PLAID

Emotion Tech Inc. Joining The Plaid Group

PLAID, Inc. (4165, TSE Mothers) | August 2021

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Forward-Looking Statements

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Emotion Tech Inc. Joining Plaid Group



EmotionTech

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PLAID

Give Shape to Unspoken “Emotions” and Unexpressed “Feelings” with Technology

Maximize the Value of People with the Power of Data

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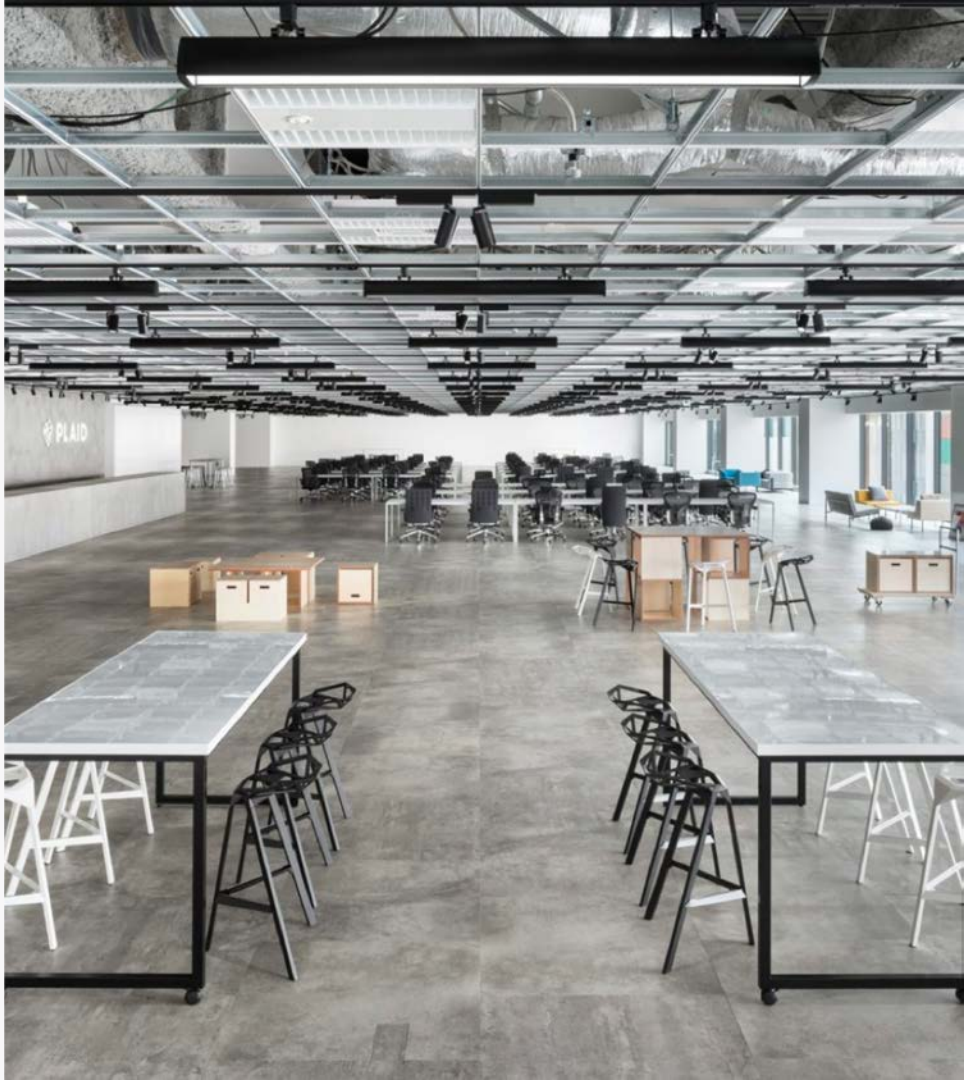
1. Transaction Overview
2. About Emotion Tech Inc.
3. Strategic Rationale



