



Earnings Results for the quarter ended Sep. 2024 (Q1 FY 9/24)

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

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.

Contents

- 1. Earnings Results Q1 FY 9/24**
2. Business Updates
3. Key Takeaways
4. Growth Strategy
5. Appendix



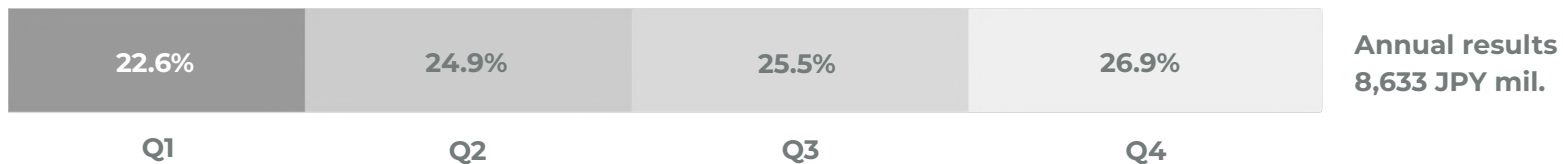
Progress against the guidance for this fiscal year

- Q1 FY9/24 progress rate of consolidated net sales was 23.7%, steady progress toward achieving our guidance

Consolidated net sales FY9/24



Consolidated net sales FY 9/23



Financial results summary

(JPY mil.)		FY 9/23 Q1	FY 9/24 Q1	YoY (%)
Net sales ⁽¹⁾	Consolidated	1,952	2,531	+29.7%
	Non-consolidated	1,762	2,270	+28.8%
	Group companies	227	390	+71.8%
Gross profit margin ⁽²⁾	Consolidated	73.3%	71.6%	-1.7pt
	Non-consolidated	73.3%	71.7%	-1.6pt
	KARTE domain ⁽⁵⁾	75.5%	75.6%	+0.1pt
Adjusted operating income ⁽¹⁾⁽³⁾	Consolidated	-87	44	-
	Non-consolidated	-5	172	-
	Group companies	-87	-137	-
ARR ⁽⁴⁾	Consolidated	6,858	8,402	+22.5%
	Non-consolidated	6,423	7,558	+17.7%

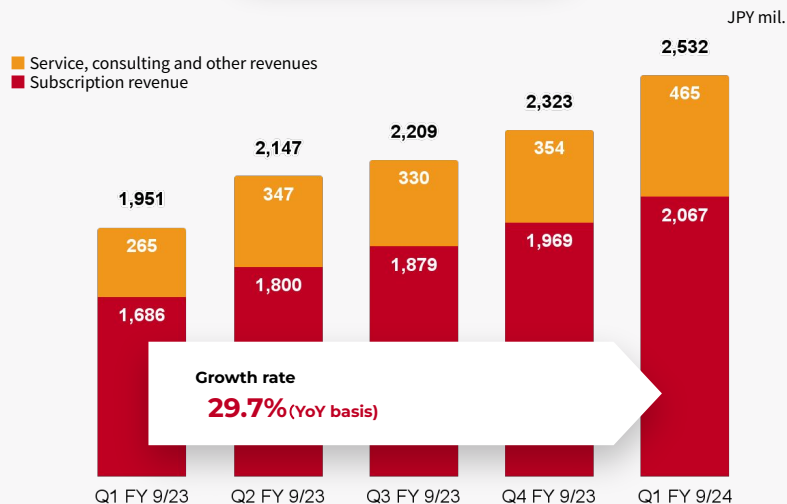
Notes: 1. Difference between consolidated amount and the total amount of non-consolidated and group companies is the consolidation adjustment / 2. After deduction of provision for loss on order received / 3. Operating income + Goodwill amortization + Stock-based compensation expenses + Other one-time 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) -

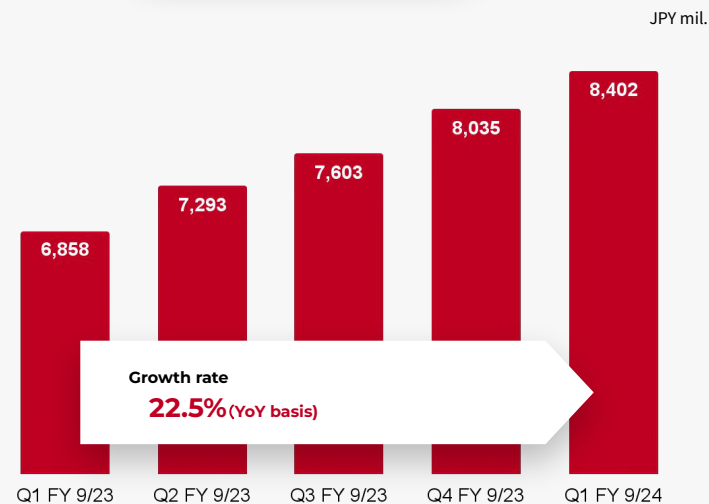
Growth rates of both consolidated net sales and ARR⁽¹⁾ have been accelerated

