



Consolidated Financial Results for the 1st Quarter of the Fiscal Year Ending September 30, 2024 (Japanese GAAP)

February 13, 2024

Company Name: PLAID, Inc. Listing: Tokyo Stock Exchange
 Code No.: 4165 URL: <https://plaid.co.jp/>
 Representative: Kenta Kurahashi, Representative Director and CEO
 Contact: Kentaro Muto, Director and CFO Tel.: 03 4405 7597
 Scheduled date to file quarterly securities report: February 13, 2024 Scheduled date to commence dividend payment: —
 Preparation of supplementary materials for quarterly results : Yes
 Holding of financial results meeting : Yes (For institutional investors and securities analysts)

(Millions of yen with fractional amounts rounded down, unless otherwise noted)

1. Consolidated Financial Results for the 1st Quarter of the Fiscal Year Ending September 30, 2024 (from October 1, 2023 to December 31, 2023)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes)

	Net sales		Adjusted operating income (loss)		Operating income (loss)		Ordinary income (loss)		Net income (loss) attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended										
December 31, 2023	2,531	29.7	44	—	(26)	—	(27)	—	(16)	—
December 31, 2022	1,952	—	(87)	—	(147)	—	(139)	—	(128)	—

Note(s): 1. Comprehensive Three months ended (79) millions of yen (—%) income December 31, 2023 Three months ended (185) millions of yen (—%) December 31, 2022

2. Adjusted operating income (loss) = Operating income + Goodwill amortization + Stock-based compensation expenses + Other non-recurring expenses

	Net income (loss) per share	Diluted income (loss) per share
Three months ended	Yen	Yen
December 31, 2023	(0.41)	—
December 31, 2022	(3.33)	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
December 31, 2023	5,947	2,741	44.0
September 30, 2023	6,219	2,748	41.7

Reference: Equity December 31, 2023 2,619 millions of yen September 30, 2023 2,592 millions of yen

2. Dividends

	Dividend per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual
Fiscal year ended	Yen	Yen	Yen	Yen	Yen
September 30, 2023	—	0.00	—	0.00	0.00
Fiscal year ending	—	—	—	—	—
September 30, 2024	—	—	—	—	—
Fiscal year ending	—	0.00	—	0.00	0.00
September 30, 2024 (Forecast)	—	—	—	—	—

Note(s): Revisions to the forecasts of cash dividends most recently announced : None

3. Forecast of Consolidated Results for Fiscal Year Ending September 30, 2024
(from October 1, 2023 to September 30, 2024)

(Percentages indicate year-on-year changes)

	Net sales		Adjusted operating income (loss)	
	Millions of yen	%	Millions of yen	%
Full year	10,666	23.5	14	—

Notes: 1. Revisions to the forecast of results most recently announced : None

2. Adjusted operating income (loss) = Operating income + Goodwill amortization + Stock-based compensation expenses + Other non-recurring expenses

* Notes:

(1) Changes in significant subsidiaries during the current consolidated. : None
cumulative period

(2) Application of specific accounting methods for preparing the. : None
quarterly consolidated financial statements

(3) Changes in accounting policies, accounting estimates and restatement
a. Changes in accounting policies due to revisions to accounting : None
standards and other regulations
b. Changes in accounting policies due to other reasons : None
c. Changes in accounting estimates : None
d. Restatement : None

(4) Number of issued shares (common shares)

a. Total number of issued shares at the end of the
period (including treasury shares)

As of December 31, 2023	39,901,617 shares	As of September 30, 2023	39,343,617 shares
As of December 31, 2023	1,417 shares	As of September 30, 2023	1,417 shares
As of December 31, 2023	39,414,983 shares	As of December 31, 2022	38,691,963 shares

b. Number of treasury shares at the end of the
period

c. Average number of outstanding shares during
the period (cumulative from the beginning of
the fiscal year)

* This quarterly financial results report is out of scope from quarterly review conducted by certified public accountants or audit firms.

* Explanation of the appropriate use of earnings forecasts and other special notes
(Disclaimer regarding forward-looking statements, etc.)

The earnings forecasts and other forward-looking statements contained in this document are based on information currently available to the Company and on certain assumptions deemed reasonable by the Company. They are not intended as a promise by the Company that they will be achieved. Further, actual earnings, etc. may differ materially due to a variety of factors.

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1. Qualitative Information Regarding Results for the Period

(1) Overview of Operating Results during the Period

With the mission of “Maximize the Value of People with the Power of Data” and the aim of returning the enormous amounts of diverse data that exists in the world as something valuable to consumers*¹ and distributing rich experiences as well, the Plaid Group provides its customer experience (CX)*² platform KARTE via the cloud*³ to companies that operate websites, smartphone apps, and other similar businesses.

With so many services now available online, including shopping, travel, and finance, the Group believes that consumers do not want only simple conveniences such as being able to shop or make reservations from home. Rather, customers want high-quality communications and experiences that enable them to receive optimal proposals matched to their interests and situations.