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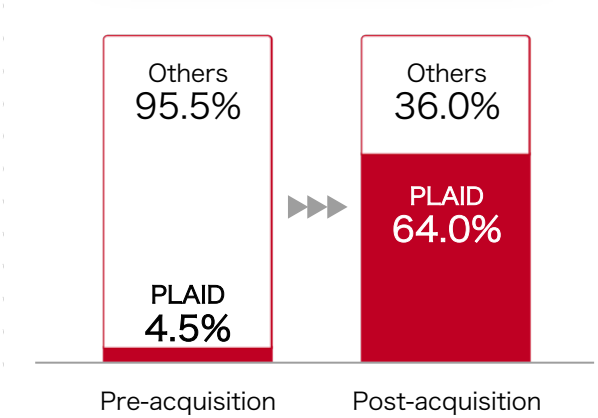
Acquisition of Stakes in Emotion Tech Inc.

- Acquired 59.5% stakes in Emotion Tech Inc. by purchasing from existing shareholders and underwriting newly issued stakes through the third-party allotment
- Own 64.0% of stakes in the company as a result of this transaction and its PL is consolidated from Q1 FY 9/2022

Transaction Overview

Closing Date	September 28, 2021 (scheduled)
Deemed Acquisition Date	September 30, 2021 (scheduled)
Acquisition Price	JPY 1.67 bil.
Source of Acquisition Costs	Cash and bank borrowing (scheduled)
Impacts on Financials	Consolidate balance sheet of Emotion Tech Inc. and post a gain on step acquisitions and others adjustments, in the consolidated statement of income as consolidation adjustments (1) in FY 9/2021 Consolidate statement of income of Emotion Tech Inc. from Q1 of FY 9/2022

Change in % Shares



Note 1. For details, refer to the "Announcement regarding Transition to the Consolidated Statement and Notice of Consolidated Earnings Forecast for the Fiscal Year Ending September 30, 2021" announced on August 27, 2021

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Company Overview

- Emotion Tech offers SaaS products and services that analyze end customers' emotional data including calculation of NPS®[1], or Net Promoter Score, with its proprietary technologies, supporting corporate customers to provide better CX to their end customers and better EX to their employees

Company Overview

Company Name	Emotion Tech Inc.
Headquater	Chiyoda-ku, Tokyo
Founded	March 2013
Capital	JPY 25mil.[2]
Business	Develops and offers experience management SaaS and services including "EmotionTech CX" and "EmotionTech EX"

Introduction of Representative



Yoshimitsu Imanishi
Founder/CEO

After joining Hitachi, Ltd. as a new graduate and working as IT system sales, he joined UNIQLO. During his experience in store management, he became acutely aware of the challenges of management in the service field.
To solve these issues, he entered the graduate school of Waseda University and researched various case studies and articles about CX and EX overseas, and then, he developed his own method for analyzing CX and EX and patented it.
In 2013, he founded wizpra Inc. (now Emotion Tech).
Bibliography: "Practical CXM (Customer Experience Management)" (Nikkei BP, 2019)