- Growth rate of Q1 consolidated net sales was +29.7% on a YoY basis
- Subscription sales by each company increased steadily
- In addition, Service, consulting and other revenues increased significantly, as a result of out-of-planned large projects at STUDIO ZERO

Consolidated net sales



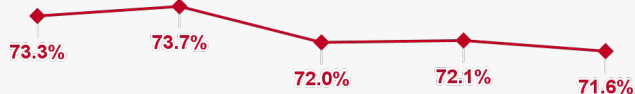
Consolidated ARR



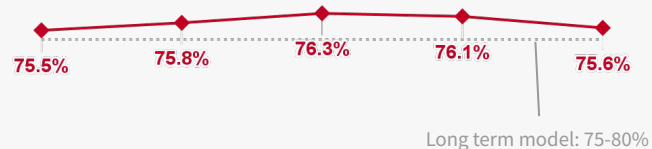
Gross profit margin remained at a favorable level

- Consolidated gross profit margin⁽¹⁾ was 71.6%
- Gross profit margin in the KARTE domain⁽²⁾ also continues to exceed the level of the long term model

Gross profit margin_consolidated



Reference) Gross profit margin_KARTE domain

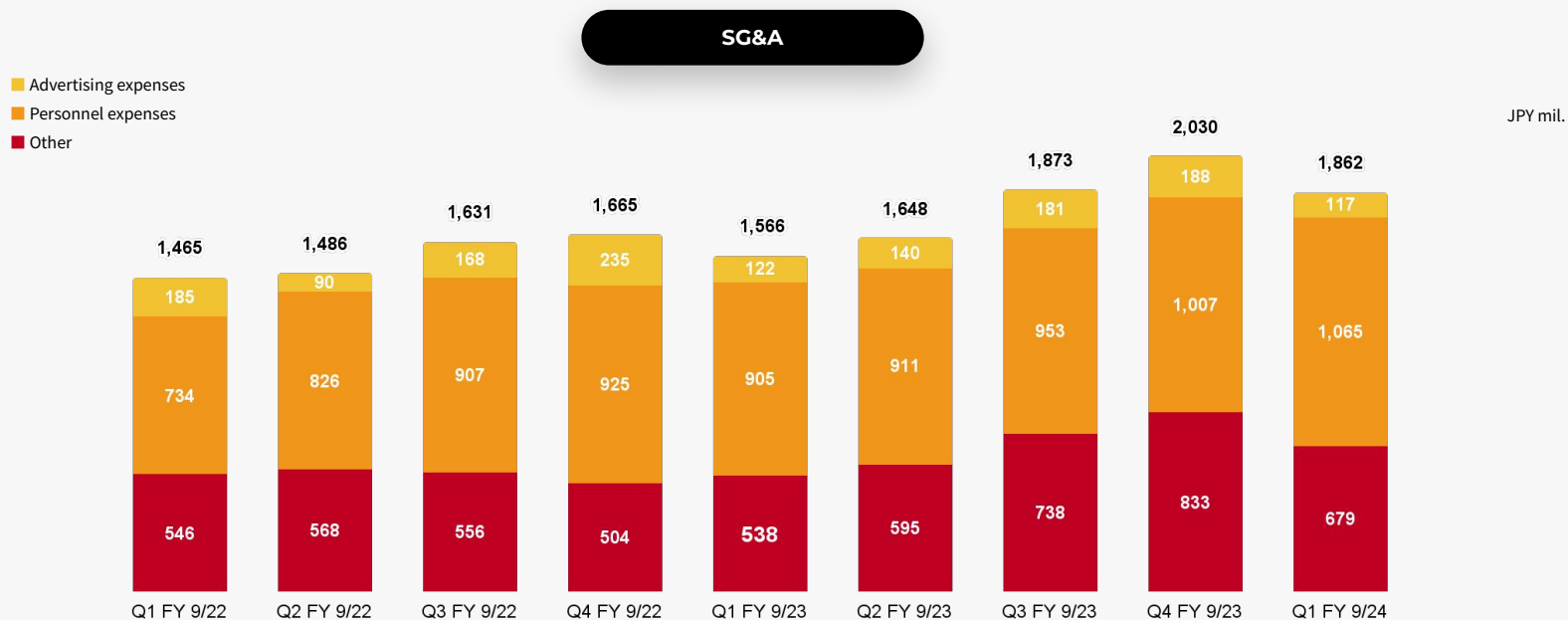


Q1 FY 9/23 Q2 FY 9/23 Q3 FY 9/23 Q4 FY 9/23 Q1 FY 9/24

Q1 FY 9/23 Q2 FY 9/23 Q3 FY 9/23 Q4 FY 9/23 Q1 FY 9/24

SG&A expenses were lower than the plan

