



Earnings Results for the quarter ended Sep. 2022 (Q4 FY 9/22)

PLAID, Inc. (4165, TSE Growth) | November 2022

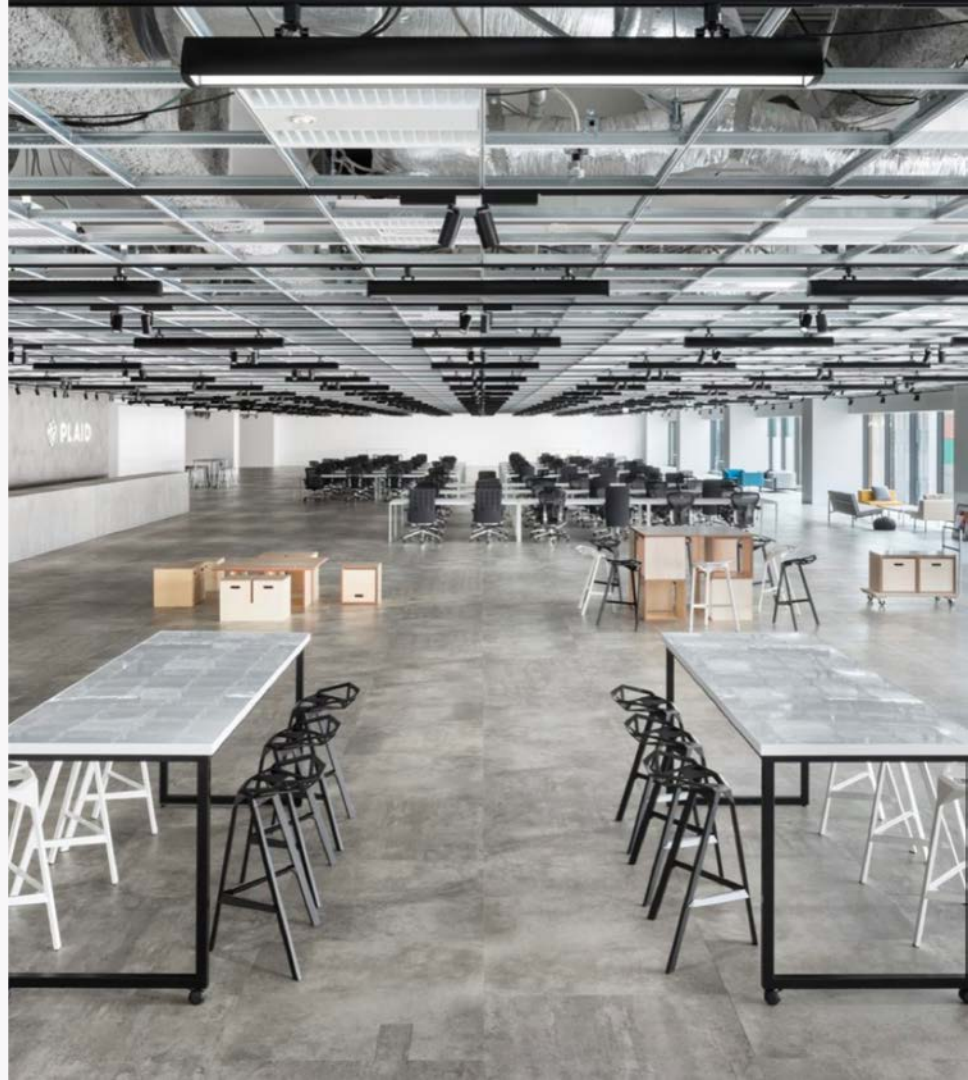
Forward-Looking Statements

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.

- 1. Earnings results for FY 9/22**
2. Mid-term management vision
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4. Earnings guidance for FY 9/23
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Net sales / YoY Growth rate: Consolidated

7,295 JPY mil. (FY9/22) / **34.0%**

of Customers⁽²⁾: Consolidated

725 (End of Sep. 2022)

ARR⁽¹⁾ / YoY Growth rate: Consolidated

6,638 JPY mil. (End of Sep. 2022) / **14.3%**

ARPC⁽³⁾: Consolidated

763 JPY thou. (End of Sep. 2022)

Gross profit margin: Consolidated / Non-consolidated

73.6% / 74.8% (FY9/22)

Employees: Consolidated / Non-consolidated

338 / 278 (End of Sep. 2022)

Notes: 1. ARR: Annual Recurring Revenue. It is calculated by multiplying the monthly subscription sales 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. Calculated by dividing the monthly subscription sales at the end of each quarter by the number of customers of the end of the quarter



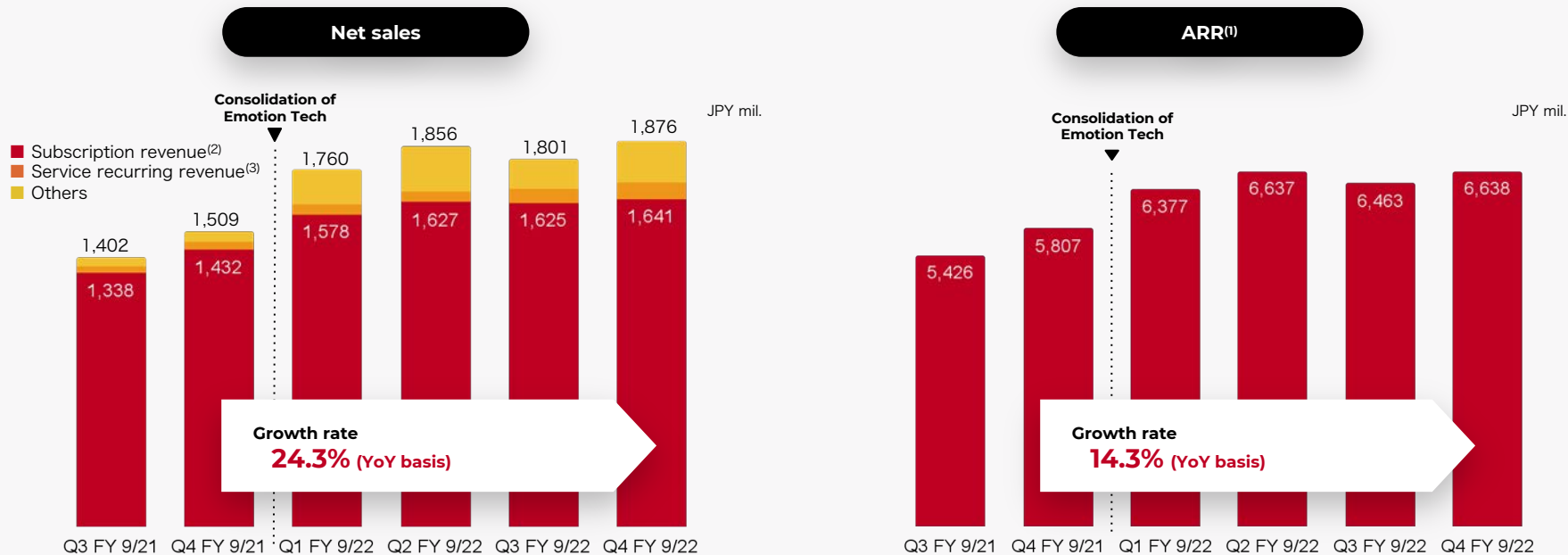
Consolidated

Both sales and operating income exceeded guidance

JPY mil.	FY9/21 Results	FY9/22			
		Guidance	Results	Difference	Comment
Net sales	5,444	7,186	7,295	109	· All group companies exceeded guidance
Year-on-Year	-	32.0%	34.0%	+2.0pt	
Gross profit	3,993	5,233	5,367	134	· Upgraded real-time analysis platform further reduces server-related costs
Gross profit margin	73.3%	72.8%	73.6%	+0.8pt	
SG&A	3,822	6,477	6,249	▲228	· Operating loss improved compared to guidance, mainly due to more efficient management of advertising and outsourcing costs.
Operating income	170	▲1,213	▲882	331	

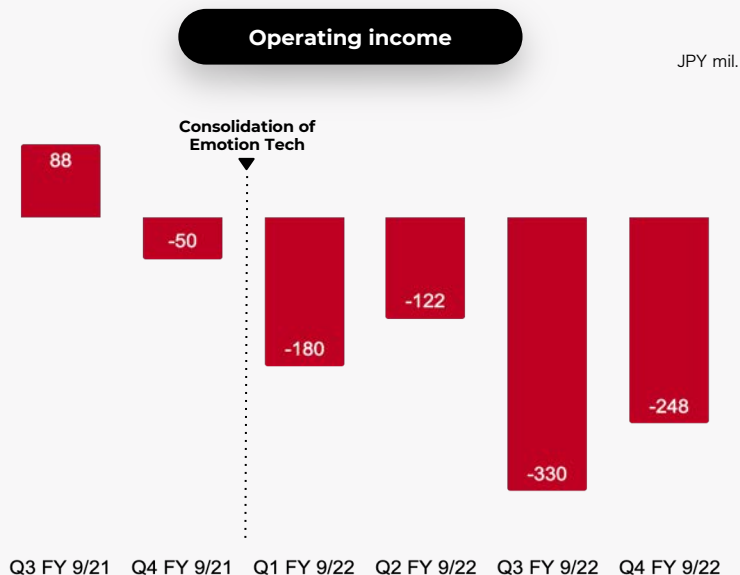
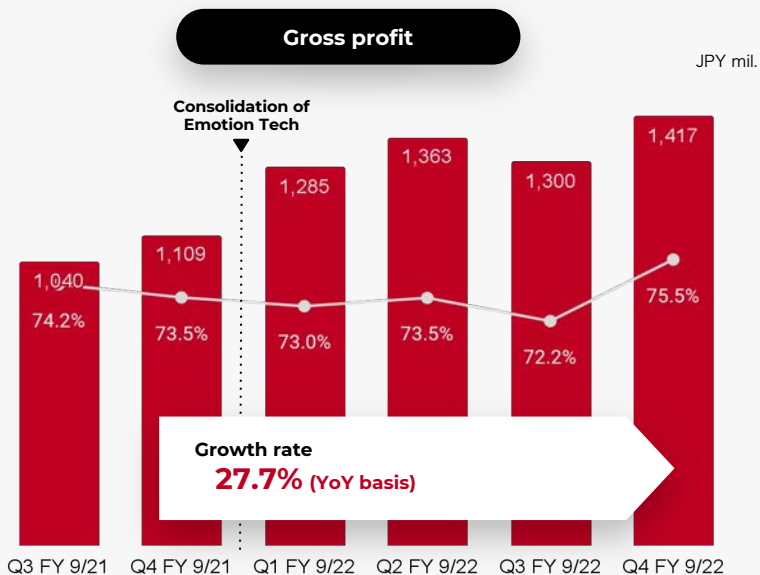
Both sales and ARR return to an increasing trend

- Plaid's net sales and ARR increased QoQ due to strong new customer acquisition and lowered churn
- EmotionTech also continues to perform well with new contracts with enterprise companies



Significant increase in gross profit margin and cost controls have reduced the operating loss

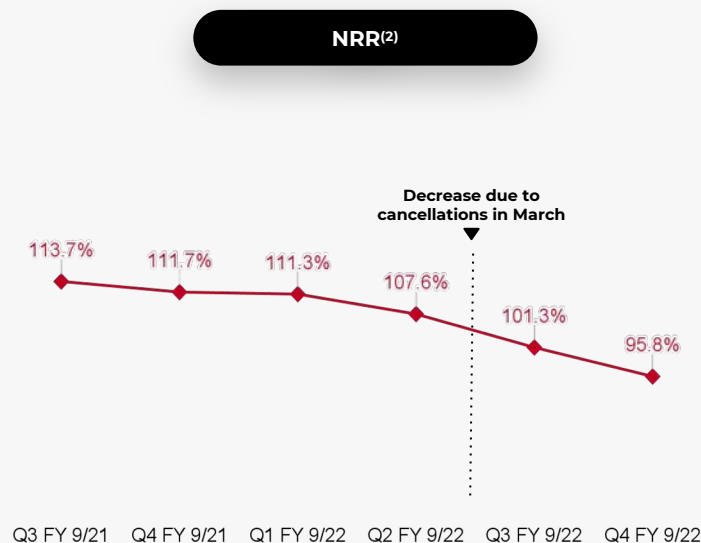
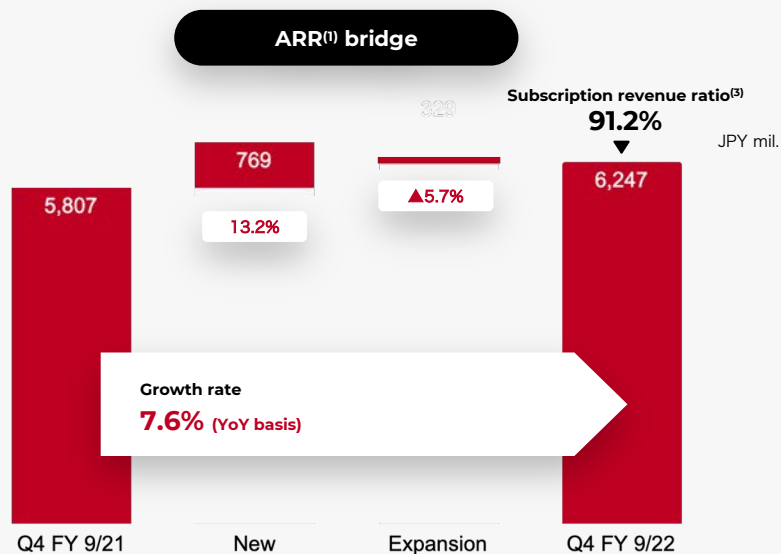
- Plaid's standalone gross profit margin have been significantly expanded
- Plaid reduced SG&A whist EmotionTech expanded operating loss, resulting in reduced consolidated operating income