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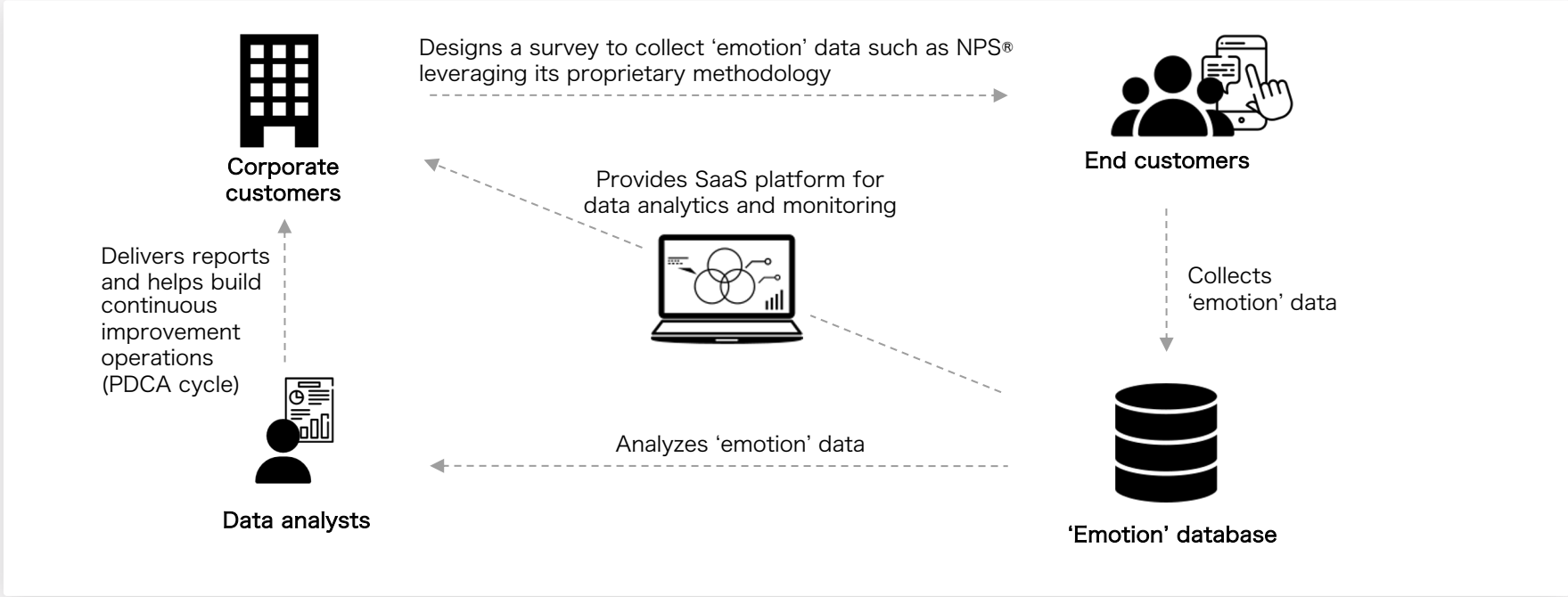
Notes 1. Net Promoter®, NPS®, NPS Prism®, and the NPS-related emoticons are registered trademarks of Bain & Company, Inc., Satmetrix Systems, Inc., and Fred Reichheld / 2. As of June 30, 2021. Does not include expected capital increase due to this transaction

Software and Services Offered

- Emotion Tech enables corporate customers to collect surveys from and to analyze emotional data of end customers that can only be obtained through direct surveys, improving the corporates' activities of customer ecperience