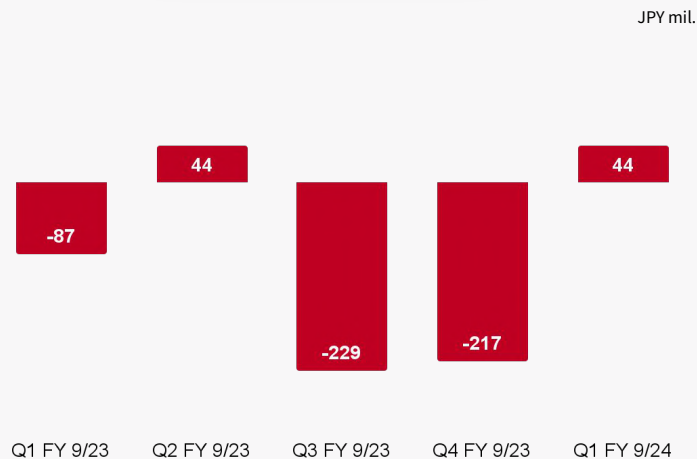
- Overall SG&A expenses were below the plan due to lower-than-expected personnel expenses at Plaid standalone and the postponement of some expenses



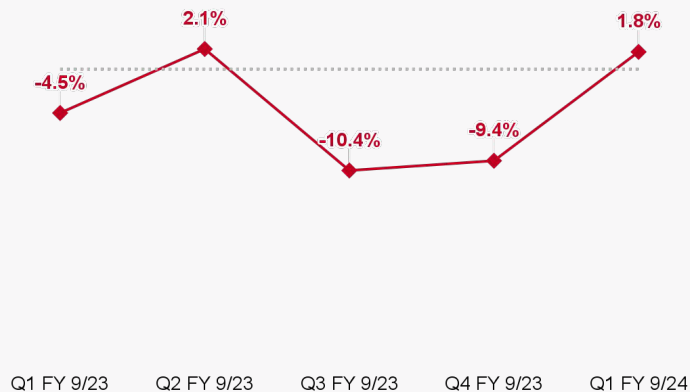
Adjusted operating income⁽¹⁾ landed in the black

- Plaid's non-consolidated performance was strong with consolidated adjusted operating income of 44 million yen
- Our bottom-line guidance is on track to turn in the black for fiscal year although adjusted operating Income in Q2 is expected to decrease or turn in red due to the lack of revenues from unexpected large consulting projects like Q1 and the recognition of postponed expenses

Adjusted operating income



Adjusted operating margin



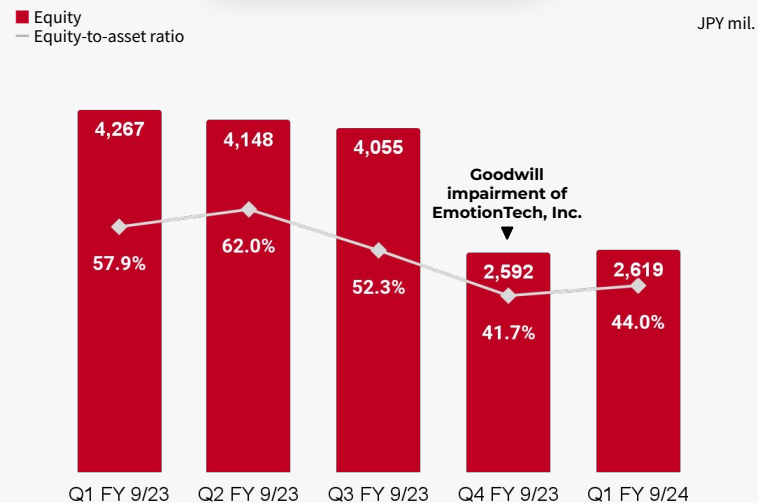
Cash on hands and equity ratio is maintained favorable level

