PLAID

Earnings Results for the quarter ended Sep. 2024 (Q2 FY 9/24)

PLAID, Inc. (4165, TSE Growth) | May 2024

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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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Financial results summary

(JPY mil.)		Quarter			6M ended		
		FY 9/23 Q2	FY 9/24 Q2	YoY (%)	FY 9/23	FY 9/24	YoY (%)
Net sales	**Consolidated**	**2,147**	**2,733**	**+27.3%**	**4,100**	**5,264**	**+28.4%**
	Non-consolidated	1,863	2,371	+27.3%	3,626	4,641	+28.0%
	Group companies	335	446	+32.9%	563	836	+48.6%
	Consolidation Adjustment	-51	-84	-	-89	-213	-
Gross profit margin(1)	**Consolidated**	**73.7%**	**69.4%**	**-4.3pt**	**73.5%**	**70.5%**	**-3.1pt**
	Non-consolidated	73.2%	68.9%	-4.3pt	73.2%	70.3%	-3.0pt
	KARTE domain(4)	75.8%	73.4%	-2.4pt	75.6%	74.5%	-1.2pt
Adjusted operating income(2)	**Consolidated**	**44**	**174**	**+295.5%**	**-43**	**218**	**-**
	Non-consolidated	88	231	+162.5%	82	403	+391.5%
	Group companies	-48	-74	-	-136	-211	-
	Consolidation Adjustment	4	17	-	11	26	+136.4%
ARR(3)	**Consolidated**	**7,293**	**8,887**	**+21.9%**	**-**	**-**	**-**
	Non-consolidated	6,666	7,950	+19.3%	-	-	-

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

Financial Results - PLAID Group (Consolidated) -

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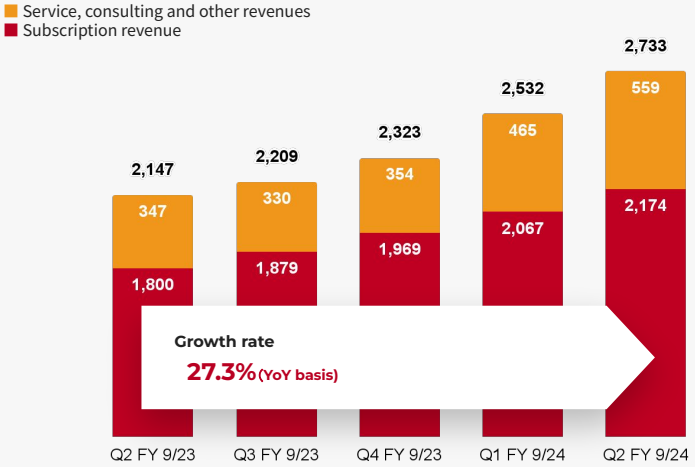
Consolidated

Both net sales and ARR[1] remain strong

- ARR exceeded the plan in Q2 as in Q1, and subscription revenues increased
- Service, consulting and other revenues also increased from Q1 driven by PLAID ALPHA, STUDIO ZERO, and EmotionTech

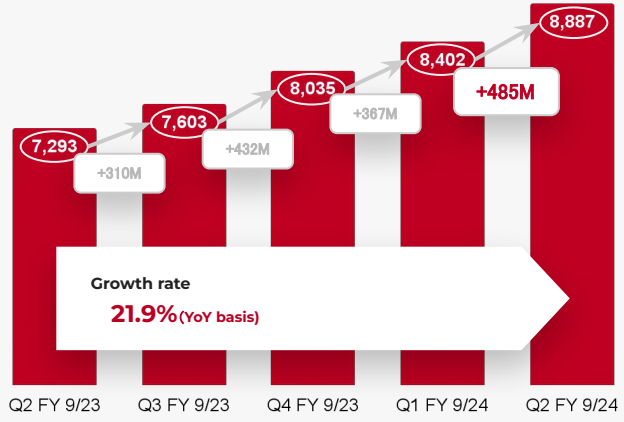
Consolidated net sales

JPY mil.



Consolidated ARR

JPY mil.



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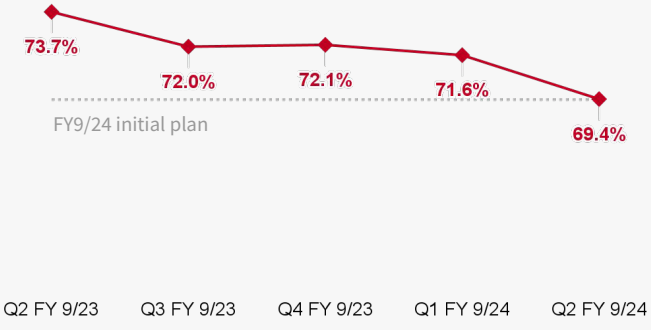
Notes: 1.Annual Recurring Revenue. It is calculated by multiplying the monthly subscription sales at the end of each quarter by 12

Consolidated

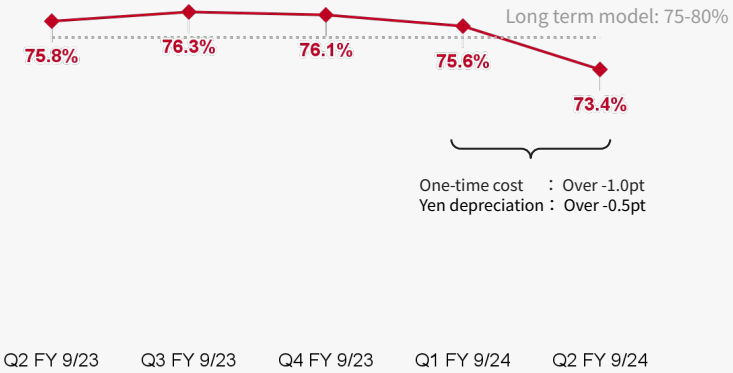
Gross profit margin(1) was down from Q1 but remained at the level of the initial plan

- Gross profit margin was down mainly due to one-time software costs and yen depreciation in the KARTE domain
- As for yen depreciation, we will continue to improve server utilization efficiency and review currency hedging to moderate the impact considering the market trend

Gross profit margin_consolidated



Reference) Gross profit margin_ KARTE domain



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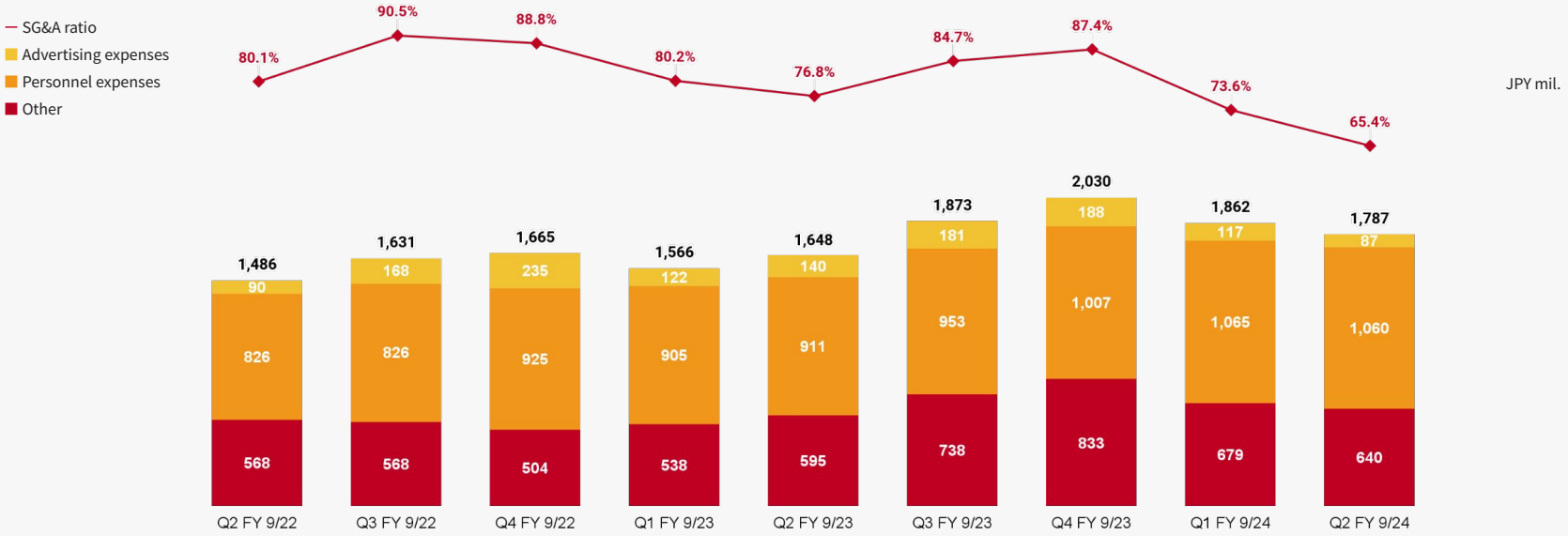
Notes: 1.After deduction of provision for loss on order received / 2. After deduction of provision for loss on order received, and after adjusting intra-group transaction with RightTouch

Consolidated

SG&A expenses are steadily improving efficiency

- SG&A ratio declined due to various productivity improvement initiatives
- Since we plan to spend up to 300 million yen in the second half of the fiscal year for additional growth investments such as hiring of employees, SG&A ratio is expected to temporarily increase, but will basically continue to decline



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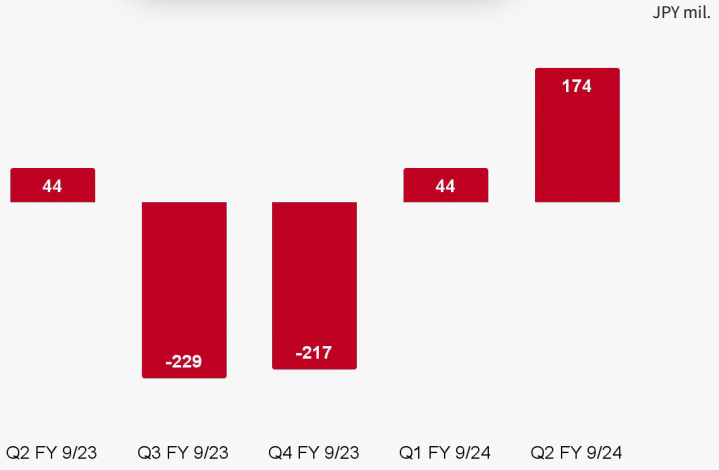
Consolidated

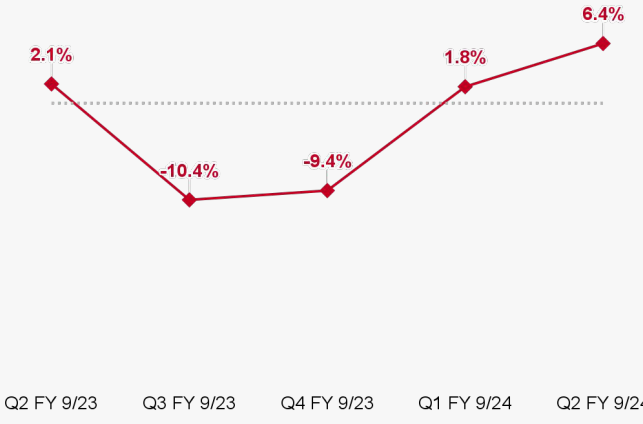
Adjusted operating income[(1)] increased from Q1 to 174 million yen

- As of Q1 results, Q2 adjusted operating income was expected to decrease or turn in the red due to the lack of revenues from unexpected large consulting projects like Q1 and the recognition of postponed expenses, but increased with strong net sales trends and cost efficiencies

Adjusted operating income



Adjusted operating margin



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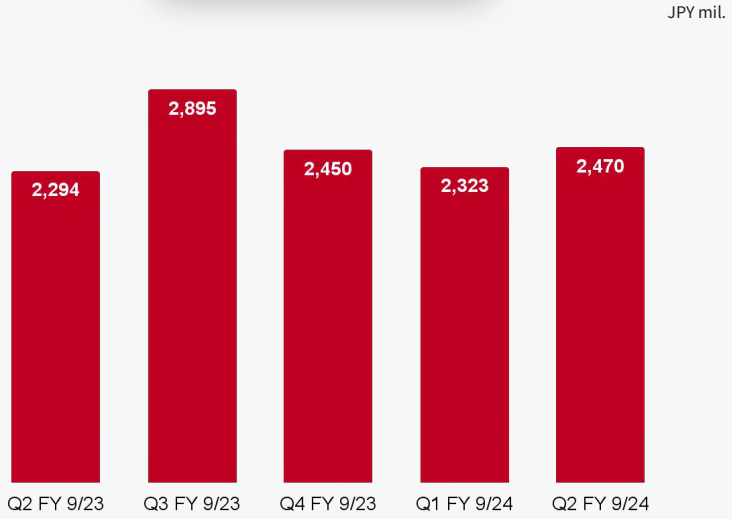
Notes 1.Operating income + Goodwill amortization + Stock-based compensation expenses + Other one-time cost