Meanwhile, in order to respond to such consumer needs, companies need to correctly understand the situations of each individual through the accumulation, integration, and analysis of data. Based on this, companies are required to either create appropriate communications or build a system to personalize their websites or smartphone apps for their customers. However, these efforts are currently very complex and difficult for companies.

Through using KARTE, companies can analyze a variety of data, most notably real-time behavioral data on websites and smartphone apps, on a per-user basis. This allows the interests and status of each user to be visualized, Plaid therefore believes that this will make it easier to understand users not only in terms of PVs*⁴ or UUs*⁵ as figures, but also as individual people. Companies can then implement various communication measures that have been matched to the interests and situations of each individual user and verify the results of it through using KARTE.

As companies are increasingly interested in improving customer experience and utilizing data, KARTE is being used not only in the area of marketing on websites and smartphone apps, but also in a variety of corporate activities such as customer support. By enhancing the functions of KARTE and providing various products, the Plaid Group will continue to expand the data environment that enables companies to comprehensively understand their users in an integrated manner.

During the current first quarter consolidated cumulative period, the Plaid Group made organizational changes and increased its workforce to strengthen sales of KARTE, and also took steps to further expand its business domain.

As a result, for the first quarter of the current consolidated fiscal period, the Group’s ARR*⁶ was 8,402,539 thousand yen. Meanwhile, the Group’s financial results for the same period were net sales of 2,531,780 thousand yen (up 29.7% year-on-year), an operating loss of 26,441 thousand yen (an operating loss of 147,651 thousand yen in the same quarter of the previous year), an ordinary loss of 27,670 thousand yen (an ordinary loss of 139,383 thousand yen in the same quarter of the previous year), and a net loss attributable to the parent company of 16,233 thousand yen (a net loss attributable to owners of the parent was 128,926 thousand yen in the same period of the previous year).

Reportable Group segments include the SaaS business and the advertising business. However, segment information has been omitted because the advertising business segment accounts for only a small percentage of total business and therefore has little importance as disclosed information.

- Notes: 1. Consumers refer to all of the general, unspecified number of people in the world, while Users refer to the people to whom companies provide their products and services.
2. CX stands for Customer Experience which is defined to include any good experience the customer feels, i.e. value customers realize through the experience.
3. The term “cloud” here means cloud computing, which is a general term for the provision of software and other systems as a service through the internet.
4. PV stands for Page Views. It refers to the number of times a particular page in a website is opened. It is an indicator used to measure how much a website is being viewed.
5. UU stands for Unique Users. It refers to the number of distinct individuals who visited a particular website or accessed a particular smartphone app during any given period.
6. ARR stands for Annual Recurring Revenue. It is calculated by multiplying the monthly subscription revenue at the end of each quarter by 12. It is a performance indicator for net sales, which are expected to be obtained only from the existing subscription contracts during the 12 months starting the month following the final month of this quarter, based on the assumption that all existing subscriptions will be renewed with the same conditions at the timing of renewal.

(2) Overview of Financial Position during the Period

(Assets)

Current assets as of the end of the first quarter consolidated accounting period were 5,075,669 thousand yen, down 224,831 thousand yen from the end of the previous consolidated fiscal year. This was mainly due to an increase of 81,077 thousand yen in notes and accounts receivable - trade, while cash and deposits decreased by 187,235 thousand yen and other current assets decreased by 118,673 thousand yen. Non-current assets were 871,982 thousand yen, down 46,910 thousand yen from the end of the previous consolidated fiscal year. This was mainly due to a decrease of 13,523 thousand yen in goodwill and a decrease of 28,746 thousand yen in long-term prepaid expenses included in other under investments and other assets.

As a result, total assets were 5,947,651 thousand yen, down 271,742 thousand yen from the end of the previous fiscal year.

(Liabilities)

Current liabilities as of the end of the first quarter consolidated accounting period were 2,324,324 thousand yen, down 137,202 thousand yen from the end of the previous fiscal year. This was mainly due to a decrease of 140,862 thousand yen in accounts payable - other. Non-current liabilities were 881,872 thousand yen, a decrease of 127,161 thousand yen from the end of the previous fiscal year. This was mainly due to a decrease of 114,764 thousand yen in long-term debt.

As a result, total liabilities were 3,206,196 thousand yen, down 264,364 thousand yen from the end of the previous fiscal year.

(Net assets)

Total net assets as of the end of the first quarter consolidated accounting period were 2,741,454 thousand yen, down 7,378 thousand yen from the end of the previous fiscal year. This was mainly due to increases in capital stock and capital surplus of 35,953 thousand yen, while deferred gains or losses on hedges decreased by 28,090 thousand yen and non-controlling interests decreased by 34,960 thousand yen. As a result, the equity-to-asset ratio was 44.0% (41.7% as of the end of the previous fiscal year).

(3) Consolidated Financial Results Forecasts and Other Forward-looking Statements

Consolidated financial results for the first quarter of the current consolidated cumulative period were generally in line with plans. Therefore, the previously announced forecasts for the full year have not been revised.