- 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

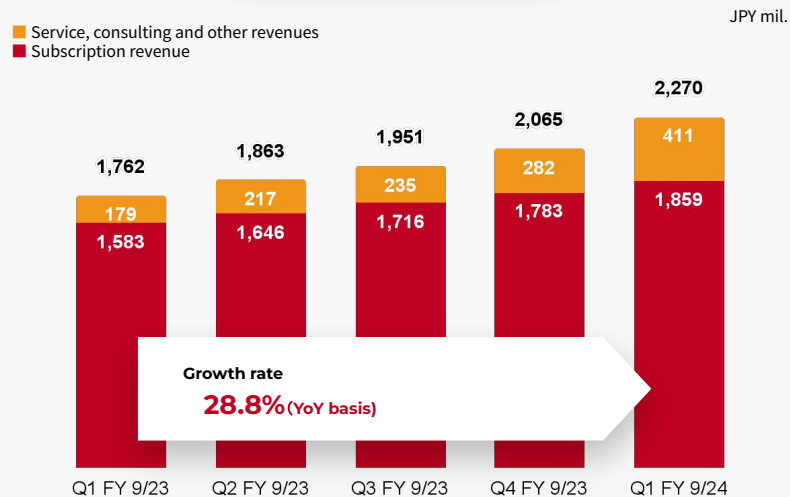


PLAID (Non-Consolidated) / Group Companies

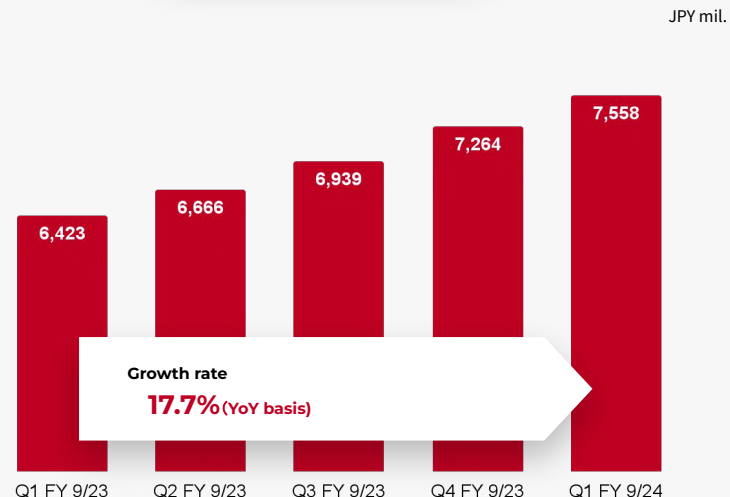
Growth rates of both net sales and ARR⁽¹⁾ have been accelerated

- Subscription revenue slightly exceeded the plan
- Service, consulting and other revenues increased significantly due to large projects at STUDIO ZERO

Net sales

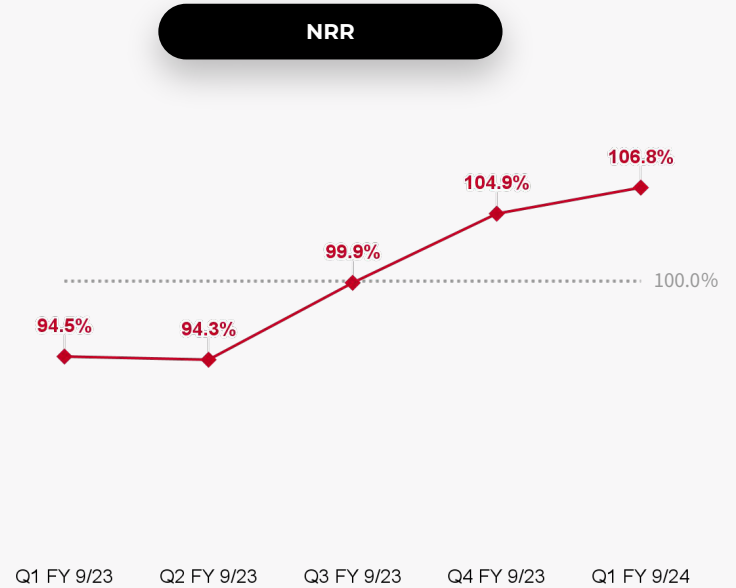
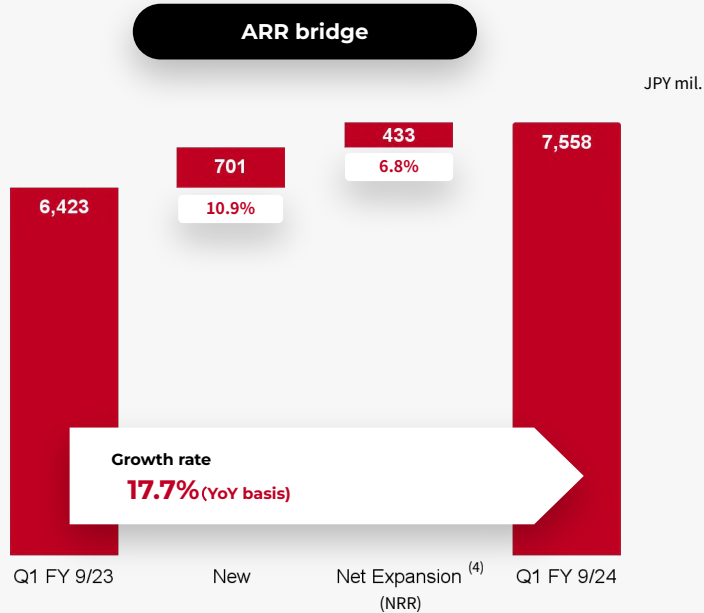


ARR



Attribution analysis of ARR⁽¹⁾ growth

- Quarterly NRR⁽²⁾⁽³⁾ for Q1 marked 106.8%
- Favorable renewal rate and up/cross-selling contributed to NRR improvement