Consolidated

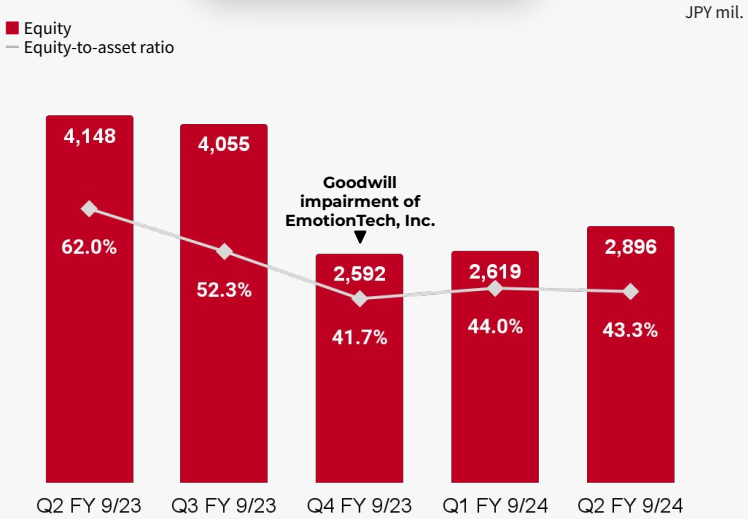
Cash on hands and equity ratio is maintained favorable level

- Keeping a sound financial condition with an enough level of cash on hands
- Equity ratio is expected to rise in the medium term, mainly due to improvement of Plaid's profitability

Net cash



Equity



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PLAID (Non-Consolidated) / Group Companies

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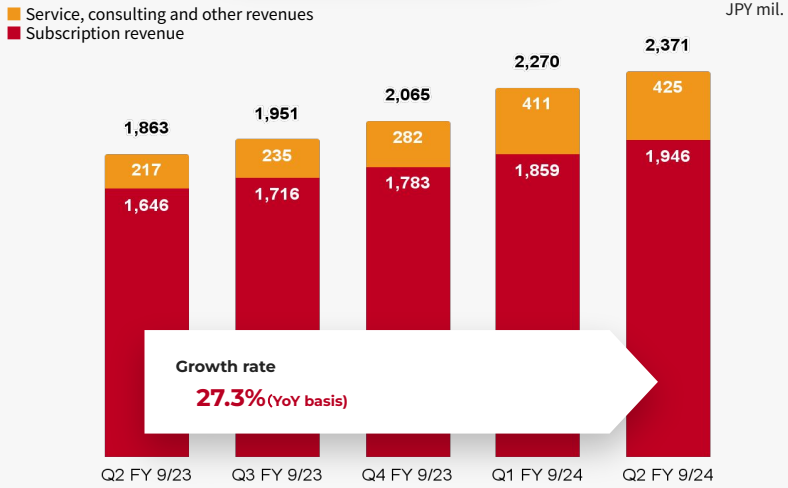
Non-Consolidated

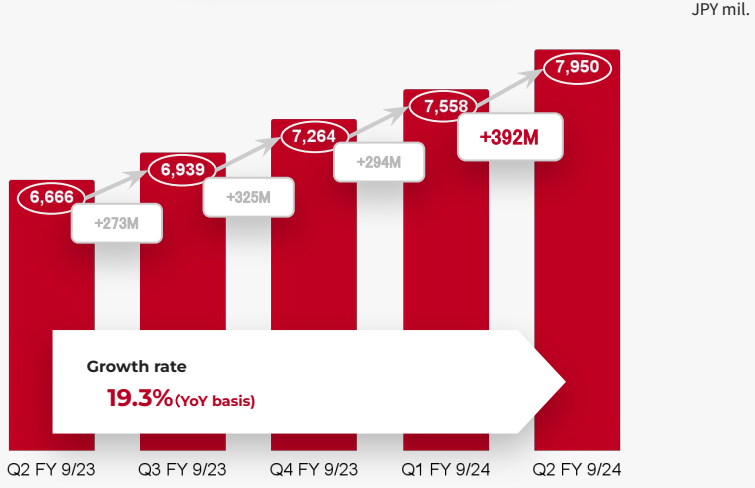
Both net sales and ARR[1] continue to grow above the plan

- Subscription revenues and ARR both have accelerated growth
- Service, consulting and other revenues increased from Q1, as PLAID ALPHA was in line with the plan, and STUDIO ZERO continued to grow strongly in Q2

Net sales



ARR



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Notes: 1.Annual Recurring Revenue. It is calculated by multiplying the monthly subscription sales at the end of each quarter by 12

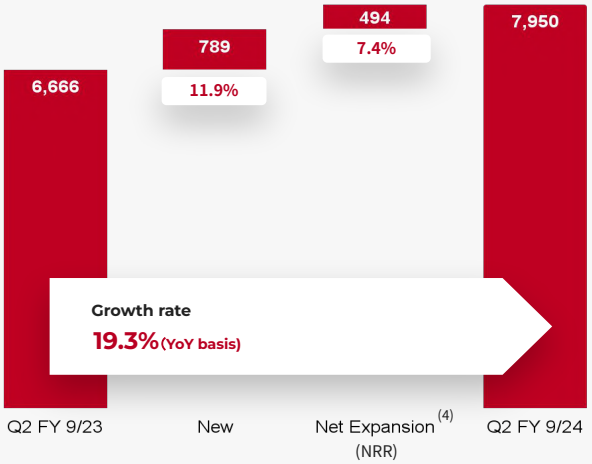
Non-Consolidated

Attribution analysis of ARR[1] growth

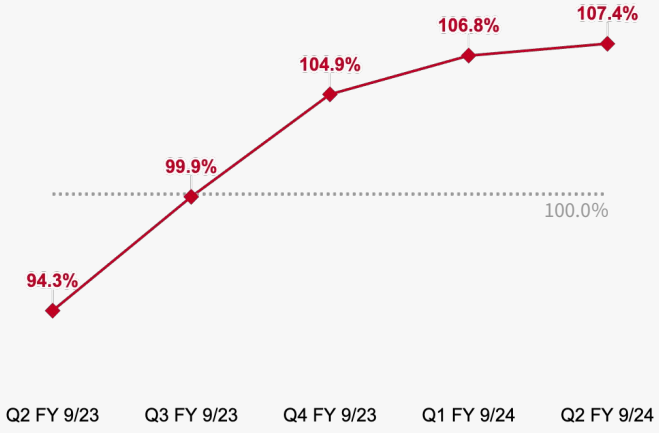
- Quarterly NRR[2][3] for Q2 marked 107.4%
- NRR remains at a favorable level due to stable renewal rate and up/cross-selling

ARR bridge

JPY mil.



NRR



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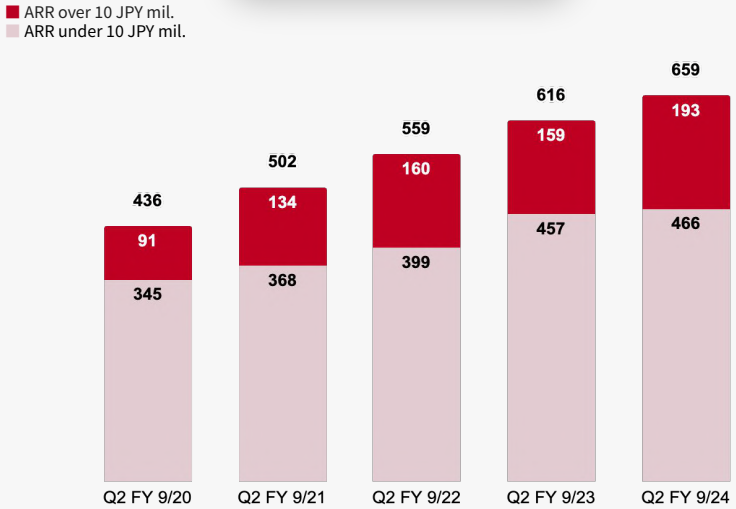
Notes: 1.Annual Recurring Revenue. It is calculated by multiplying monthly subscription revenue at the end of each quarter by 12 / 2.NRR: Net Revenue Retention (Rate) Calculated by dividing the (i) monthly subscription sales of current customers who have continued to subscribe for at least one year by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

Non-Consolidated

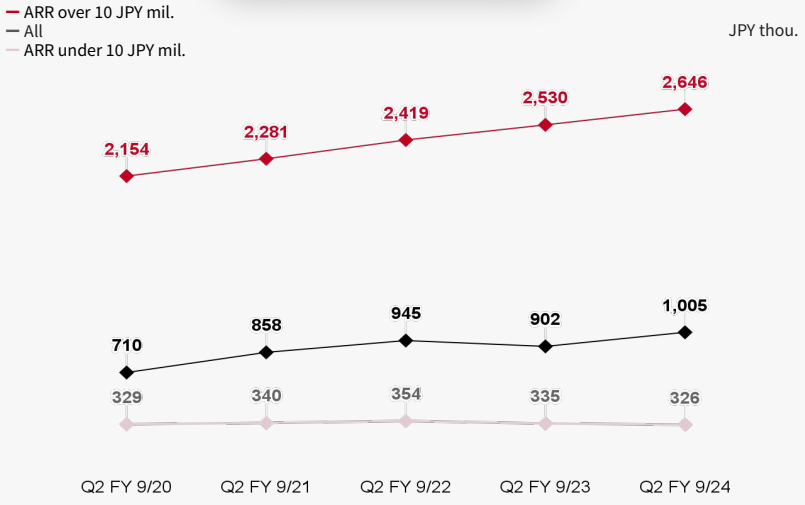
Customers[1] and ARPC[2]

- Focus on strengthening touchpoints and ongoing proposal activities, mainly for enterprise companies
- Number of customers in the high price range (ARR over 10 JPY mil.) increased steadily, and ARPC continued its upward trend

Number of Customers



ARPC



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Notes: 1. Customers who have transactions with PLAID are counted as one company / 2. Calculated by dividing the monthly subscription sales at the end of each quarter by the number of customers of the end of the quarter

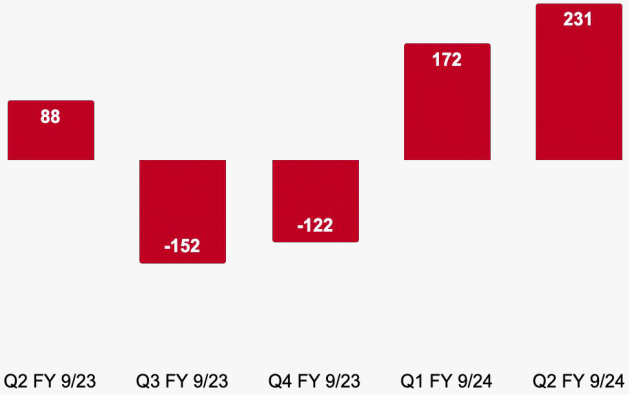
Non-Consolidated

Adjusted operating income[(1)] increased from Q1 to 231 million yen

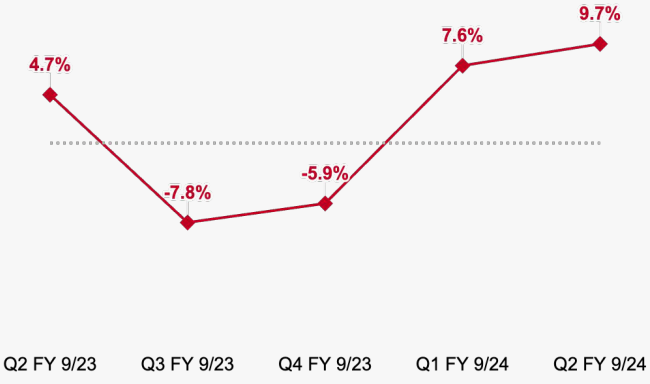
- Strong net sales growth and cost efficiencies are rapidly improving profitability

Adjusted operating income

JPY mil.