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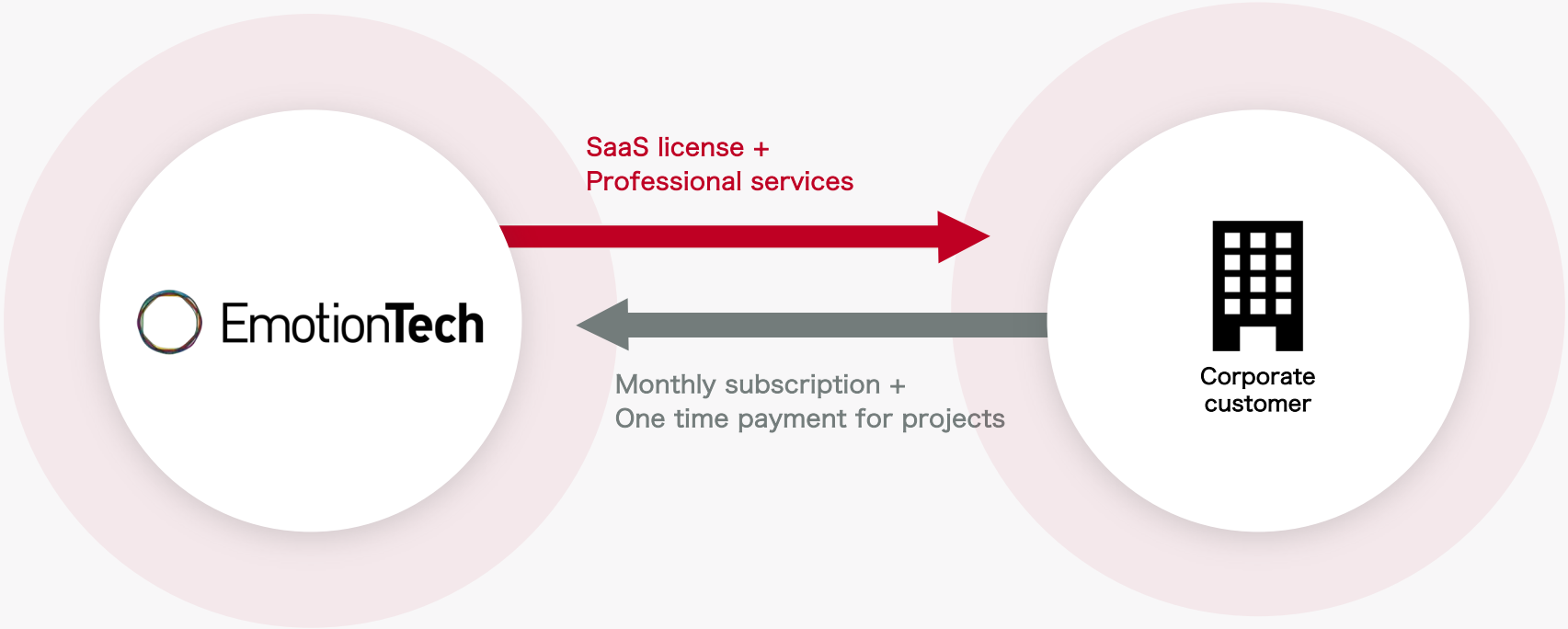
Business Model



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NPS®

- NPS® is attracting attentions as a key indicator to predict future corporate financial performance

What is NPS®

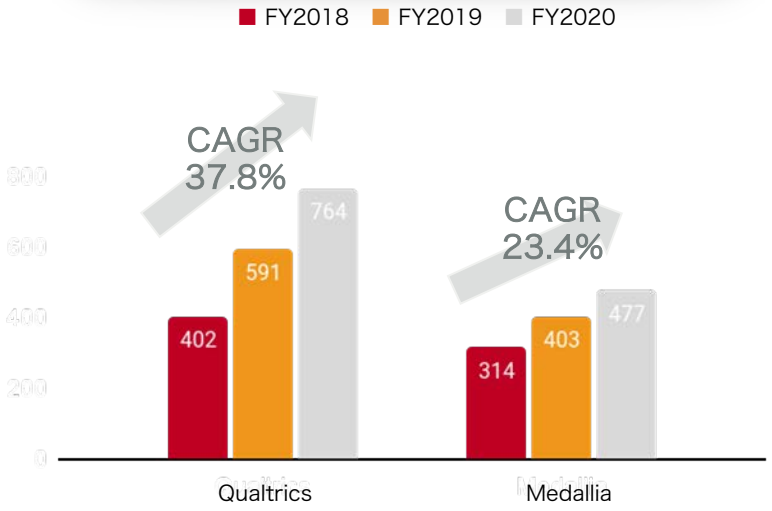
To what extent would you like to recommend XX to your close friends or family members, assuming your friends or family members share same values with you?

0	1	2	3	4	5	6	7	8	9	10
Detractor							Passive		Promoter	

Percentage of Promoter (%) - Percentage of Detractor(%) = NPS®

- NPS®, or Net Promoter Score®, measures “customer loyalty”, defined as customers’ attachments to corporate or products brands
- NPS® has been adopted by many global companies such as Procter & Gamble, Johnson & Johnson, American Express, Facebook, Microsoft and Sony, etc. regardless of industry(1)

Revenue Growth Rate of Global SaaS Companies Offering NPS Platforms(2)



 © 2021 PLAID, Inc. Notes 1. Prepared by us referring the website of Bain & Company / 2. Prepared by us based on materials disclosed by each company

