales professionals</li> <li>• Shifting sales structure and mindset towards enterprise companies</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Cont.) Hiring and nurturing sales professionals:</b> newly hired joining in Q3 becoming forces after on-boarding</li> <li>• <b>Introducing vertical sales team:</b> Reorganizing the sales team by industry</li> </ul>
<b>Gross Expansion</b>	<ul style="list-style-type: none"> <li>• <b>Outperformed our internal plan</b> <ul style="list-style-type: none"> <li>○ Both new website/app within existing customers and up/cross-selling within existing customers exceeded the plan</li> <li>○ Sales of Datahub, Blocks, Signals, and Message were evenly promoted</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Clarifying leadership in discovering opportunities for expanding existing customer transactions</li> <li>• Cross-selling new products to existing customers</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Reinforcing customer success team adapting to an enterprise focus strategy:</b> acquiring and nurturing project manager roles</li> <li>• <b>Cont.) Cross-selling new products to existing customers</b></li> </ul>
<b>Contraction</b>	<ul style="list-style-type: none"> <li>• <b>Lower-than planned contraction with well managed churn</b> <ul style="list-style-type: none"> <li>○ Renewal rate<sup>(2)</sup> maintained its favorable condition</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Hiring and nurturing customer success professionals</li> <li>• Standardization of customer success operations</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Cont.) Hiring and nurturing customer success professionals:</b> planning to accelerate hiring in Q3</li> <li>• <b>Cont.) Standardization of customer success operations</b></li> </ul>

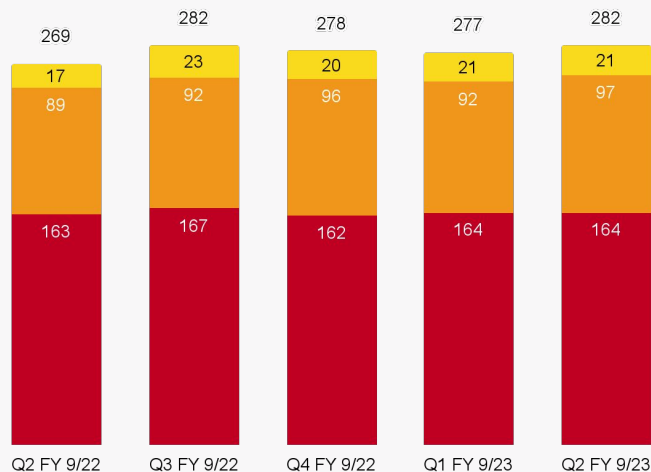
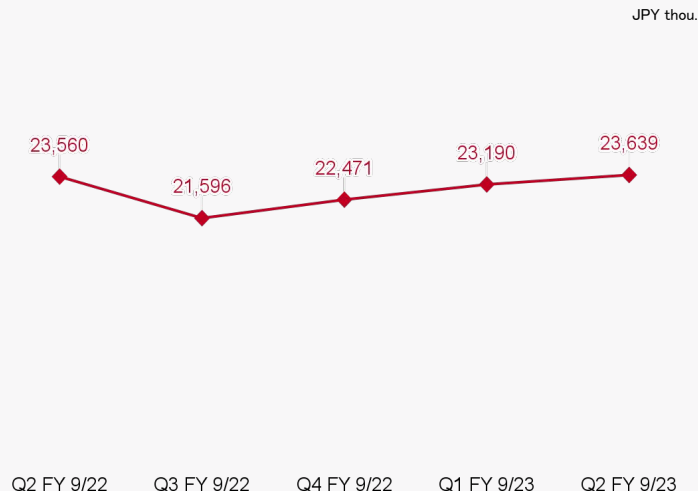


## Number of employees was increased from Q1 and hiring focus for the second half is “business” side

- Number of employees was increased from Q1 as hiring engineers and designers
- New sales and customer success members are planned to join in Q3

Number of employees<sup>(1)</sup>

■ Business  
■ Product  
■ Accelerator (Administration)

ARR per employee<sup>(1)</sup>

# Business Domains

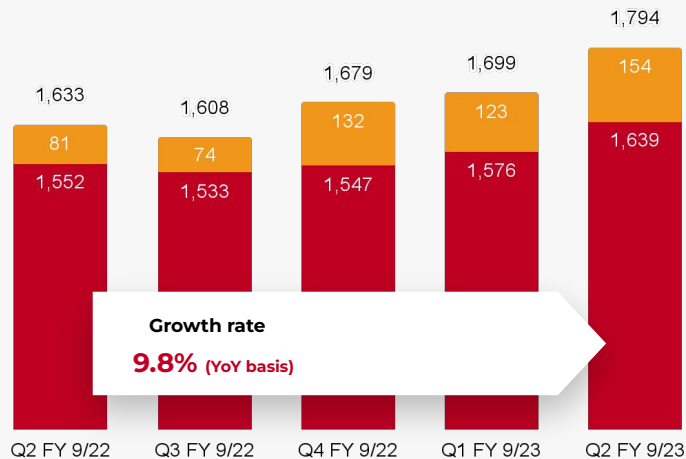
## ARR net increase are picking up by better customer success ops and other measures

- ARR was increased by 238 million yen from Q1, driven by solid performance in renewal rate and up-sells/cross-sells
- More focusing on hiring and nurturing of sales and customer success positions for the next fiscal year and beyond

### Net sales

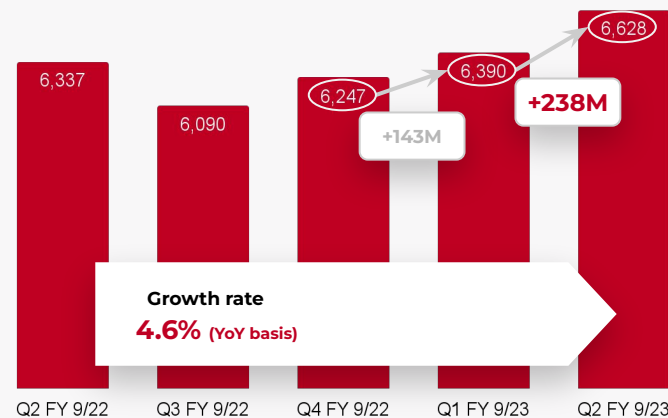
JPY mil.

- Subscription revenue
- Service, consulting and other revenue



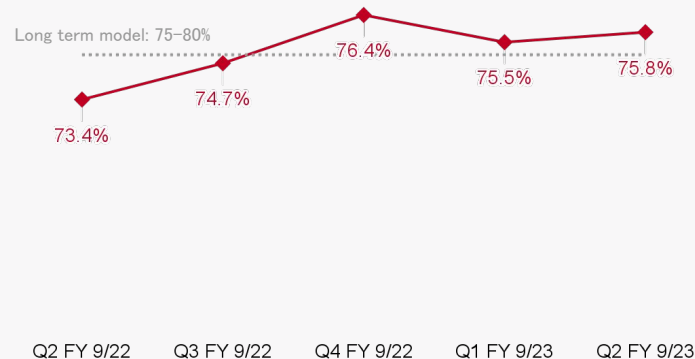
### ARR<sup>(1)</sup>

JPY mil.

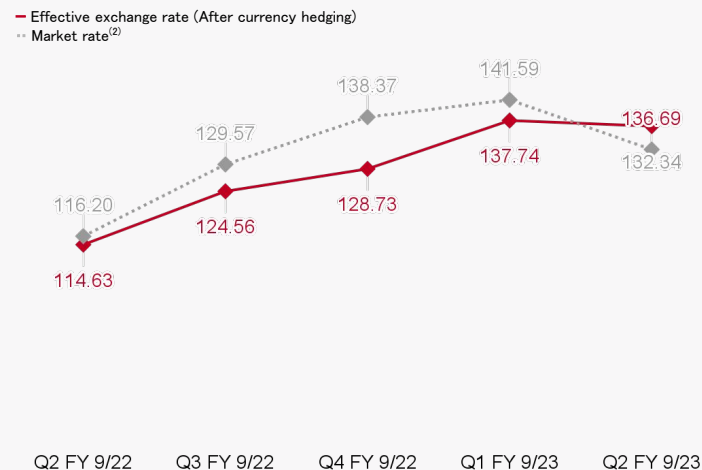


## Gross profit margin maintains a favorable level

- Gross profit margin maintains above the level of the long-term financial model through appropriate cost control measures