Adjusted operating margin



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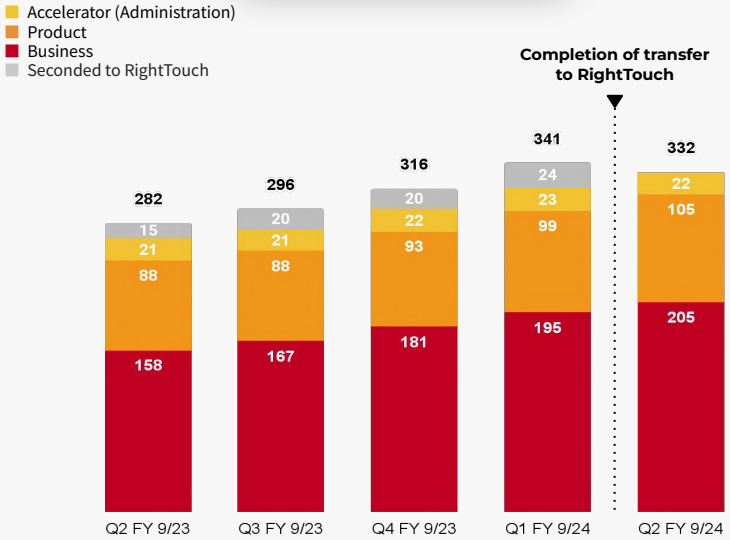
Notes 1.Operating income + Goodwill amortization + Stock-based compensation expenses + Other one-time cost

Non-Consolidated

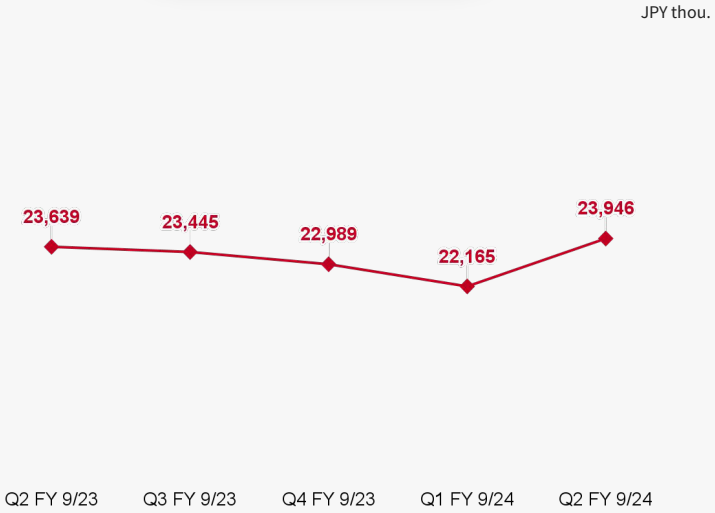
Hiring generally proceeded as planned

- Number of employees at the end of Q2 was 332, an increase of 15 from Q1
- In addition to hiring customer success and engineers, PLAID ALPHA and STUDIO ZERO have increased their headcount to meet the strong needs

Number of employees



ARR per employee



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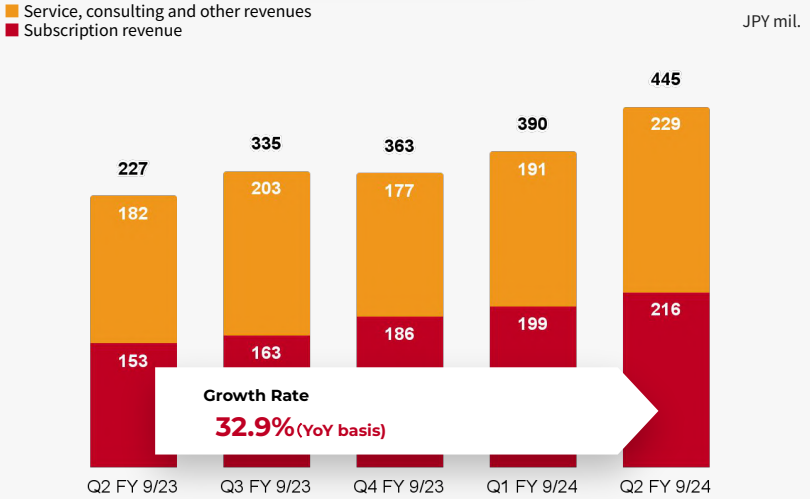
Group companies

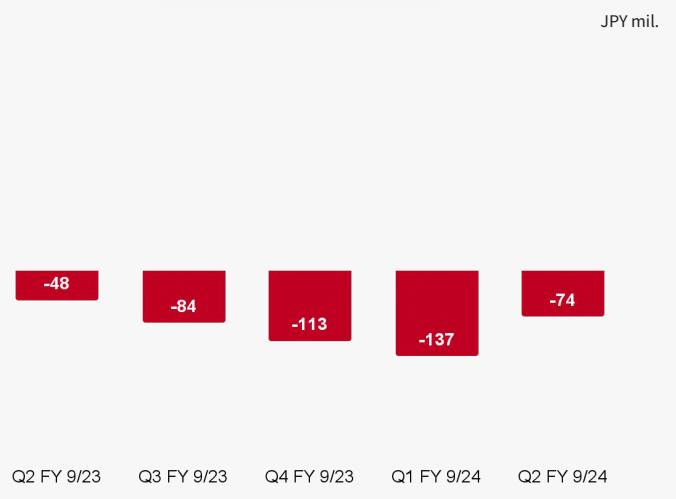
Steady performance of group companies

- Net sales were in line with plan
- Adjusted operating income[1] exceeded the plan due to cost controls

Net sales



Adjusted operating income



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Note: 1.Operating income + Goodwill amortization + Stock-based compensation expenses + Other one-time cost

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Earnings Guidance for FY 9/24

- Revised full-year guidance upward with favorable performance
- Net sales are expected to be slightly higher than the previous guidance, at approximately 10.8 billion yen
- Although we plan to make an additional growth investment up to 300 million yen in the second half of the fiscal year, such as hiring, adjusted operating income[(1)] is expected to be 275 million yen, even after considering these costs

(JPY mil.)		FY 9/24 Previous guidance	Updated guidance	Difference	Change (%)	1H	2H
Net sales	**Consolidated**	**10,666**	**10,809**	**143**	**1.3%**	**5,264**	**5,545**
	YoY	**23.5%**	**25.2%**	**-**	**-**	**28.4%**	**22.3%**
	PLAID（non-consolidated）	9,126	9,588	461	5.1%	4,641	4,947
	YoY	19.4%	25.4%	-	-	28.0%	23.1%
Adjusted operating income	**Consolidated**	**14**	**275**	**260**	**1765.3%**	**218**	**57**
	PLAID（non-consolidated）	379	659	279	73.8%	403	256

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Note: 1.Operating income + Goodwill amortization + Stock-based compensation expenses + Other one-time cost

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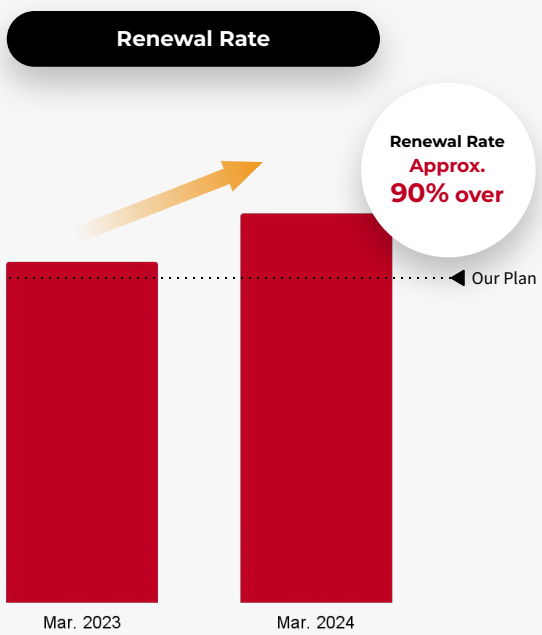
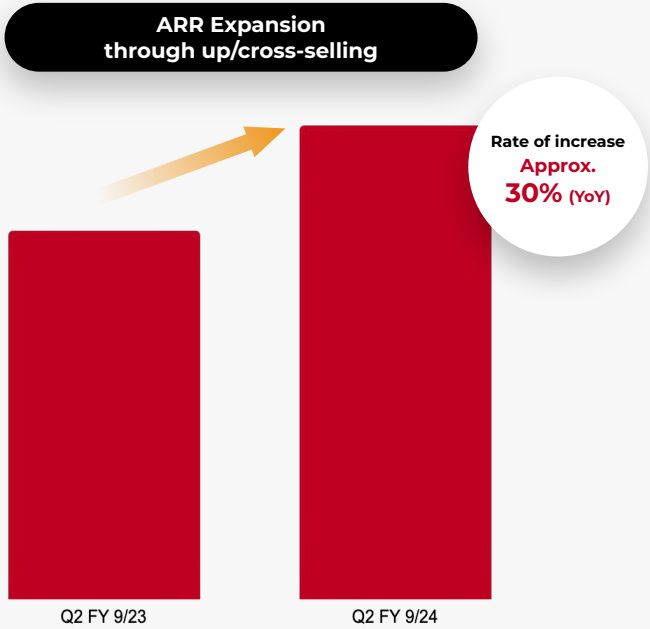
Strong renewal rate[1] and expanding up/cross-selling

- Renewal rate exceeded 90% in March, when large contract renewals are concentrated, far exceeding our plan
- Upselling/cross-selling has also increased, accelerating net sales growth





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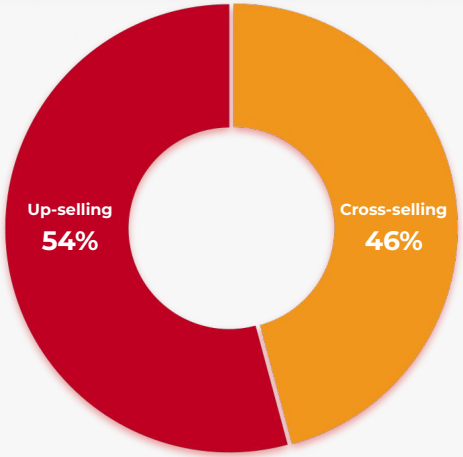
Note 1. Calculated by dividing the (i) total amount of renewed contracts during the period covered by (ii) total principal subject to contract renewal for the same period

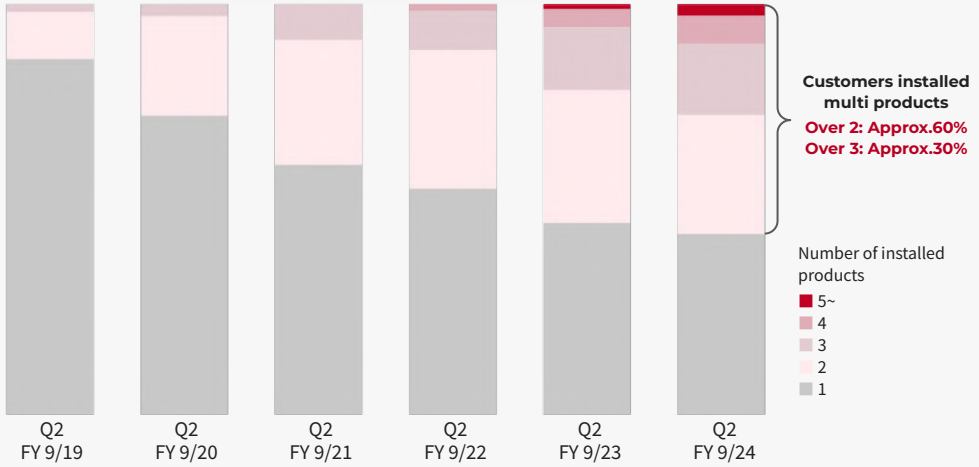
Extremely high growth potential through up/cross-selling

- Composition of ARR expansion by up/cross-selling on an actual basis is up-selling 54% : cross-selling 46%
- While cross-selling is steadily progressing, focus on up-selling of each introduced product to further accelerate net sales growth

Ratio of ARR expansion through up/cross-selling(1)



Number of products installed per customer



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Note 1. Calculated based on the actual amount of ARR accumulated by up/cross-selling in 2Q FY9/21 to 2Q FY9/24.