PLAID (Non-Consolidated)

ARR back on growth trend, driven by new customer acquisitions

- ARR was increased from the previous quarter because of relatively reduced churn on Q3 in addition to new acquisition going well
- Year-on-year ARR growth and NRR continue to be in a low range due to the Q3 contraction factored in the calculation of those



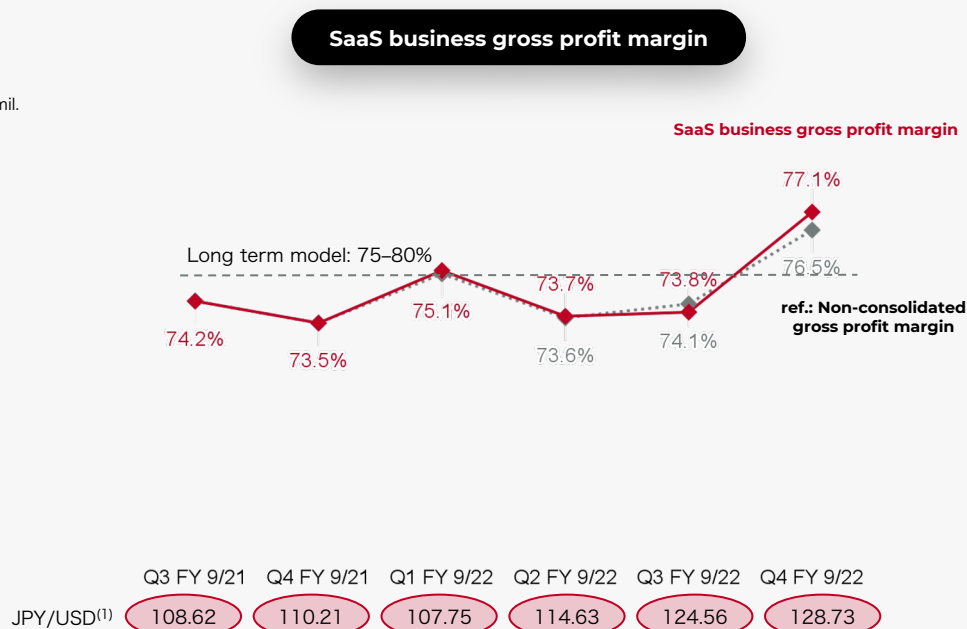
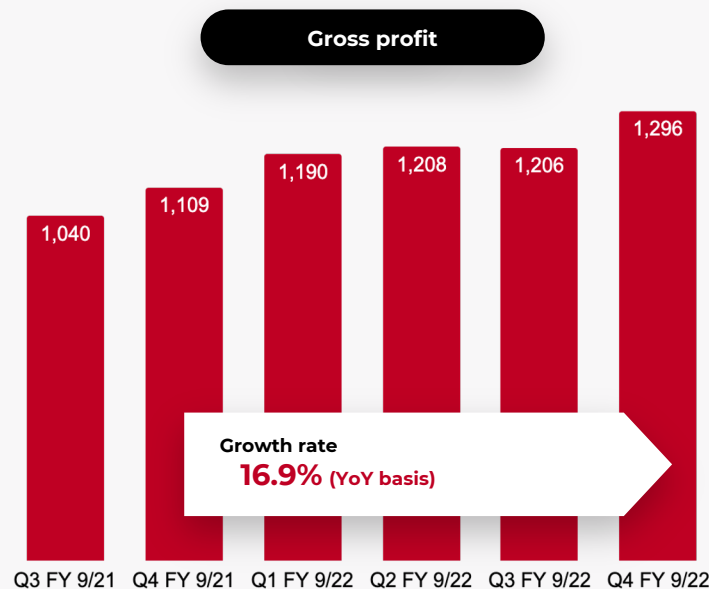
Notes: 1. ARR: Annual Recurring Revenue. It is calculated by multiplying monthly subscription revenue at the end of each quarter by 12. It is an indicator that expresses the net sales expected to be obtained from existing subscriptions alone during the 12 months starting the month following the final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

Analysis of Situation by factor, recognition of issues and efforts to address them

	Analysis of situations by factor	Issue Recognition and measures to be taken
New customer acquisition	<ul style="list-style-type: none"> · Slightly better than the revised plan · Pipelines becoming strong · The number of leads is on rise owing to reinforced marketing activities and the percentage of leads converting into pipeline is increased by a dedicated team's efforts 	<ul style="list-style-type: none"> · Hiring and nurturing sales persons: the number of sales is not sufficient compared with the number of pipelines since we have prioritized the allocation of human resources to customer success
Existing customer expansion	<ul style="list-style-type: none"> · The gross expansion of existing customer exceeded the revised forecast · Especially upselling of web and cross-selling of datahub went well 	<ul style="list-style-type: none"> · Value recognition and retention as the first priority: we commonly understand that our customer feel the value of KARTE by fully utilizing it though expansion through upselling and cross-selling is also important · Cross-selling of new products to existing customers: we expect contributions from new product lines such as Blocks, Signals or Marketing Automation to be described later
Contraction	<ul style="list-style-type: none"> · Slightly larger MRR contraction due to churn and downsell · It is properly measured whether customers are feeling value by using our products and we are working on to improve customer value 	<ul style="list-style-type: none"> · Standardization of customer success operations: we aim at better monitoring of customers' status and efficient operations · Increasing customer success persons: we need to further increase those to internalize some outsourced customer success operations

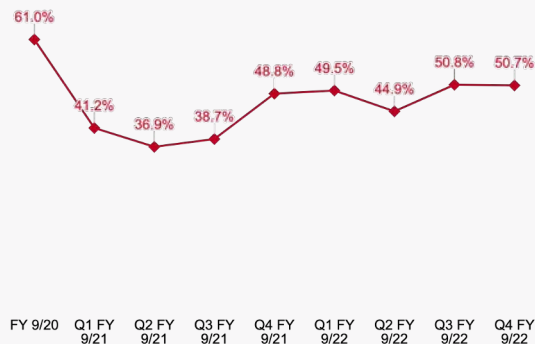
SaaS gross profit margin further expanded as a result of more efficient server usage

- Reduced server cost usage from the installment of new analytical engine by-far exceeded negative impacts on server cost from rapid yen depreciation, leading to the improvement of gross profit margin

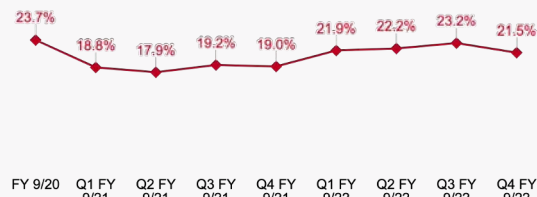


All the SG&A ratios have peaked out due to slowed down hiring pace in accordance with the headcount plan

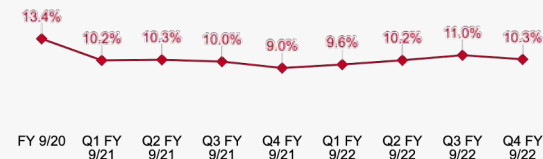
S&M⁽¹⁾ ratio



R&D⁽²⁾ ratio



G&A⁽³⁾ 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

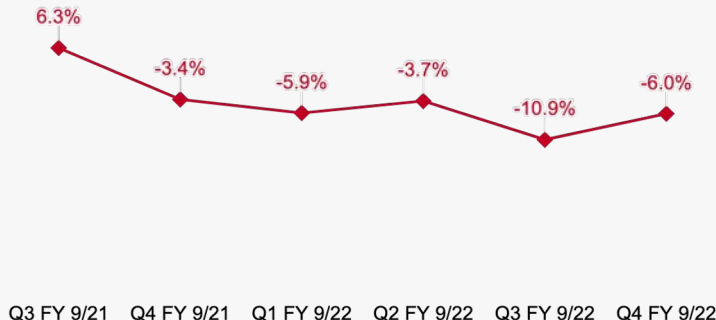
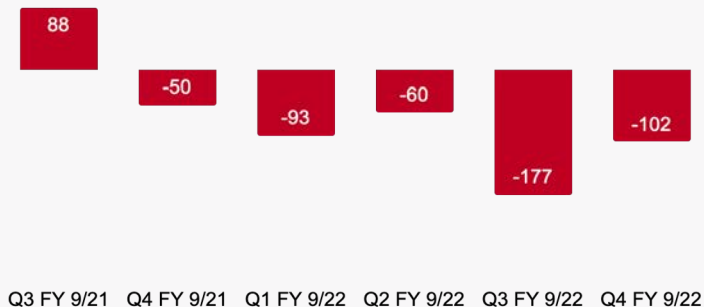


Operating loss was reduced from the previous quarter, resulting from the increase in gross profit and controlled SG&A

Operating income (loss)

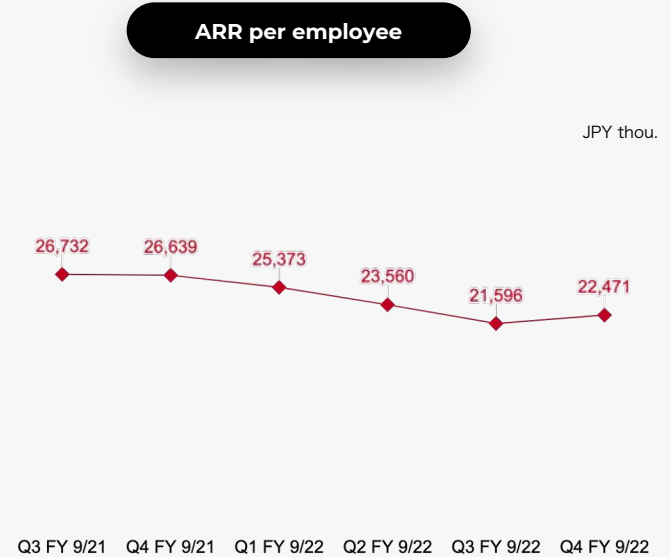
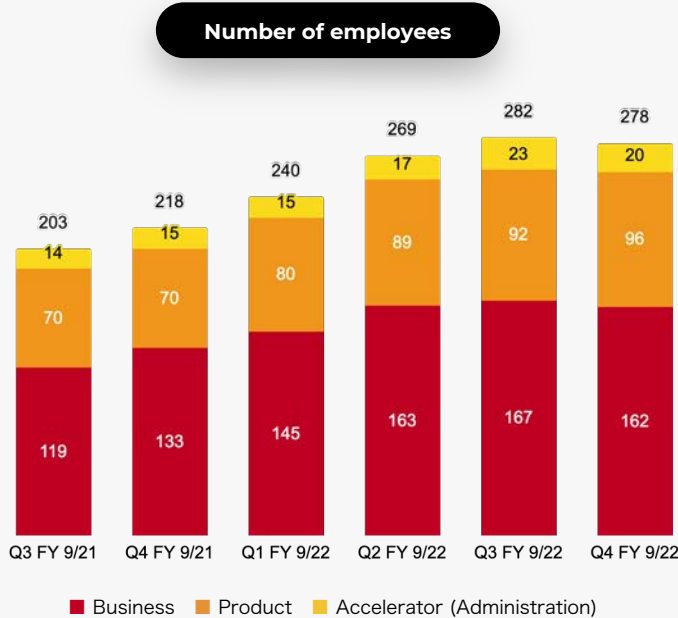
JPY mil.