Key Strengths of Emotion Tech

The leading player in NPS® in Japan

Supported more than 450[1] companies for their introduction and utilization of NPS®, as one of the Japanese leading players having knowledge on how to utilize NPS®

Advanced technologies for data analysis

Owns patented know-how for designing surveys, analyzing survey data and visualizing survey results in order to extract key issues for improving customer experiences

Proprietary cloud-based software optimized for NPS®

Developed SaaS specialized for Customer Experience Management, or CXM, and helps corporate customers offer effective CXM

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Results so far from the partnership with Emotion Tech

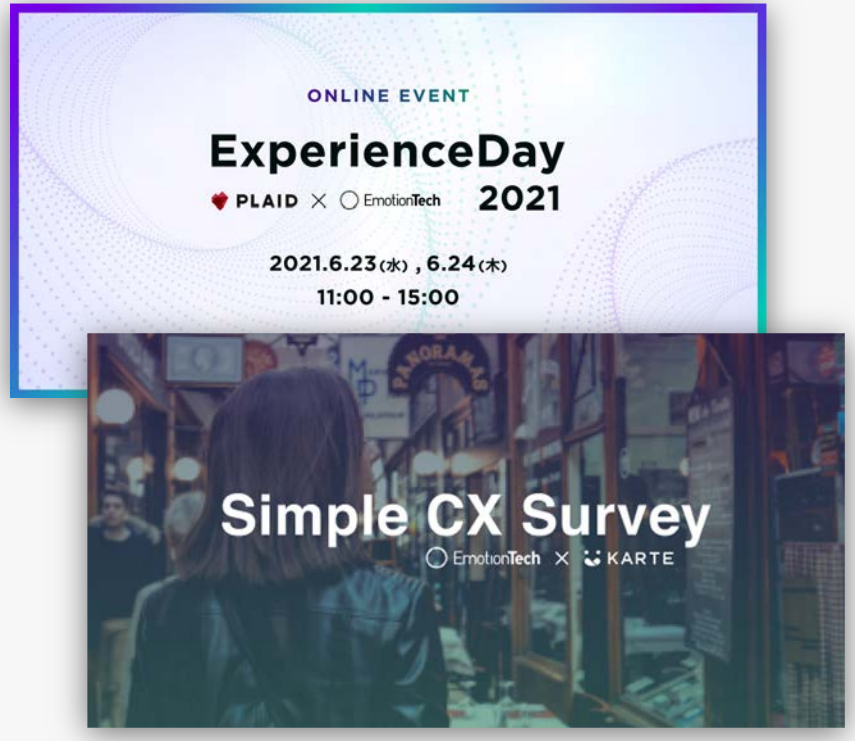
The successful strategic partnership initiated in 2020 proved the natural ‘fit’ between us

Key Achievements

1. **Successfully made cross-selling**
   Steadily accumulated of cross-selling results of products / services of both companies through joint proposal, etc.

2. **Generated leads through collaborated marketing efforts**
   Held joint-sponsorship seminar, ‘Experience Day’ for 2 days in June 2021, showing potentials of CX and EX and generating business opportunities of both companies

3. **Developed joint solutions**
   Launched a new service, ‘Simple CX Survey’ for easy CX survey on website or on app



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Extending our Domain around CX, Enhancing Value Proposition, and Pursuing Synergies

01 Extending our Domain around CX

Bold move into survey area including NPS®, extending the area of CX platform from digital marketing to other corporate activities



02 Enhancing value proposition

Integration of KARTE's user behavioral data and Emotion Tech's user's voice (emotional data) will significantly enhance **value proposition** we are offering to corporate customers



03 Synergies

In addition to sales synergies such as co-selling, **further revenue synergies** expected from the integration and connection of our products and services