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Key Takeaways

1 “Multi-product x professional services” strategy works effectively

- Expansion with enterprise companies has driven growth
- By developing our own products to meet the various needs of companies and providing a full range of professional services, we are shifting beyond the product vendor role and establishing a unique position as “a partner that can provide highly viable support for business transformation”
- Cross-selling, up-selling each product, increasing presence by making relationships with major companies in each industry, acquiring new customers, cross-selling...it has become a virtuous cycle

2 Strong net sales growth and cost efficiencies are rapidly improving profitability

- Q2 consolidated adjusted operating income was +174 million yen, and the profit margin was 6.4%
- Net sales have increased steadily, and SG&A ratio has declined due to various efforts to improve productivity
- We will further improve profitability by strengthening our “Multi-product x professional services” strategy

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External Environment

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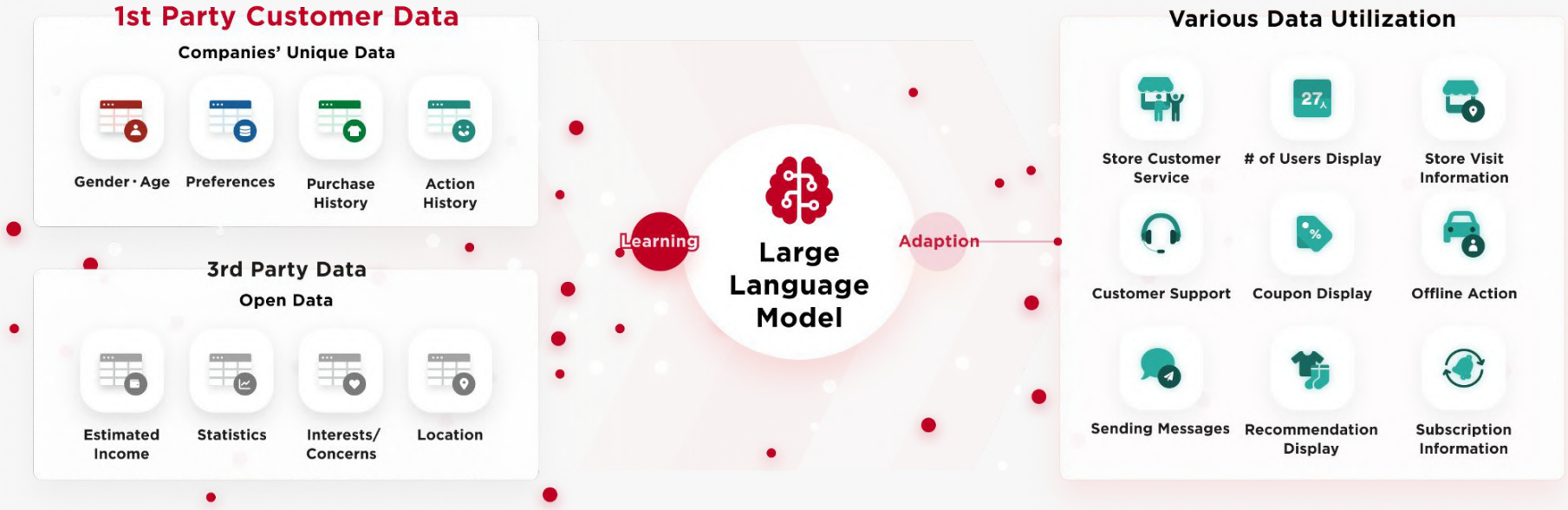
Rapid advancements in AI technology

- Generative AI capable of processing vast amounts of data and processing high learning capabilities, which can be utilized in various services, has emerged
- The value of 1st party customer data, unique to service providers, has relatively increased as the type and quality of data used in AI training differentiate services



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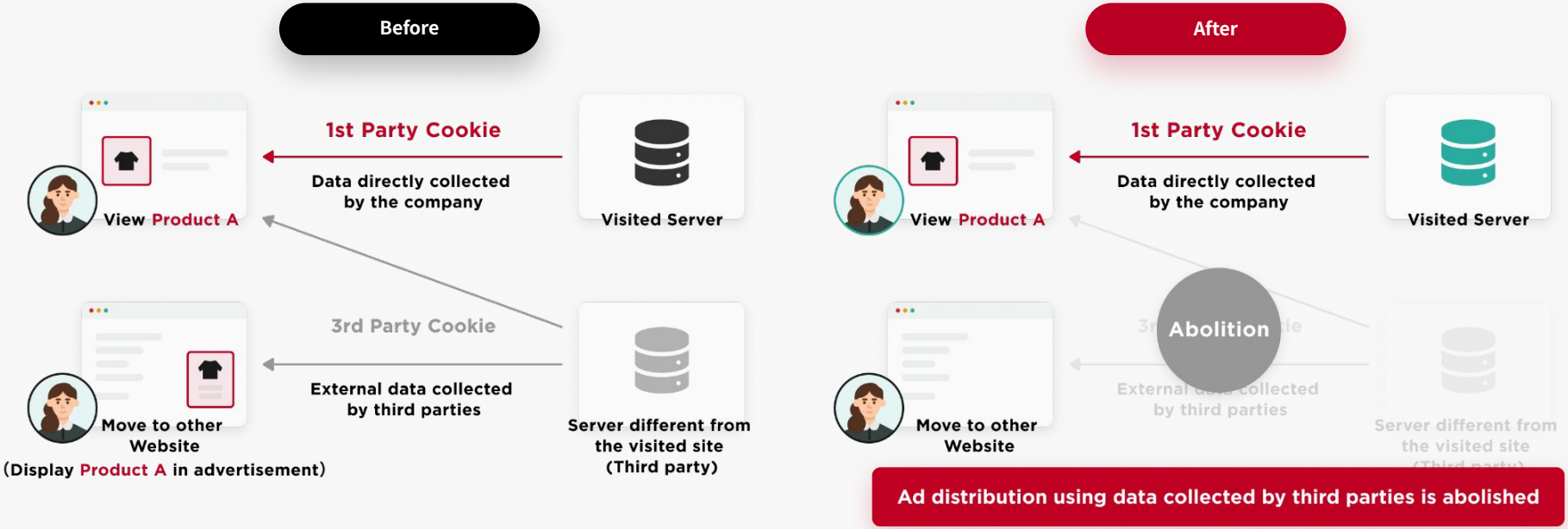
The arrival of the cookie-less era

- In the latter half of 2024, third-party cookies used for measuring digital advertising and other purpose will be completely abolished
- Alongside the advancements in AI, the utilization of 1st party customer data is becoming central to companies' data strategies



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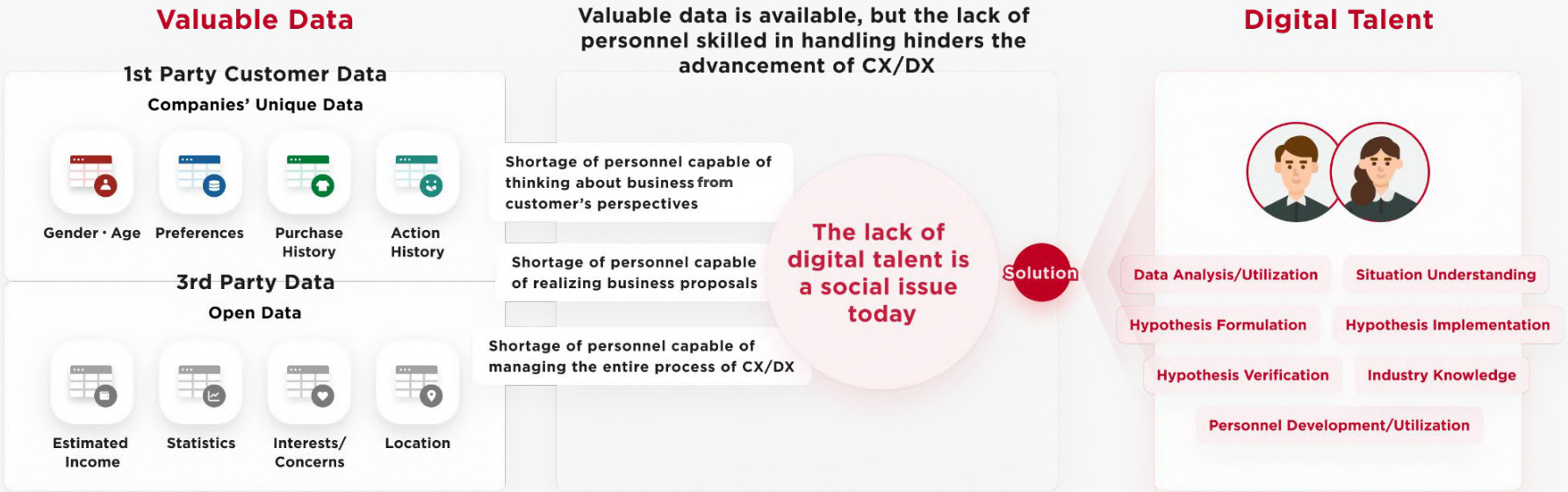
Increase in companies' demand for hiring digital talents

- As technologies that are emphasized by AI undergo rapid advancements, the lack of digital talent has emerged as a social issue in Japan
- Companies' demand for securing professionals who can handle the technology and to design the business is significantly increasing



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Our Strengths

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Maximize the Value of People with the Power of Data

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

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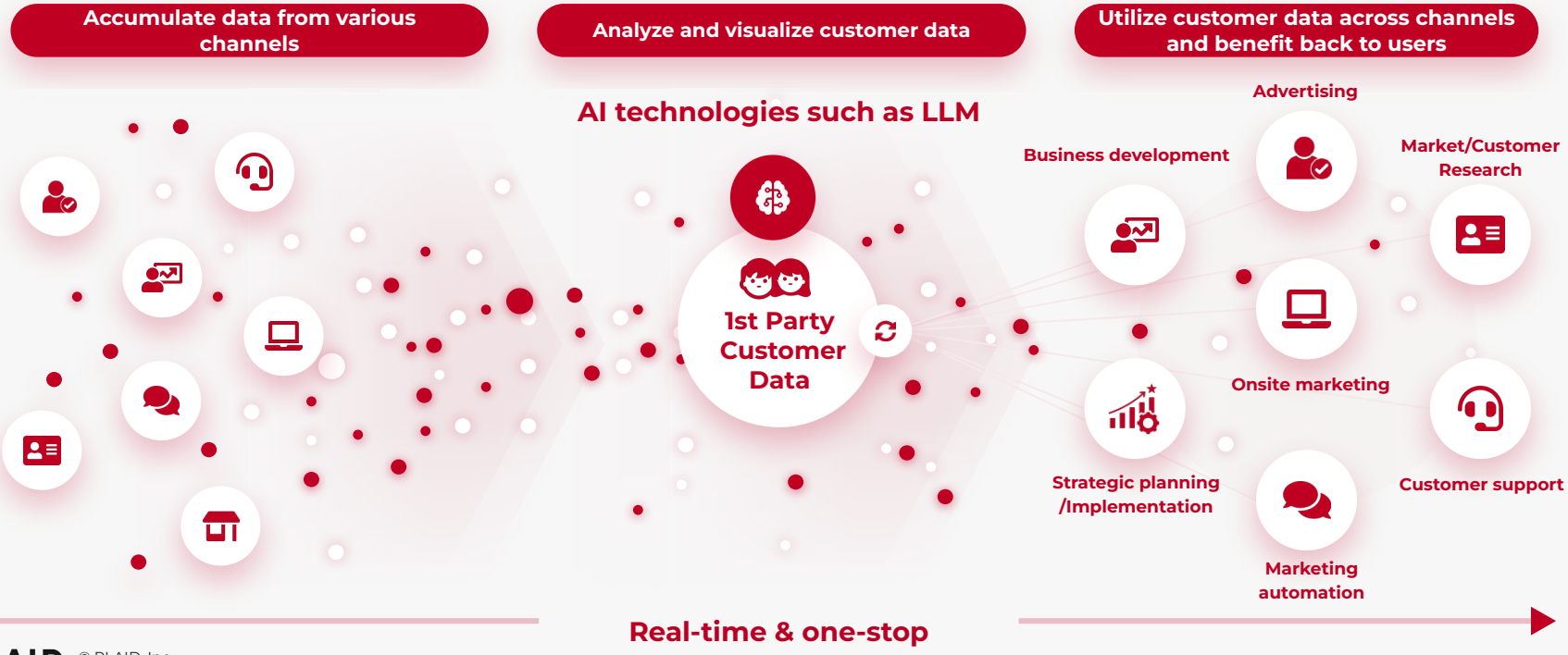
Mid-term Vision of The Plaid Group

- A new one-stop platform for data utilization that provides “multi-channel,” “1st party customer data,” and “real-time”
- Fully implement new AI technologies such as LLM in the data analysis/utilization of our products, which will also enhance the overall value of the platform



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Our strengths

Technology

1. The largest domestic 1st party customer data platform
2. Product architecture enabling user-level data accumulation
3. Our unique real-time analysis engine that ensures constantly updated data freshness

Business

4. A seamless suite of multi-products designed to enable corporate activities, all based on high-resolution understanding of the users
5. Professional service facilitating corporate business transformation and advancement