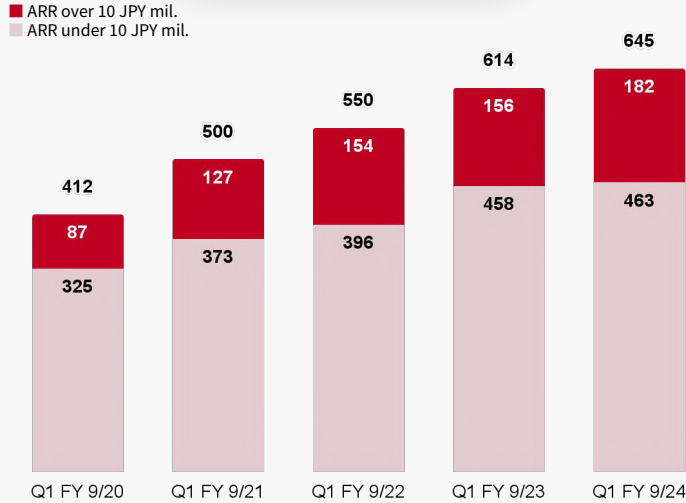


Notes: 1. Annual Recurring Revenue. It is calculated by multiplying monthly subscription revenue at the end of each quarter by 12 / 2. NRR: Net Revenue Retention (Rate) Calculated by dividing the (i) monthly subscription sales of current customers who have continued to subscribe for at least one year 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

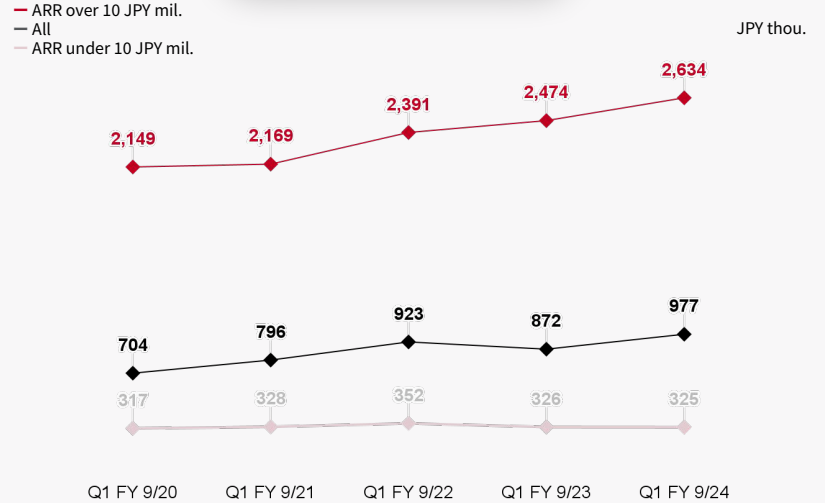
Customers⁽¹⁾ and ARPC⁽²⁾

- 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



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

Adjusted operating income⁽¹⁾ landed in the black at 172 million yen

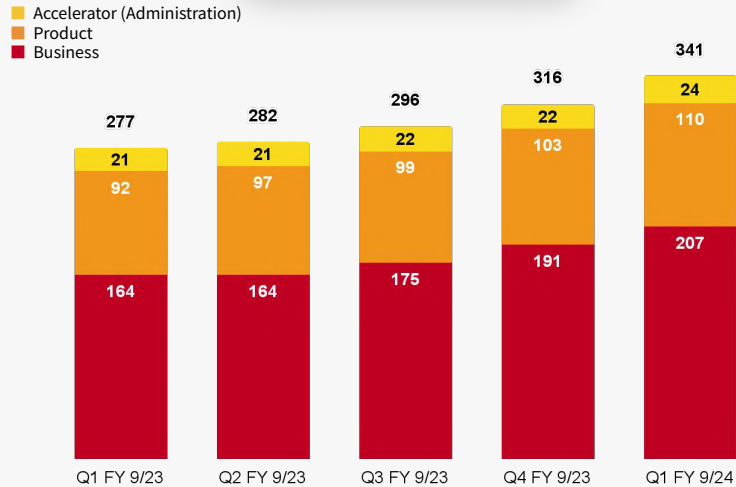
- Accelerated net sales growth and cost control have significantly improved profitability
- Adjusted operating Income in Q2 is expected to decrease temporarily due to the lack of revenues from unexpected large consulting projects like Q1 and the recognition of postponed expenses, but steady on track to achieve fiscal year plan



Hiring generally proceeded as planned

- Hiring of sales, customer success and engineers proceeded steadily
- Pace of hiring is expected to gradually moderate from Q2 onward