2. Quarterly Consolidated Financial Statements and Significant Notes Thereto

(1) Quarterly Consolidated Balance Sheets

	(Thousands of yen)	
	Previous consolidated fiscal year (ended Sep. 30, 2023)	1st quarter consolidated accounting period (ended Dec. 31, 2023)
Assets		
Current assets		
Cash and deposits	3,827,359	3,640,123
Notes and accounts receivable - trade	980,467	1,061,544
Other	492,674	374,000
Total current assets	5,300,501	5,075,669
Non-current assets		
Property, plant and equipment	57,597	62,268
Intangible fixed assets		
Goodwill	339,833	326,310
Total intangible fixed assets	339,833	326,310
Investments and other assets		
Investment securities	56,137	56,137
Bankruptcy or reorganization claims, etc.	3,388	3,121
Deferred tax assets	33,225	32,148
Lease and guarantee deposits	303,862	296,174
Long-term loans to employees	4,229	3,681
Long-term loans to directors	10,007	10,007
Other	113,999	85,253
Allowance for doubtful receivables	(3,388)	(3,121)
Total investments and other assets	521,461	483,403
Total non-current assets	918,893	871,982
Total assets	6,219,394	5,947,651
Liabilities		
Current liabilities		
Accounts payable	9,150	9,072
Short-term debt	1,660	—
Current portion of long-term debt	384,628	440,715
Accounts payable - other	742,290	601,428
Income taxes payable	55,253	43,161
Contract liabilities	504,487	501,872
Allowance for losses on order received	54,429	31,147
Other	709,628	696,927
Total current liabilities	2,461,527	2,324,324
Long-term liabilities		
Long-term debt	990,540	875,776
Deferred tax liabilities	18,493	6,096
Total long-term liabilities	1,009,033	881,872
Total liabilities	3,470,561	3,206,196

(Thousands of yen)

	Previous fiscal year (ended Sep. 30, 2023)	1st quarter consolidated accounting period (ended Dec. 31, 2023)
Net assets		
Shareholders' equity		
Capital stock	2,945,895	2,981,848
Capital surplus	5,029,365	5,065,319
Retained earnings	(5,424,590)	(5,440,824)
Treasury shares	(279)	(279)
Total shareholders' equity	2,550,391	2,606,064
Accumulated other comprehensive income (loss)		
Deferred gains or losses on hedges	41,904	13,813
Total accumulated other comprehensive income (loss)	41,904	13,813
Stock acquisition rights	7,147	7,147
Non-controlling interests	149,390	114,429
Total net assets	2,748,833	2,741,454
Total liabilities and net assets	6,219,394	5,947,651

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income
 (Quarterly Consolidated Statement of Income)
 (1st Quarter Consolidated Cumulative Period)

	(Thousands of yen)	
	Previous 1st Quarter Consolidated Cumulative Period (from October 1, 2022 to December 31, 2022)	Current 1st Quarter Consolidated Cumulative Period (from October 1, 2023 to December 31, 2023)
Net sales	1,952,501	2,531,780
Cost of sales	533,693	695,767
Gross profit	1,418,808	1,836,013
Selling, general and administrative expenses	1,566,460	1,862,455
Operating income (loss)	(147,651)	(26,441)
Non-operating income		
Interest income	46	40
Subsidy income	74	—
Commissions received	107	—
Foreign exchange gain	14,318	7,268
Other	1,168	915
Total non-operating income	15,715	8,224
Non-operating expenses		
Interest payable	6,092	4,766
Commission fee	—	2,499
Other	1,354	2,186
Total non-operating expenses	7,447	9,453
Ordinary income (loss)	(139,383)	(27,670)
Quarterly income (loss) before income taxes	(139,383)	(27,670)
Income taxes - current	1,100	22,447
Income taxes - deferred	—	1,076
Total income taxes	1,100	23,524
Quarterly net income (loss)	(140,483)	(51,194)
Quarterly net income (loss) attributable to non-controlling interests	(11,557)	(34,960)
Quarterly net income (loss) attributable to owners of parent	(128,926)	(16,233)

(Quarterly Consolidated Statement of Comprehensive Income)

(1st Quarter Consolidated Cumulative Period)

	(Thousands of yen)	
	Previous 1st Quarter Consolidated Cumulative Period (from October 1, 2022 to December 31, 2022)	Current 1st Quarter Consolidated Cumulative Period (from October 1, 2023 to December 31, 2023)
Net income (loss)	(140,483)	(51,194)
Other comprehensive income		
Deferred gains or losses on hedges	(44,541)	(28,090)
Total other comprehensive income (loss)	(44,541)	(28,090)
Comprehensive income (loss)	(185,025)	(79,285)
(Breakdown)		
Comprehensive income attributable to owners of the parent	(173,468)	(44,324)
Comprehensive income attributable to non-controlling interests	(11,557)	(34,960)

(3) Notes on Quarterly Consolidated Financial Statements

(Notes regarding Assumption of a Going Concern)

Not applicable.

(Notes on Significant Changes in the Amount of Shareholders' Equity)

Not applicable.