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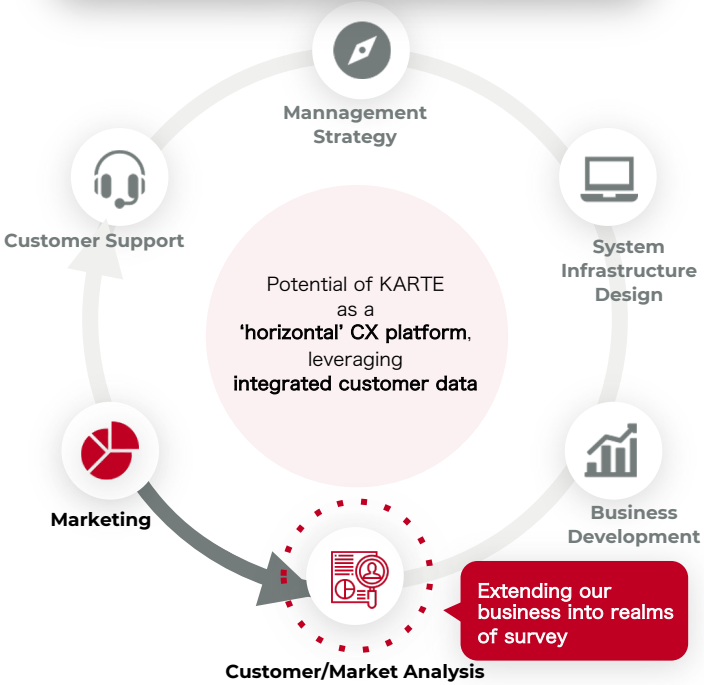
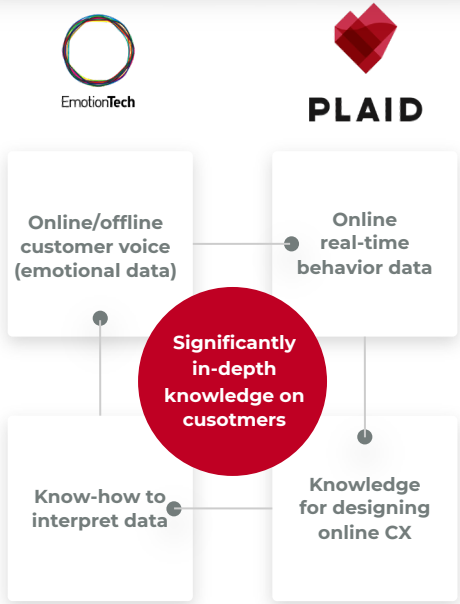
Extending Our Domains and Enhancing Value Proposition

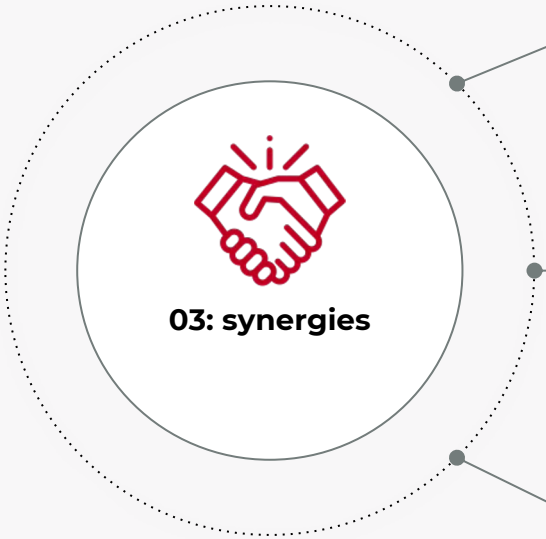
01: Extending Our Domains around CX



02: Enhancing Value Proposition



Revenue Synergies Expected from the Integration of Our Products and Services in addition to Further Co-selling



Cross-selling

Strengthening collaboration in marketing and sales activities

Joint solution development

Developing collaborated solutions leveraging KARTE’s behavioral data and Emotion Tech’s emotional data

Product enhancement and differentiation

Enhancing and differentiating Emotion Tech's products by incorporating KARTE's functionality which enables more personalized collection of NPS® and surveys, and on-site experience improvement (design)

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Unleash the Potential of People
with the Empowered Data
by Human Emotions

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