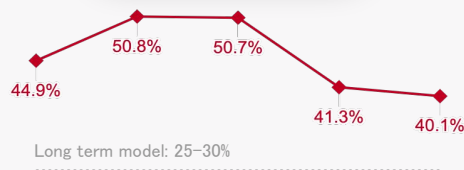
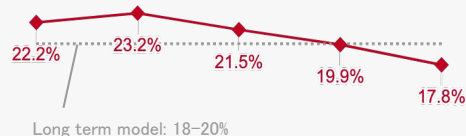
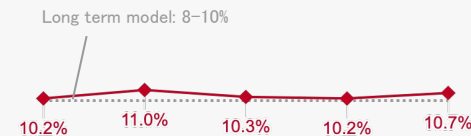
Gross profit margin<sup>(1)</sup>

USD/JPY exchange rate



## SG&A expenses in Q2 remained below expectations

- In addition to the positive trend in sales, the usage as SG&A related to 290 million yen of an unused portion of fixed server costs was delayed to Q3, ultimately reducing Q2 SG&A
- The rest of unused server-related expenses need to be recognized in Q3, but the impact from that was mitigated by a certain degree as a result of efforts using those for better ways

S&M<sup>(1)</sup> ratioR&D<sup>(2)</sup> ratioG&A<sup>(3)</sup> ratio

Q2 FY 9/22 Q3 FY 9/22 Q4 FY 9/22 Q1 FY 9/23 Q2 FY 9/23

PLAID (Non-Consolidated)	KARTE domain
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Q2 FY 9/22 Q3 FY 9/22 Q4 FY 9/22 Q1 FY 9/23 Q2 FY 9/23

PLAID (Non-Consolidated)	KARTE domain
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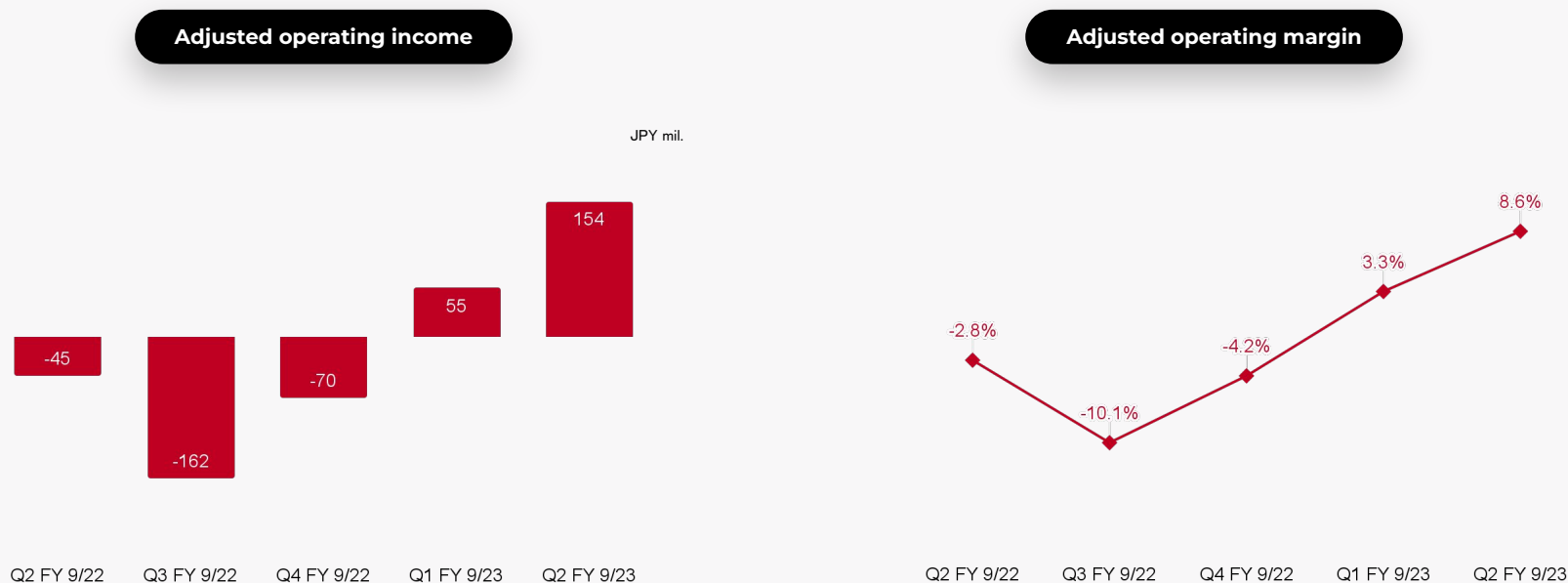
Q2 FY 9/22 Q3 FY 9/22 Q4 FY 9/22 Q1 FY 9/23 Q2 FY 9/23

PLAID (Non-Consolidated)	KARTE domain
-----------------------------	-----------------

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

## Q2 adjusted operating income<sup>(1)</sup> exceeded the forecast

- Actual profitability of KARTE domain is steadily increasing

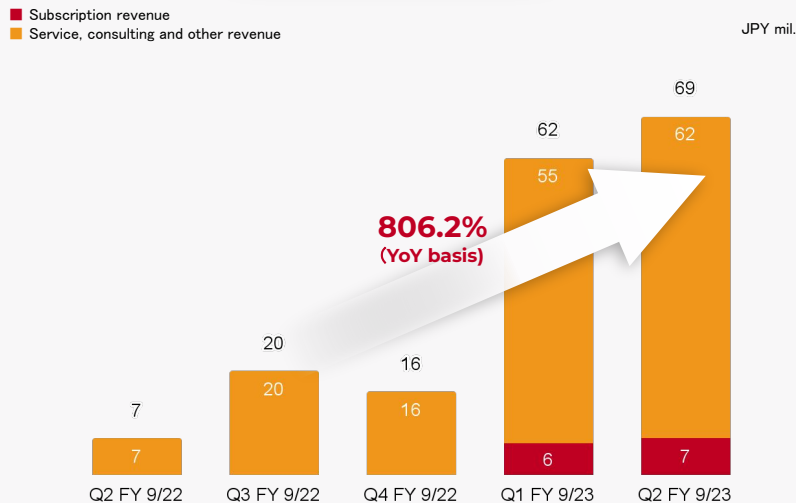




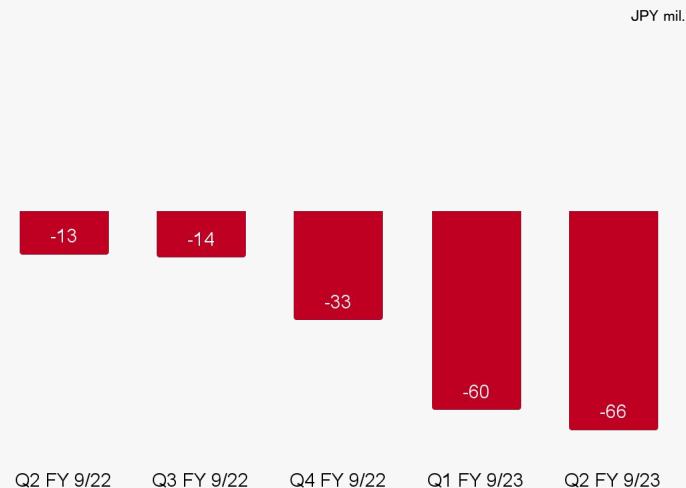
## New business domain significantly increased its revenue

- In particular, the sales of STUDIO ZERO, providing consulting services to customers undergoing corporate transformation, have expanded its revenues, more described in page 35

