



# Earnings Results for the quarter ended Dec. 2021 (Q1 FY 9/22)

PLAID, Inc. (4165, TSE Mothers) | February 2022

## 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.

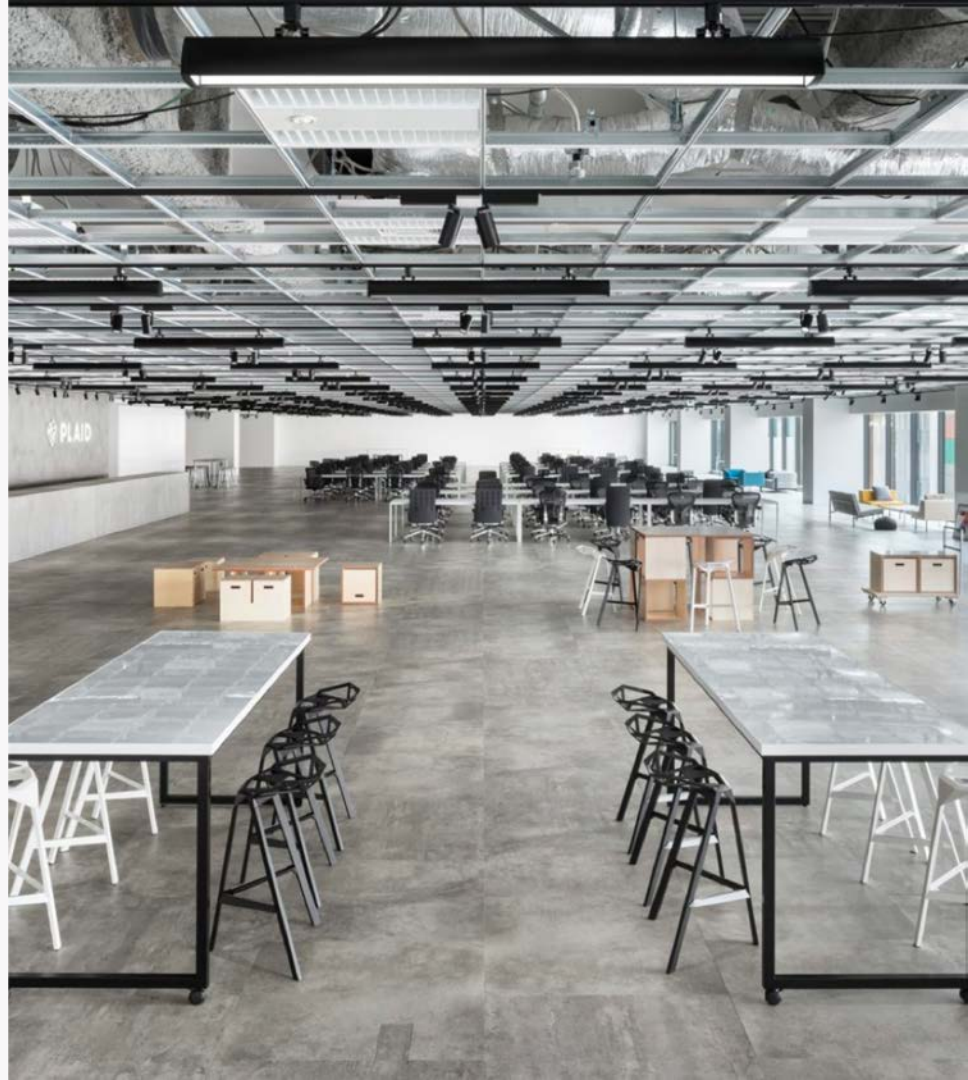
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# Maximize the Value of People with the Power of Data

No algorithm goes beyond imagination and flexibility of people.

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



## Mission and Growth Strategy

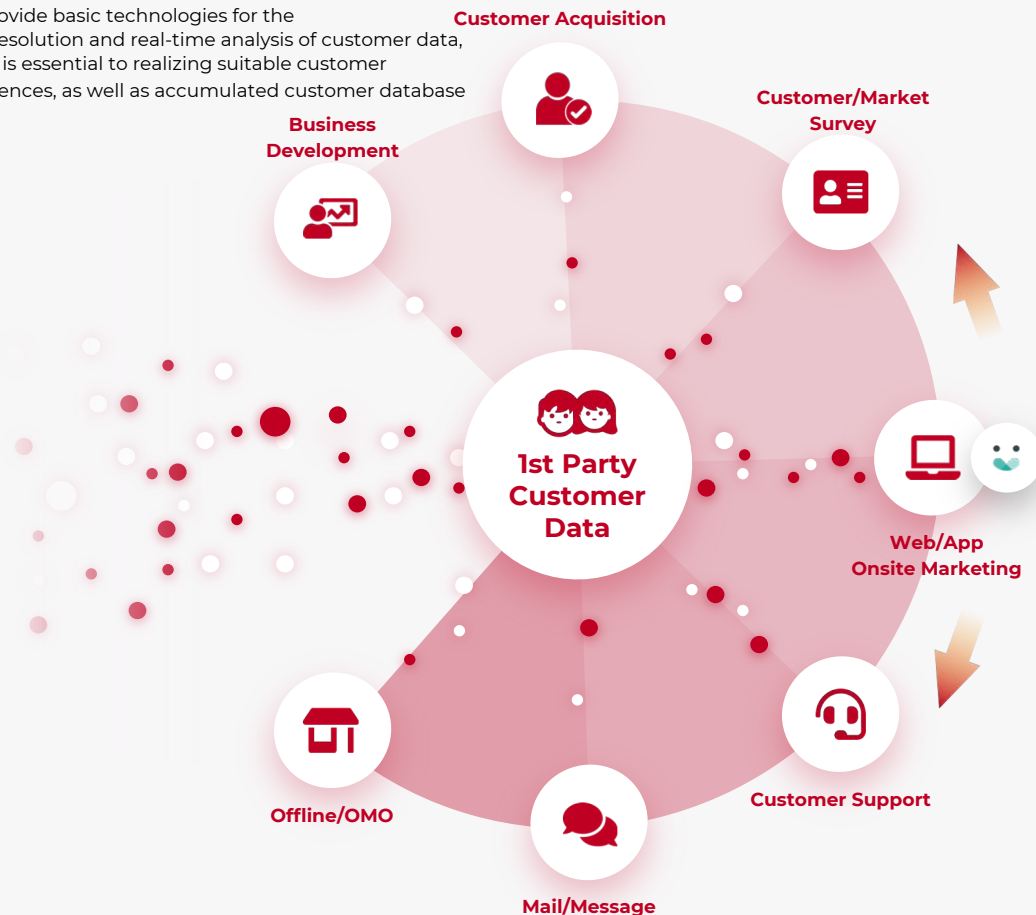
# To Realize Customer-Focused Business Activities by Supporting the Use of Customer Data

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

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

## Our Core Value

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



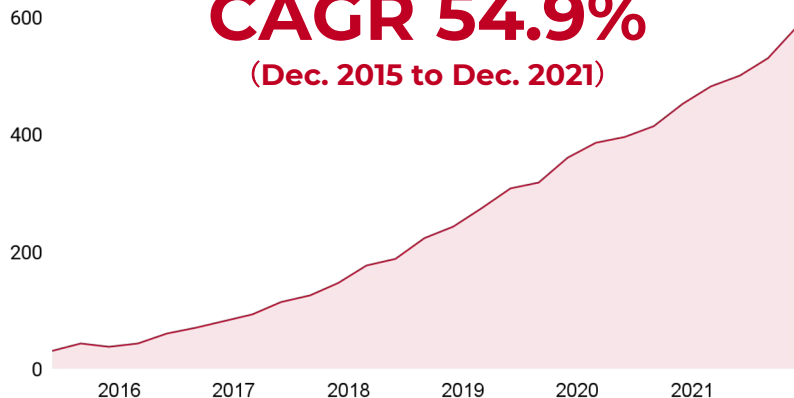
## Customer Data Accumulation

- The number of MAUs<sup>(1)</sup> analyzed in December 2021 exceeded 600 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

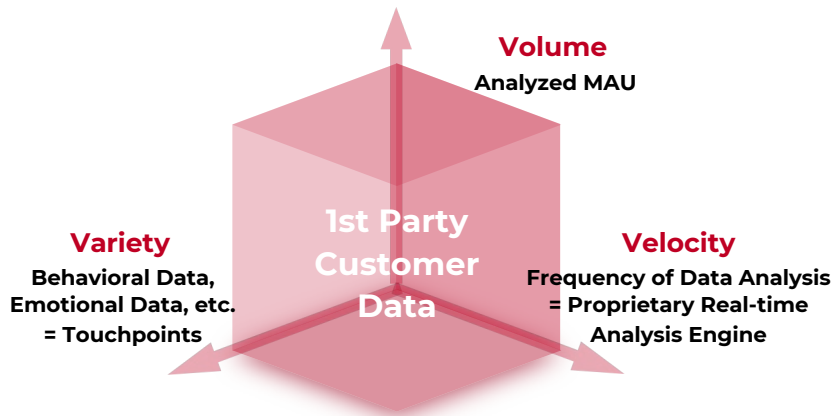
MAU mil. (2)(3)

### Analyzed MAU Trend

**CAGR 54.9%**  
(Dec. 2015 to Dec. 2021)

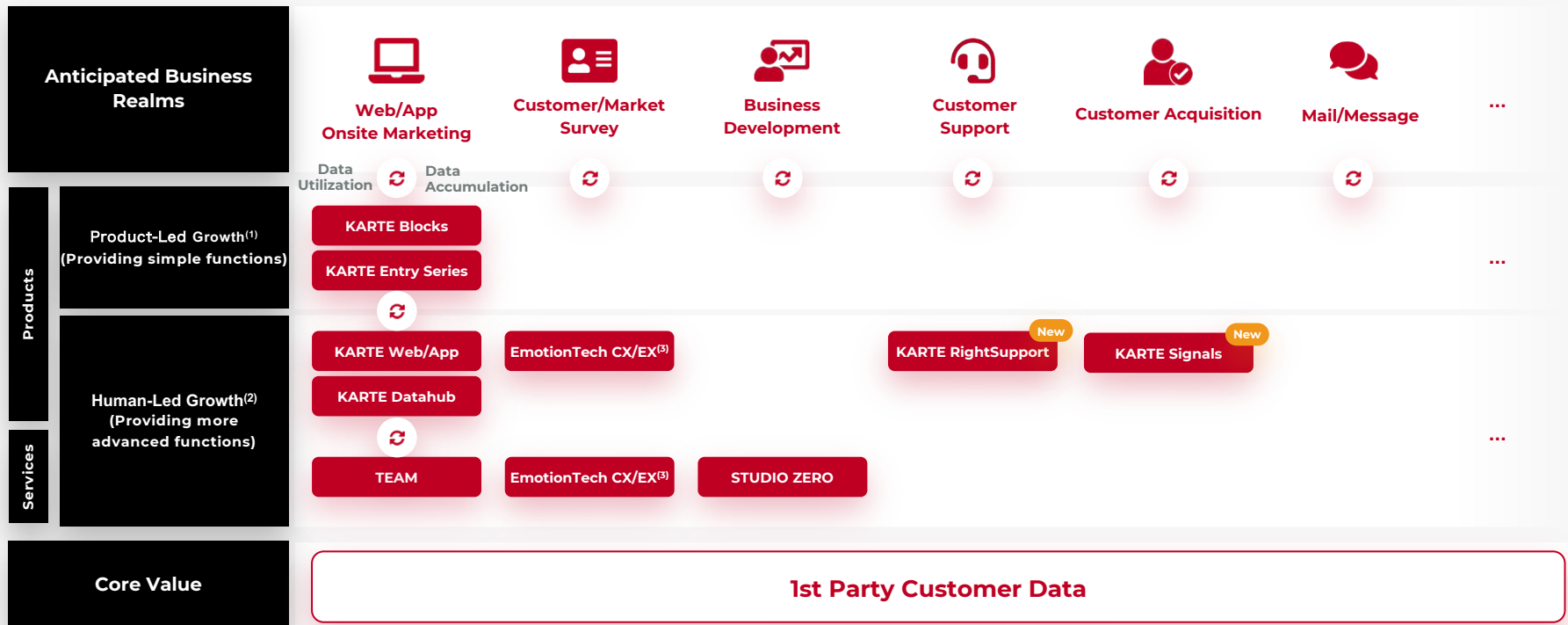


### Data Environment Required for Enabling Customer-Centric Business Activities



## Development of Products and Services Based on Customer Data

- We will provide new products and services into business areas where leveraging customer data is a key success factor
- $\beta$  version products testing launched in Customer Support and Customer Acquisition areas