Operating income (loss) margin



Successfully Hiring Talents as planned

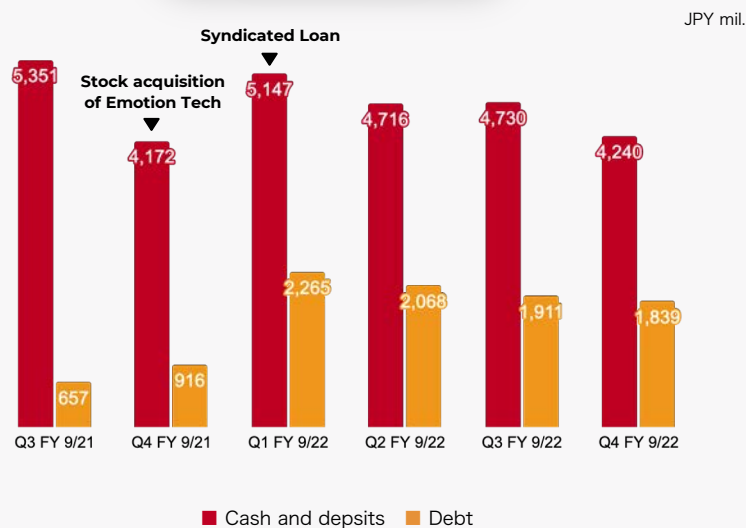
- Hiring continues to be proceeding well and the number of employees reached at 278 as of the end of the previous fiscal year, slightly less than the initially targeted level
- ARR per employee will be increased as we take measures to improve productivity



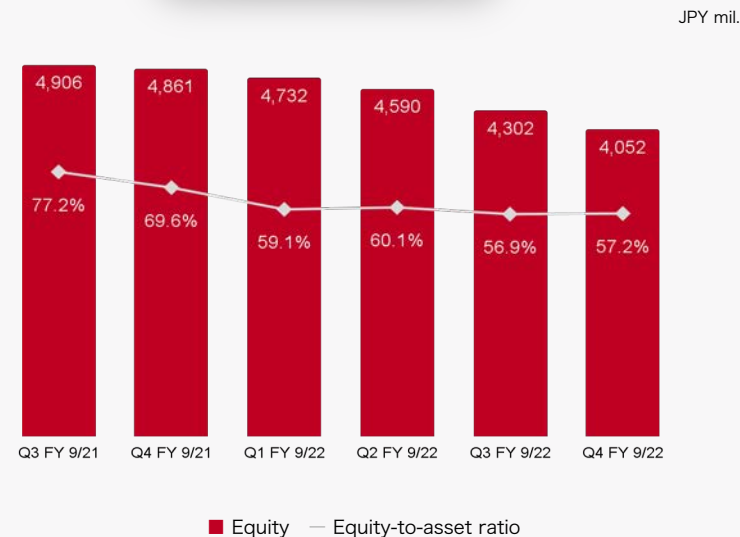
Maintain a Sound Condition of Balance Sheet and cash on hands

- Maintain a sound balance sheet, with approximately net cash and 0.5 billion yen of unused commitment line as of the end of the quarter

Cash and Debts



Reference: Equity



FY 9/22 Financial Highlights (Consolidated/Non-Consolidated)

1

By facing a situation that Q3 ARR declined quarter-on-quarter basis, we committed to redesign our operation to improve our customers' value recognition and to allocate human resources to customer success, ultimately enhancing our business foundation

2

Regardless of unprecedented yen depreciation, dollar denominated server cost was significantly reduced due to the introduction of new analytical engine, expanding gross profit margin remarkably

3

Actual operating loss was smaller than the forecast by successfully controlling SG&A with more efficient advertising and outsourcing while hiring continues as planned

4

EmotionTech, consolidated from the end of the last fiscal year, has achieved a growth exceeding the initial plan

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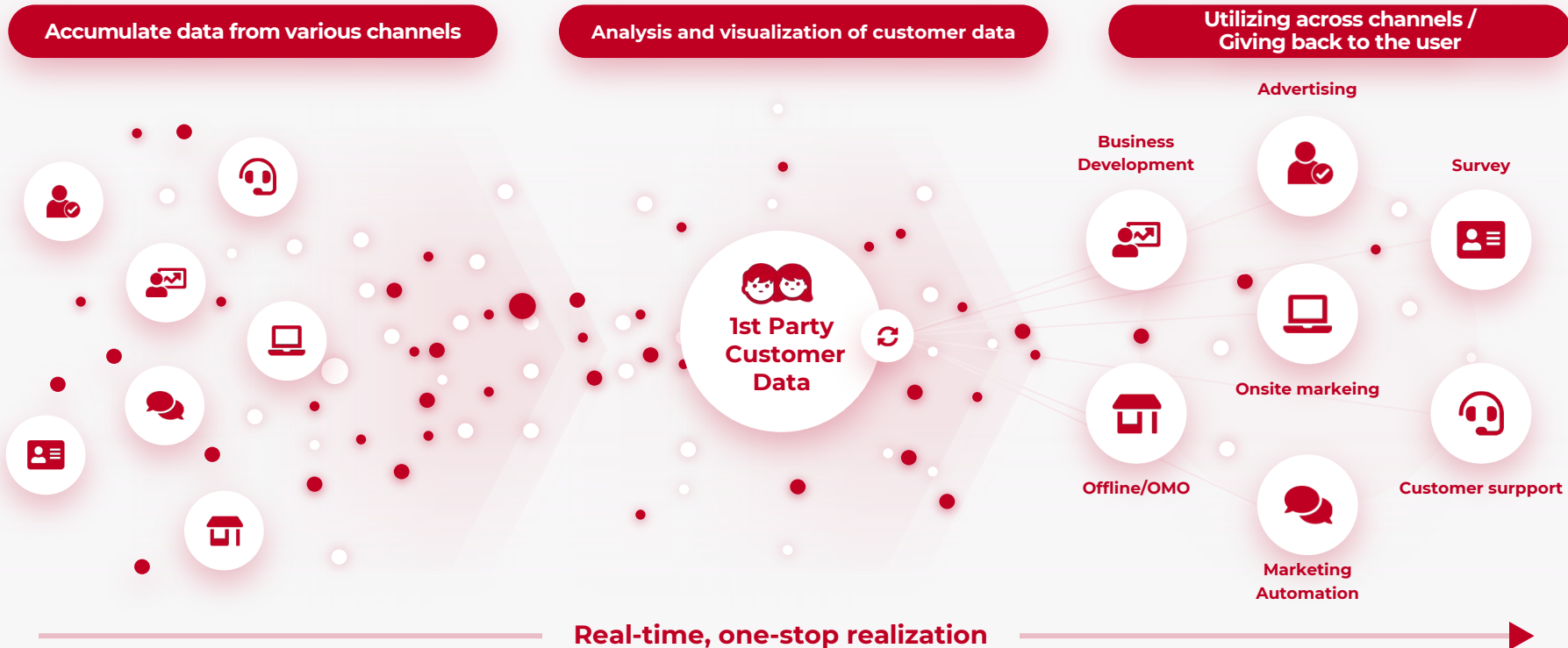
Maximize the Value of People with the Power of Data

No algorithm goes beyond imagination and flexibility of people.

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

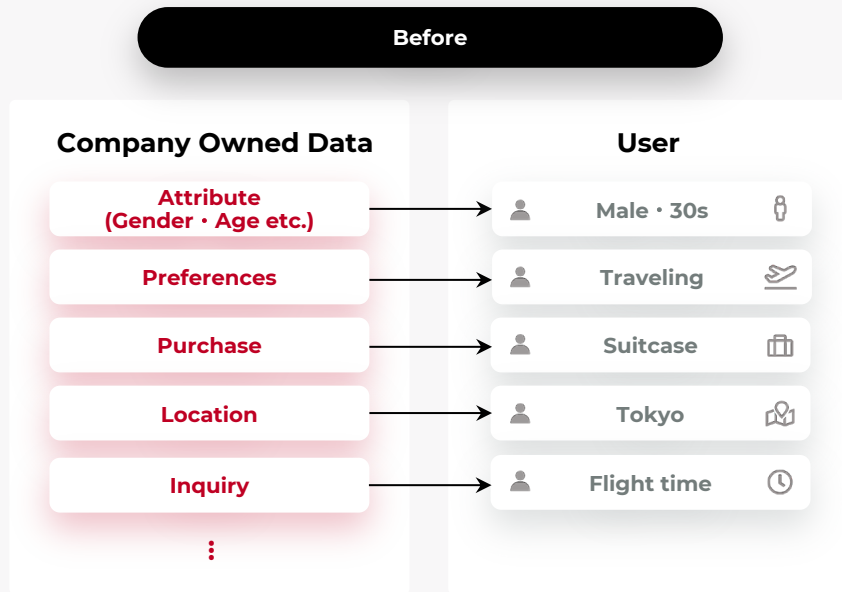
Vision as the Plaid group

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

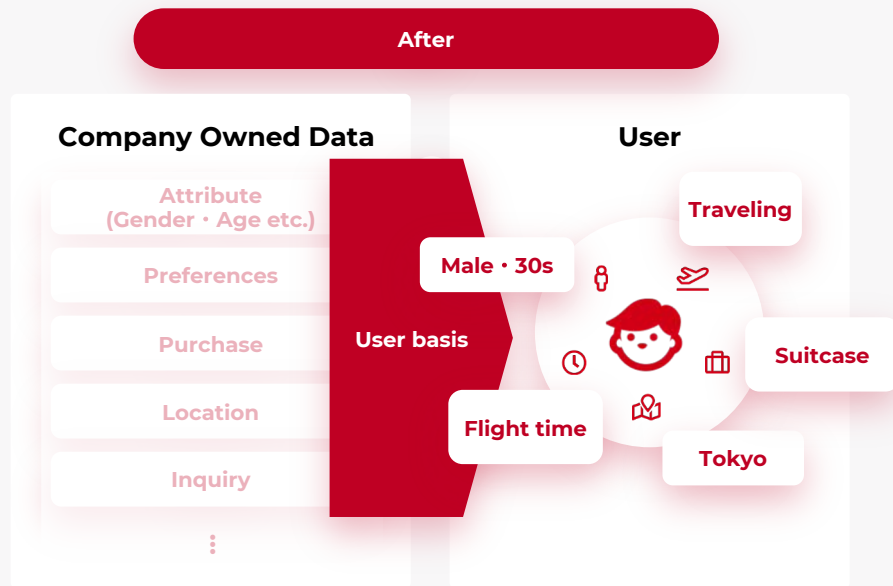


The era to come :

Fragmented user data is integrated and the right customer experience is returned through correct customer understanding



- × Data is fragmented, and even if it integrated, difficult to capture on a per-user basis
- × Return of user experience not always appropriate



- Data organized and integrated per user for easy handling by companies
- Appropriate improvement of the user experience