### Net sales

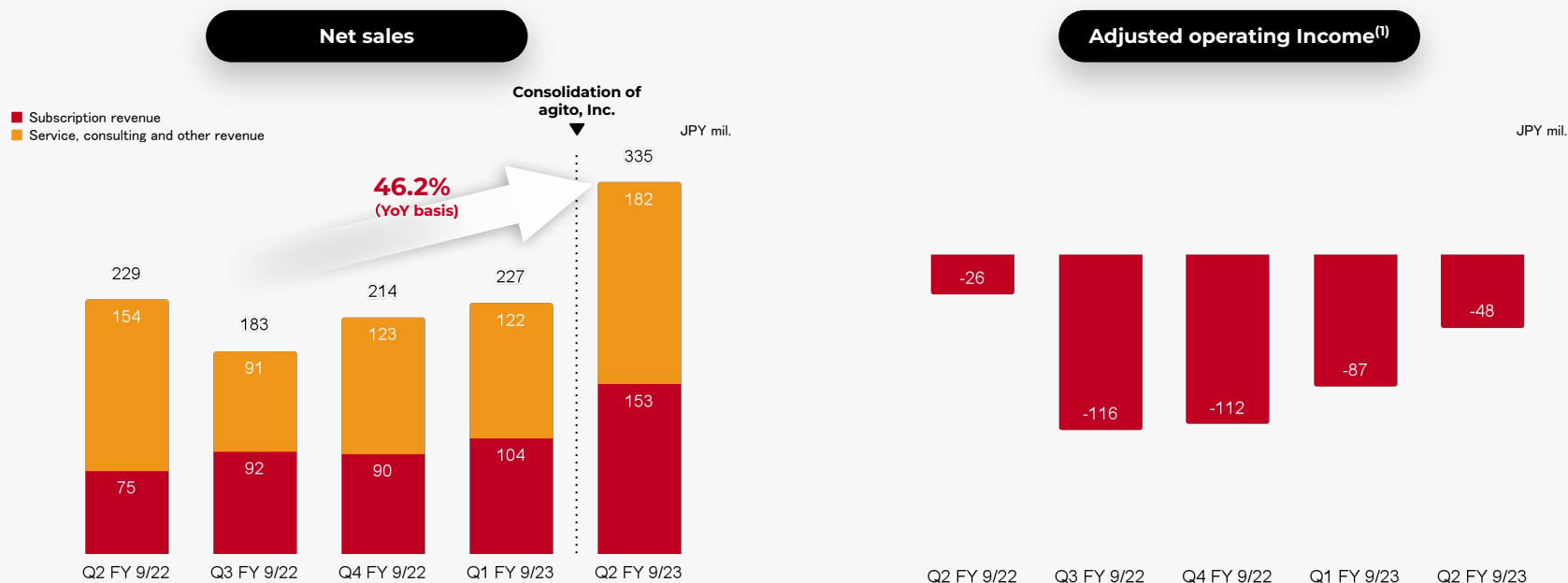


### Adjusted operating Income<sup>(1)</sup>



## Sales scale of the group companies favorably expanded

- In addition to the growth of both EmotionTech and RightTouch, consolidation of agito, Inc. from Q2 contributed to the increase in revenue



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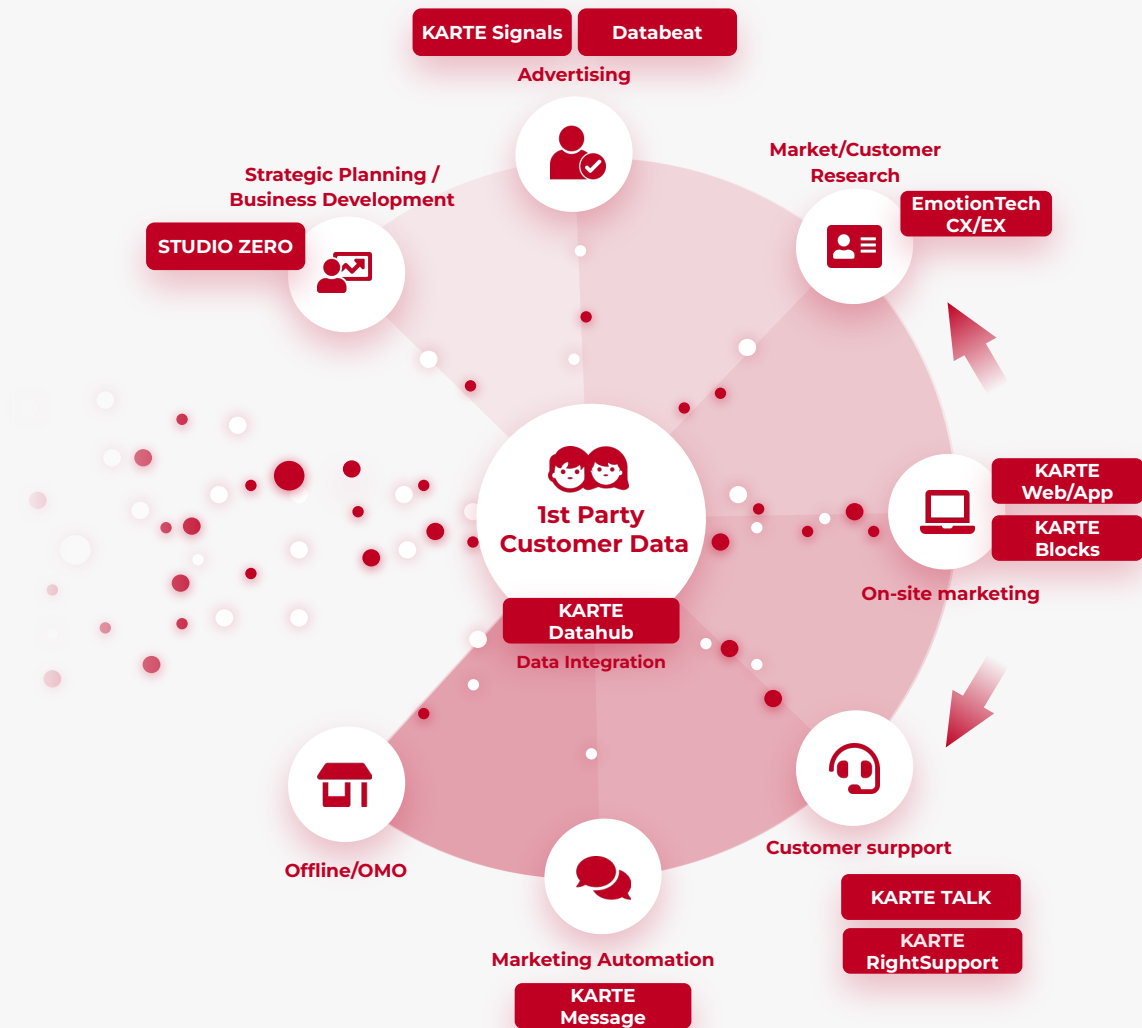
## Business Updates

# Overall Strategy of the Plaid Group

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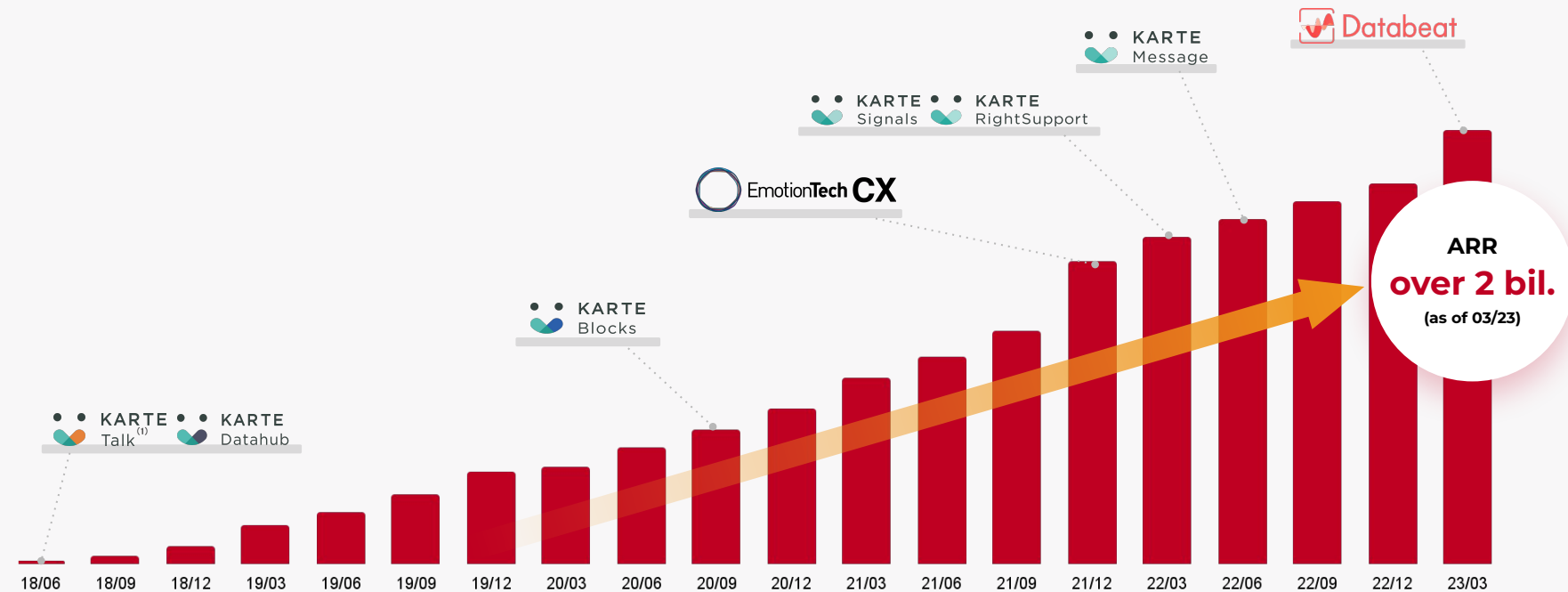
Thereafter expanded touch points and obtained multi-channel contacts with users by offering products and services optimized for specific areas or use cases such as customer support or Market/Customer Research

Now developing a foundation for a platform with strengths in “multi-channel,” “1st party customer data,” and “real-time.”