Notes: 1. A business model in which "product" leads business expansion and development. It approaches to solving relatively simple and generic customer issues / 2. A business model in which "people" leads business expansion and development. It approaches for solving complex, advanced, and individualized customer issues / 3. Provision of product stand-alone or provision of product combined with consulting service

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Note: All figures are JPY otherwise specifically mentioned



## Q1 FY 9/22 Financial Highlights

- 1 Consolidated net sales was up 45.6% YoY, backed by steady increase in subscription and service recurring revenues in addition to the consolidation of Emotion Tech from Q1
- 2 Consolidated gross profit margin was significantly improved owing to Plaid's standalone SaaS gross profit margin improvement resulting from upgrading real-time analytics engine
- 3 Consolidated operating losses were well under control while we made necessary operational investments including human resources

**Net sales / YoY Growth Rate : Consolidated**

**1,760 mil.** (Q1 FY 9/22) / **45.6%**

**# of Customers<sup>(2)</sup> : Consolidated**

**686** (End of December 2021)

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

**6,377 mil.** (End of December 2021) / **33.6%**

**NRR<sup>(3)</sup> : Non-Consolidated**

**111.3%** (Last three months avg.)

**Gross Profit Margin : Consolidated / Non-Consolidated**

**73.0% / 75.1%** (Q1 FY 9/22)

**Employees : Consolidated / Non-Consolidated**

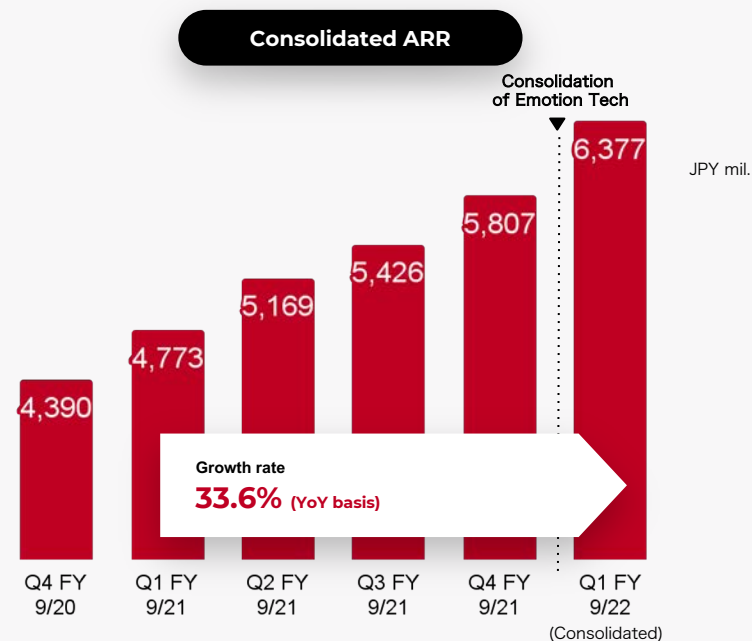
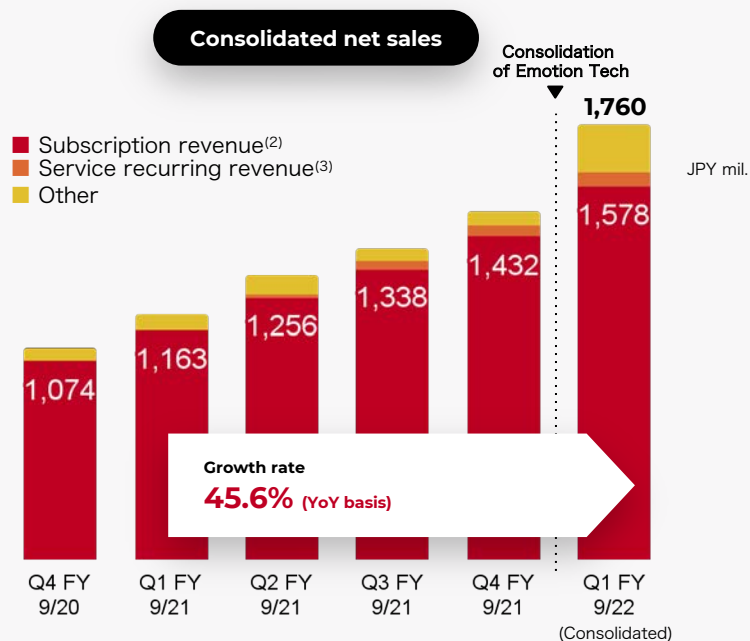
**291 / 240** (End of December 2021)

Notes: 1. ARR: Annual Recurring Revenue. It is calculated by multiplying monthly subscription revenue at the end of each quarter by 12. It is an indicator that expresses the net sales expected to be obtained from existing subscriptions alone during the 12 months starting the month following the final month of the quarter based on the assumption that all existing subscriptions will be renewed at the specified time / 2. Total number of customers utilizing our products as of the end of each quarter / 3. NRR: Net Revenue Retention (Rate). It is 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

# Financial Results - PLAID Group (Consolidated) -

## Consolidated Net Sales and ARR are Growing Steadily

- Consolidated net sales was up 45.6% YoY, backed by steady increase in subscription and service recurring revenues in addition to the consolidation of Emotion Tech from Q1
- Started to disclose “service recurring revenue”



Notes: 1. ARR: Annual Recurring Revenue. It is calculated by multiplying monthly subscription revenue at the end of each quarter by 12. It is an indicator that expresses the net sales expected to be obtained from existing subscriptions alone during the 12 months starting the month following the final month of the quarter based on the assumption that all existing subscriptions will be renewed at the specified time. / 2. Net sales taken up by the total amount of monthly charges for products that can be earned on a recurring basis / 3. Net sales taken up by the total amount of monthly charges for services that can be earned on a recurring basis



## Net Sales Progress Steadily against the Full-year Guidance

Net sales for Q1 FY 9/22

**1,760 mil.**

22.5%  
~23.7%

**Full year guidance<sup>(1)</sup>**  
(Upper) **7,828 mil.**  
(Lower) **7,419 mil.**

Net sales for Q1 FY 9/21

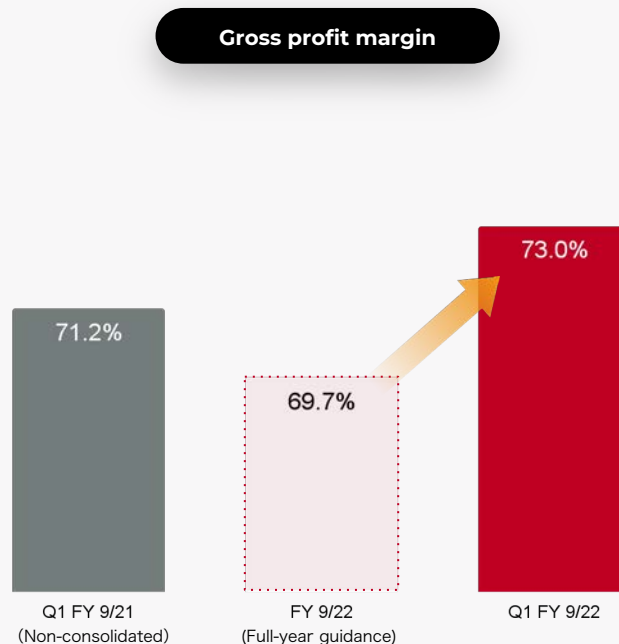
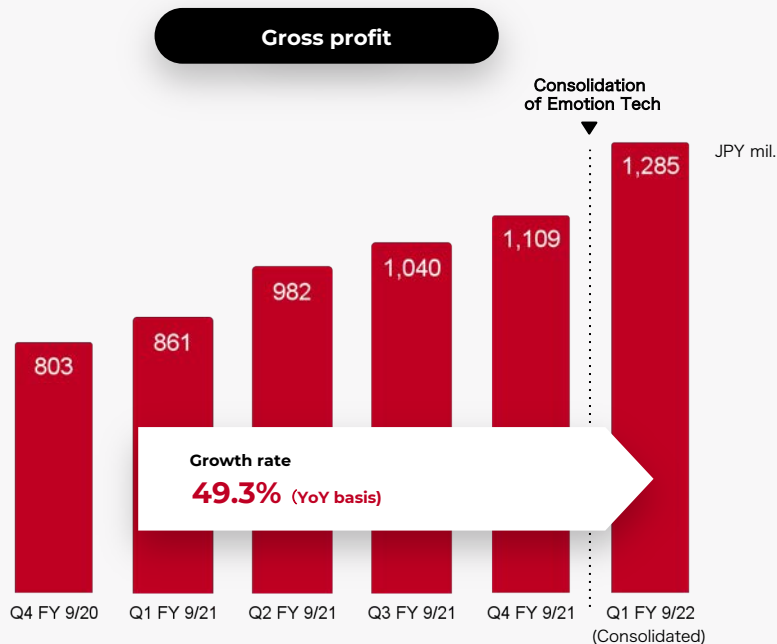
**1,209 mil.**

22.2%

**Full year results**  
**5,444 mil.**

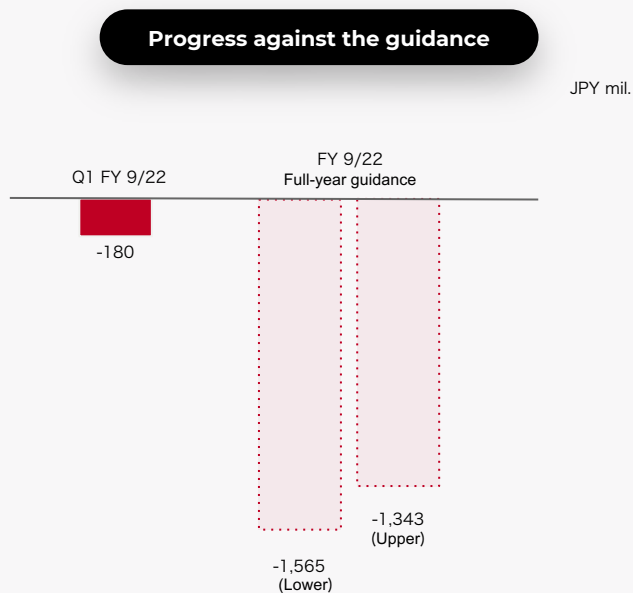
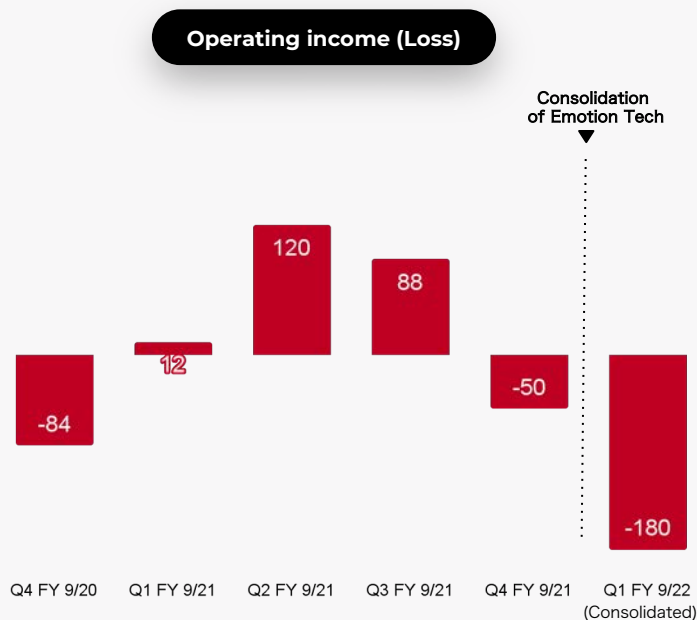
## Consolidated Gross Profit Improved