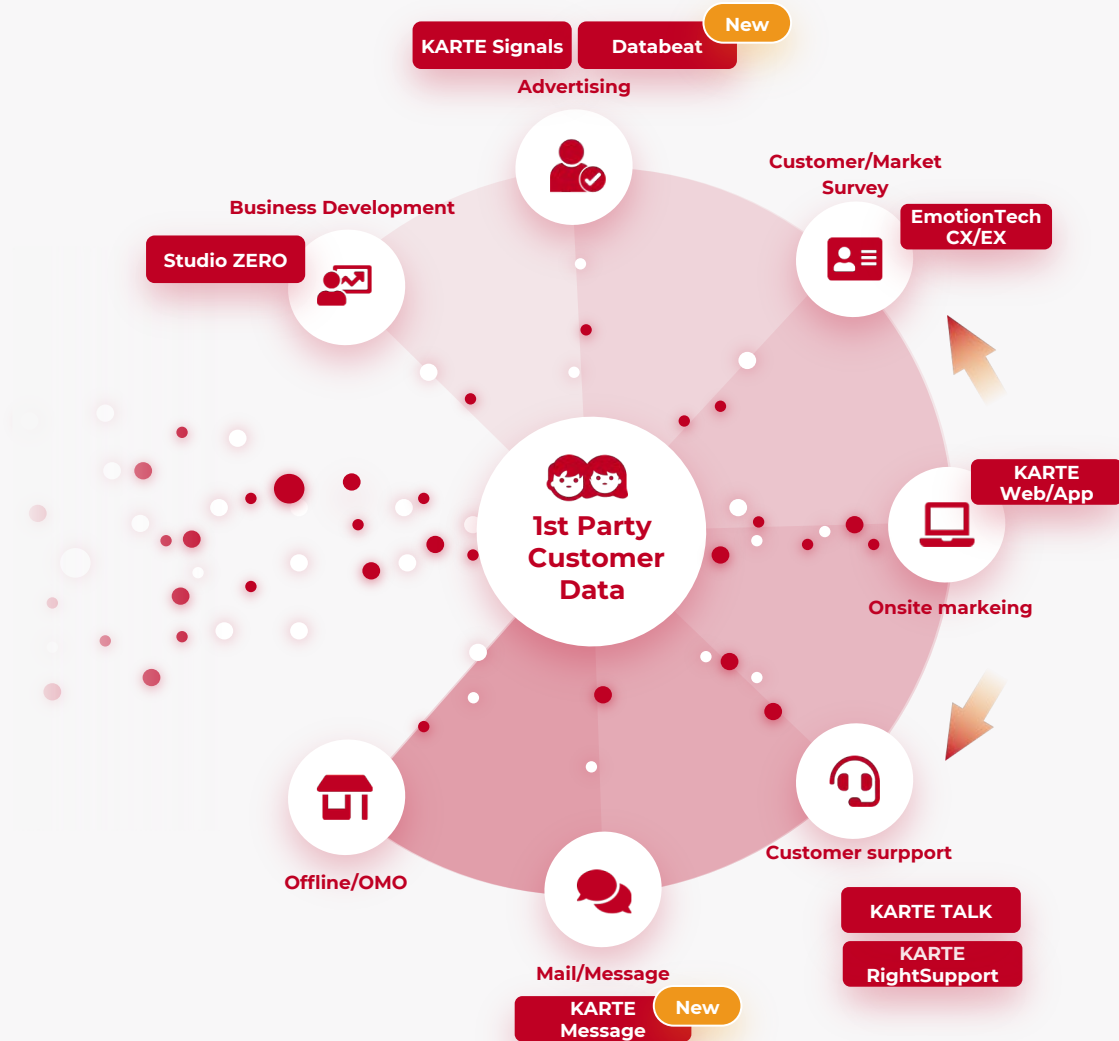
Mid-term management vision

Overall Strategy of the Plaid Group

Initially started our business around on-site marketing area by offering KARTE, which have strengths on 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 marketing research

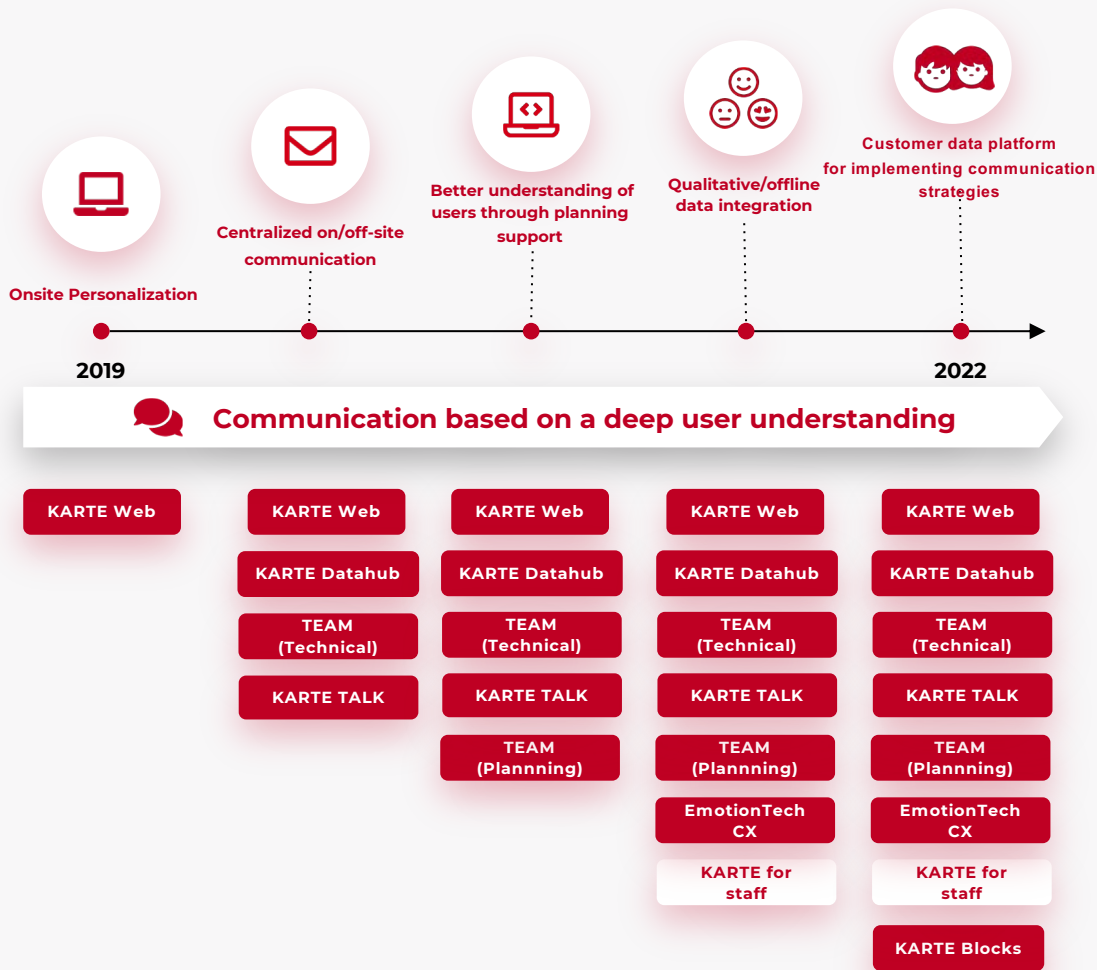
Now developing a foundation for a platform with strengths in “multi-channel”, “1st party customer data”, and “real-time”.



Case Studies

KOMEHYO

KARTE's positioning has evolved from a product for on-site marketing to a customer data platform for implementing communication strategies based on deep user understanding












Case Studies

KOMEHYO

Participated in the KARTE CX Conference 2022 in July 2022 as a model case for designing a customer strategy that starts with understanding the customer



Overview of Plaid group by business domain

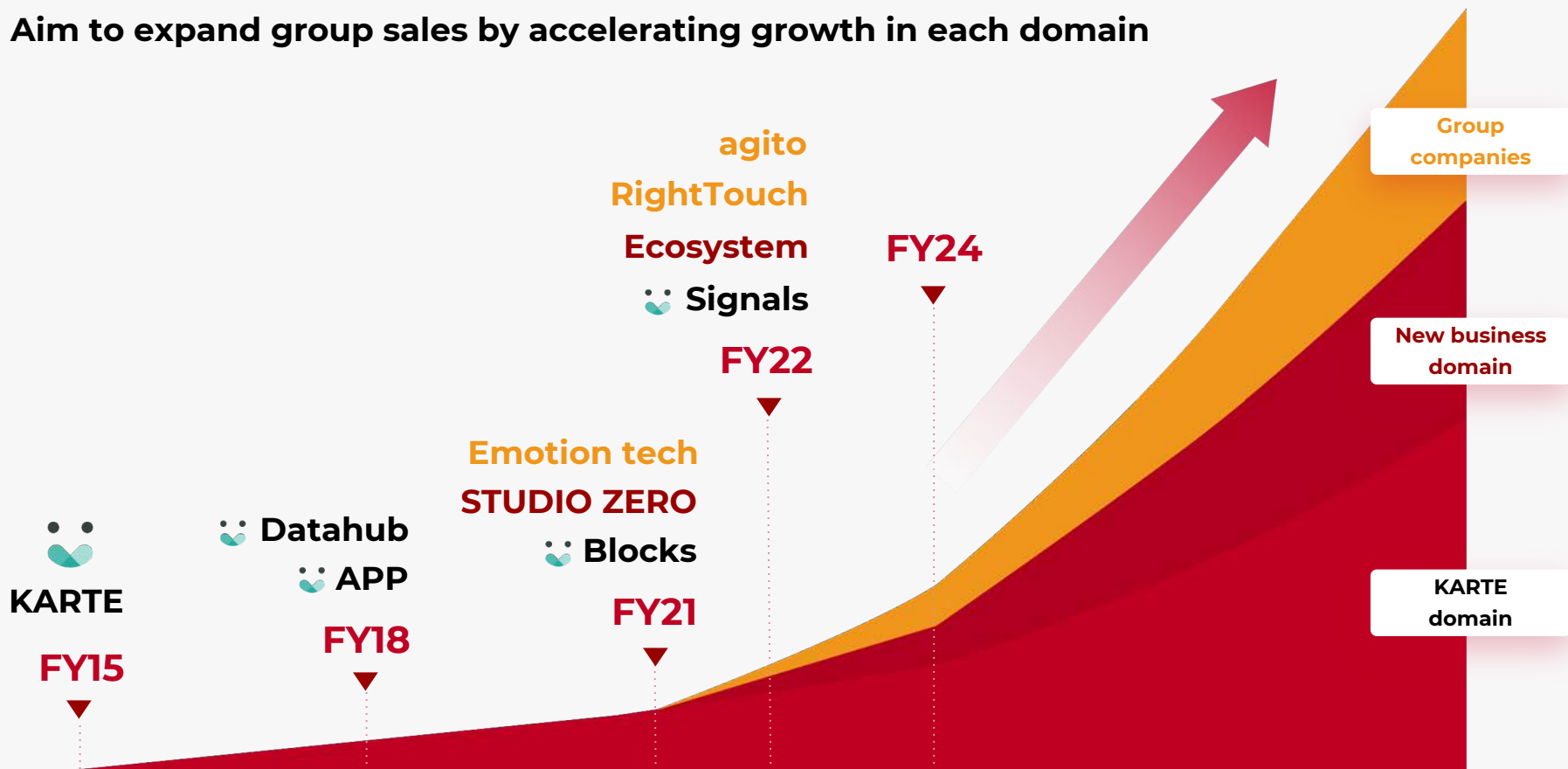
Business domain		Overview	Main product/service	FY9/22 Net sales ⁽¹⁾
PLAID	KARTE domain	<ul style="list-style-type: none"> Offers products and services centered around KARTE to enrich CX⁽²⁾ and marketing for companies 	    	6,507mil.
	New business domain	<ul style="list-style-type: none"> Create new value with partners through data/technology collaboration by opening Plaid's APIs and various alliances with companies. 	 PLAID Ecosystem STUDIO ZERO	43mil.
RT ⁽³⁾ /ET ⁽⁴⁾ /agito	Group companies	<ul style="list-style-type: none"> Offers products and services optimized for areas other than on-site marketing where Plaid is focused on currently 	  	811mil. ⁽⁵⁾



Medium-term status of each area and current focus

Business domain		Our vision for the medium term	Current focus
PLAID	KARTE domain	<ul style="list-style-type: none"> Formulate a solid foundation to enrich CX offered by companies to their customers by evolving our products and capabilities to deliver values 	<ul style="list-style-type: none"> Develop and upgrade products Strengthen a delivery capability by redesigning operations and increasing human resources of marketing, sales and customer success
	New business domain	<ul style="list-style-type: none"> Build up experiences of and establish steadfast presences of enhancing DX⁽¹⁾ or EX⁽²⁾ focused on users' viewpoints in each industry 	<ul style="list-style-type: none"> Offer more APIs and create representative use cases together with technology, integration and business partners Ecosystem is focused on providing solutions to retail industry as a first step and Studio Zero is offering consulting services across industries
RT ⁽²⁾ /ET ⁽³⁾ /agito	Group companies	<ul style="list-style-type: none"> Each company has solid presences in each market and plays a key role as a part of indispensable channels in group's platform by integrating with Plaid's products 	<ul style="list-style-type: none"> Develop and upgrade products, and exploit markets by increasing human resources

Aim to expand group sales by accelerating growth in each domain



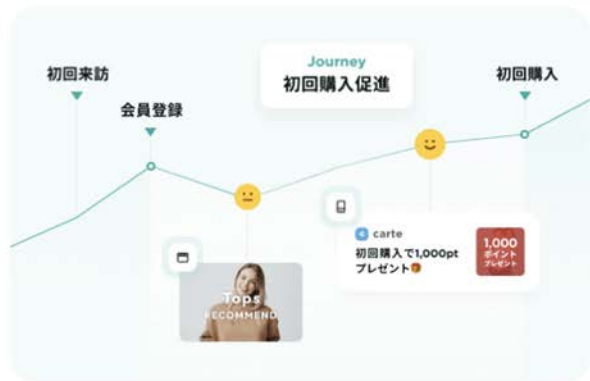
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Launched marketing automation product "KARTE Message"

- Launched a beta version of KARTE Message, KARTE's marketing automation product engaged in communication with users off-line from customers' own services through email, mobile app push notification, SMS or LINE by a newly developed customer journey design function
- With high needs from existing customers, this products would contribute to creating cross-selling opportunities as well as better retentions