Number of employees⁽¹⁾



ARR per employee⁽¹⁾



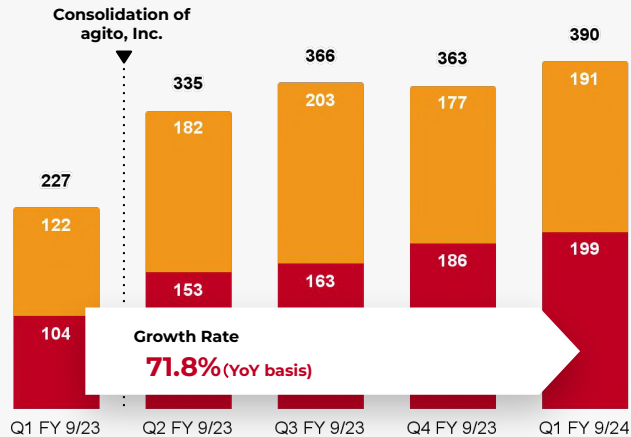
Steady performance of group companies

- Both net sales and adjusted operating income⁽¹⁾ exceeded the plan

Net sales

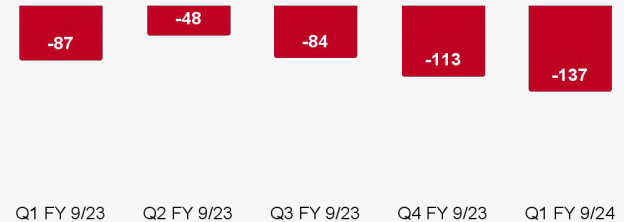
- Service, consulting and other revenues
- Subscription revenue

JPY mil.



Adjusted operating income

JPY mil.



Contents

1. Earnings Results Q1 FY 9/24
- 2. Business Updates**
3. Key Takeaways
4. Growth Strategy
5. Appendix



Major product Updates

Product



On-site marketing
(Website Management)

- After the renewal of the business policy in January 2023, the business expanded steadily. Major update of offered functions in December of the same year
- Besides cross-selling to KARTE customers, proposals have been strengthened through cooperation with sales, and new stand-alone acquisitions and set installations with KARTE have been strong



Initiatives

- Aiming to acquire more customers and increase ARPC through adding new functions/updates to improve value propositions



Advertising

- Launched a new product with Agito in October 2023 (KARTE Signals Dashboard)
- Cross-selling to KARTE customers has progressed



- Add distribution channels and enhance functions for the opportunity of abolishment of third-party cookies
- Proceed with various verifications to expand new customer acquisitions of Signals alone



Marketing Automation

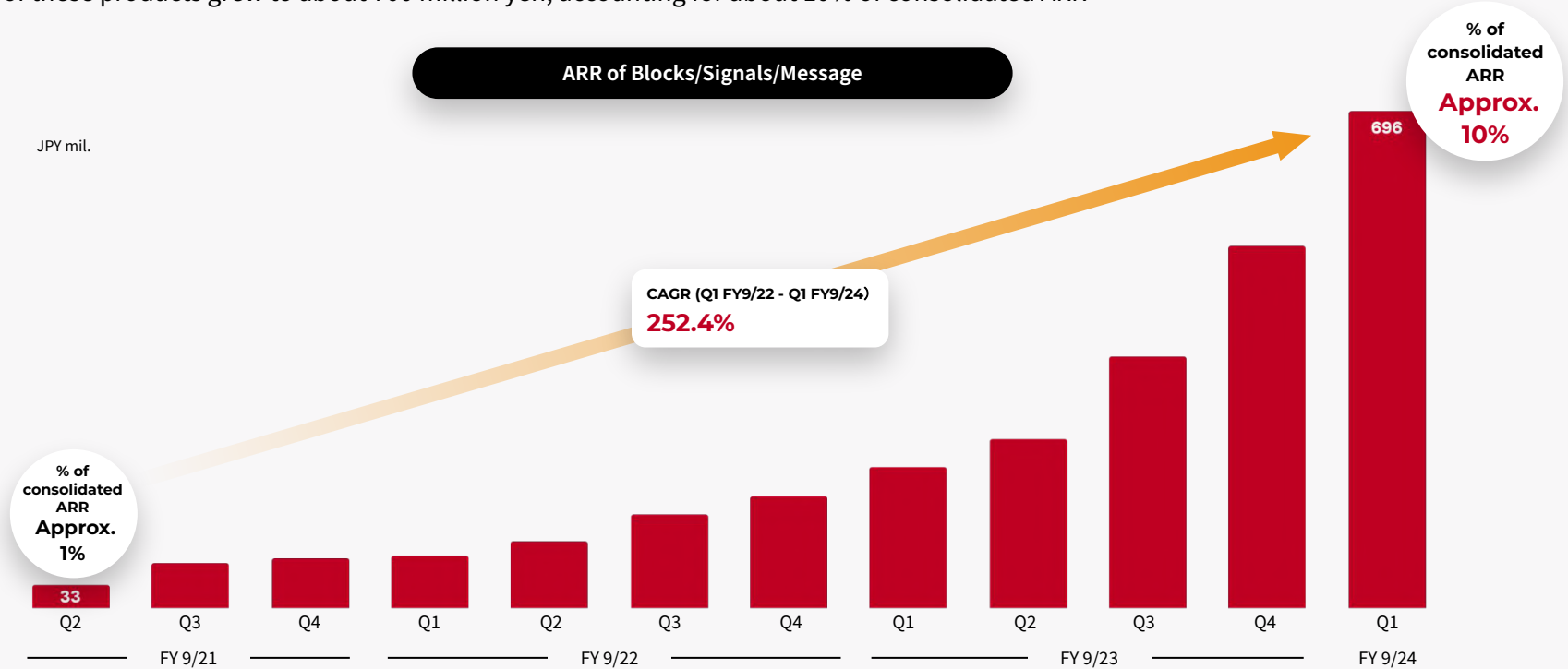
- Steady expanding sales to enterprise companies after the beta release in November 2022
- Mutual cross-selling with KARTE Web and Datahub is steadily progressing. In addition, new customer acquisitions are also growing well