- Consolidated gross profit margin was significantly improved owing to Plaid's standalone SaaS gross profit margin improvement resulting from upgrading real-time analytics engine
- 73.0% Q1 gross profit margin was higher than 71.2% of the previous Q1 and than 69.7% of full year guidance



## Consolidated Operating Losses were Well Under Control

- Consolidated operating losses were well under control while we made necessary operational investments including human resources

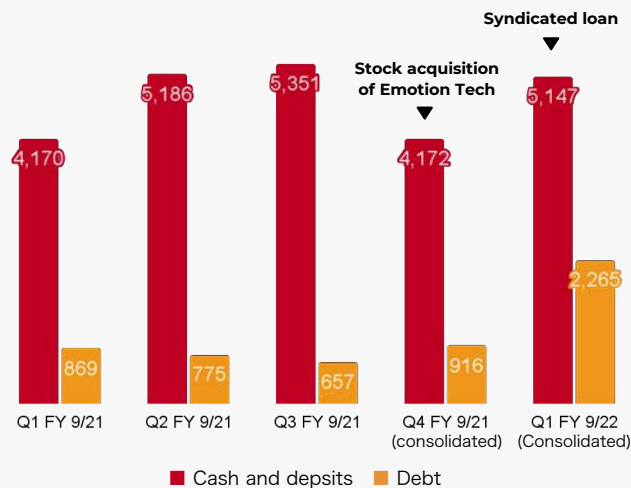


## Sound Financial Condition with Net Cash on Balance Sheet

- Maintained a sound level of cash with approximately 3 billion yen in addition to 0.5 billion yen of commitment line

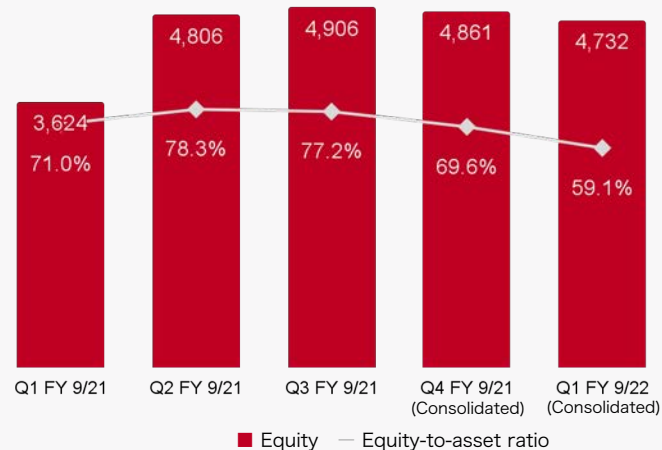
### Cash and debts

JPY mil.



### Reference: equity

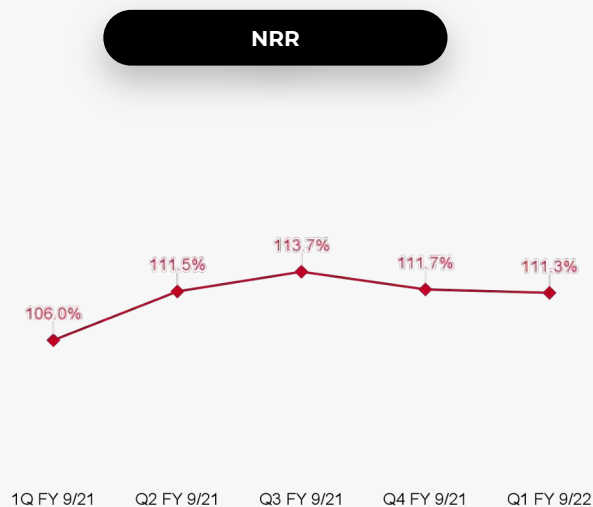
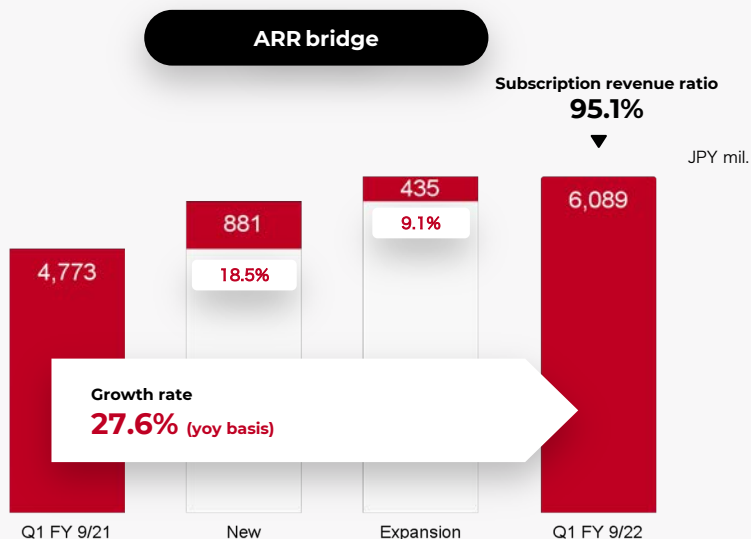
JPY mil.



# Financial Results - PLAID (Non-Consolidated) -

## Standalone ARR grew as Planned

- Subscription revenue ratio<sup>(1)</sup> on a no-consolidated basis was 95.1%, remaining at a high level
- Both new customer acquisition and existing customer expansion contributed to the steady increase in ARR<sup>(2)</sup>
- NRR<sup>(3)</sup> was 111.3%, remaining at a favorable level

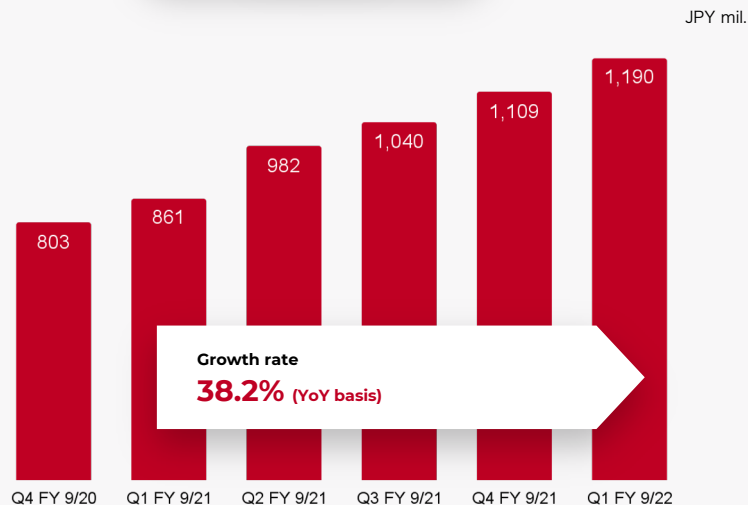


Notes: 1. Percentage of net sales taken up by the total amount of monthly charges for products that can be earned on a recurring basis / 2. ARR: Annual Recurring Revenue. It is calculated by multiplying monthly subscription revenue at the end of each quarter by 12. It is an indicator that expresses the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

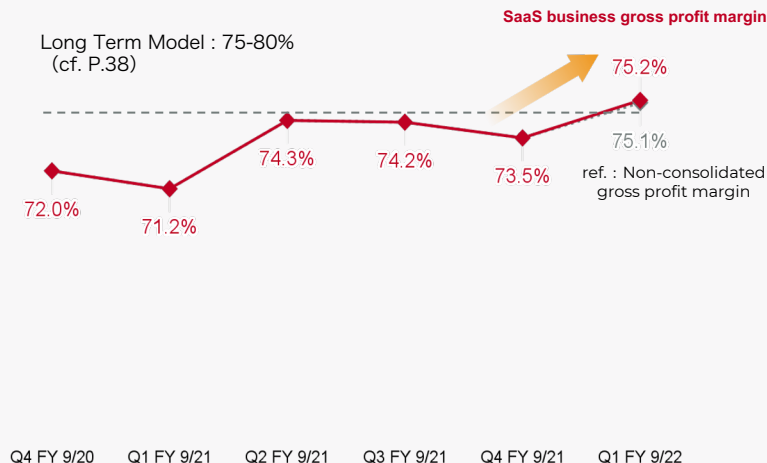
## Upgrade of Real-time Analytical Engine Significantly Improved Gross Profit Margin

- Standalone SaaS gross profit margin was significantly improved by 3.9 points YoY basis to 75.2%, exceeding the long term gross profit margin target within just 1.5 years since the indication of the long term model
- We are implementing upgraded real-time analysis platform, reducing server-related costs significantly

### Gross profit



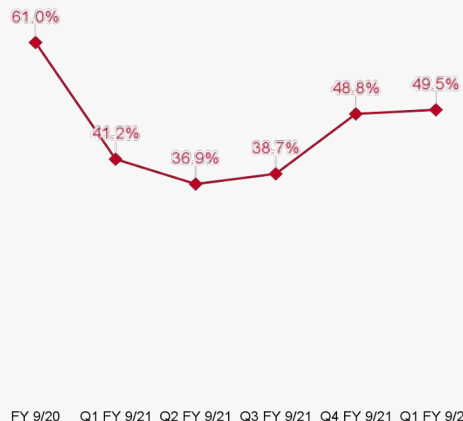
### SaaS Business gross profit margin



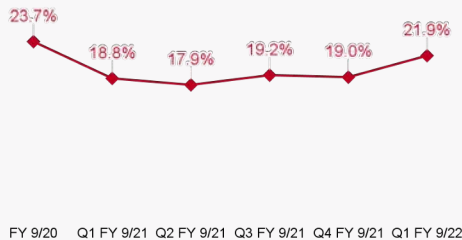
## Making Investments in Human Resources for Growth

- Hiring of both business members and product members such as engineers and designers has been accelerated resulting in the pick up of S&M and R&D ratios

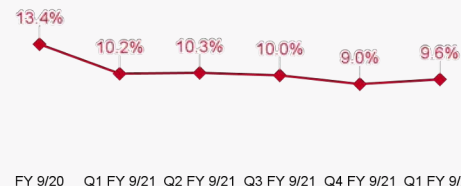
**S&M<sup>(1)</sup> ratio**



**R&D<sup>(2)</sup> ratio**



**G&A<sup>(3)</sup> ratio**

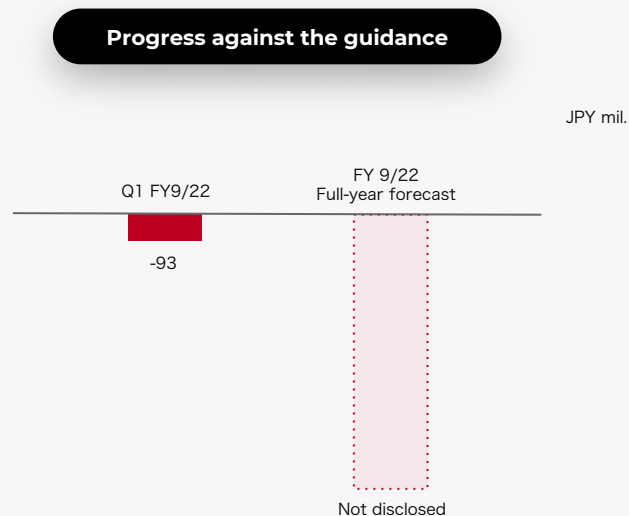
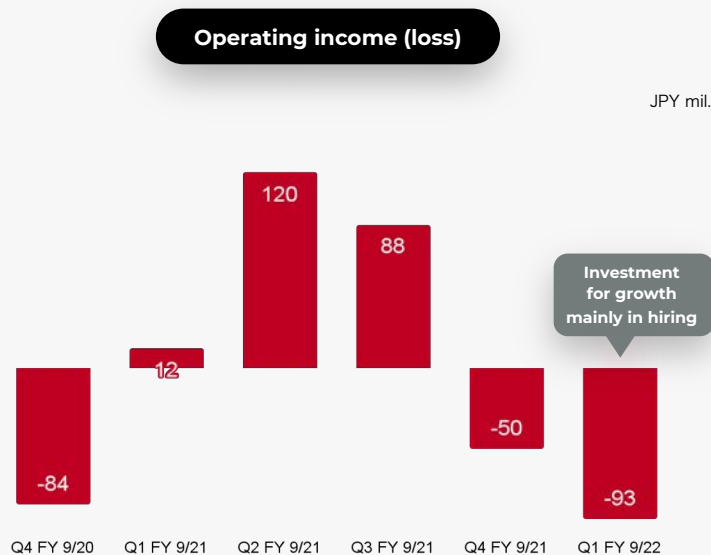