Major Companies



セブン銀行



ポケマル



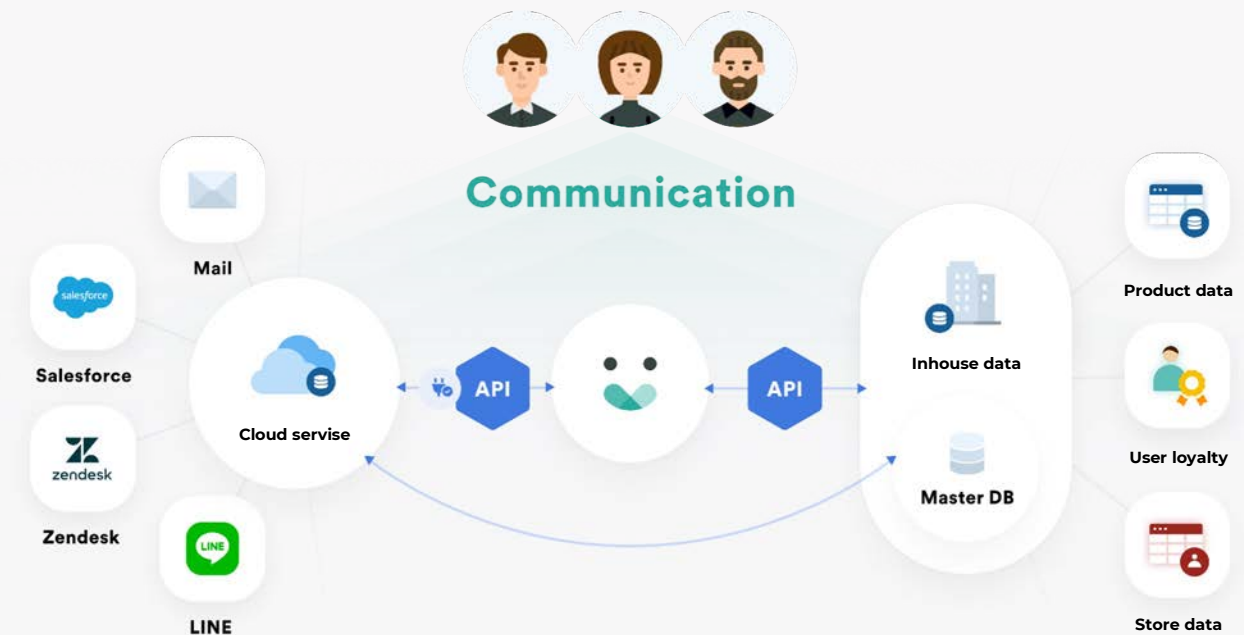
SmartHR



Facilitate next steps for improvement by drawing scenarios starting from the user's experience, and by overlooking the user's activities on the canvas

PLAID Ecosystem created in collaboration with partners

We add values for corporate customers to grow their businesses or solve their business issues by connecting KARTE's customer data with multiple systems in real-time that are used by our corporate customers



Solving retailers' inventory issues through collaboration with FULL KAITEN

Step1

FULL KAITEN: Inventory analysis visualizes UR's "Products with potential demand"

Effects⁽¹⁾

Purchase amount

119 %

Gross profit margin

115 %

CVR

131 %

Average sales per
visited user

160 %

Step2

KARTE: Unique recommendation measures to deliver "Products with potential demand" to appropriate users



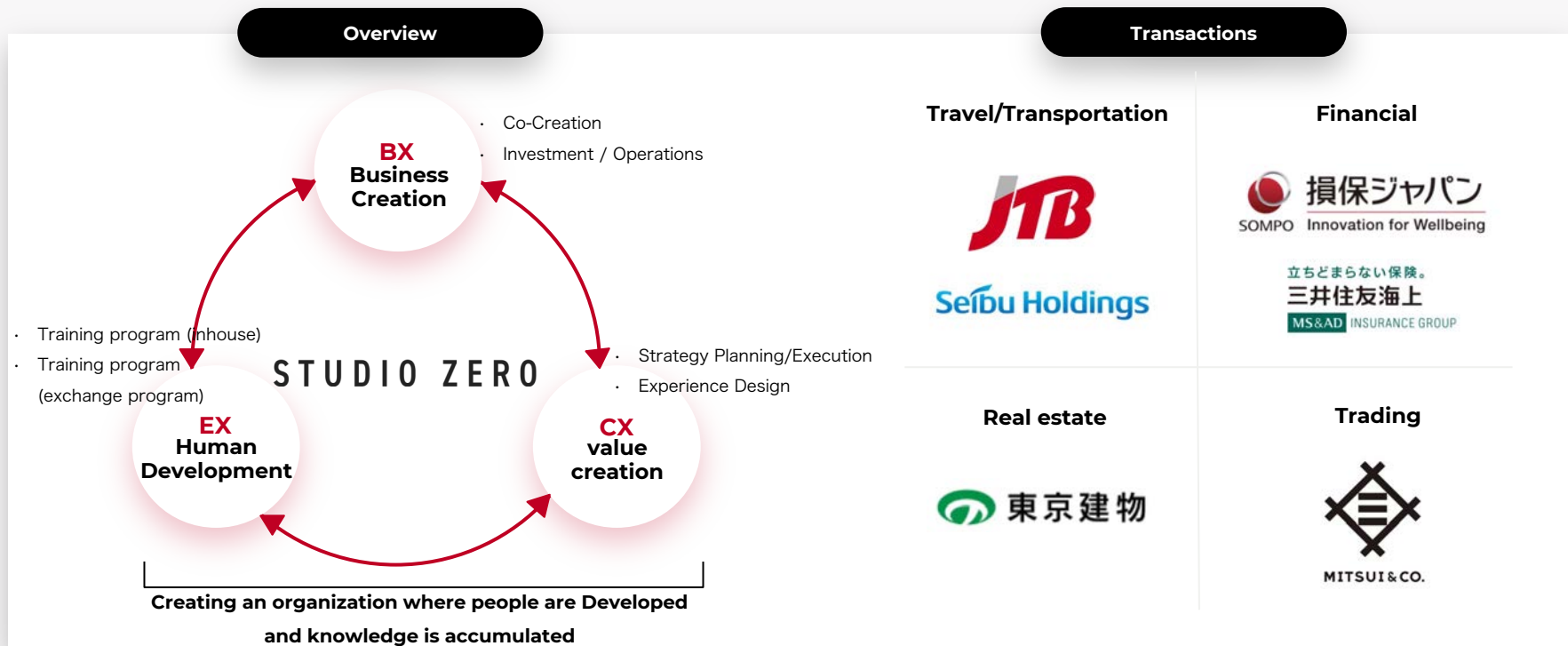
Customer reviews

Satoshi Saito

Executive Officer, General Manager,
Digital Sales Department, URBAN RESEARCH CO., LTD.

For us, the inventory problem has been a serious management issue. Through this PoC, FULL KAITEN, which visualizes "Products with potential demand", and KARTE, which enables real-time customer data analysis, enable us to deliver products that were previously difficult to spot to customers who want to buy them and have high LTV.

Steadily increasing transactions with major companies through each of BX/CX/EX



agito, Inc joining the Plaid Group

- Acquired approximately 66.8% of the Agito's outstanding shares, which provides "Databeat" that automates the extraction/updating/visualization of marketing-related data

Overview

Name	agito, Inc
Location	Chiyoda-ku, Tokyo
Established	September 2018
Representative	Kotatsu Takai
Employees	8 (as of May 2022)
Business Description	Offering the Marketing Data Platform "Databeat" and marketing support business

Transaction summary

Closing date	October 12, 2022
Consideration for the acquisition	225 million yen
% shares acquired	Approximately 66.8%
Acquisition method	The purchase of Agito's existing shares and the underwriting of its new shares issued by third party allotment
Sources of consideration	Cash
Impact on financials	Agito's balance sheet and income statement are consolidated from Q1 FY23 and Q2 FY23, respectively

Aiming at transforming digital advertising operations



- ✓ Business relationship with leading companies in multiple industries through the offering of KARTE
- ✓ 1st party customer data properly collected by KARTE tags
- ✓ Development capabilities to standalize user data format and analyze users based on essential metrics such as LTV



- ✓ One of software platforms with the largest number of connections with digital advertising platforms in Japan
- ✓ data related to digital advertising platforms including spendings or deliveries of advertisements
- ✓ Knowledge and insights cultivated through the advertising agency business and development capabilities to reflect those into products

Shifting a focus of digital advertising operations from short-sighted metrics represented by CV⁽¹⁾ to essential value creation metrics such as LTV⁽²⁾

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Earnings Forecasts for FY 9/23

- Divided Plaid's standalone businesses into new business domain where we accelerate our investments into and KARTE domain
- In KARTE domain we pursue profitable growth**, paying more attention to efficiency and productivity while continuing moderate investments
- In the new business domain**, consisting of ecosystem domain and Zero, offering new business co-creation service, **we accelerate our investments**
- RightTouch and EmotionTech are also in a growth-focused investment stage
- We aim that **the adjusted consolidated operating income turns to black for FY9/25**

(JPY mil.)		FY9/21 ⁽¹⁾ Result	FY9/22 Result	FY9/23 Guidance	Difference
Net sales	consolidated	—	7,295	8,523	1,228
	Non-consolidated	5,444	6,551	7,401	850
	KARTE Business	5,444	6,507	7,173	666
	New Business	—	43	228	185
	Group companies	—	811	1,279	468
Net Sales growth rate	consolidated	—	34.0%	16.8%	▲17.2pt
	Non-consolidated	35.9%	20.3%	13.0%	▲7.3pt
	KARTE Business	35.9%	19.5%	10.2%	▲9.3pt
	New Business	—	0.0%	419.1%	419.1pt
	Group companies	—	0.0%	57.6%	57.6pt
Adjusted operating income⁽²⁾	consolidated	—	▲718	▲979	▲261
	Non-consolidated	170	▲429	▲487	▲58
	KARTE Business	170	▲350	▲200	150
	KARTE Business excl. the unused commitment line ⁽³⁾	—	▲350	90	440
	New Business	—	▲79	▲286	▲207
	Group companies	—	▲302	▲491	▲189
ARR	KARTE Business	5,807	6,247	7,012	—
Difference	KARTE Business	1,416	439	764	325
ARR growth rate	KARTE Business	32.3%	7.6%	12.2%	4.7pt
JPY/USD ⁽⁴⁾		107.31	118.92	140.47	21.55

Note 1. Non-consolidated results / 2. Operating income before adjustment for FY9/21 / 3. Please refer to P38 / 4. Assumed exchange rate after currency hedge for FY9/23

Earnings Forecasts - what we think about KARTE's growth rate for FY23 and onward

10.2% of KARTE domain's net sales yoy growth rate is rather influenced by the sluggish ARR growth for FY22

- FY22 ARR has a significant impact on FY23 net sales was 6,247 million yen, just 7.6% above FY21 ARR of 5,807 million yen, implying that FY23 net sales "starts" at almost the same level with FY22

12.2% of KARTE domain's ARR growth rate for FY23 is not fully reflecting the potential growth rate of KARTE as a product but rather negatively affected by on-going business operation redesigning

- The re-designing of business operations starting from Q3 FY22 has been in progress, in which we have reinforced customer success team to enhance customers' value recognition of KARTE but inversely we need to reinforce sales professionals and strengthen overall business operations
- We are aiming at accelerating ARR growth for the later half of FY23 as a result of above measures

KARTE domain's potential growth rate and growth rates after FY24 exceed FY23 growth rate

- New products such as Marketing Automation are definitely expanding KARTE's TAM and potential growth rates
- Redesigning of our business operations should ARR growth rate exceeding 1,416 million yen of FY21 ARR growth rate
- By enhancing our value proposition through developments and upgrades of our products and services and by strengthening our business operations, our ARR increase should exceed 1,416 million yen of ARR increase for FY21

Earnings Forecasts - what we think about our profitability

A) 290 million yen of a estimated unused committed server usage is a result of more-than-expected server cost reductions by the new analytical engine introduction

- We made a commitment to Google for the usage of US\$ 12 million for one-year, based on our judgement that we can fully use the commitment, considering historical usage of the server
- However, it turned out that US\$ 2.1 million out of US\$ 12 million cannot be consumed due to a significantly improved server usage after the instalment of the new engine therefore we would use the unused commitment for some R&D activities
- Going forward, we will make a commitment so that we avoid this kind of “unused” purchase by carefully reflecting server usages under the new engine