- Aiming to increase ARPC by adding distribution channels and expanding functions, accumulate distribution results, and expand cross-selling by strengthening collaboration further with sales/marketing

Optimized new products for various areas contribute to ARR increase

- Blocks, Signals, and Messages have all been growing steadily
- ARR of these products grew to about 700 million yen, accounting for about 10% of consolidated ARR



Contents

1. Earnings Results Q1 FY 9/24
2. Business Updates
- 3. Key Takeaways**
4. Growth Strategy
5. Appendix



Key Takeaways

1

Net sales growth has accelerated

- Subscription revenue increased due to strong NRR and new customer acquisitions
- Block/signal/message is growing steadily. And these products are accelerating up/cross-selling that meets customer needs
- With customer needs for digital strategy planning/operation, Service, consulting revenues are expected to increase sustainably
- Our hybrid strategy of providing “multi-product x professional services” to enterprise companies is working successfully

2

Adjusted operating income is on track to turn in the black for fiscal year

- Profitability has improved through sales growth and appropriate cost control
- Consolidated adjusted operating income in Q1 was +44 million yen and that of Plaid was +172 million yen
- Our bottom-line guidance is on track to turn in the black for fiscal year although adjusted operating Income in Q2 is expected to decrease or turn in red due to the lack of revenues from unexpected large consulting projects like Q1 and the recognition of postponed expenses

Contents

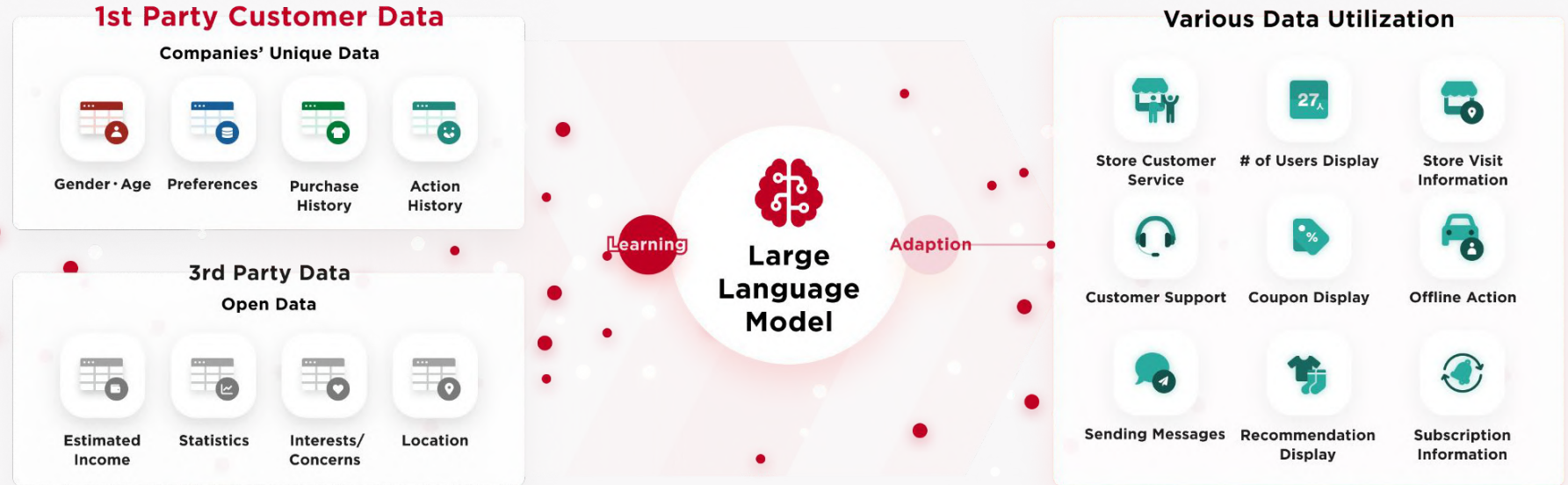
1. Earnings Results Q1 FY 9/24
2. Business Updates
3. Key Takeaways
- 4. Growth Strategy**
5. Appendix