Notes: 1. S&M: Expenses related to sales activities, which consist primarily of salaries and allowances for our sales and marketing personnel and advertising expenses as well as allocated overhead costs, and allocated depreciation and amortization, which are generally allocated based on the number of 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

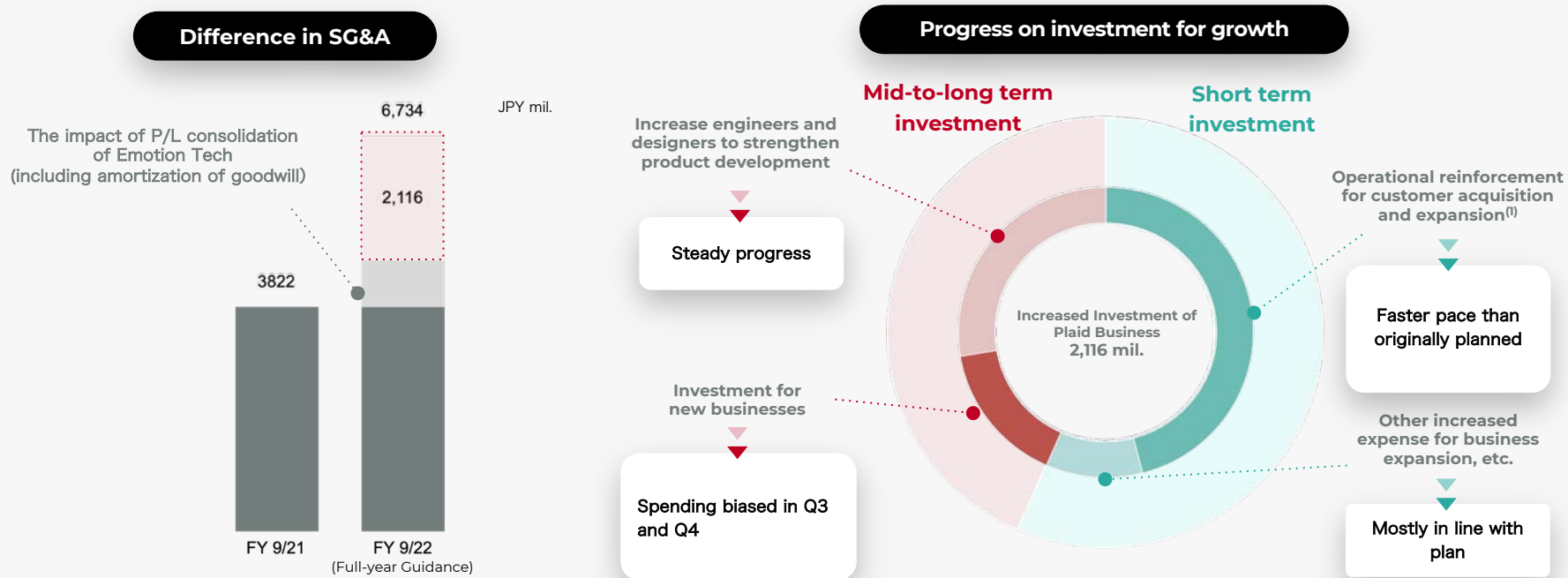


## Standalone Operating Losses were also Well Under Control

- Standalone operating losses were well under control while we made necessary operational investments including human resources



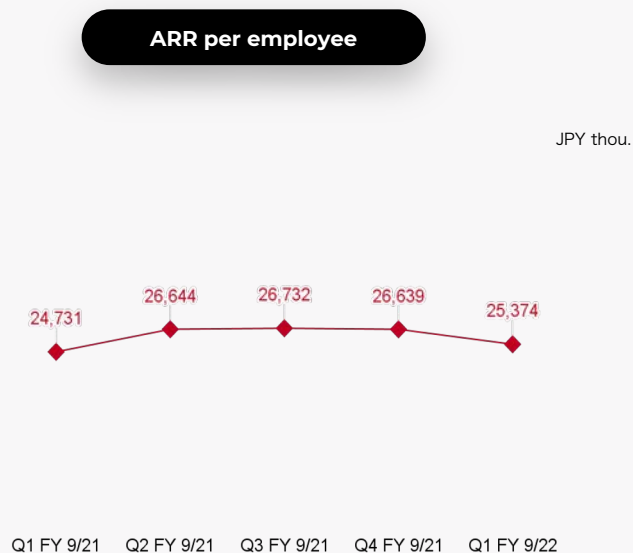
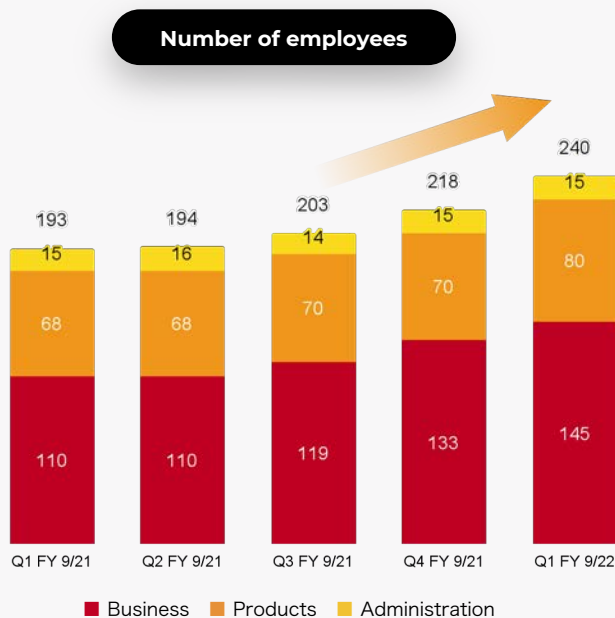
## Investments in Operating Expenditure was Inline with our Original Plan



Note: 1. Increase from the previous fiscal year in personnel expenses for employees mainly engaged in sales, marketing, and customer success, as well as expenses related to operating activities, including advertising expenses, sales commissions, recruiting expenses, and allocated overhead costs, and allocated depreciation and amortization, which are generally allocated based on the number of employees, etc.

## Successfully Hiring Talents Both For Business and Product Development

- We reactivated our hiring from 3Q FY 9/21, increasing the number of employees
- ARR per employee was stable but slightly decreased



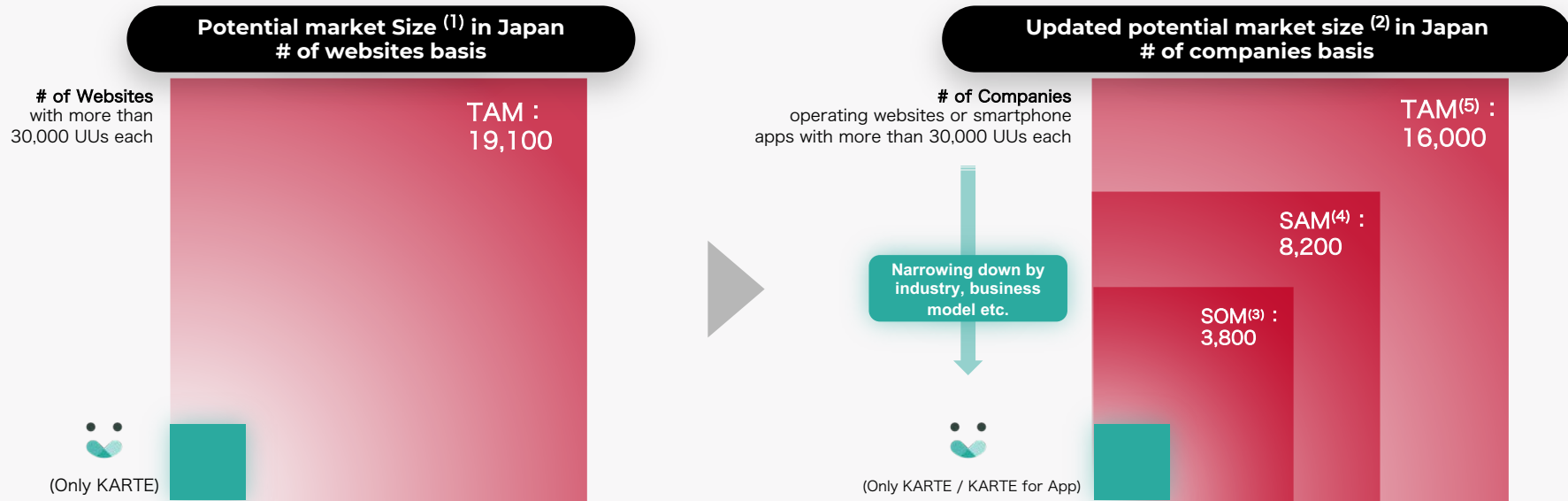
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## Update for the the Potential Market Size of KARTE / KARTE for App

- Potential market size (TAM) for KARTE / KARTE for App is updated to “number of companies (websites and smartphone apps) from “number of websites” in the previous disclosure
- In addition, SAM of approximately 8,200 and SOM of 3,800 SOM are selected based on a variety of factors, including industry, business model, and KARTE introduction
- This updated market size is only for KARTE / KARTE for App, not for KARTE Blocks and other products



Notes: 1. This is the number of Japanese websites with more than 30,000 UUs each, based on data from SimilarWeb Ltd. as of February 2019. Websites with more than 30,000 UUs each are defined as those with the potential to adopt KARTE / 2. This is the number of companies included in website based potential market size (Note 1) or operating smartphone apps in Japan with an update history and 5,000 downloads within 365 days. They are defined as companies with the potential to adopt KARTE/KARTE for App / 3. SOM: Service Obtainable Market. This is the number of companies in SAM (Note 4) that are expected to have a particularly high potential to adopt KARTE/KARTE for App in light of their industry and business model etc. / 4. 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. / 5. 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) and (Note 2)

## Initiatives for Growth of KARTE Blocks / KARTE Entry Series

- Developing and testing measures to maximize business scale are ongoing

### Recent progress



- Expanded by tech touch<sup>(1)</sup> with marketing promotion activities
- Approximately 1,200 websites have signed up (some have already converted to paid plans)



### Next step

- Improve “start rate” and conversion to a paid plan by refining the onboarding processes



- Tested customer needs and necessary product enhancements without making promotion activities to scale
- More than a dozen companies are in use (some have already converted to paid plans)



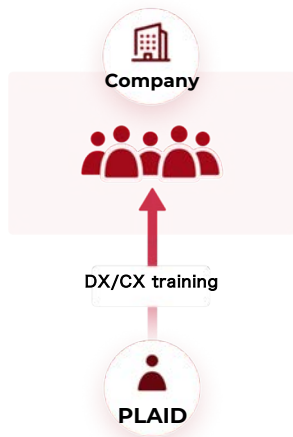
- Increase product awareness through marketing measures
- Keep refining the product

## Launch of "PLAID Chime" by STUDIO ZERO

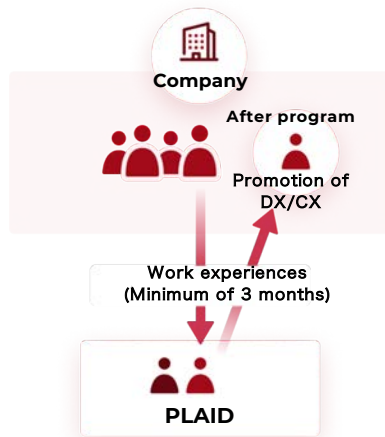
- STUDIO ZERO has launched "PLAID Chime", talent development programs that excel at improving customer experience value and start offering it to companies in order to accelerate inter-company co-creation initiatives
- It promotes new value co-creation tailored to the issues and situations of the company, including training program for gaining customer perspective, work experience and launching collaborative projects, etc.