B) Incremental costs for server usage due to yen depreciation for FY23 is estimated to be approximately 251 million yen

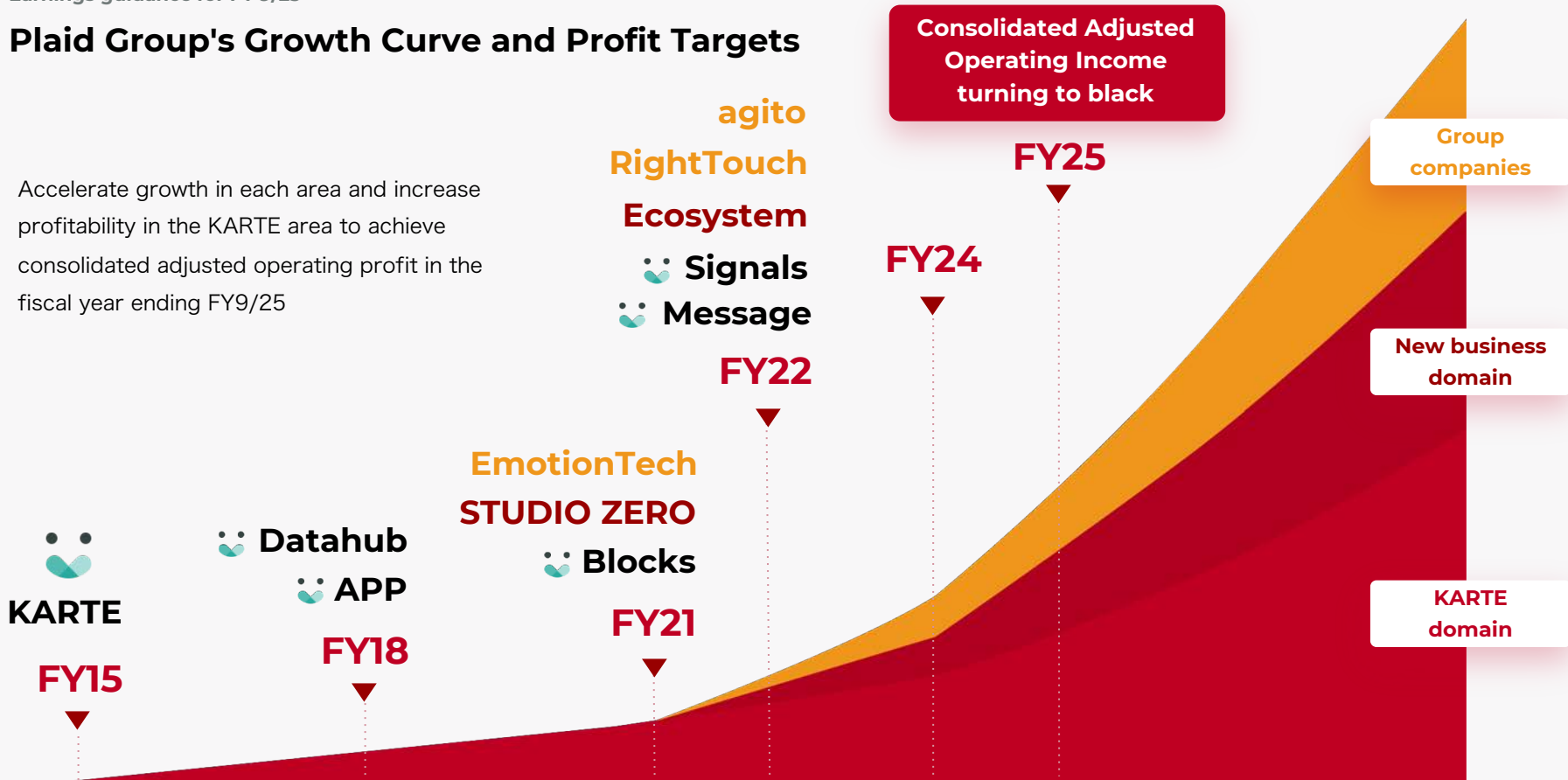
- Our effective currency exchange rate after hedges for FY22 was 118.92 yen to usd and the rate for FY23 is forecasted to be 140.47 yen to usd, leading to the above estimation

Both KARTE domain and Plaid standalone profitability is improving

- KARTE domain's adjusted operating loss for FY23 was 200 million yen and the adjusted operating income becomes 90 million yen if the unused commitment server usage of 290 million yen is subtracted from cost
- Plaid's standalone adjusted operating loss for FY2023 ws 489 million yen, smaller than the sum of unused server usage commitment of 290 million yen and incremental server cost due to FX of 251 million yen

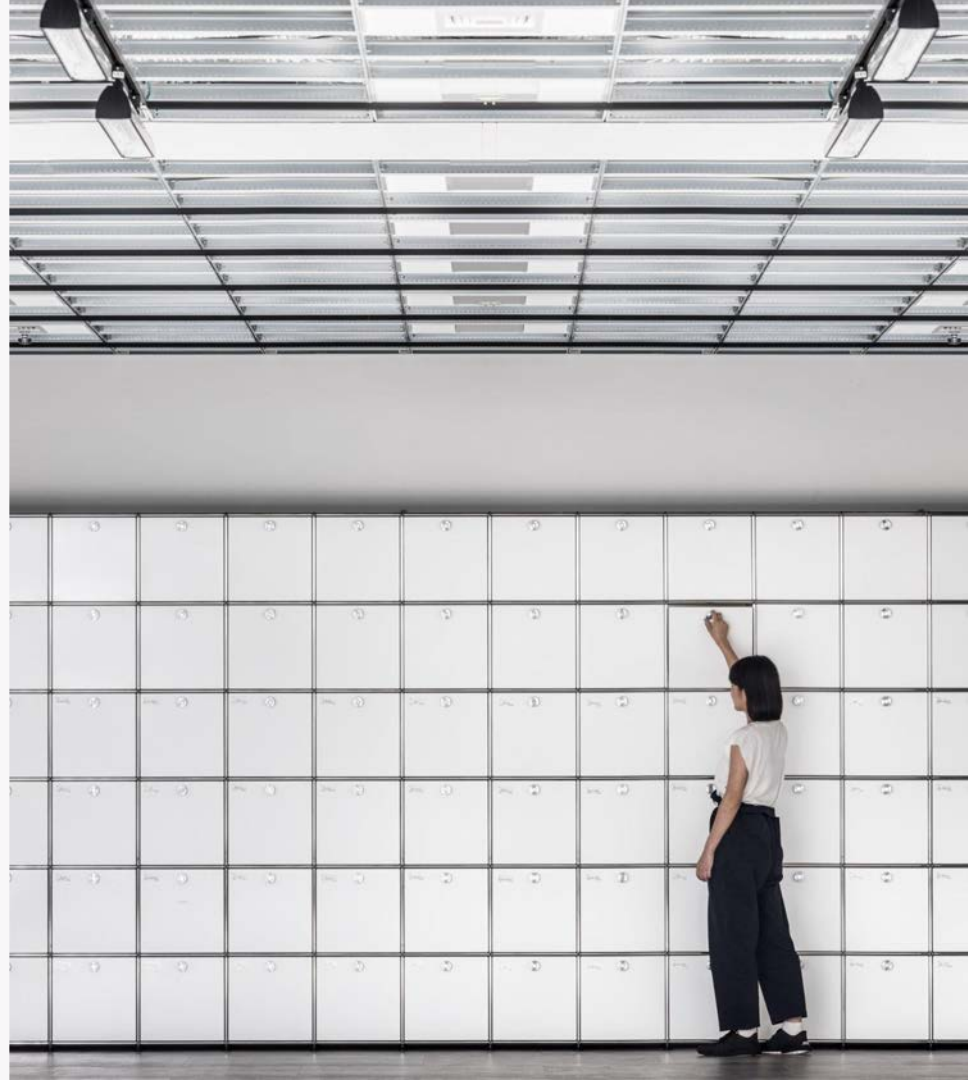
Plaid Group's Growth Curve and Profit Targets

Accelerate growth in each area and increase profitability in the KARTE area to achieve consolidated adjusted operating profit in the fiscal year ending FY9/25



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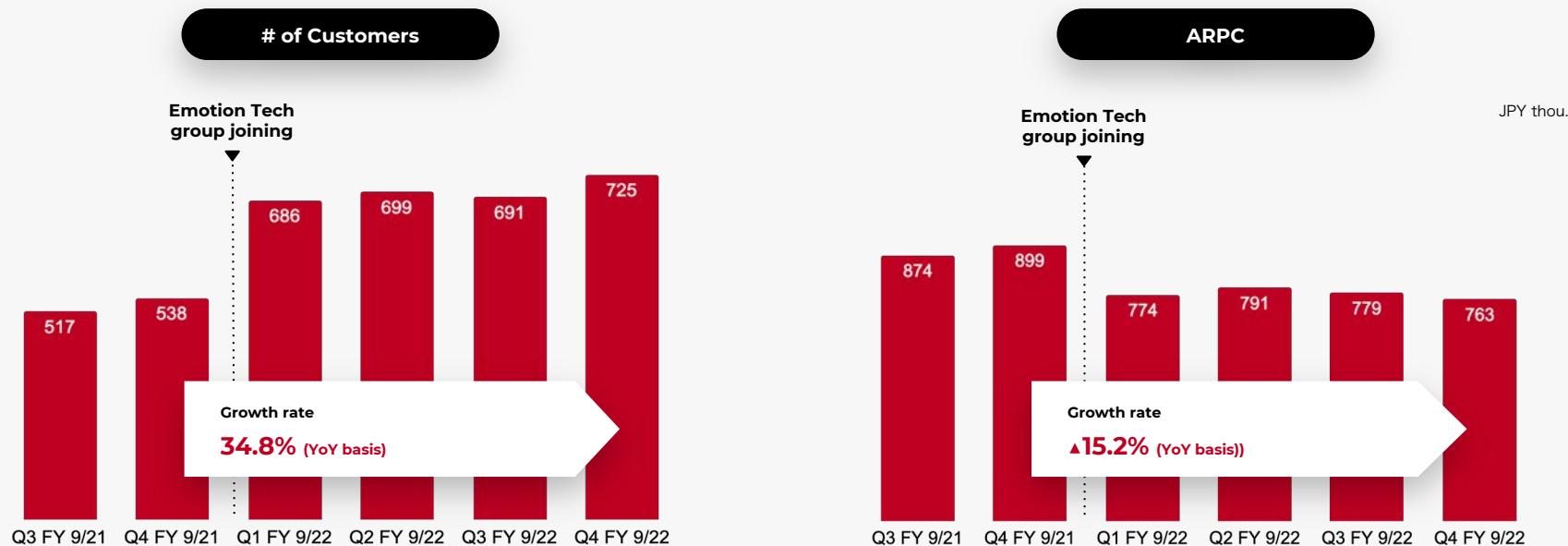
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Financial Information

Customers⁽¹⁾⁽²⁾ and ARPC⁽³⁾

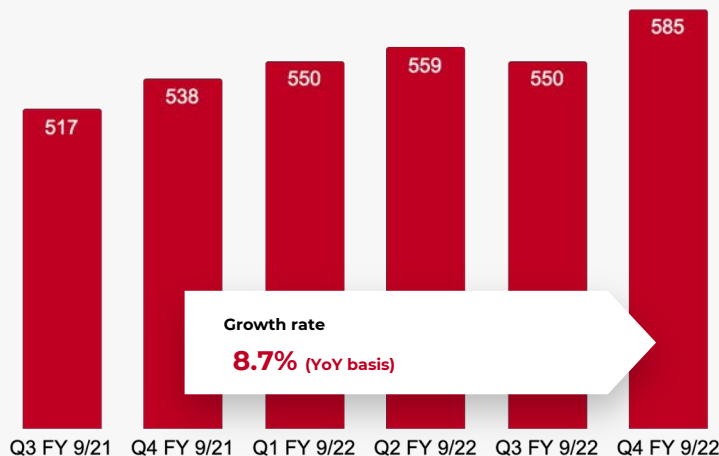
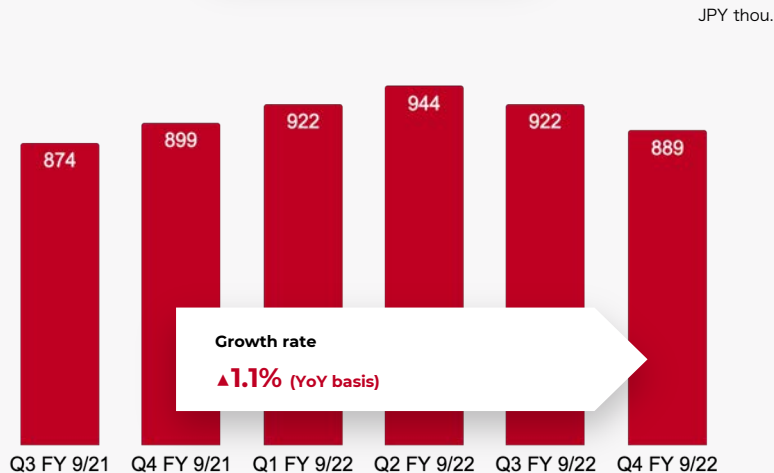
- Plaid's non-consolidated new customer acquisition and churn control were strong YoY, leading to an increase in the number of client companies.
- We plan to focus on acquiring new customers and reducing the churn rate in 4Q FY9/2022 and FY9/2023, while up-selling and cross-selling, which are factors for increasing the average spend per customer, are expected to begin in earnest in FY9/2024.