## ARR of products comprising multi-channel grew steadily

- ARR of products comprising multi-channel (excluding KARTE Web/App) has reached to over 2 billion yen in total
- We aim to expand the scale of consolidated ARR through further enhancement of the above products, simultaneously making KARTE Web/App return to a rapid growth trajectory in on-site marketing domain

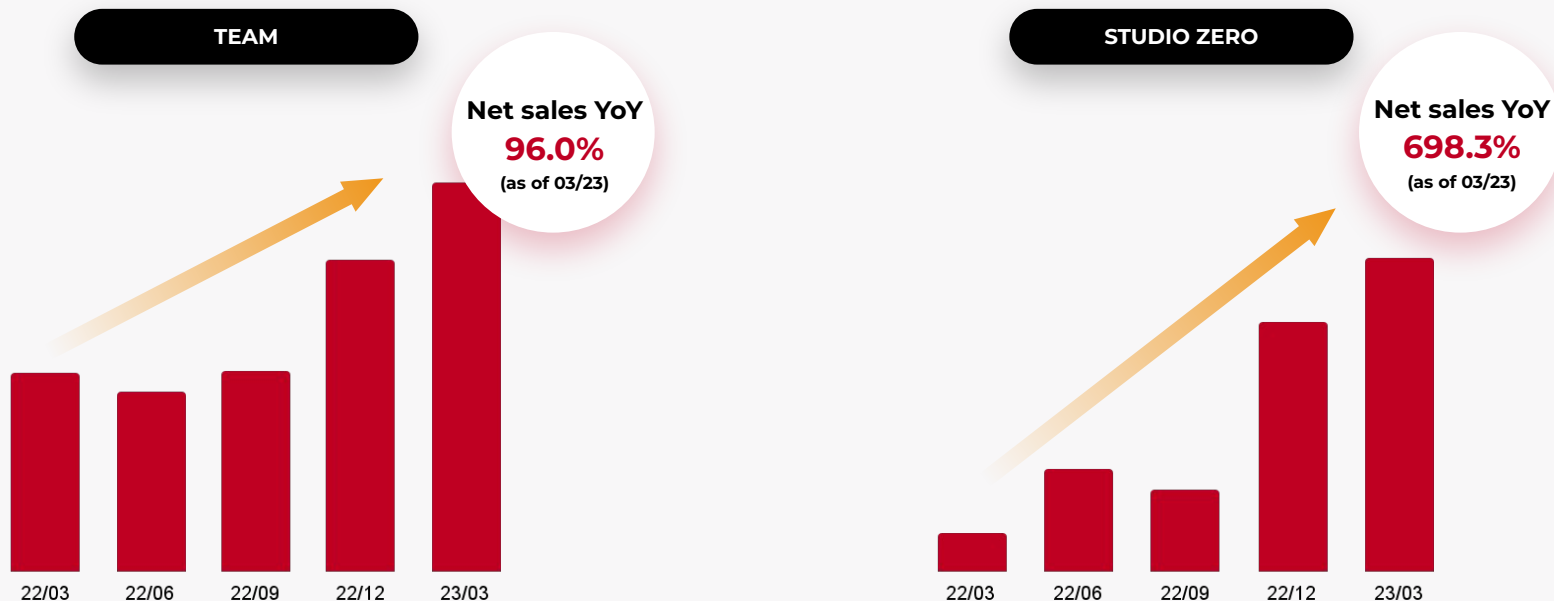


## Major product Updates

Product/Domain	Current Situation	Topics
 <b>KARTE</b> Blocks <span>On-site marketing (Website Editing)</span>	<ul style="list-style-type: none"><li>Jan. 2023, renewed business policy as "Lean Site Operation Platform" aimed at accelerating the pace of improvement and enhancing productivity of website operation</li><li>KARTE Blocks new acquisitions, simultaneous new acquisitions with KARTE, and cross-selling are all growing strongly</li></ul>	<ul style="list-style-type: none"><li>Collaboration with Google Cloud to propose KARTE Blocks as an alternative solution for the discontinuation of Google Optimize</li><li>Abundant experience and support for domestic companies are highly evaluated</li></ul>
 <b>KARTE</b> Signals <span>Advertising</span>	<ul style="list-style-type: none"><li>Focusing on cross-selling to KARTE customers</li><li>Verification process for business growth is steadily progressing, with a focus on expanding sales mainly in industries with a high fit</li></ul>	<ul style="list-style-type: none"><li>Various verifications for KARTE Signals new customer acquisitions</li><li>Synergies with agito, Inc.<ul style="list-style-type: none"><li>Development for providing collaborative products</li><li>Cost reduction in outsourcing through the in-house production of Plaid's advertising operations</li></ul></li></ul>
 <b>KARTE</b> Message <span>Marketing Automation</span>	<ul style="list-style-type: none"><li>Cross-selling to KARTE customers who pursue advanced personalization has been progressing</li><li>Business development has generally succeeded as expected at the time of the beta launch</li></ul>	<ul style="list-style-type: none"><li>Work on brushing up the product by strengthening delivery channels, building up delivery results, and promoting collaboration with sales and customer success</li></ul>

## Rapidly increasing demand for consulting that focuses on problem-solving and value creation

- Not only providing technical support for existing products, the number of consulting projects related to driving corporate transformation also has been significantly increased
- Processing our basic strategy of promoting a “hybrid model” that combines high-value-added products with problem-solving and value co-creation consulting



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## Q2 FY 9/23 Key takeaways

1

### The overall topline growth of the group has been accelerating

- The performance of Plaid has been recovering due to new customer acquisitions and a strong customer retention rate
- In addition, the increased demand for consulting services and the favorable performance of the consolidated subsidiaries contribute to the overall acceleration of the group's growth

2

### KARTE domain's profitability is improving

- Net sales growth and effective cost control measures have improved profitability of KARTE domain
- Continue to focus on achieving a balance between growth and productivity in business operations, and aiming to achieve an adjusted operating profit on a consolidated basis in FY 9/25

3

### Progress toward Plaid Group's vision and future expectations

- Products launched by and joined the Plaid group in recent years have shown steady growth, contributing to the establishment of a platform that combines “multi-channel, 1st Party Customer Data, and real-time” and we aim to achieve
- Additionally, the demand for consulting services that enhance the value of the platform has increased as companies leverage their data from an upstream perspective
- Looking at the external environment, AI has made a significant development. With the emergence of AI that can easily access and efficiently process open data, the businesses' focus is expected to further shift toward “end-user perspectives” and “uniqueness”
- We recognize the exceptional value of our accumulated 1st party data x real-time data and the flexibility of products that allows for managing any data from an end-user perspective and designing outputs freely. Therefore, we will emphasize the significance of this rarity and aim to leverage it to create opportunities and drive growth in the future