### Overview

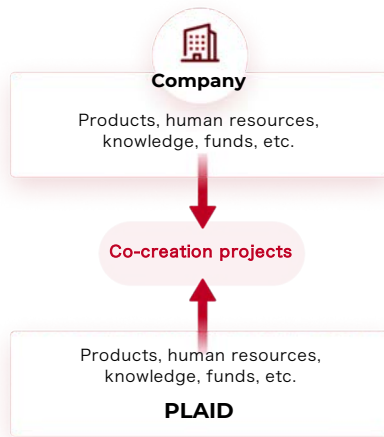
#### Indirect Talent Development



#### Direct Talent Development



#### Business Co-creation



### Customers



## Progress on Business Expansions into New Business Realms



### Business expansion plan in FY 9/22

#### Customer/Market Survey

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

#### Customer Support

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

#### Customer Acquisition

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

### Progress



**KARTE**  
RightSupport

Being tested as a closed  
βversion



**KARTE Signals**

Launched in February 2022  
as a public βversion

\*Re-print from Q4 FY 9/21 of Financial results briefing materials



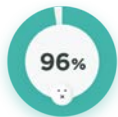


## PoC of KARTE RightSupport was Initiated

- Established a new company, "RightTouch, Inc." to develop business in the customer support realm
- Developing KARTE RightSupport, which is actually being used by several companies in their customer support operations as a PoC

### Current issues

Companies are **suffering opportunity losses due to an inability to fully capture their IoCs<sup>(1)</sup> (Issues of Customers)**



Only 4% of customers actually provide feedback to customer support of companies. The remaining 96% are **silent customers**



The **repeat rate** of customers who make inquiries and have their issues resolved quickly is about 9 times that of customers who do not make inquiries



80% of customers contacting call centers **could not find the information they needed** even though they searched for it on the homepage, etc. before calling

(Source) Customer Loyalty Association and Sato Tomoyasu

### Solution

Collecting and analyzing IoCs **before inquiries**.  
Designing an **effortless customer experience** online



The KARTE analysis platform provides a **high-resolution understanding** of IoCs (Issues of Customers)



Websites can be expanded so that **each customer can be matched with information tailored to their troubles**. Websites can be modified and expanded with **no code**



Customer behavior and issues can be **quantified/visualized** from various angles with the report and dashboard functions. Problems solving through the PDCA cycle will be promoted

### Customers

**GOLDWIN**

*My Money*<sup>®</sup>

**PLUS**

**SBI証券**

**So-net**

**ソニー銀行**



## KARTE Signals was Launched

- Launched “KARTE Signals” Open  $\beta$  version, leveraging first-party data to deliver a consistent on-site and off-site customer experience
- KARTE Signals is designed with assumption of working with advertising solutions. As a first step, it starts with linkage to Google Ads and Facebook/Instagram ads

### Current issues



Despite many companies want to improve the customer experience through data-driven advertising measures, it is hard to realize because of **lack of engineering resources and understandings of each media's characteristics**

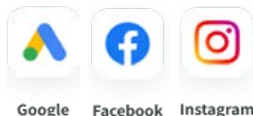


As the **measurement of advertising effectiveness is changing due to the 3rd party cookie restrictions**, it is urgent for companies to return **actual conversion data** from server to it

### Solution



To achieve a **consistent customer experience on and off the site** by combining with KARTE, which has strengths in on-site actions



To achieve **bulk distribution of advertisements** across medias **without internal development** to link with various medias



**Utilizing 1st Party Data** integrated with KARTE Datahub, to compensate for missing conversion data due to full-scale restrictions and to **improve advertising effectiveness**

### Customers

おうちで食イオン  
イオンネットスーパー

再春館製薬所

Saishunkan Pharmaceutical co.,ltd

ブランドファン  
Brandear®

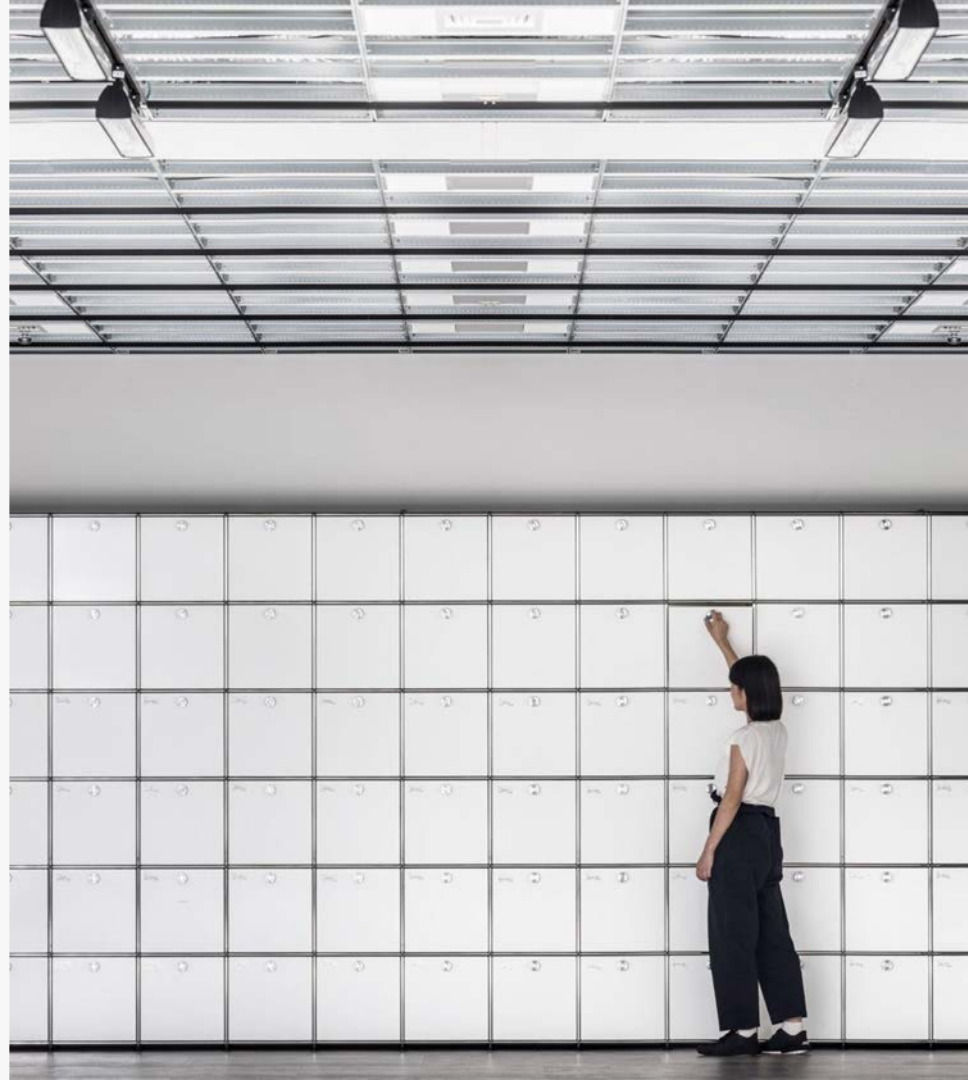
ポケマル

人を、想う力。街を、想う力。

三菱地所

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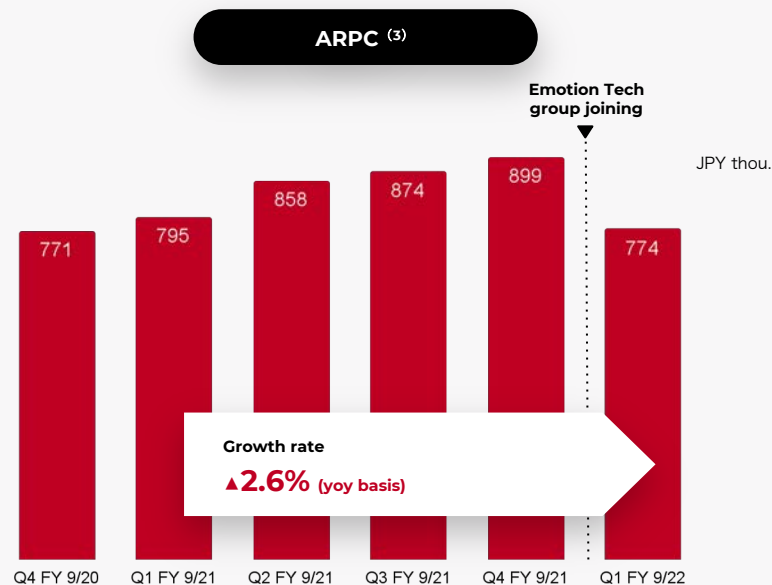
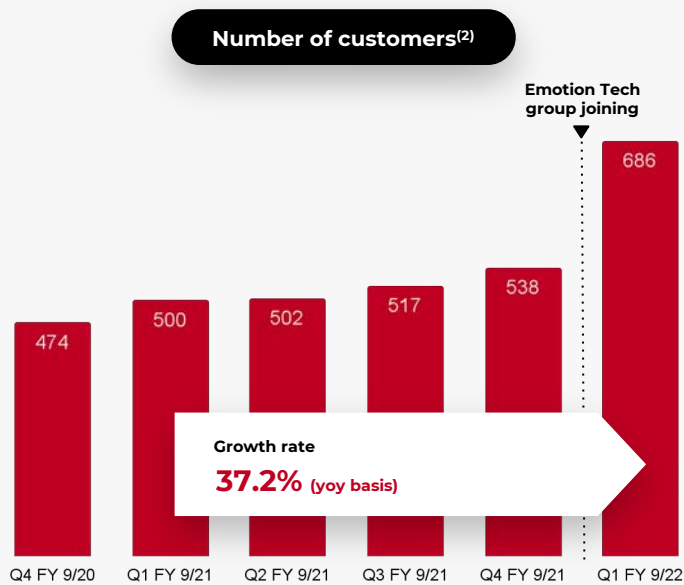
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# Financial Information