Customers⁽¹⁾ and ARPC⁽²⁾

- Due to an increase in contract cancellations at the end of March, when contract renewals are high, both the number of customers and ARPC decreased QoQ
- We are taking sequential steps to address the above issues
- Subject to the number of paid customers

of Customers

ARPC⁽²⁾

JPY thou.

Appendix

Income Statement (Quarterly)⁽¹⁾

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.)	Q4 FY 9/22	Q4 FY 9/21	YoY	Q3 FY 9/22	QoQ
Net sales	1,876	1,509	+24.3%	1,801	+4.1%
Subscription revenue (PLAID SaaS)	1,546	1,432	+8.0%	1,533	+0.9%
Subscription revenue (Other)	94	-	-	92	+3.0%
Other	234	77	+204.1%	176	+33.1%
Gross profit	1,417	1,109	+27.7%	1,300	+8.9%
Gross profit margin	75.5%	73.5%	+2.1pt	72.2%	+3.3pt
SG&A	1,665	1,160	+43.6%	1,631	+2.1%
% of Net sales	88.8%	76.8%	+11.9pt	90.5%	▲1.8pt
Advertising expenses	235	208	+13.0%	168	+40.2%
% of Net sales	12.6%	13.8%	▲1.2pt	9.3%	+3.2pt
Personnel expenses	925	611	+51.2%	907	+2.0%
% of Net sales	49.3%	40.5%	+8.8pt	50.3%	▲1.0pt
Rents	90	77	+17.1%	91	▲0.3%
% of Net sales	4.8%	5.1%	▲0.3pt	5.1%	▲0.2pt
Sales commission	31	32	▲2.4%	31	▲0.7%
% of Net sales	1.7%	2.1%	▲0.5pt	1.8%	▲0.1pt
Amortization of goodwill	40	-	-	40	-
% of Net sales	2.1%	0.0%	+2.1pt	2.2%	▲0.1pt
Other	342	229	+48.8%	393	▲13.0%
% of Net sales	18.2%	15.2%	+3.0pt	21.8%	▲3.6pt
Operating income	▲248	▲50	-	▲330	-
Operating margin	▲13.3%	▲3.4%	▲9.9pt	▲18.3%	+5.1pt
Non-operating income	1	0	+39.5%	0	+106.6%
Non-operating expenses	15	69	▲77.3%	39	▲59.5%
Ordinary income	▲263	▲119	-	▲369	-
Net income attributable to owners of parent	▲253	▲47	-	▲336	44 -

Appendix

Income Statement (Q1-Q4)⁽¹⁾

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.)	FY 9/22	FY 9/21	YoY
Net sales	7,295	5,444	+34.0%
Subscription revenue (PLAID SaaS)	6,140	5,191	+18.3%
Subscription revenue (Other)	332	-	-
Other	822	253	+224.1%
Gross profit	5,367	3,993	+34.4%
Gross profit margin	73.6%	73.3%	+0.2pt
SG&A	6,249	3,822	+63.5%
% of Net sales	85.7%	70.2%	+15.5pt
Advertising expenses	679	467	+45.3%
% of Net sales	9.3%	8.6%	+0.7pt
Personnel expenses	3,394	2,240	+51.5%
% of Net sales	46.5%	41.2%	+5.4pt
Rents	346	310	+11.6%
% of Net sales	4.7%	5.7%	▲1.0pt
Sales commission	129	116	+11.1%
% of Net sales	1.8%	2.1%	▲0.4pt
Amortization of goodwill	160	-	-
% of Net sales	2.2%	0.0%	+2.2pt
Other	1,539	687	+124.0%
% of Net sales	21.1%	12.6%	+8.5pt
Operating income	▲882	170	-
Operating margin	▲12.1%	3.1%	▲15.2pt
Non-operating income	3	6	▲50.8%
Non-operating expenses	104	283	▲63.2%
Ordinary income	▲983	▲105	-
Extraordinary losses	20	70	▲70.2%
Net income attributable to owners of parent	▲930	▲106	45

Balance Sheet⁽¹⁾

(JPY mil.)	FY 9/20	FY 9/21	FY 9/22
Total current assets	2,642	4,956	5,148
Cash and deposits	2,091	4,172	4,240
Notes and accounts receivable, trade	475	645	710
Other	75	138	197
Total non-current assets	426	2,027	1,942
Total current liabilities	1,084	1,640	1,881
Total non-current liabilities	380	390	1,139
Total net assets	1,604	4,953	4,070

Note: 1. Table on the right shows non-consolidated figures for FY 9/20 and before, and consolidated figures for FY 9/21 only

Cash Flow Statement⁽¹⁾

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

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

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	Q2 FY 9/22	Q3 FY 9/22	Q4 FY 9/22
S&M	2,443	497	488	542	737	785	736	827	859
% of Net sales	61.0%	41.2%	36.9%	38.7%	48.8%	49.5%	44.9%	50.8%	50.7%
R&D	951	227	237	269	286	346	364	377	363
% of Net sales	23.7%	18.8%	17.9%	19.2%	19.0%	21.9%	22.2%	23.2%	21.5%
G&A	538	123	135	140	136	151	167	178	175
% of Net sales	13.4%	10.2%	10.3%	10.0%	9.0%	9.6%	10.2%	11.0%	10.3%

Appendix

Long Term Model ⁽¹⁾ (PLAID SaaS)

	FY 9/20	FY 9/21	FY 9/22	Long term model
Gross profit margin	71.2%	73.3%	76.5%	75-80%
S&M	61.0%	41.6%	50.7%	25-30%
R&D	23.7%	18.7%	21.5%	18-20%
G&A	13.4%	9.8%	10.3%	8-10%
Operating margin	▲26.9%	3.1%	▲6.0%	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

Company Overview

Company Overview

Overview

Company Name	PLAID, Inc.
Founded	October 2011
Headquarter	GINZA SIX 10F, GINZA 6-10-1, Chuo-ku, Tokyo, Japan 104-0061
CEO	Kenta Kurahashi
# of Employees	338 (Consolidated, as of Sep. 2022)
Business Detail	Provision of KARTE (CX⁽¹⁾ Platform SaaS)

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

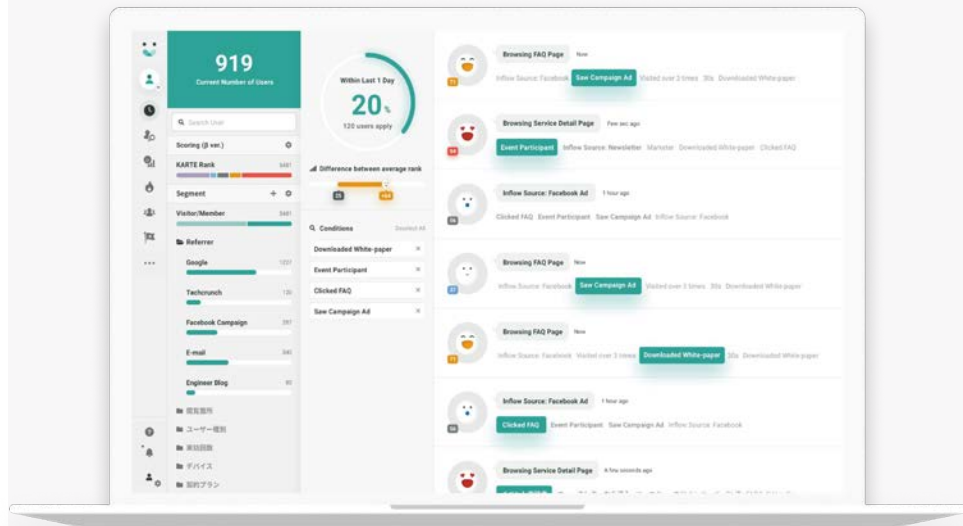


Products



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

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



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

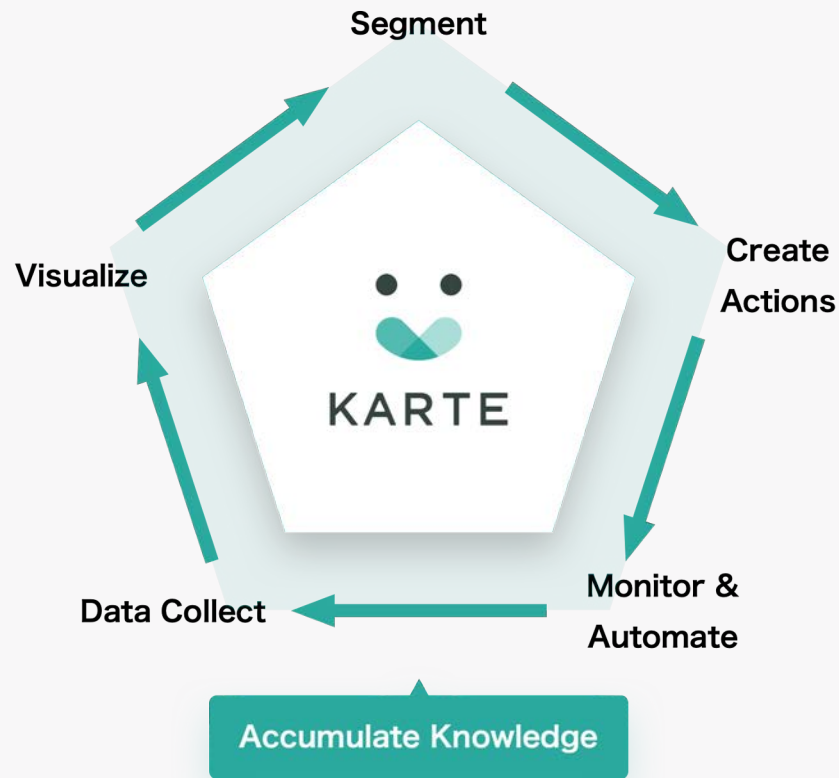
KARTE analyzes the real-time behaviors of customers visiting a website, etc., such as "They have been considering a specific product for a long time," together with the past data. This enables businesses to communicate appropriately with customers, without overlooking a timing or sign of their intent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



Feature 3.