## Contents

1. Mission and Growth Strategy
2. Earnings Results Q2 FY 9/23
3. Business Updates
4. Key Takeaways
- 5. Appendix**



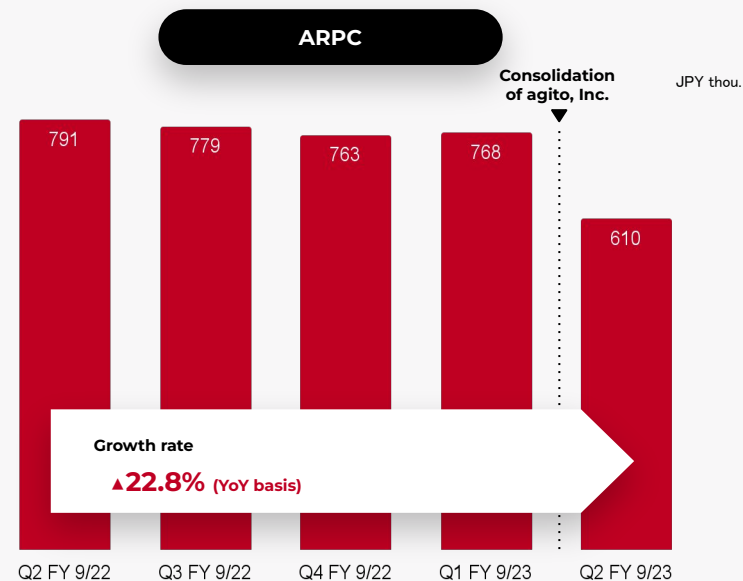
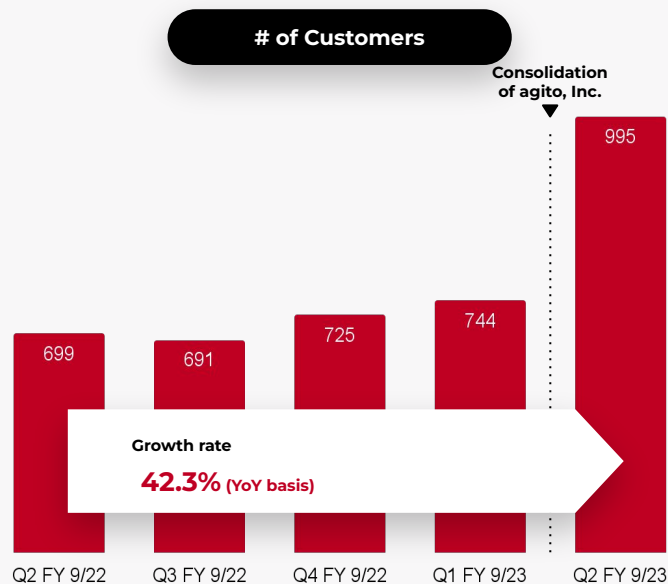
# Financial Information

## Net sales disclosure categories from FY 9/23

FY 9/22	FY 9/23	Definitions
Subscription revenue	Subscription revenue	monthly subscription charges for product offering
Service recurring revenue	Service, consulting and other revenue	monthly charges for services provided and earned on a recurring basis
Others		net sales not included above, such as one-time service fees, consulting revenue or initial set-up fee

## Customers<sup>(1)(2)</sup> and ARPC<sup>(3)</sup>

- # of customers increased due to the impact of the consolidation of agito, Inc.<sup>(4)</sup> since Q2
- Consolidated ARPC decreased due to the above, Plaid's ARPC hit the ground and turned to an uptrend in Q2, demonstrating the shift to enterprise customers focus



Notes: 1. Customers who have transactions with both PLAID and Emotion Tech are counted as one company / 2. Total number of customers utilizing our products as of the end of each quarter / 3. Calculated by dividing the monthly subscription sales at the end of each quarter by the number of customers of the end of the quarter / 4. For more details on agito, Inc.'s joining the PLAID group, please refer to "The announcement of the acquisition of majority stakes in agito, Inc. ("Agito") by the purchase of its existing shares and the underwriting of its new shares issued by third party allotment" announced on Oct. 12, 2022.

## Appendix

# Income Statement (Quarterly)

(JPY mil.)	Q2 FY 9/23	Q2 FY 9/22	YoY	Q1 FY 9/23	QoQ
<b>Net sales</b>	<b>2,147</b>	<b>1,856</b>	<b>+15.7%</b>	<b>1,952</b>	<b>+10.0%</b>
Subscription revenue	1,800	1,627	+10.6%	1,686	+6.7%
Service, consulting and other revenue	347	228	+51.9%	265	+30.8%
<b>Gross profit<sup>(1)</sup></b>	<b>1,586</b>	<b>1,363</b>	<b>+16.3%</b>	<b>1,418</b>	<b>+11.8%</b>
Gross profit margin	73.8%	73.5%	+0.3pt	72.7%	+1.1pt
<b>SG&amp;A</b>	<b>1,648</b>	<b>1,486</b>	<b>+10.9%</b>	<b>1,566</b>	<b>+5.2%</b>
% of Net sales	76.8%	80.1%	▲3.3pt	80.2%	▲3.4pt
Personnel expenses	911	826	+10.3%	905	+0.7%
% of Net sales	42.5%	44.6%	▲2.1pt	46.4%	▲3.9pt
Advertising expenses	140	90	+55.5%	122	+14.9%
% of Net sales	6.6%	4.9%	+170.0%	6.3%	+0.3pt
Other	595	568	+4.8%	538	+10.6%
% of Net sales	27.7%	30.6%	▲2.9pt	27.6%	+0.1pt
Operating income	▲62	▲122	▲49.3%	▲147	▲57.8%
Adjusted operating margin	▲2.9%	▲6.6%	+3.7pt	▲7.6%	+4.7pt
Reconciling items	106	40	+159.5%	60	+77.1%
Goodwill amortization	48	40	+21.0%	40	+21.0%
Stock-based compensation expenses	57	0	+6639.0%	19	+190.0%
Other non-recurring expenses	—	—	—	—	—
<b>Adjusted operating income</b>	<b>44</b>	<b>▲81</b>	<b>▲153.8%</b>	<b>▲87</b>	<b>▲150.3%</b>
Adjusted operating margin	2.1%	▲4.4%	+6.5pt	▲4.5%	+6.6pt

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

## Appendix

# Income Statement (Q1-Q2)<sup>(1)</sup>

Note: 1. Plaid acquired 64.0% voting rights in Emotion Tech on September 28, 2021. We consolidate balance sheet of Emotion Tech 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.)	Q2 FY 9/23	Q2 FY 9/22	YoY
<b>Net sales</b>	<b>4,100</b>	<b>3,616</b>	<b>+13.4%</b>
Subscription revenue	3,486	3,205	+8.8%
Service, consulting and other revenue	613	411	+49.3%
<b>Gross profit<sup>(2)</sup></b>	<b>3,004</b>	<b>2,648</b>	<b>+13.4%</b>
Gross profit margin	73.3%	73.2%	+0.1pt
<b>SG&amp;A</b>	<b>3,214</b>	<b>2,952</b>	<b>+8.9%</b>
% of Net sales	78.4%	81.6%	▲3.2pt
Personnel expenses	1,816	1,561	+16.4%
% of Net sales	44.3%	43.2%	+1.1pt
Advertising expenses	263	275	▲4.5%
% of Net sales	6.4%	7.6%	▲1.2pt
Other	1,134	1,114	+1.8%
% of Net sales	27.7%	30.8%	▲3.1pt
Operating income	▲209	▲303	–
Adjusted operating margin	▲5.1%	▲8.4%	+3.3pt
Reconciling items	166	81	+103.0%
Goodwill amortization	88	80	+10.5%
Stock-based compensation expenses	77	1	–
Other non-recurring expenses	–	–	–
<b>Adjusted operating income</b>	<b>▲43</b>	<b>▲221</b>	<b>–</b>
Adjusted operating margin	▲1.1%	▲6.1%	+5.0pt

# Balance Sheet<sup>(1)</sup>

(JPY mil.)	FY 9/20	FY 9/21	FY 9/22	Q1 FY 9/23	Q2 FY 9/23
Total current assets	2,642	4,956	5,148	5,125	4,570
Cash and deposits	2,091	4,172	4,240	3,935	3,386
Notes and accounts receivable, trade	475	645	710	804	816
Other	75	138	197	385	367
Total non-current assets	426	2,027	1,942	2,247	2,121
Total current liabilities	1,084	1,640	1,881	1,990	1,668
Total non-current liabilities	380	390	1,139	1,097	851
Total net assets	1,604	4,953	4,070	4,285	4,171

Note 1. Table on the right shows non-consolidated figures for FY 9/20





## Appendix

# Cash Flow Statement<sup>(1)</sup>

(JPY mil.)	FY 9/20	FY 9/21	FY 9/22	FY 9/23
Cash flow from operating activities	▲1,012	410	▲809	▲221
Cash flow from investing activities	▲167	▲1,330	▲135	▲67
Cash flow from financing activities	1,897	2,999	1,012	▲563
Net change in cash and cash equivalents	717	2,080	68	▲853
Cash and cash equivalents at end of period	2,091	4,172	4,240	3,386