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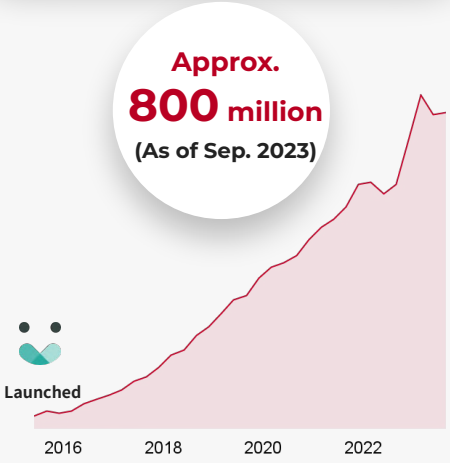
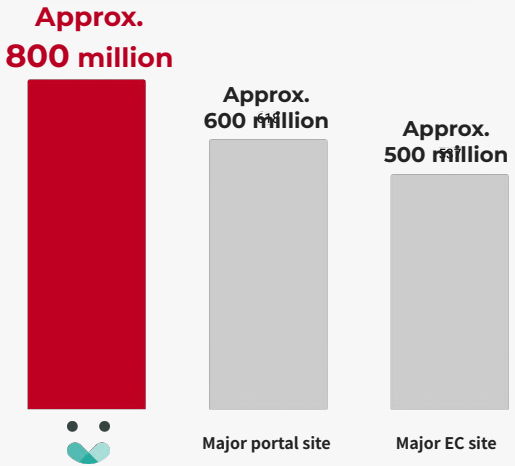
1 The largest domestic 1st party customer data platform

- KARTE has analyzed vast amounts of 1st party customer data since it launched in 2015
- The analyzed MAU(1) in September 2023 reached approximately 800 million. The analyzed GMV(5) share in the BtoC-EC market, a key segment for KARTE, exceeded 10%, establishing its position as one of the largest domestic data platform

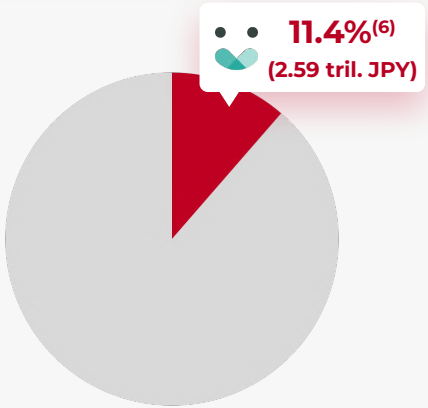
# of MAU(2)(3) analyzed by KARTE



Comparison(4) of MAU with top domestic websites



Analysis of the share of GMV in the domestic e-commerce market



Note 1.MAU: Monthly active users. The number of unique active users for a particular website or mobile application during a particular one-month period / 2.Total of the view events for all websites/applications where KARTE installed / 3. Includes number of MAUs analyzed for R&D / 4. Based on data from Similarweb Ltd., our company compiled the comparison site numbers, which are the total monthly visitors in September 2023. / 5. GMV stands for “Gross Merchandise Value”(Total transaction amount) / 6. The analyzes transaction amount in the EC field from March 2022 to the end of February 2023. The single-year performance is calculated by dividing this amount by the BtoC-EC market size, according to the “Report on the Results of FY2022 E-Commerce Market Survey (in Japanese) (Japanese title: “令和4年日本国内電子商取引に関する市場調査 “) ”by the Ministry of Economy.

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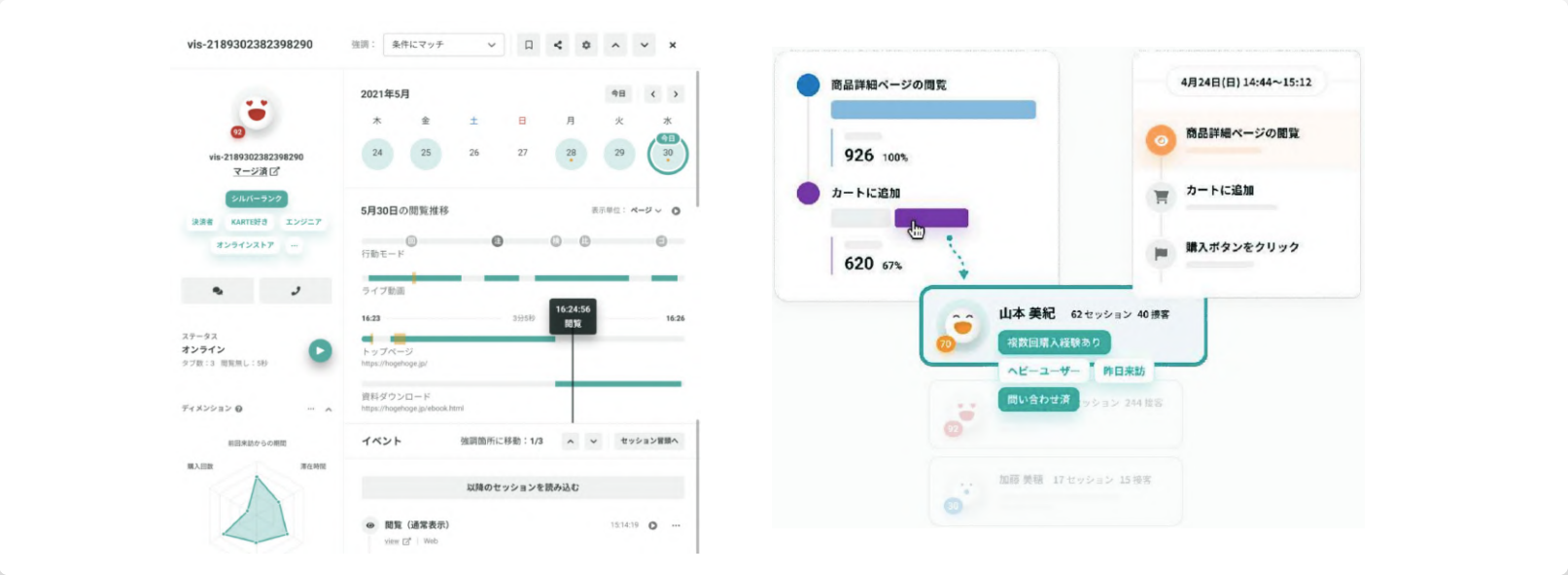
2 Product architecture enabling user-level data accumulation

- One of the challenges for companies in promoting CX/DX is the “schema problem,” where the data structure varies depending on the type of user data, causing data that originally belongs to one user to be fragmented. This makes it difficult to easily utilize or integrate data on a per-user basis
- KARTE is designed with an architecture that accumulates various types of data on a per-user basis, allowing companies to immediately build a data environment that is easy to utilize without requiring in-house development



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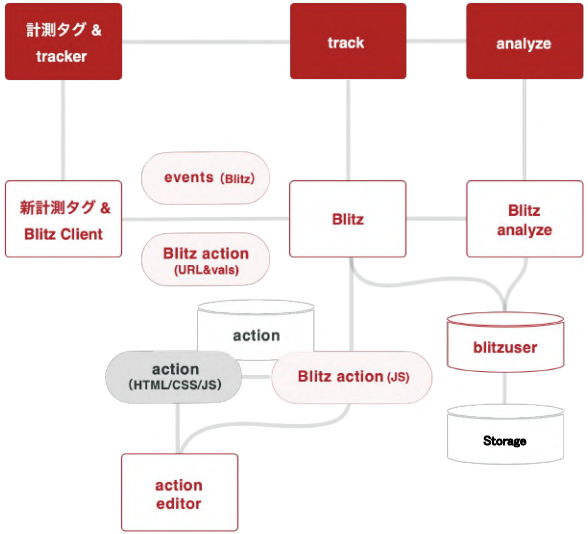
3 Our unique real-time analysis engine that ensures constantly updated data freshness

- To enable interactive response optimized to each individual user online, which was difficult to solve with existing distributed data processing systems, a unique real-time analysis engine was developed (Our new engine “Blitz” developed in 2022 has achieved greater speed and lightness)
- It provides companies with a high-quality data environment that is always up-to-date without any time lag





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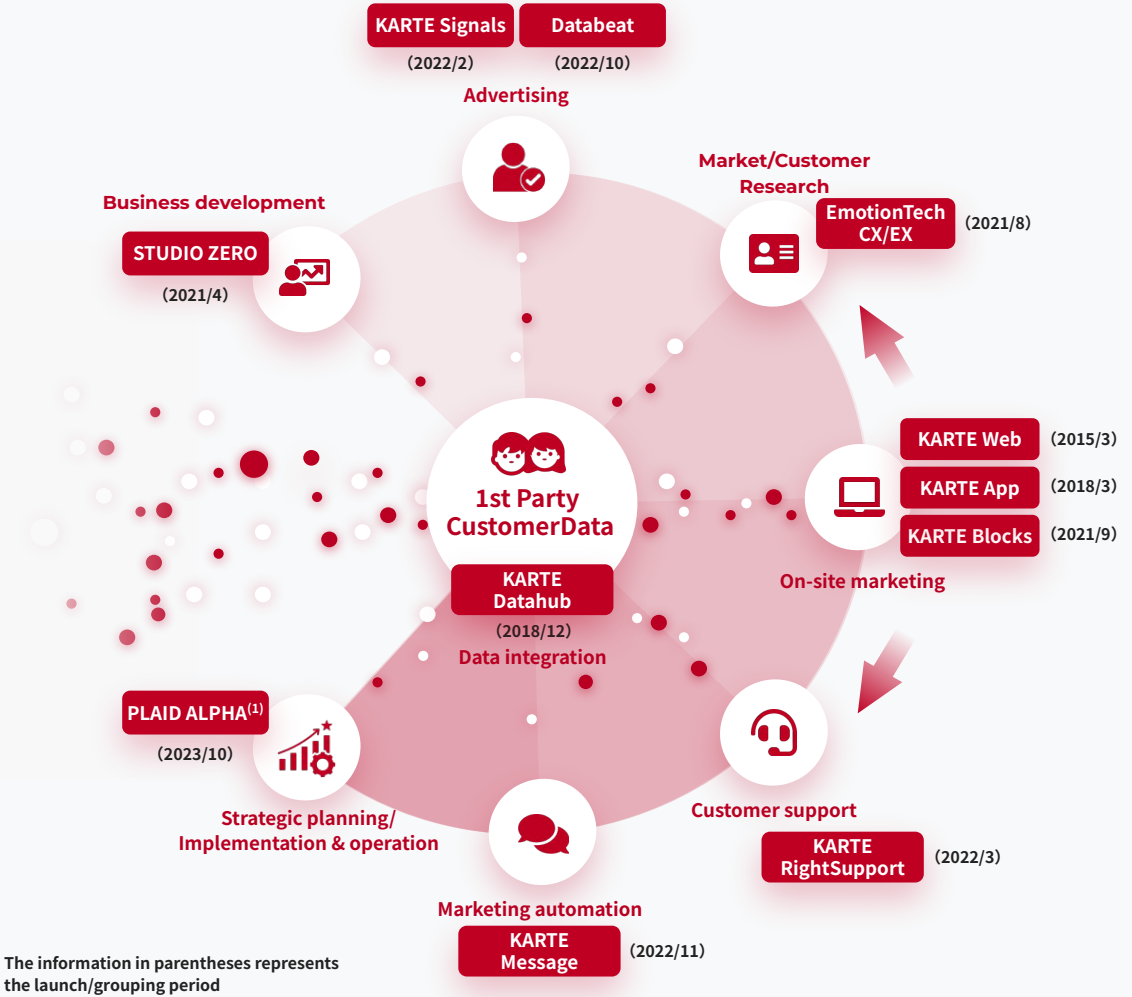
4 A seamless suite of multi-products enabling corporate activities based on high-resolution user understanding

Initially started our business around on-site marketing area by offering KARTE Web/App

Thereafter, while using the real-time analysis engine as a common infrastructure, it has released applications optimized for various areas such as customer support and marketing automation, and promoted a seamless multi-product strategy

Currently, marketing coverage has been expanding across all fields, and going forward. Alongside further strengthening of this domain, our advancement will be promoted in peripheral areas, such as customer support



The information in parentheses represents the launch/grouping period

Note 1. After expanding the value of the professional service that was previously provided as “TEAM”, it was revamped. After changing the name to “PLAID ALPHA,” we started full-scale business development from the fiscal year ending September 2024

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5 Professional service facilitating corporate business transformation and advancement

- STUDIO ZERO, which provides business support to companies seeking business and organizational reform, and PLAID ALPHA, which provides support from strategy design to implementation and operation based on data analysis, approach client issues upstream by providing these professional services

STUDIO ZERO

BX
(Business development)

Tourism：Support for the operation of company-wide open recruitment new business development projects
Infrastructure：Support for new business development related to EV

CX
(Customer value development)

Insurance：Support for building next-generation sales schemes using digital marketing
Real Estate：Support for experience design in smart buildings