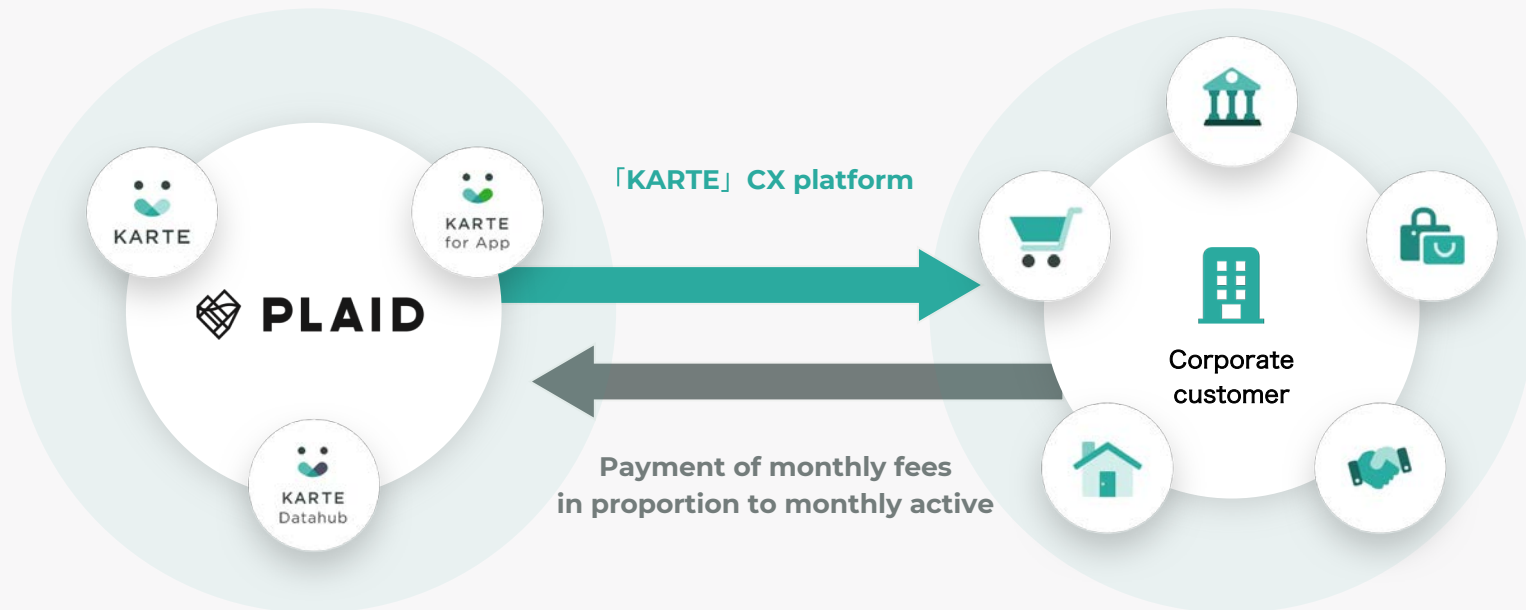
End-to-end solution

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

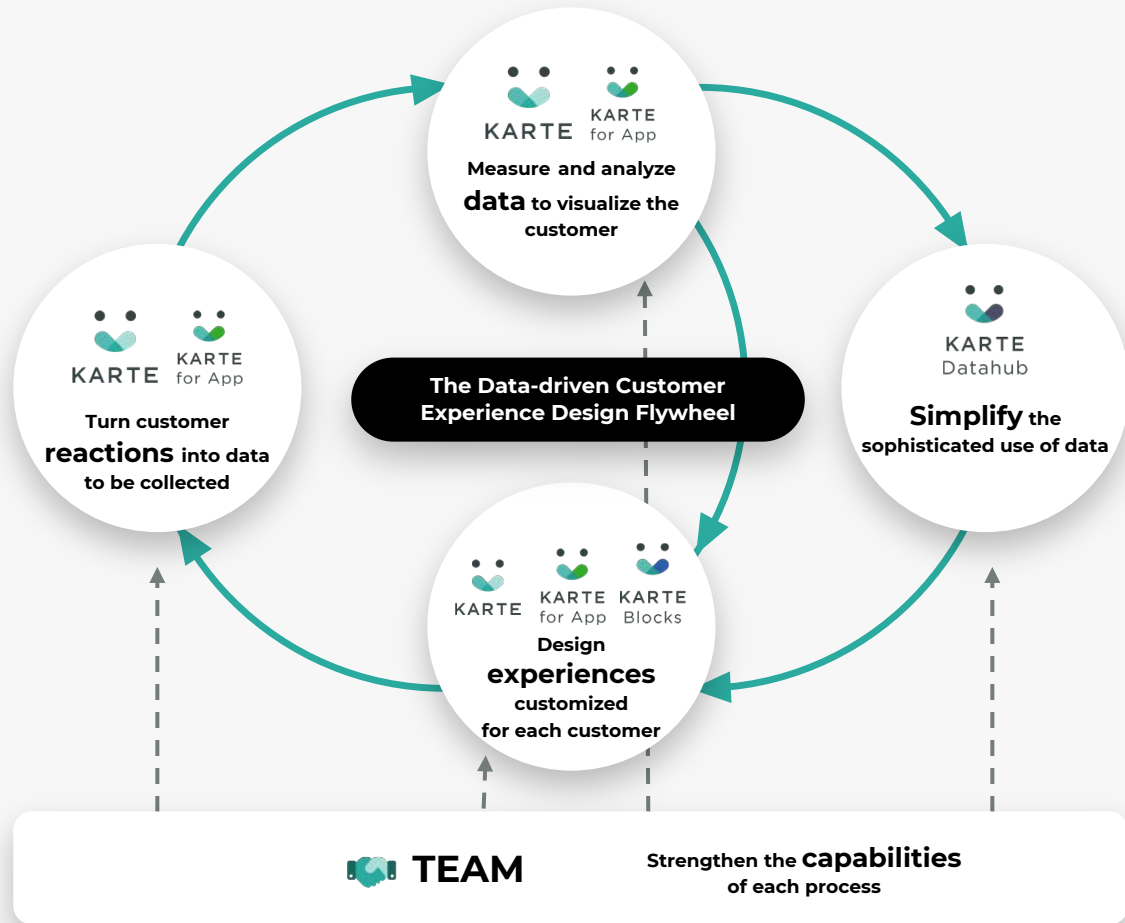
A Subscription model in which pricing is based on monthly active users on website or smartphone app
(Annual contract)



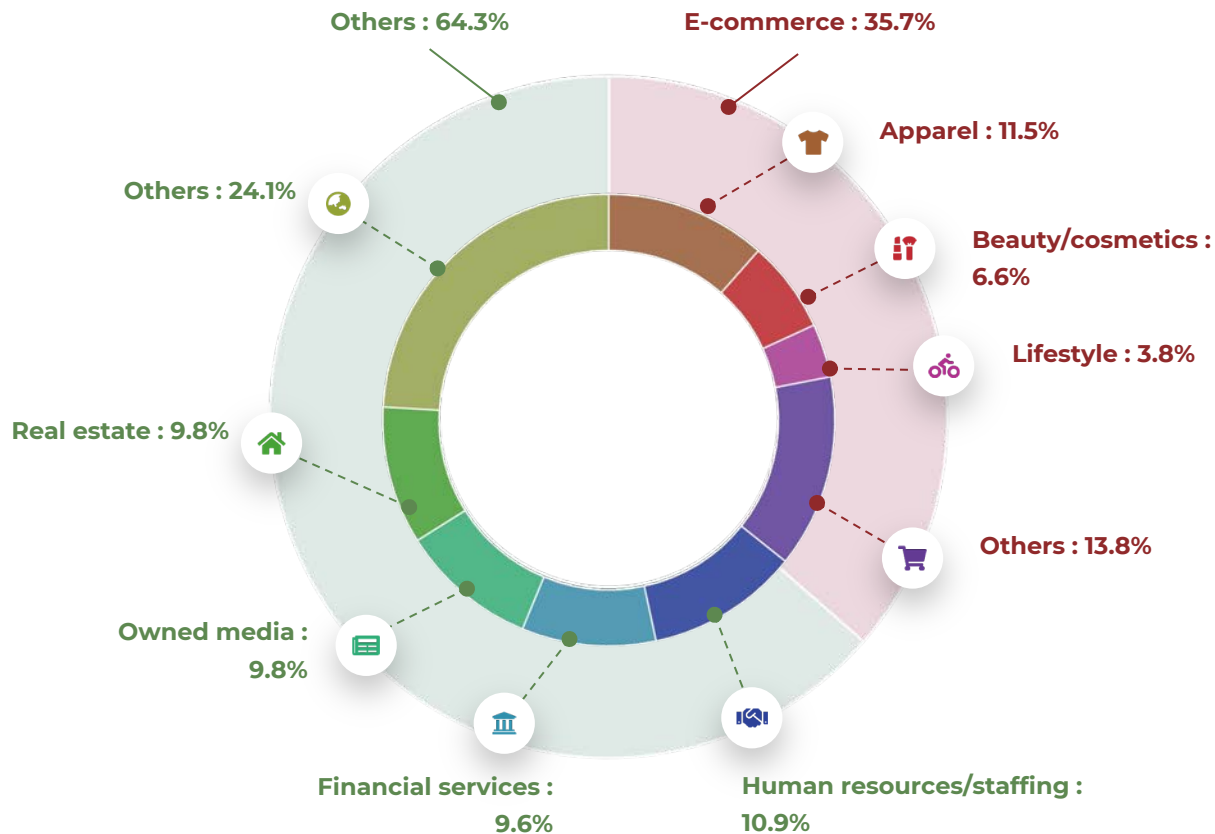
Focus on Supporting the Design of Customer Experience Centered around Customer Data

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 ⁽¹⁾



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

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 :

585 companies as of the end of Q4 FY 9/2022

of Companies
operating websites or smartphone apps
with more than 30,000 UUs each⁽¹⁾

TAM⁽²⁾ :
16,000

SAM⁽³⁾ :
8,200

SOM⁽⁴⁾ :
3,800



(Only KARTE / KARTE for App)

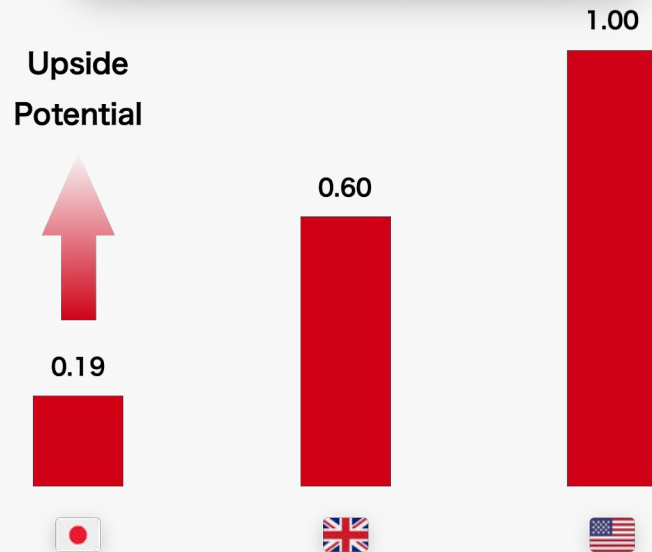
Notes: 1. This is the number of companies operating Japanese website with more than 30,000 UUs per month based on data from SimilarWeb Ltd. as of February 2019 and smartphone apps that have been updated within 365 days and downloaded 5,000 times, based on Appannie's data as of June 2021. They are defined 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⁽¹⁾

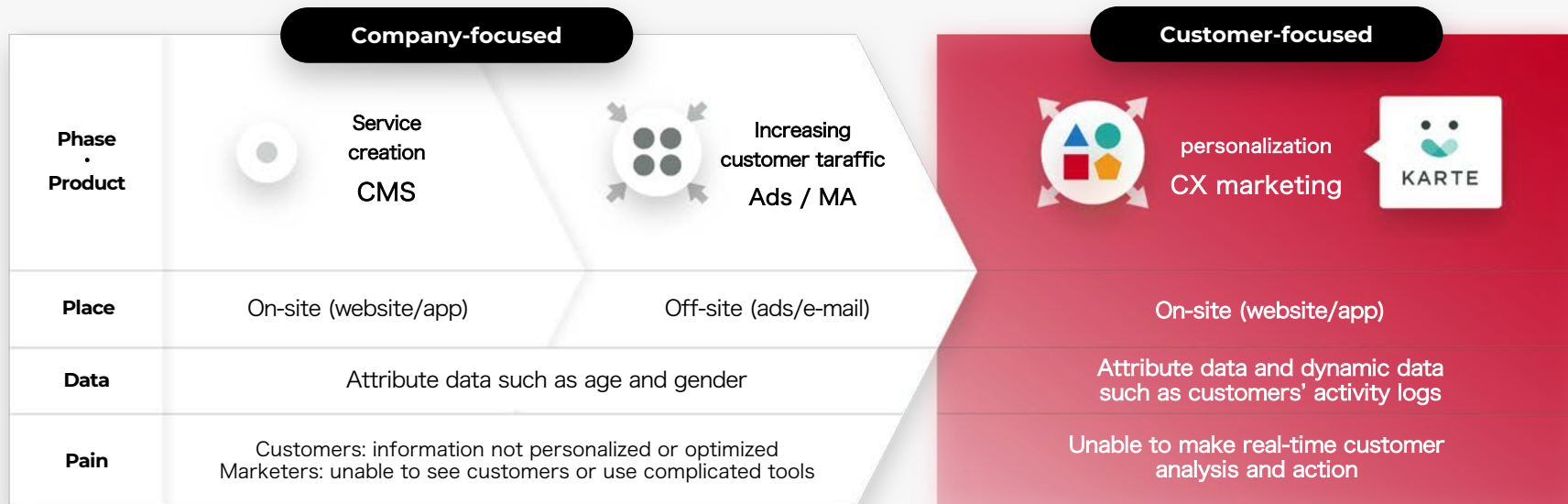


Cloud CRM Software Penetration⁽⁶⁾



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'

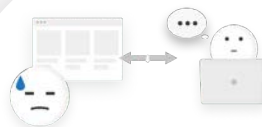


Contents are not
streamlined for individual
customers



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****

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 622929 / 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*