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

## Appendix

# Long Term Model<sup>(1)(2)</sup> (KARTE domain)

	FY 9/20	FY 9/21	FY 9/22	Q1 FY 9/23	Q2 FY 9/23	Long term model
Gross profit margin	71.2%	73.3%	74.8%	75.5%	75.8%	75–80%
S&M	61.0%	41.6%	49.0%	41.3%	40.1%	25–30%
R&D	23.7%	18.7%	22.2%	19.9%	17.8%	18–20%
G&A	13.4%	9.8%	10.3%	10.2%	10.7%	8–10%
Operating margin	▲26.9%	3.1%	▲6.6%	4.1%	7.2%	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 / 2. Until FY9/22, Plaid non-consolidated and before deduction of provision for loss on order received. From FY9/23, KARTE domain and deduction of provision for loss on order received , and after adjusting intra-group transaction with RightTouch











# Company Information

## Company Overview








Company Name	<b>PLAID, Inc.</b>
Founded	<b>October 2011</b>
Headquarter	<b>GINZA SIX 10F, GINZA 6-10-1, Chuo-ku, Tokyo, Japan 104-0061</b>
CEO	<b>Kenta Kurahashi</b>
# of Employees (Consolidated)	<b>355 (as of Mar. 2023)</b>






## Overview of Plaid group by business domain

Business domain		Overview	Main product/service
PLAID	KARTE domain	<ul style="list-style-type: none"> <li>Offers products and services centered around KARTE to enrich CX and marketing for companies</li> </ul>	     
	New business domain	<ul style="list-style-type: none"> <li>Create new value with partners through data/technology collaboration by opening Plaid's APIs and various alliances with companies.</li> </ul>	 <b>PLAID Ecosystem</b> <b>STUDIO ZERO</b>
RT/ET /agito	Group companies	<ul style="list-style-type: none"> <li>Offers products and services optimized for areas other than on-site marketing where Plaid is focused on currently</li> </ul>	  

## Main products / Services -1

Domain	Product/Service	Summary
Onsite Marketing	 KARTE  KARTE for App	Visualize the “now” of each customer online and support marketing activities of companies through flexible action design based on analysis results
Onsite Marketing	 KARTE Blocks	By breaking down every element of a website into blocks and enabling fast revisions, hypothesis testing, and performance measurement, allowing for continuous performance improvement and lean site operations
Data Integration	 KARTE Datahub	By connecting data owned by customers to KARTE and enabling advanced segmentation and action by integrating/analyzing/visualizing data scattered data from internal and external sources as big data
Customer Support	 KARTE RightSupport	Visualize the issues of each customer who needs support online, and match them to appropriate support channels such as FAQs to achieve early resolution to issues
Advertising	 KARTE Signals	Realize consistent customer communication both on and off the website through integration with various advertising media such as accumulated data by KARTE
Marketing Automation	 KARTE Message	KARTE marketing automation enables customers to have communication outside the website via e-mail, SMS, etc., using our unique customer journey function

## Main products / Services -2

Domain	Product/Service	Summary
Product Utilization/ Technical Support	 <b>TEAM</b>	Professional services including support for utilizing KARTE and consulting on CX. Also assisting customers in resolving challenges related to their resources and capabilities and creating value.
Strategic Planning / Business Development	<b>STUDIO ZERO</b>	An organization committed to advancing all industries through data, and collaborating with companies, government agencies, and public institutions to create new value and foster business growth
Customer/ Market Research	 <b>EmotionTech CX</b>	Products and consulting services to collect/analyze customer emotional data, including NPS <sup>®(1)</sup> , provided by EmotionTech, which joined the group from September 2021.
Advertising	 <b>Databeat</b>	Providing a Marketing Data Platform that enables automatic collection/accumulation of advertising-related data, analysis, and flexible data output. Also supporting marketers in customer companies by reducing operational workload and assisting in the establishment of a data utilization environment

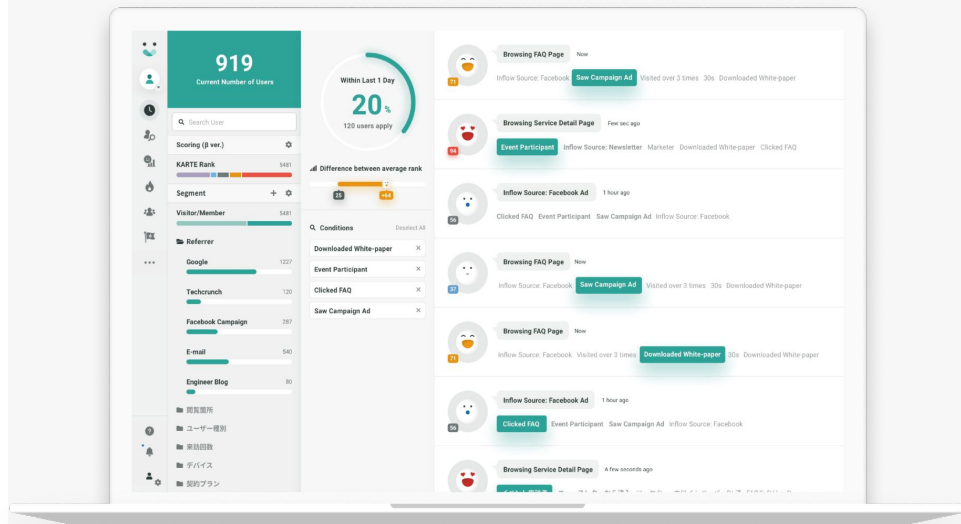
Note: 1. Net Promoter®, NPS®, NPS Prism®, and the NPS-related emoticons are registered trademarks of Bain & Company, Inc., Satmetrix Systems, Inc., and Fred Reichheld

## Products



Visualize the “Now” of Each Customer  
with Proprietary Real-time Analysis Engine

Realize Flexible Actions (Customer Experience Design)  
based on Analysis Results





## Feature 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

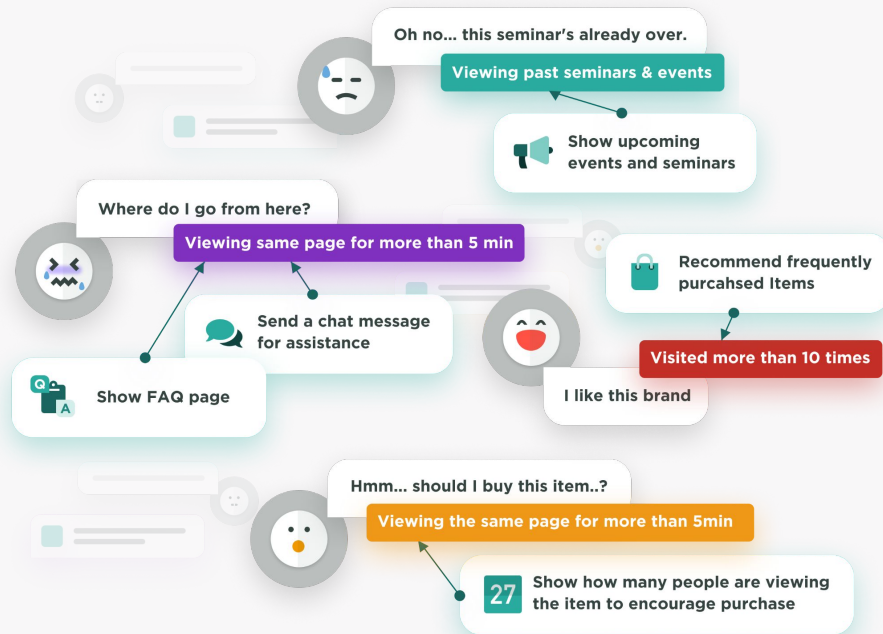
KARTE accumulates behavioral data of customers visiting a website on a customer-by-customer basis and visualizes those by customer. This enables business operators to understand the status and needs of individual customers intuitively and to implement and examine measures to provide a better experience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