EX
(Talent development)

Wholesales：Support for company-wide DX talent develoopment
Information & Communication：Support for the development of next-generation sales and marketing talent

PLAID ALPHA

Consulting

Apparel：Support for the planning of customer experience strategies & measures based on new/loyal customer analysis
Financial：Support for the conception of next-generation customer services centered on the use of customer data and AI

Integration

Distribution：Cross-departmental integration of customer data & reconstruction of customer experiences by KARTE products
Publishing：Support for the formulation of a med-term IT roadmap plan centered on a personalization strategy

Growth & Operation

Media：Undertaking of marketing planning and operation tasks aimed at improving customer experience/retention
Financial：Technical/implementation support related to advanced personalization measures

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Our Business Strategy

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Key Initiatives for Mid-term Growth

- Leveraging our strengths, a hybrid model of “Multi-product × Professional service” will be provided to enterprise companies
- In addition, AI technology will be fuly integrated to achieve advanced analysis of action data and improve usability, thereby further strengthening our products

Our strengths

1. **The largest domestic 1st party customer data platform**
2. **Product architecture enabling user-level data accumulation**
3. **Our unique real-time analysis engine that ensures constantly updated data freshness**
4. **A seamless suite of multi-products designed to enable corporate activities, all based on high-resolution understanding of the users**
5. **Professional service facilitating corporate business transformation and advancement**



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Enterprise

“Product × Professional service”: Hybrid model for strengthening approach to enterprise companies

- Shifting to a “Product × Professional service” hybrid model to strengthen deployment to enterprise companies
- Solving customer problems through multifaceted value provision that goes beyond just product provision

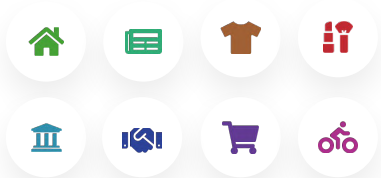
Hybrid model of “Product × Professional service”



Solving high-level customer problems by leveraging the strengths of a product company while also providing professional service

Promoting product improvement and solution development by deepening customer understanding through value provision in the hybrid model

Enterprise companies



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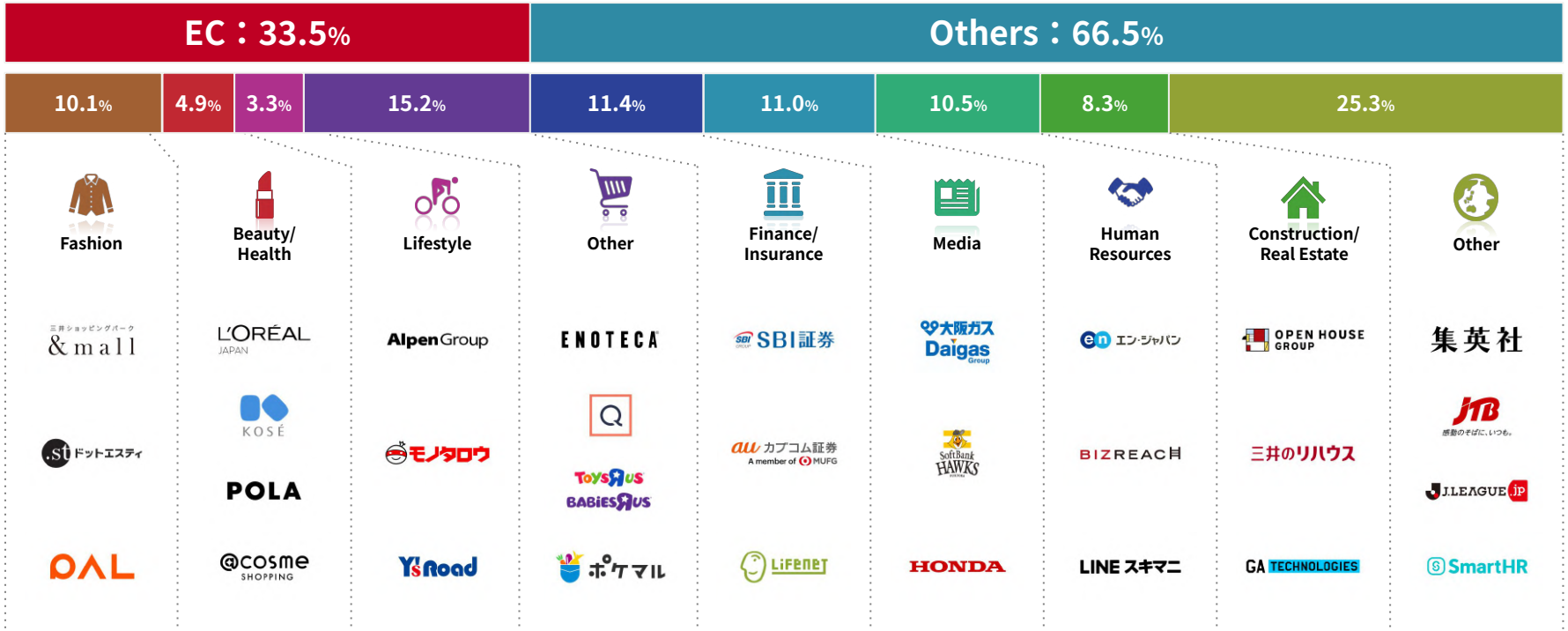
Industry-wide proportion of KARTE-introduced websites and apps (the end of Sep. 2023)(1)

- Since the launch of KARTE, its installation by leading enterprise companies across various industries in Japan has been steadily progressing



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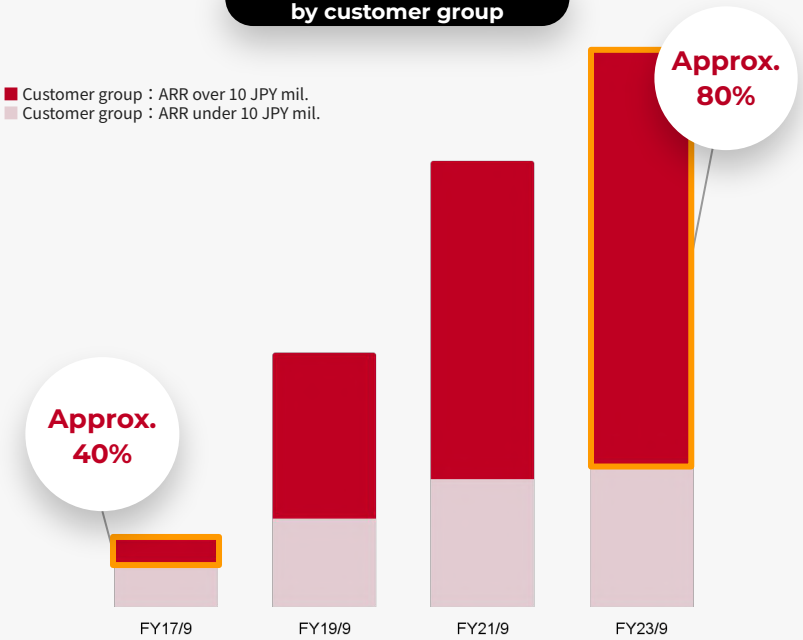
Note 1. Calculated by dividing the total number of introduced websites and smartphone apps in each industry as of the end of September 2023 by the total number of all introduced websites and smartphone apps.

Enterprise

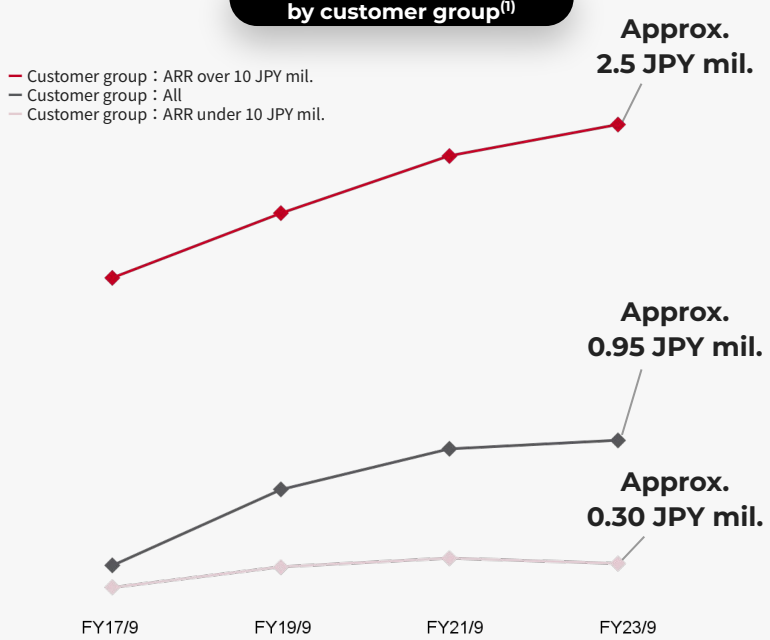
The high-price range customer group accounts for 80% of the total ARR

- Proportion of the high-price range customer group (with an ARR over 10 million JPY) in the Plaid's standalone ARR has been increasing
- ARPC of this customer group is about 2.5 million JPY, which is about 2.6 times the overall average of about 950 thousand JPY

ARR composition ratio by customer group



ARPC by customer group(1)



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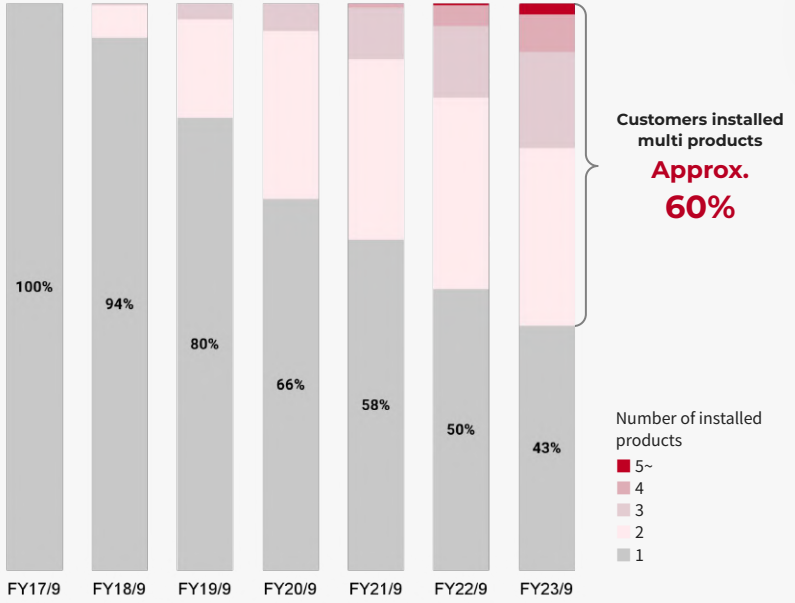
Note 1. Calculated by dividing the monthly subscription sales for each customer group at the end of each fiscal year by the number of customers for each customer group.