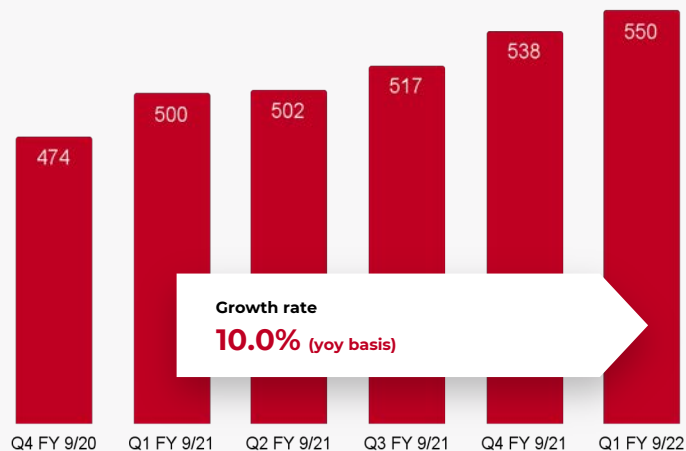
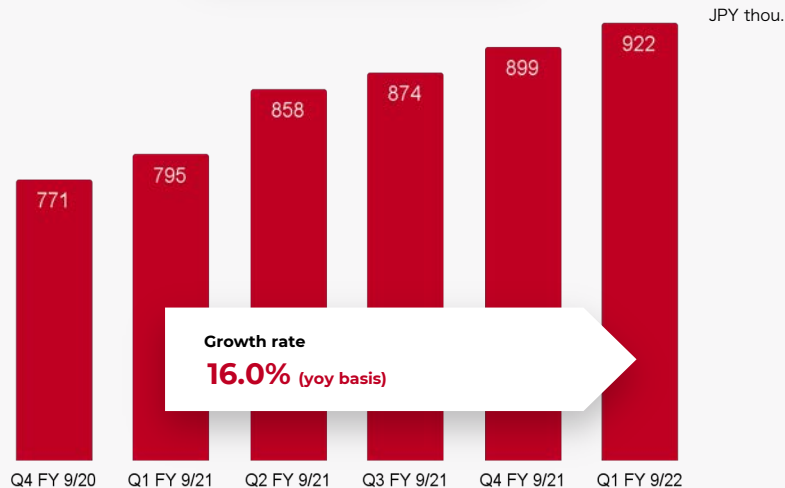
## Customers and ARPC

- The number of customers increased significantly since Emotion Tech joined to our group<sup>(1)</sup>
- KARTE Blocks free plans are not included in the number of customers



## Customers and ARPC

- Both the number of customers and ARPC are growing steadily (KARTE Blocks and KARTE Entry Series free plans are not included in the number of customers)
- The number of contracts and unit price per contract will not be disclosed from this quarterly financial results, and it will be aggregated into the number of clients and unit price per client

**Number of customers<sup>(1)</sup>****ARPC <sup>(2)</sup>**

## Appendix

Income Statement <sup>(1)</sup>

(JPY mil.)	Q1 FY 9/22	Q1 FY 9/21	YoY	Q4 FY 9/21	QoQ
<b>Net sales</b>	<b>1,760</b>	<b>1,209</b>	<b>+45.6%</b>	<b>1,509</b>	<b>+16.6%</b>
Subscription revenue (PLAID SaaS)	1,507	1,163	+29.6%	1,432	+5.2%
Subscription revenue (Other)	70	-	-	-	-
Other	182	46	+294.5%	77	+136.1%
<b>Gross profit</b>	<b>1,285</b>	<b>861</b>	<b>+49.3%</b>	<b>1,109</b>	<b>+15.9%</b>
Gross profit margin	73.0%	71.2%	+1.8pt	73.5%	▲0.5pt
<b>SG&amp;A</b>	<b>1,465</b>	<b>848</b>	<b>+72.8%</b>	<b>1,160</b>	<b>+26.3%</b>
% of Net sales	83.3%	70.1%	+13.1pt	76.8%	+6.4pt
Advertising expenses	185	90	+104.6%	208	▲11.2%
% of Net sales	10.5%	7.5%	+3.0pt	13.8%	▲3.3pt
Personnel expenses	734	530	+38.4%	611	+20.0%
% of Net sales	41.7%	43.9%	▲2.2pt	40.5%	+1.2pt
Rents	81	77	+5.3%	77	+5.3%
% of Net sales	4.6%	6.4%	▲1.8pt	5.1%	▲0.5pt
Sales commission	33	27	+22.8%	32	+3.7%
% of Net sales	1.9%	2.3%	▲0.4pt	2.1%	▲0.2pt
Other	430	122	+252.4%	229	+87.4%
% of Net sales	24.5%	10.1%	+14.4pt	15.2%	+9.2pt
<b>Operating income</b>	<b>▲180</b>	<b>12</b>	<b>-</b>	<b>▲50</b>	<b>-</b>
Operating margin	▲10.2%	1.1%	▲11.3pt	▲3.4%	▲6.9pt
<b>Non-operating income</b>	<b>0</b>	<b>1</b>	<b>▲40.4%</b>	<b>0</b>	<b>▲20.7%</b>
<b>Non-operating expenses</b>	<b>16</b>	<b>175</b>	<b>▲90.5%</b>	<b>69</b>	<b>▲76.2%</b>
<b>Ordinary income</b>	<b>▲196</b>	<b>▲161</b>	<b>-</b>	<b>▲119</b>	<b>-</b>
<b>Extraordinary gain</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>75</b>	<b>▲100.0%</b>
<b>Extraordinary losses</b>	<b>-</b>	<b>70</b>	<b>▲100.0%</b>	<b>-</b>	<b>-</b>
<b>Net income attributable to owners of parent</b>	<b>▲184</b>	<b>▲232</b>	<b>-</b>	<b>▲47</b>	<b>-</b>

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

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

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

(JPY mil.)	FY 9/20	FY 9/21	Q1 FY 9/22
Total current assets	2,642	4,956	5,975
Cash and deposits	2,091	4,172	5,147
Notes and accounts receivable, trade	475	645	702
Other	75	138	125
Total non-current assets	426	2,027	2,027
Total current liabilities	1,084	1,640	1,801
Total non-current liabilities	380	390	1,388
Total net assets	1,604	4,953	4,812



## Opex Ratios to Net Sales (Non-Consolidated)

(JPY mil.)	FY 9/20	Q1 FY 9/21	Q2 FY 9/21	Q3 FY 9/21	Q4 FY 9/21	Q1 FY 9/22
S&M	2,443	497	488	542	737	785
% of Net sales	61.0%	41.2%	36.9%	38.7%	48.8%	49.5%
R&D	951	227	237	269	286	346
% of Net sales	23.7%	18.8%	17.9%	19.2%	19.0%	21.9%
G&A	538	123	135	140	136	151
% of Net sales	13.4%	10.2%	10.3%	10.0%	9.0%	9.6%

## Long Term Model <sup>(1)</sup> (PLAID SaaS)

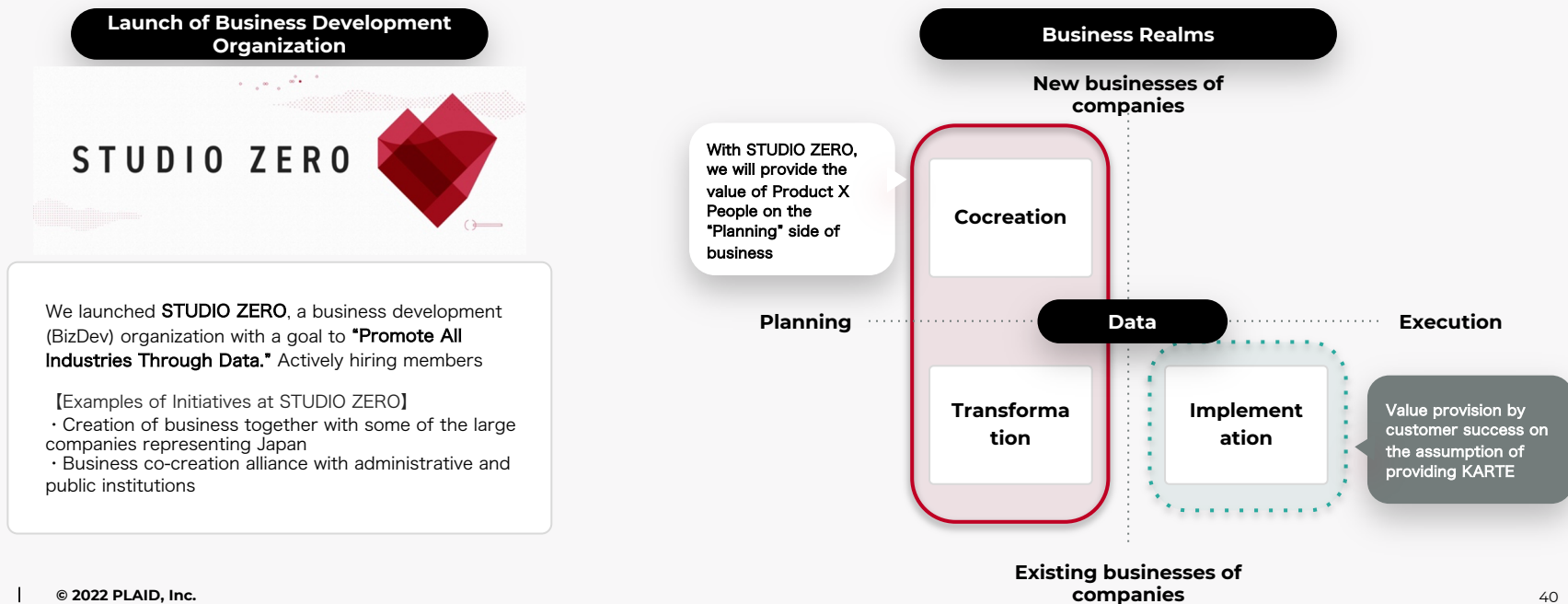
	FY 9/20	FY 9/21	Q1 FY 9/22	Long term model
Gross profit margin	71.2%	73.3%	75.1%	75-80%
S&M	61.0%	41.6%	49.5%	25-30%
R&D	23.7%	18.7%	21.9%	18-20%
G&A	13.4%	9.8%	9.6%	8-10%
Operating margin	▲26.9%	3.1%	▲5.9%	20-25%

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

# STUDIO ZERO

## Cocreation of Flagship Cases in Various Industries with STUDIO ZERO

- Launched STUDIO ZERO, a business development organization, on April 2021
- PLAID will exemplify envisioned world view by realizing the launch of new businesses from customers' perspectives utilizing data and transformation of existing businesses together with some of the large companies representing Japan, the medium and small businesses that support local economies, up-and-coming startups and ventures, and administrative and public institutions



## 【Case Study】 The Challenge of Creating a Goods Planning Scheme Using Customer Data - MITSUI & CO, LTD.



### **PLAID, Inc., established a new company ".me" with MITSUI & CO, LTD.**

**Brand development (D2C business) that enhances consumer resolution through data, and support DX promotion for manufacturers**

**August 20, 2021  
PLAID, Inc.**

Plaid, Inc. and MITSUI & CO., LTD. established a new company ".me Co., Ltd." (".me") in July 2021.

That will develop customer-centered manufacturing through data utilization, and will participate in the investment by subscribing to a third-party allocation of new shares.

The two companies have conducted market trials for the D2C brand to be developed from ".me" and have begun preparations for the official launch.

The capital involvement in the establishment of this new company will be the first project of our business development organization "STUDIO ZERO". STUDIO ZERO will continue to create new value by launching joint projects with companies and governments with the goal of "Promote All Industries through Data."

## 【Case Study】 Starting a Study on How Local Governments Should Operate in a Digital Society - Nara City



### PLAID, Inc., Signing an Agreement on Comprehensive Collaboration with Nara City

**Supporting various efforts to realize the "Digital City Hall Concept" to improve services for citizen**

**January 14, 2022  
PLAID, Inc.**

Plaid, Inc. and Nara City (Mayor : Mr. Gen Nakagawa) have signed an agreement on comprehensive cooperation and collaboration to realize the "Digital City Hall Concept," which aims to develop the city's official website into an easier-to-understand and more user-friendly service that is compatible with the digital society, as part of Nara City's goal of "improving services for citizens and realizing a human-oriented digital society where people can experience comfort and affluence".

Through this comprehensive collaboration with Nara City, Plaid will contribute to further improving the convenience of each citizen's use of the city hall and various procedures and communication with the government by utilizing Plaid's technology, know-how and knowledge that it has provided to private businesses.

In January 2022, we will also begin to examine the effectiveness and challenges of providing optimal information to Nara citizens on an individual basis.