## Feature 2.

## Real-time analysis

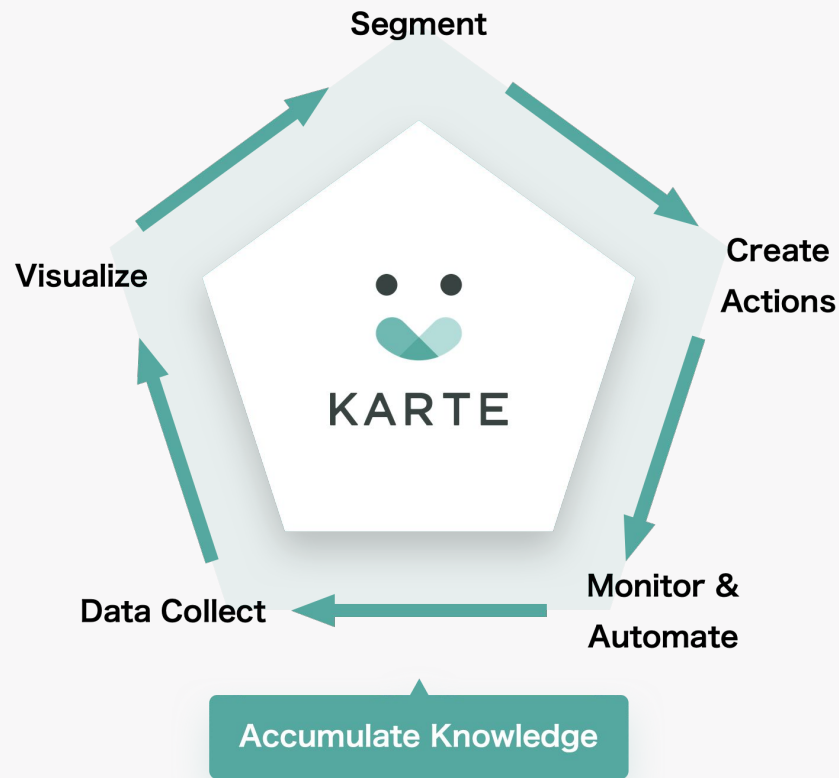
KARTE analyzes the real-time behaviors of customers visiting a website, etc., such as “They have been considering a specific product for a long time,” together with the past data. This enables businesses to communicate appropriately with customers, without overlooking a timing or sign of their intent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

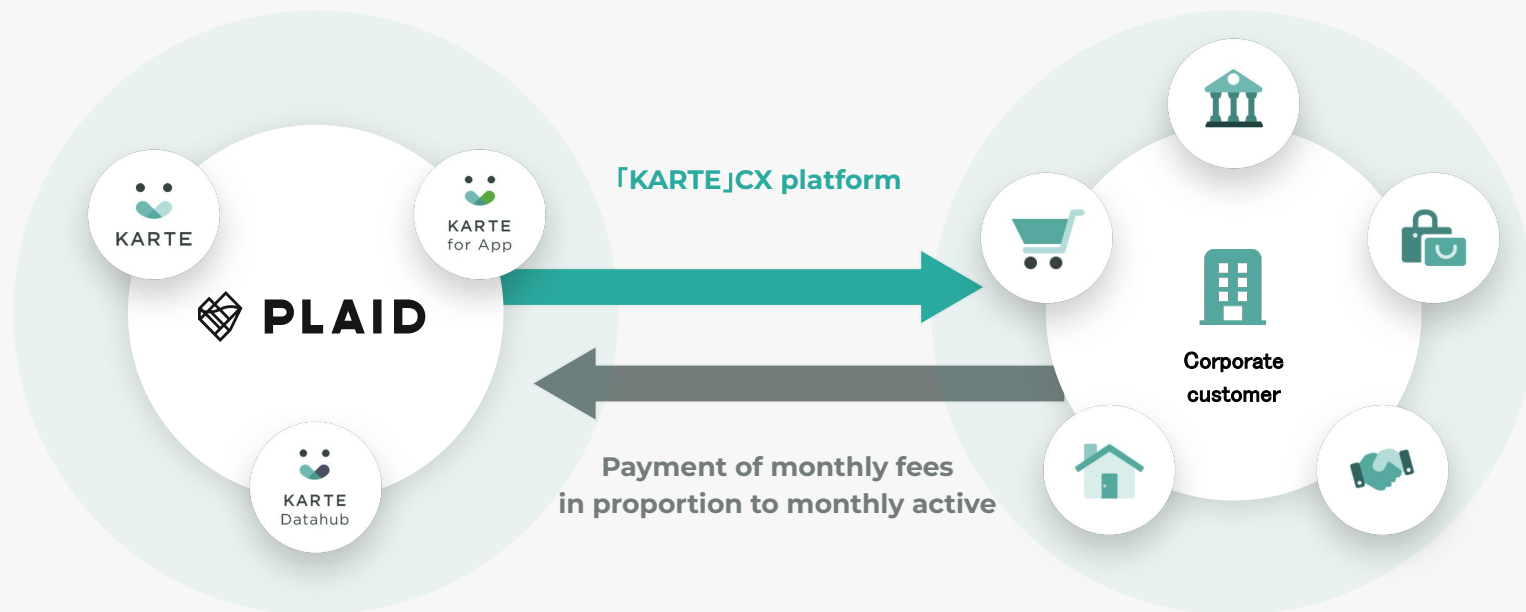


## The uniqueness of KARTE (comparison in the on-site marketing area)

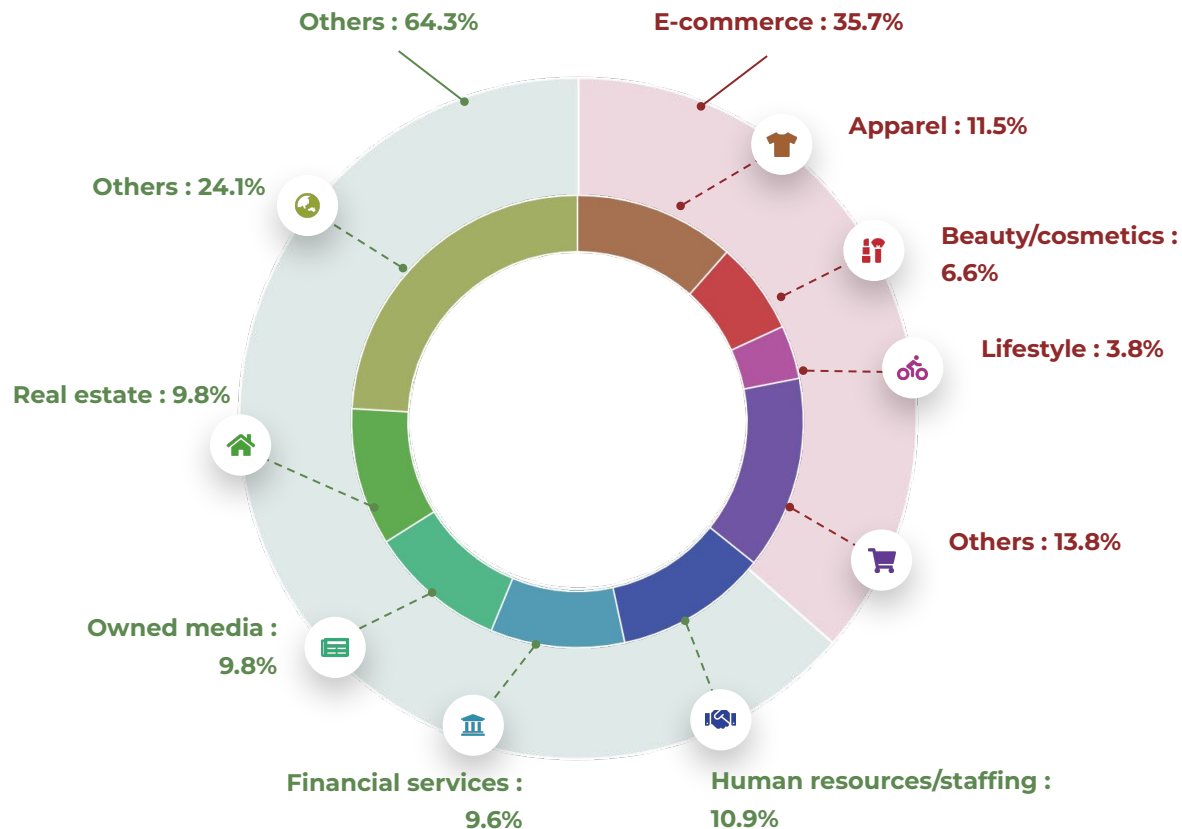
	 KARTE	Integrated marketing tools	Other marketing tools
Real-time performance	 Consistent real-time accumulation/analysis/action	 Non-real time/ Only some part (limited functionality, etc.)	 Non-real time/ Only some part (limited functionality, etc.)
Data storage/ Utilization Channels	 Multi-channel (Web/app/email/SMS, etc.)	 Multi-channel (Web/app/email/SMS, etc.)	 Single-channel
In-depth understanding of users	 Both attribute/behavioral data can be accumulated and flexible visualization on a per-user basis	 Attribute data-centric and difficult to visualize per user	 Attribute data-centric and difficult to visualize per user

## Business Model

A Subscription model in which pricing is based on monthly active users on website or smartphone app  
(Annual contract)