Multi-Product

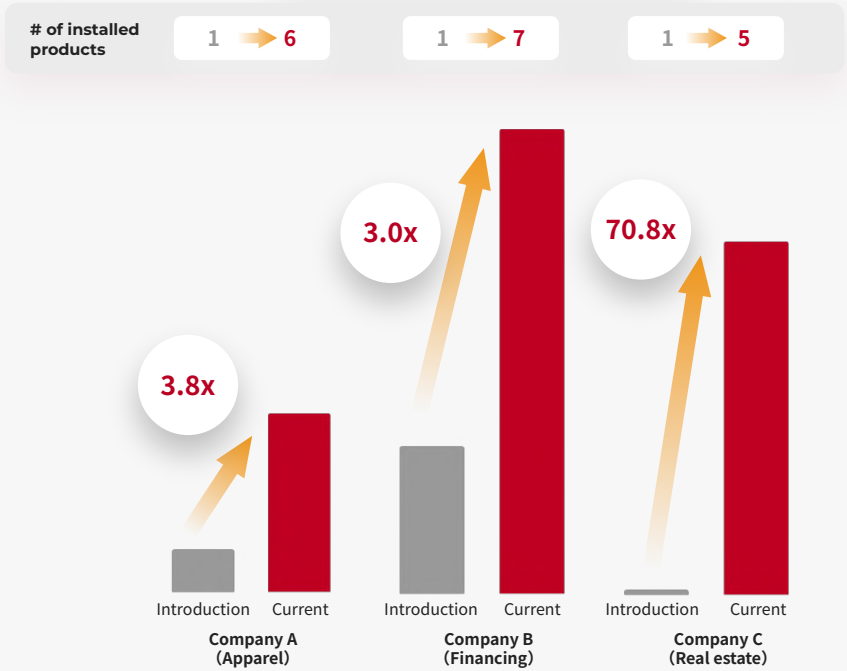
Multi-products is boosting cross-selling

- Approximately 60% of our customers have installed multi products, and this cross-selling has greatly contributed to increase in ARPC

Number of products installed per customer



Examples[1] of increase in ARPC



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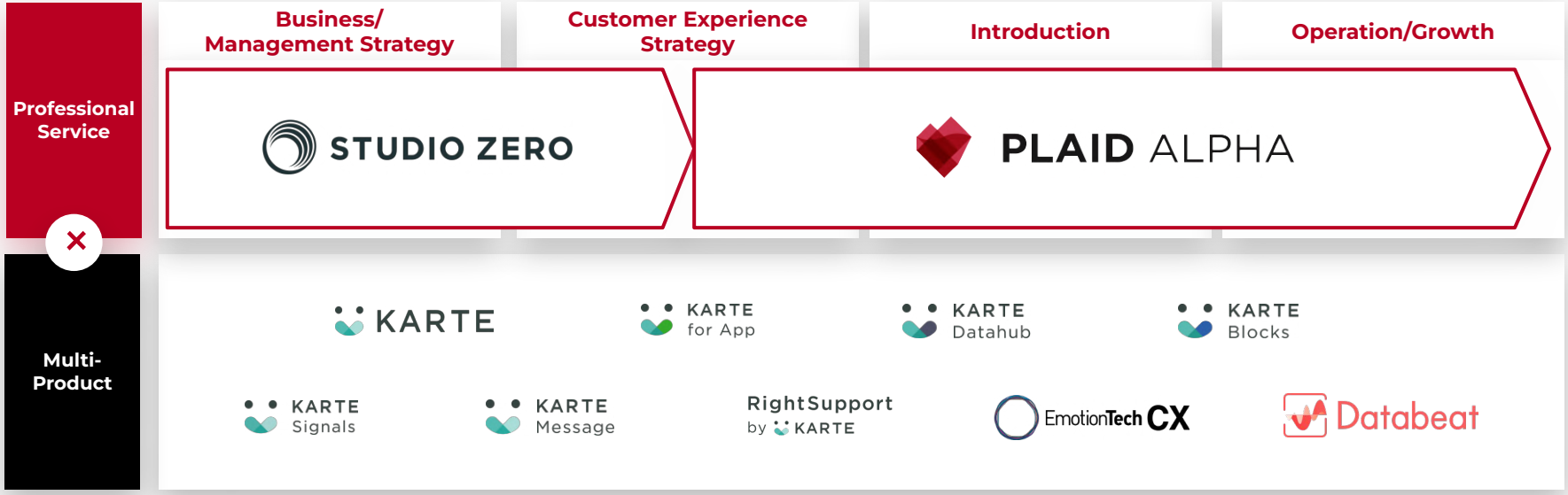
Note 1. The bar graph shows monthly subscription revenue.

Professional Service

Seamless value provision through the hybrid model of "Product x Professional Service”

- Providing one-stop support from upstream to downstream of customer challenges based on multi-channel product lineup



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Professional Service

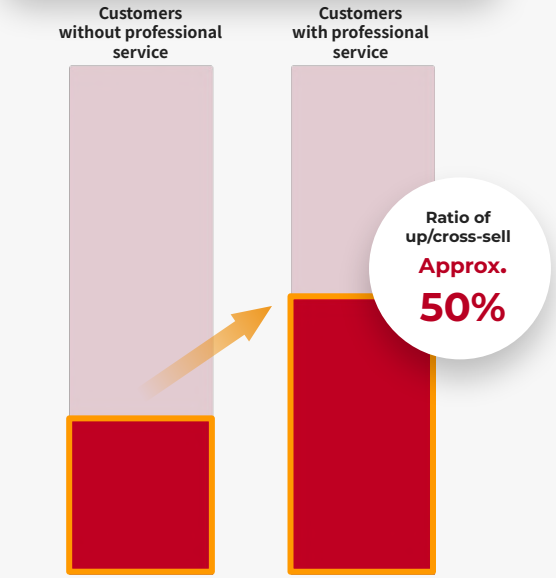
Professional service significantly raises total ARPC

- Average price of professional service is approximately 60% of the average price of products
- Professional service also increases the unit price of products to drive up/cross-selling, resulting in a significant increase in the total APRC

Average price of professional service[1][2][3]



Ratio of up/cross-sell for products[3][4]



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Notes 1.The graphs represent monthly sales revenue / 2. The average price of professional service when the product average price for customers offering both products and professional service is set to 100. / 3. As of the end of September 2023. / 4. The percentage of customers who received up/cross-sell orders for products by September 2023 among those that were provided with professional services in the fiscal year ended September 2022.

AI

Data×AI : Fully leveraging new AI technologies such as LLM(1) in data analysis and utilization

- Due to the significant changes in this era driven by new AI technologies such as LLM, the strategic utilization of closed proprietary data held by each company will become crucial in the future business landscape
- By leveraging our strength in data infrastructure and incorporating generative AI technologies from multi perspectives, we aim to enhance our value proposition, promote AI-driven data utilization, and achieve improvements in service delivery

Action data with LLM	• **Data analysis with LLM / Foundation Model utilization** Example）Advancing segmentation, Labeling thorough natural language processing, etc…
UX with LLM	• **Enhancement in UX(2) of customer companies' websites/services/products by utilizing LLM** Example）Automatic generation of components, Automatic proposals, etc…
People with LLM	• **Expansion of application areas of data utilization, considering the collaboration between people and LLM** Examples）Orchestration of numerous AI skills and automation of human tasks, Automatic planning, etc…

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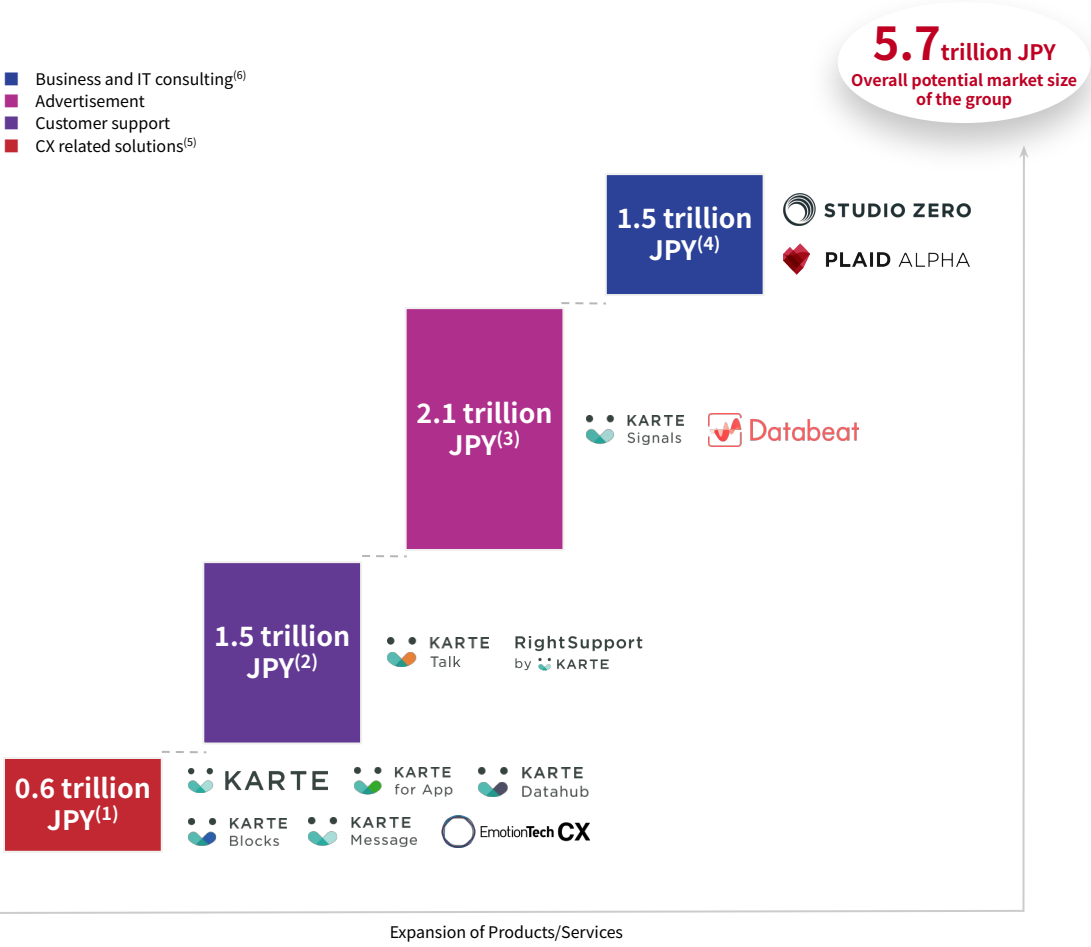
Notes 1. LLM stands for "Large Language Models." / 2. UX stands for "User Experience."

Overall potential market size of the group

At the core of strategy, the group expands its product/service lineup by leveraging its unique analysis engine that visualizes 1st party customer data in real-time

The overall potential market size of the group has expanded from 0.6 trillion JPY at the beginning of the business to 5.7 trillion JPY, and we will develop each market through the execution of our strategy



Notes 1. Calculated by our company based on the "*顧客接点・CX変革ソリューション市場分析 2023年版* (Customer Touchpoint • CX Transformation Solution Market Analysis 2023 Edition)" by Fuji Chimera Research Institute, Inc., the projected product market size for 2027./ 2. The combined market size of the call center service market and the contact center solution market for 2024, calculated and created by our company based on "*コールセンターサービス市場/コンタクトセンターソリューション市場調査（2022年）*(Call Center Service Market/Contact Center Solution Market Research (2022))" by Yano Research Institute Ltd., announced on November 15, 2022. / 3.Calculated by our company based on "*2022 Advertising Expenditures in Japan*" by DENTSU Inc. / 4. Calculated by our company based on "*国内ビジネスコンサルティング市場予測、2023年～2027年* (Domestic Business Consulting Market Forecast, 2023-2027)" by IDC Japan. / 5. Mainly corresponds to on-site marketing, data integration, market/customer research, and marketing automation in our group's business domain. / 6. Mainly corresponds to business/organizational development, strategy formulation/introduction/operation in our group's business domain.

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2. Earnings Guidance for FY 9/24
3. Business Updates
4. Key Takeaways
5. Growth Strategy
6. **Appendix**



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Financial Information

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Appendix

Income Statement (Quarterly)

(JPY mil.)	Q2 FY 9/24	Q2 FY 9/23	YoY	Q1 FY 9/24	QoQ
Net sales	**2,733**	**2,147**	**+27.3%**	**2,531**	**+8.0%**
Subscription revenue	2,173	1,800	+20.8%	2,066	+5.2%
Service, consulting and other revenue	559	347	+60.9%	465	+20.2%
Gross profit	**1,904**	**1,586**	**+20.1%**	**1,836**	**+3.7%**
Gross profit margin	69.7%	73.8%	-4.2pt	72.5%	-2.8pt
SG&A	**1,787**	**1,648**	**+8.5%**	**1,862**	**-4.0%**
% of Net sales	65.4%	76.8%	-11.3pt	73.6%	-8.1pt
Personnel expenses	1,060	911	+16.3%	1,065	-0.5%
% of Net sales	38.8%	42.5%	-3.7pt	42.1%	-3.3pt
Advertising expenses	87	140	-38.2%	117	-26.2%
% of Net sales	3.2%	6.6%	-3.4pt	4.7%	-1.5pt
Other	640	595	+7.5%	679	-5.7%
% of Net sales	23.4%	27.7%	-4.3pt	26.8%	-3.4pt
Operating income	116	-62	-287.0%	-26	-540.9%
Adjusted operating margin	4.3%	-2.9%	+7.2pt	-1.0%	+5.3pt
Reconciling items	57	106	-45.7%	70	-18.5%
Goodwill amortization	13	48	-72.2%	13	-
Stock-based compensation expenses	44	57	-23.5%	57	-22.8%
Other non-recurring expenses	-	-	-	-	-
Adjusted operating income	**174**	**44**	**+295.8%**	**44**	**+292.7%**
Adjusted operating margin	6.4%	2.1%	+4.3pt	1.8%	+4.6pt

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Appendix

Long Term Model[(1)(2)]
(KARTE domain)

	FY 9/21	FY 9/22	FY 9/23	Q1 FY 9/24	Q2 FY 9/24	Long term model
Gross profit margin	73.3%	74.8%	75.9%	75.6%	73.4%	75-80%
S&M	41.6%	49.0%	44.2%	36.9%	32.2%	25-30%
R&D	18.7%	22.2%	19.7%	20.9%	19.3%	18-20%
G&A	9.8%	10.3%	11.6%	10.1%	9.2%	8-10%
Operating margin	3.1%	▲6.6%	0.4%	7.7%	12.7%	20-25%