## 【Case Study】Initiatives to Increase Talents Who Aim for Business Growth from a CX Perspective - Major Japanese Companies



立ちどまらない保険。

**MS&AD** 三井住友海上



### **STUDIO ZERO launches "PLAID Chime", talent development programs, start to offer to companies included MITSUI & CO, LTD.**

**"Co-creation" program with talents aiming for the next stage of corporate growth from a CX perspective, with a view to inter-companies collaborative projects**

**January 5, 2022  
PLAID, Inc.**

STUDIO ZERO, a business development organization, has developed "PLAID Chime", which is a program to develop digital human resources skilled in improving the value of CX (customer experience) in companies, and has started offering the program to several companies including MITSUI & CO, LTD. and Sompo Japan Insurance Inc.

With the digital shift of consumers, conventional products and services are exposed to a more intense competitive environment than before. Increasingly, companies are focusing on CX (customer experience) improvement centered on expanding customer contact points, including online, while adapting to changes in consumers such as focusing on IT investment. The movement is becoming more active, such as establishing CX related division in company or starting a new business by developing goods starting from CX.

PLAID Chime was conceived based on Plaid's experience in providing the CX platform KARTE to more than 500 companies and making CX take root in the corporate activities of each company, as well as the assets it has cultivated through human resource development by seconding non-digital-related personnel from large companies to Plaid. In addition to input and training sessions to gain the perspective of customers through the data utilization, it is also possible to develop CX-driven value and launch collaborative projects with Plaid as a partner, and is characterized as a "co-creation" program tailored to the issues and circumstances of the company.

# Company Overview



## Company Overview

# 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	<b>291 (Consolidated, as of December 2021)</b>
Business Detail	<b>Provision of KARTE (CX<sup>(1)</sup> Platform SaaS)</b>

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

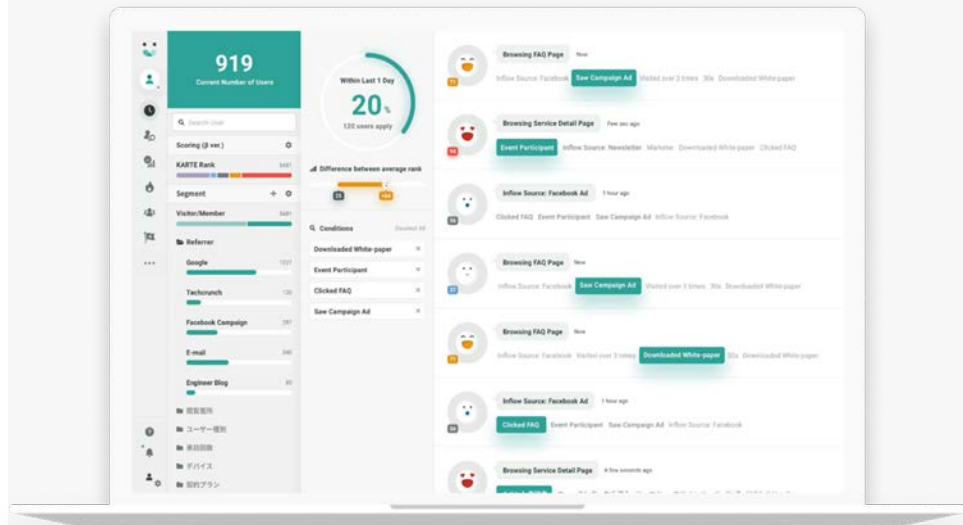


## Products



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

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



## Current Products/Services Lineup -1

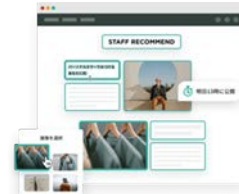
### Products/ Services



**KARTE /  
KARTE for App**



**KARTE Datahub**



**KARTE Blocks**

### Details




Visualize the "now" of each and every customer based on a proprietary real-time analysis engine.

Enable companies to set up flexible actions or experiences suitable for customer's "now"

Integrate, analyze and visualize the customer data, behavioral data, and other data that exist inside and outside of a company **keeping it as big data.** Seamlessly linked with Google BigQuery

Allow self-served website management without engineering skills (no code editing, low code customization and measuring site performance etc. ) **with tearing down every element of a website into blocks**

## Current Products/Services Lineup -2

Products/ Services	 <b>KARTE Entry Series</b>	 <b>EmotionTech CX/EX</b>	 <b>TEAM / STUDIO ZERO</b>
Details	<p>This is a series of <b>purpose-built package solutions that leverage the use cases and knowledge</b> we have accumulated through the provision of KARTE. The first solution launched was the Cart Package, a solution that helps e-commerce businesses improve their shopping cart experience</p>	<p>It is a system and consulting service for <b>collecting, measuring, and analyzing customer feedback (emotional data)</b>, including NPS<sup>®(1)</sup> and customer satisfaction. It is provided by Emotion Tech, which joined the group in September 2021</p>	<p><b>Professional services</b> which accompany companies such as supporting KARTE utilization and CX consulting. We launched STUDIO ZERO, a business development organization <b>specializing in the use of data in the business development phase</b>, in April 2021</p>

## 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

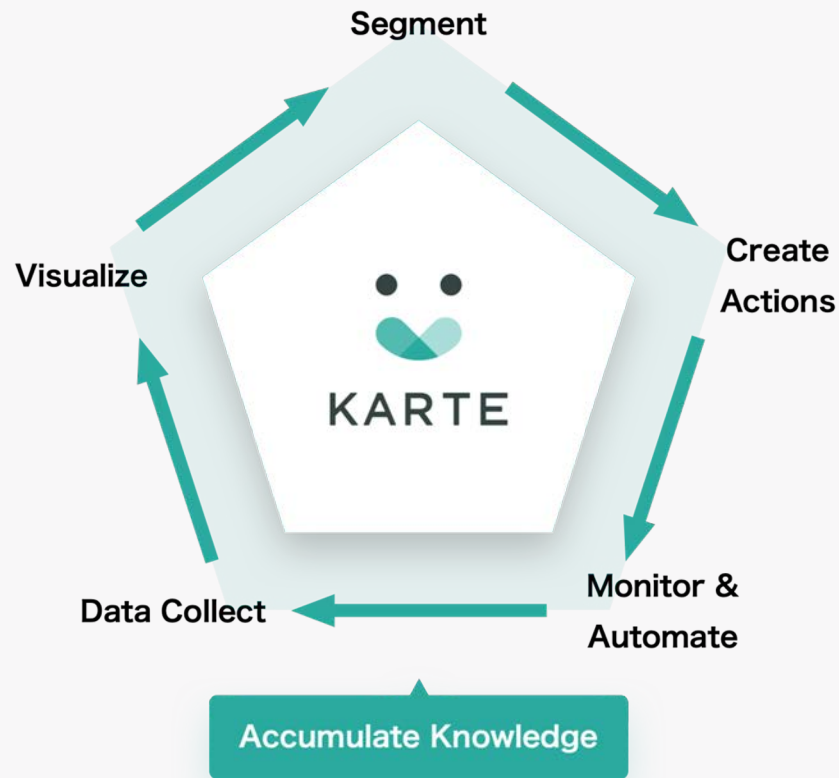
KARTE analyzes the real-time behaviors of customers visiting a website, etc., such as "They have been considering a specific product for a long time," together with the past data. This enables businesses to communicate appropriately with customers, without overlooking a timing or sign of their intent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



### Feature 3.

## End-to-end solution

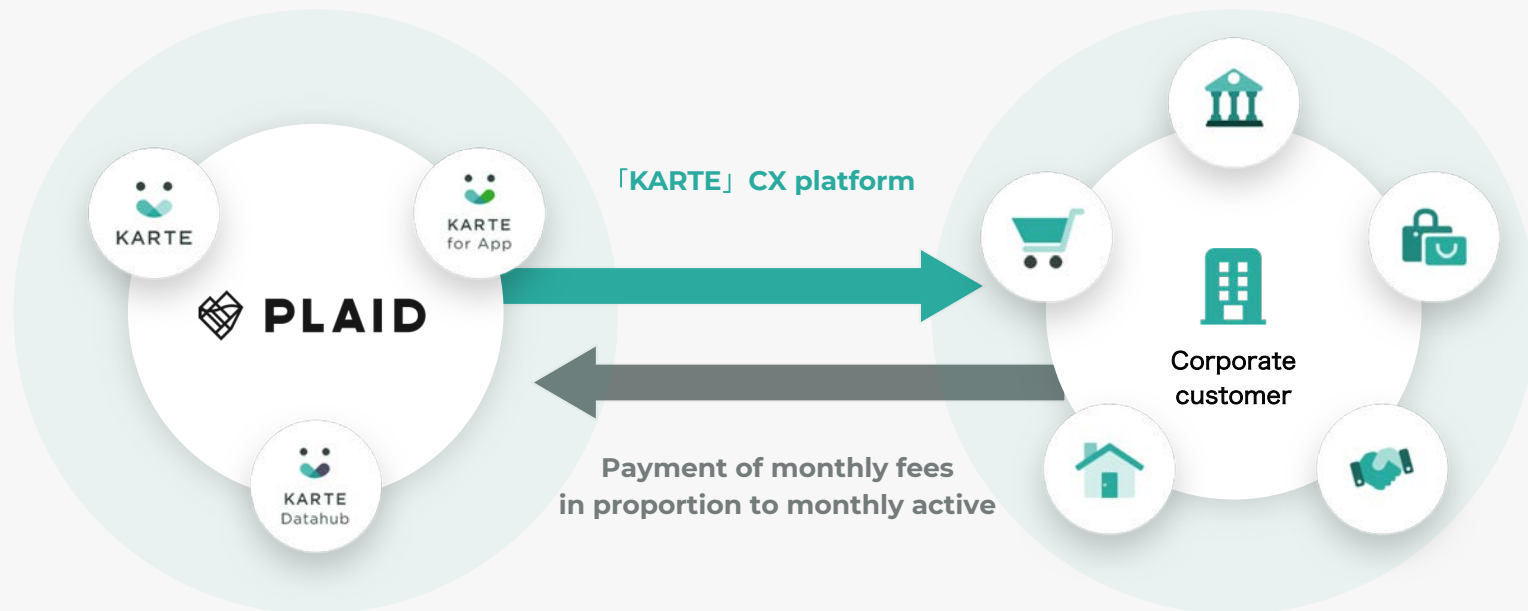
Unlike dedicated marketing tools for customer analysis, e-mail delivery, Web chat, delivery via social media, or other specific purposes, KARTE enables organizations to implement customer-related operations, from customer analysis to the automating actions