## Percentages of Subscriptions by Industry<sup>(1)</sup>



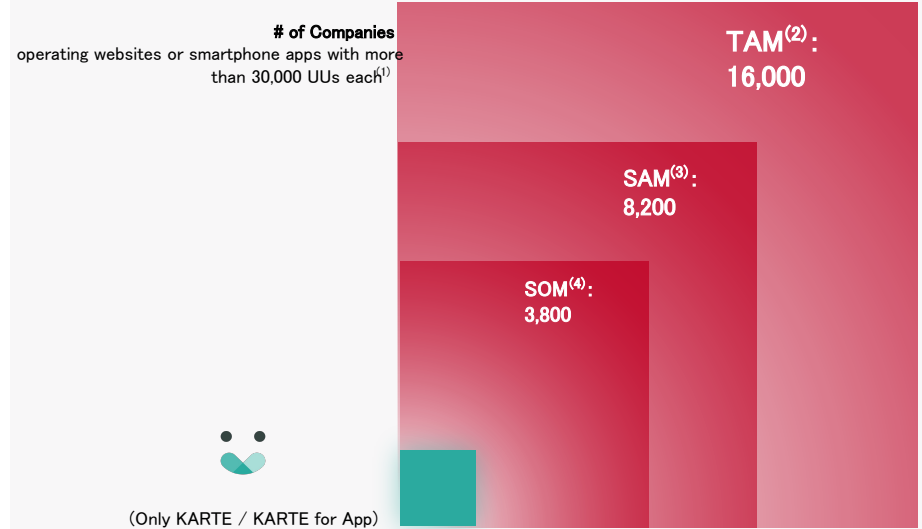
Note 1. Industry percentage as of September 30, 2022

## The Potential Market Size of KARTE / KARTE for App

There are about 3,800 companies in Japan that are likely to adopt KARTE / KARTE for App based on its current functions and pricing  
Large potential market is existing

ref:

616 companies as of the end of Q2 FY 9/23

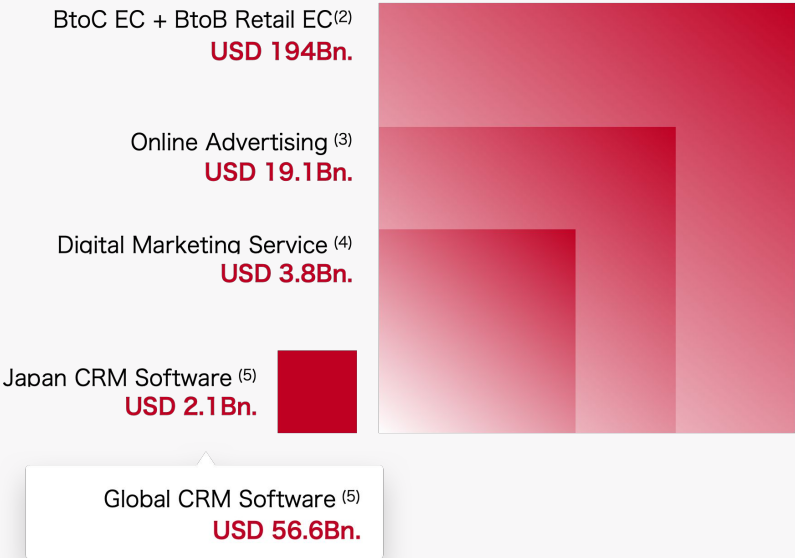


Notes: 1. This is the number of companies operating Japanese website with more than 30,000 UUs per month based on data from SimilarWeb Ltd. as of February 2019 and smartphone apps that have been updated within 365 days and downloaded 5,000 times, based on Appannie's data as of June 2021. They are defined as companies with the potential to adopt KARTE/KARTE for App / 2. TAM: Total Addressable Market. This is the sum of the number of companies operating websites and smartphone apps in Japan, calculated based on the criteria described in (Note 1) / 3. SAM: Service Addressable Market. This is the number of companies that are likely to adopt KARTE/KARTE for App by function enhancements or pricing changes, etc. / 4. SOM: Service Obtainable Market. This is the number of companies in SAM (Note 3) that are expected to have a particularly high potential to adopt KARTE/KARTE for App in light of their industry and business model etc.

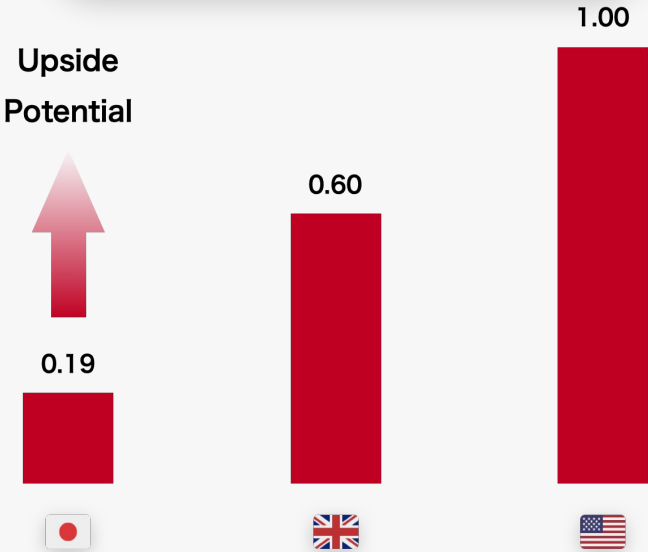


# Multiple Touchpoints to Large and Extensive TAM

## Extensive Estimated TAM in Japan<sup>(1)</sup>

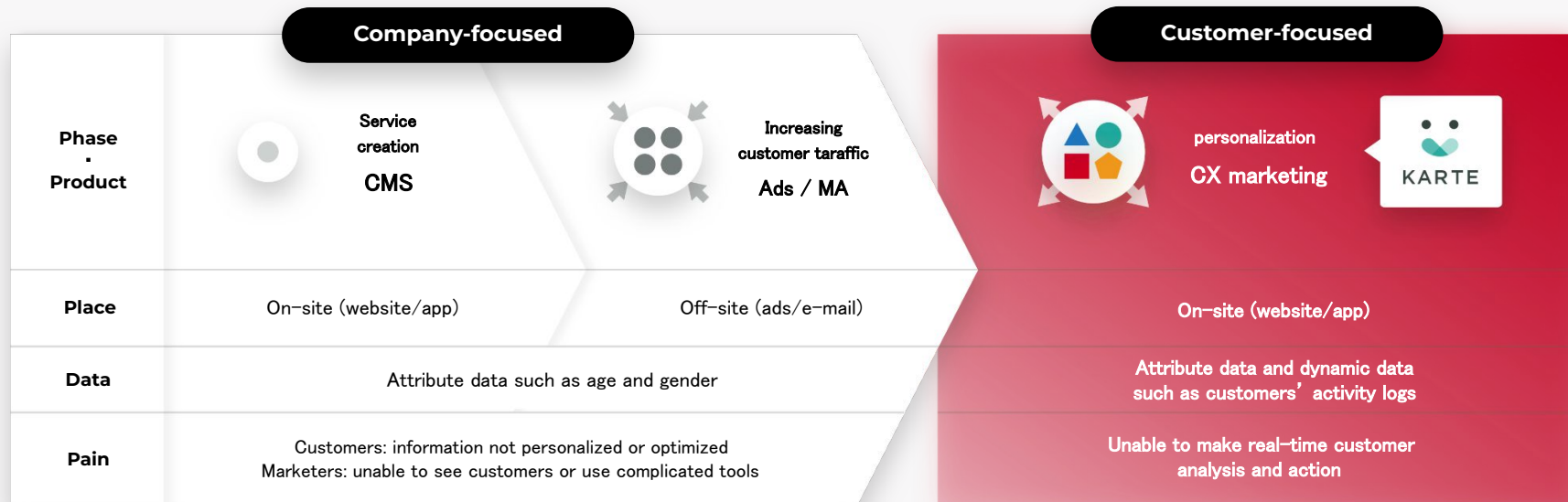


## Cloud CRM Software Penetration<sup>(6)</sup>



Notes: 1. Exchange rate at JPY/USD=110.0 / 2. Ministry of Economy, Trade and Industry, "Results of FY 2019 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 CY 2019) / (CY 2019 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

## 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'

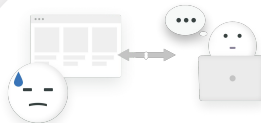


Contents are not  
**streamlined** for individual customers



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**

*Maximize the value of people  
with the power of data*