Note: 1. This long term model is forward-looking, is subject to significant business, economic, regulatory and competitive uncertainties and contingencies, many of which are beyond the control of the Company, and is based upon assumptions with respect to future decisions, which are subject to change. Actual results will vary and those variations may be material due to a number of factors, including those described in the “Risk Factors” section of the Offering Circular issued as of December 17, 2020. Nothing in this presentation should be regarded as a representation by any person that this long term model will be achieved, and the Company undertakes no duty to update its model as circumstances change / 2. Until FY9/22, Plaid non-consolidated and before deduction of provision for loss on order received. From FY9/23, KARTE domain and deduction of provision for loss on order received , and after adjusting intra-group transaction with RightTouch

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Company information

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Appendix

Company Overview

Company Name	**PLAID, Inc.**
Founded	**October 2011**
Headquater	**GINZA SIX 10F, GINZA 6-10-1, Chuo-ku, Tokyo, Japan 104-0061**
CEO	**Kenta Kurahashi**
# of Employees (Consolidated)	**440 (as of March 2024)**



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Overview of Plaid group by business domain

Business domain		Overview	Main product/service
PLAID	KARTE domain	・Offers products and services centered around KARTE to enrich CX and marketing for companies	KARTE / KARTE for App / KARTE Datahub / KARTE Blocks / KARTE Signals / KARTE Message / PLAID ALPHA
PLAID	New business domain	・Create new value with partners through data/technology collaboration by opening Plaid's APIs and various alliances with companies.	PLAID Ecosystem / STUDIO ZERO
RT/ET/ agito	Group companies	・Offers products and services optimized for areas other than on-site marketing where Plaid is focused on currently	RightSupport by KARTE / EmotionTech CX / Databeat

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Main products / Services -1

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

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Main products / Services -2

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

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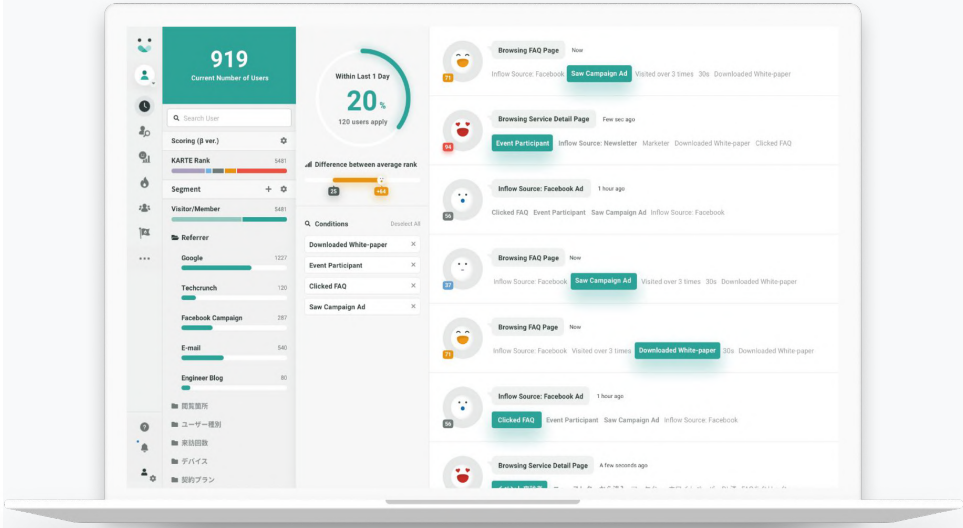
Note: 1. Net Promoter®, NPS®, NPS Prism®, and the NPS-related emoticons are registered trademarks of Bain & Company, Inc., Satmetrix Systems, Inc., and Fred Reichheld

Products

KARTE

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

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



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Feature of KARTE

Feature 1.

Visualization of individual customers

Feature 2.

Real-time analysis

Feature 3.

End-to-end solution

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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



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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



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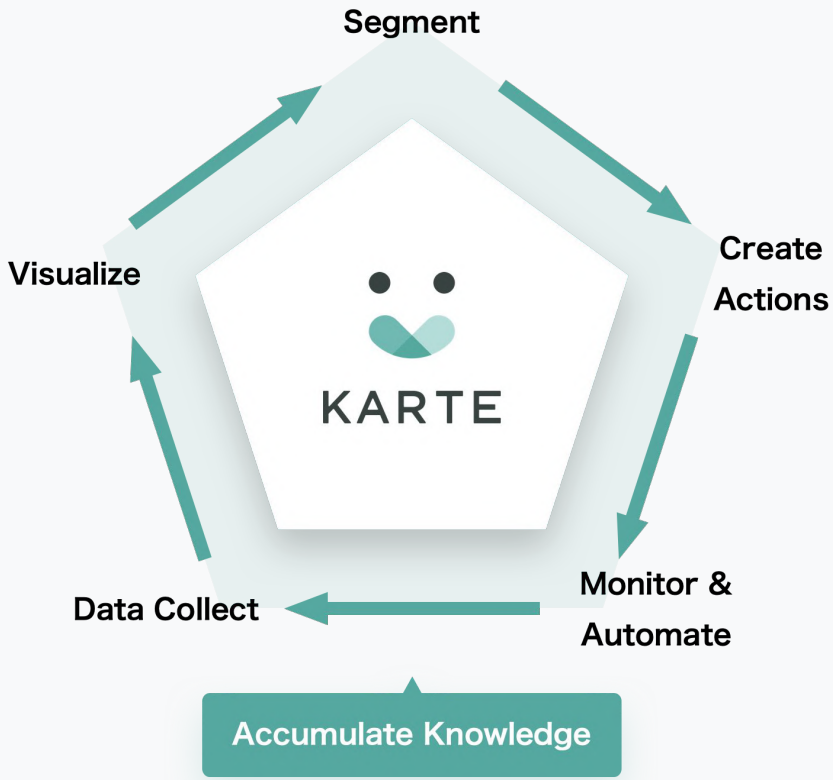
Feature 3.

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



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

	KARTE	Integrated marketing tools	Other marketing tools
Real-time performance	✔✔✔ Consistent real-time accumulation/analysis/action	✔ - ✔✔ Non-real time/ Only some part (limited functionality, etc.)	✔ - ✔✔ Non-real time/ Only some part (limited functionality, etc.)
Data storage/ Utilization Channels	✔✔✔ Multi-channel (Web/app/email/SMS, etc.)	✔✔✔ Multi-channel (Web/app/email/SMS, etc.)	✔ Single-channel
In-depth understanding of users	✔✔✔ Both attribute(1)/behavioral data can be accumulated and flexible visualization on a per-user basis	✔ Attribute data-centric and difficult to visualize per user	✔ Attribute data-centric and difficult to visualize per user

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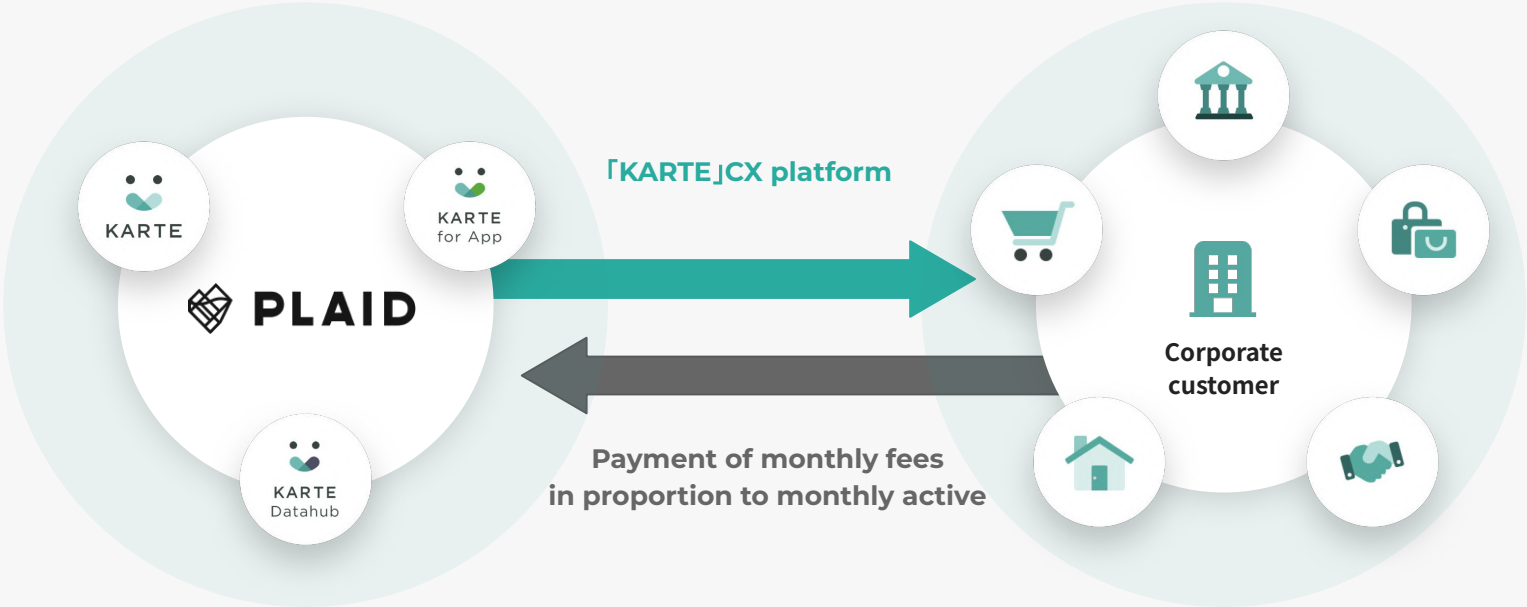
Note: 1.Age, gender, etc.

Business Model

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



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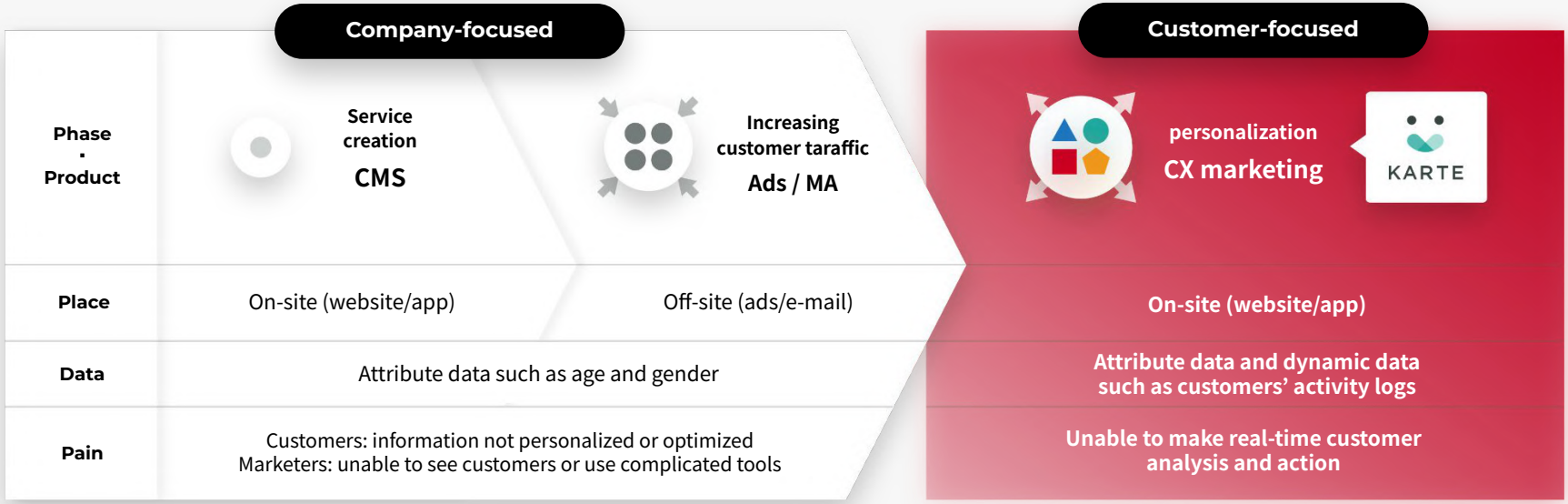
Paradigm shift in Digital Maketing



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

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Increasing Frustrations with Digital Marketing

The customers'

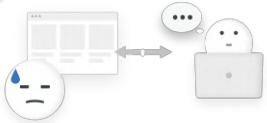


Contents are not streamlined for individual customers



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

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