## Business Model

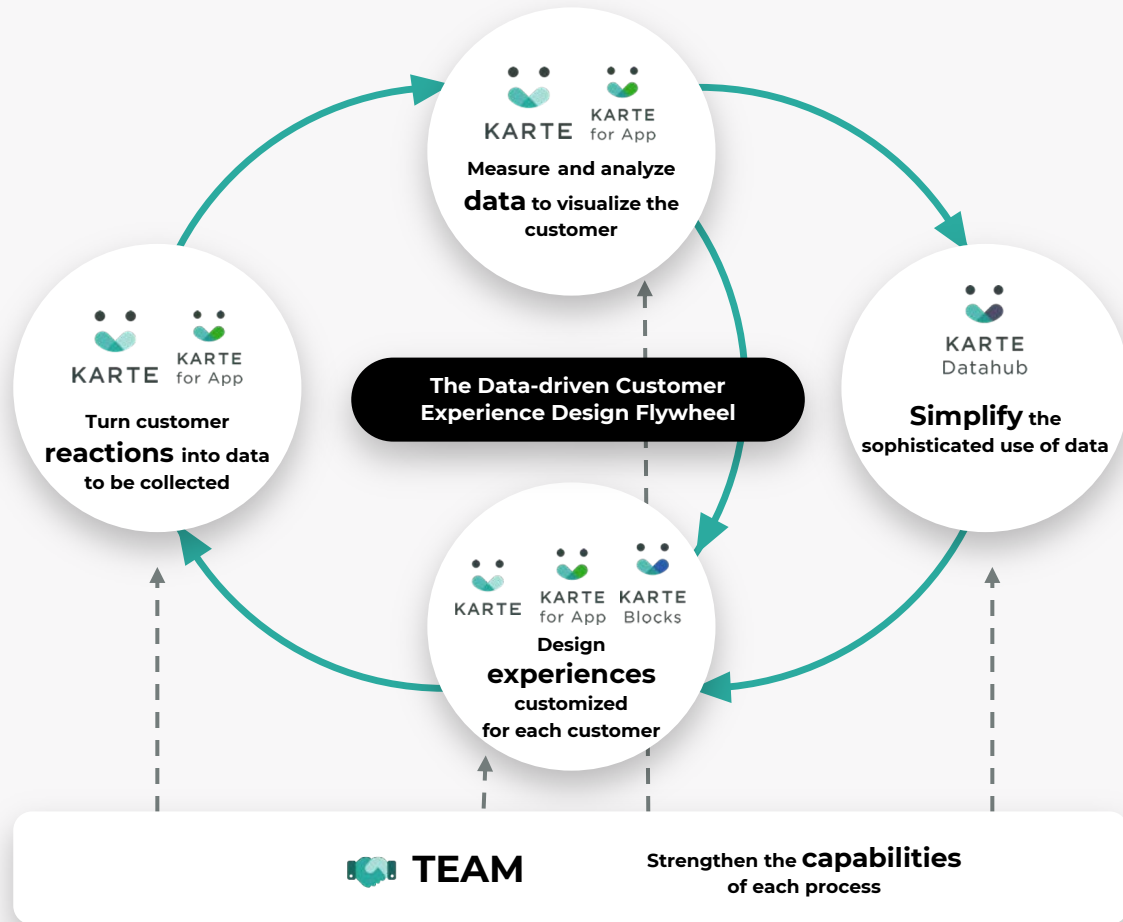
A Subscription model in which pricing is based on monthly active users on website or smartphone app  
(Annual contract)



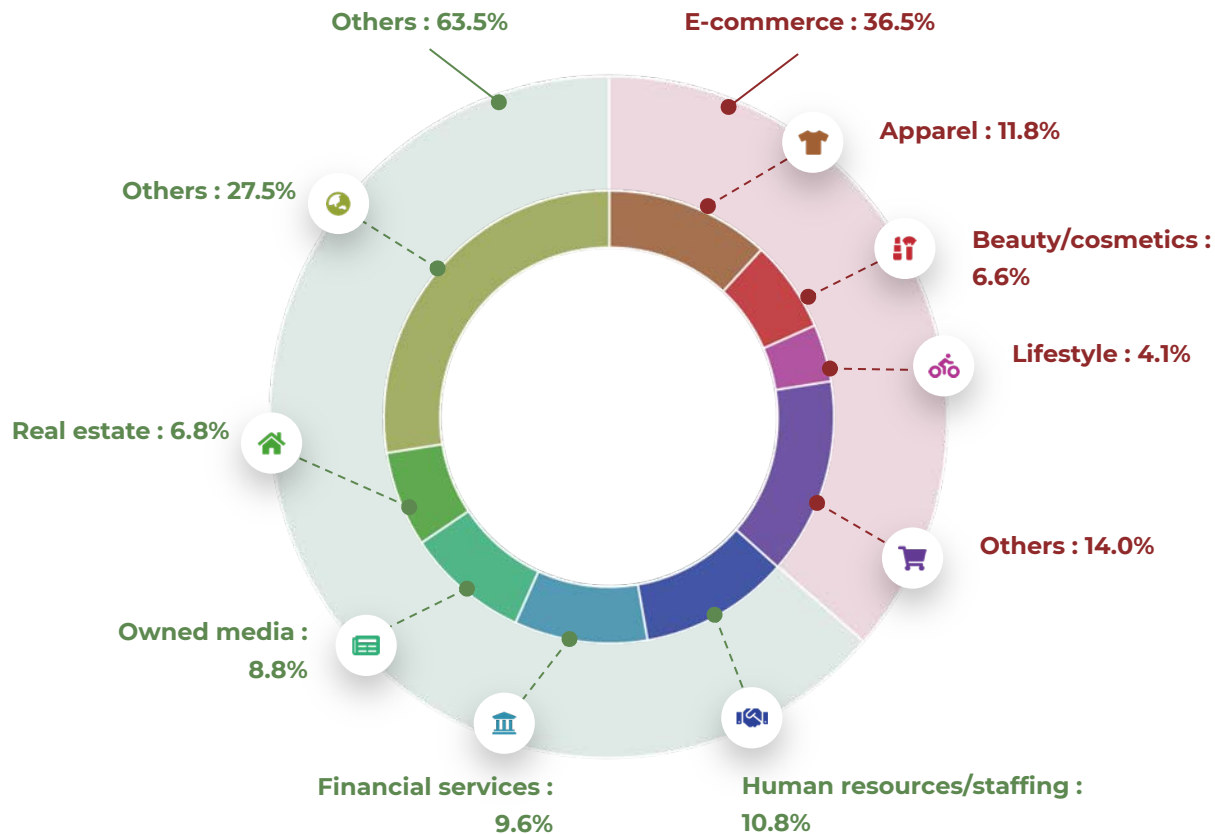
## Focus on Supporting the Design of Customer Experience Centered around Customer Data

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

PLAID provides products and services for each of these processes

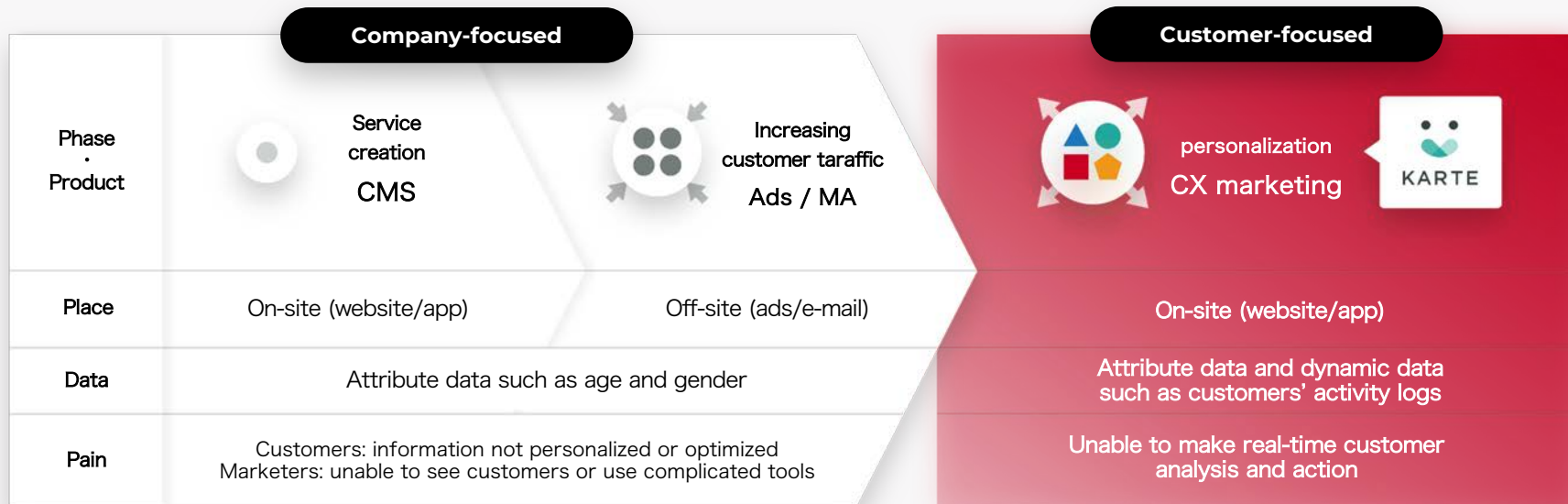


## Percentages of Subscriptions by Industry <sup>(1)</sup>



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

## Paradigm shift in Digital Marketing



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

## Increasing Frustrations with Digital Marketing

### The customers'

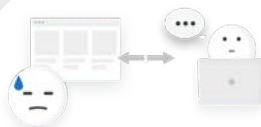


Contents are not  
streamlined for individual  
customers



Overwhelming amount of  
information and repetitive  
messages from  
marketers

### Marketers'



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

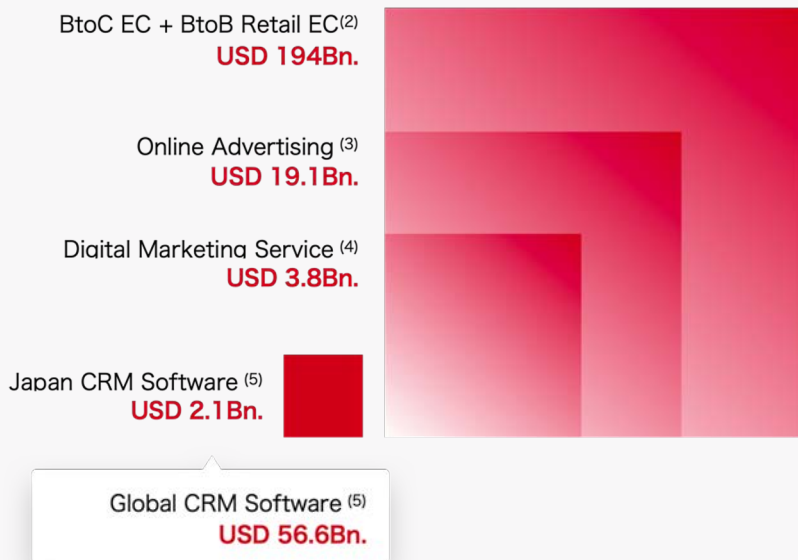


Lack of basis for  
"individual"  
and "personalized"  
actions

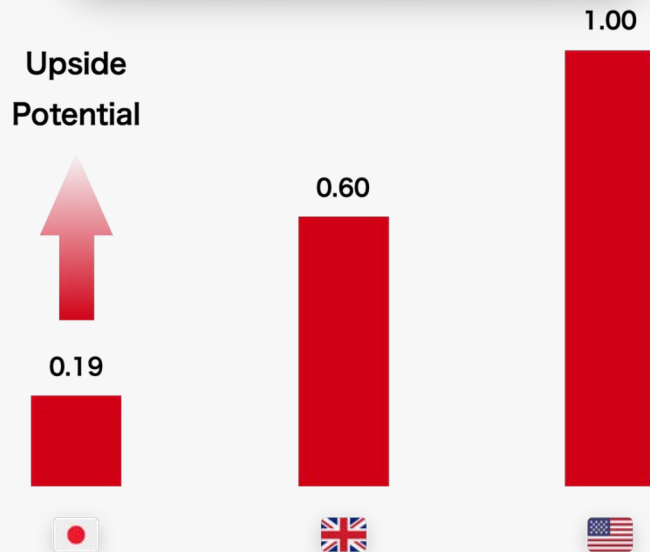
Digital marketing initiatives taken by companies  
without understanding their customers **do not necessarily contribute to the  
improvement of the user and customer experience**

## 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

## Security, Privacy Protection, etc

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

### Security

#### Authentication

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

#### Encryption

All communications with KARTE are encrypted using https(TLS1.3)

#### Authorizations

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

#### SLA

Operation rate of 99.5% is set in SLA for KARTE

#### Automatic testing

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

#### Auto scaling

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



CLOUD 688345 / ISO 27017



IS 623929 / ISO 27001

#### Redundancy

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

#### Operations

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

#### Monitoring

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

### Protection of Privacy



#### Authentication

The Company has acquired the Privacy Mark certification

#### Unrestricted permissions

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

#### Customer alerts, etc.

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

#### Opt-out

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

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