External Environment

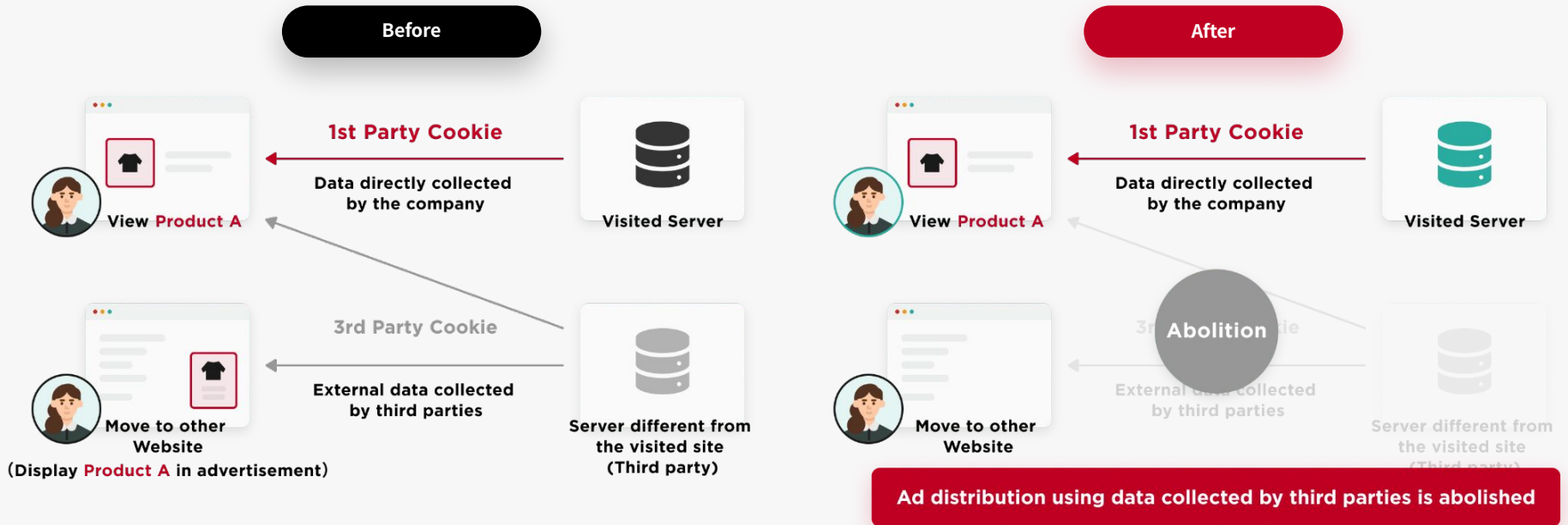
Rapid advancements in AI technology

- 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



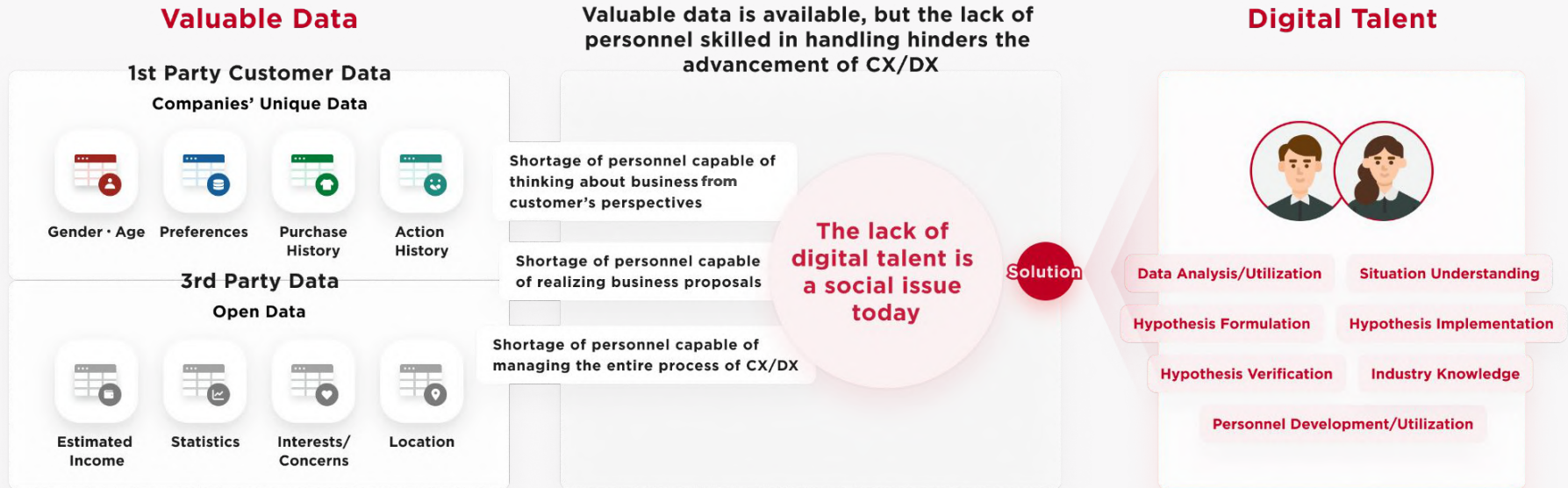
The arrival of the cookie-less era

- 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



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



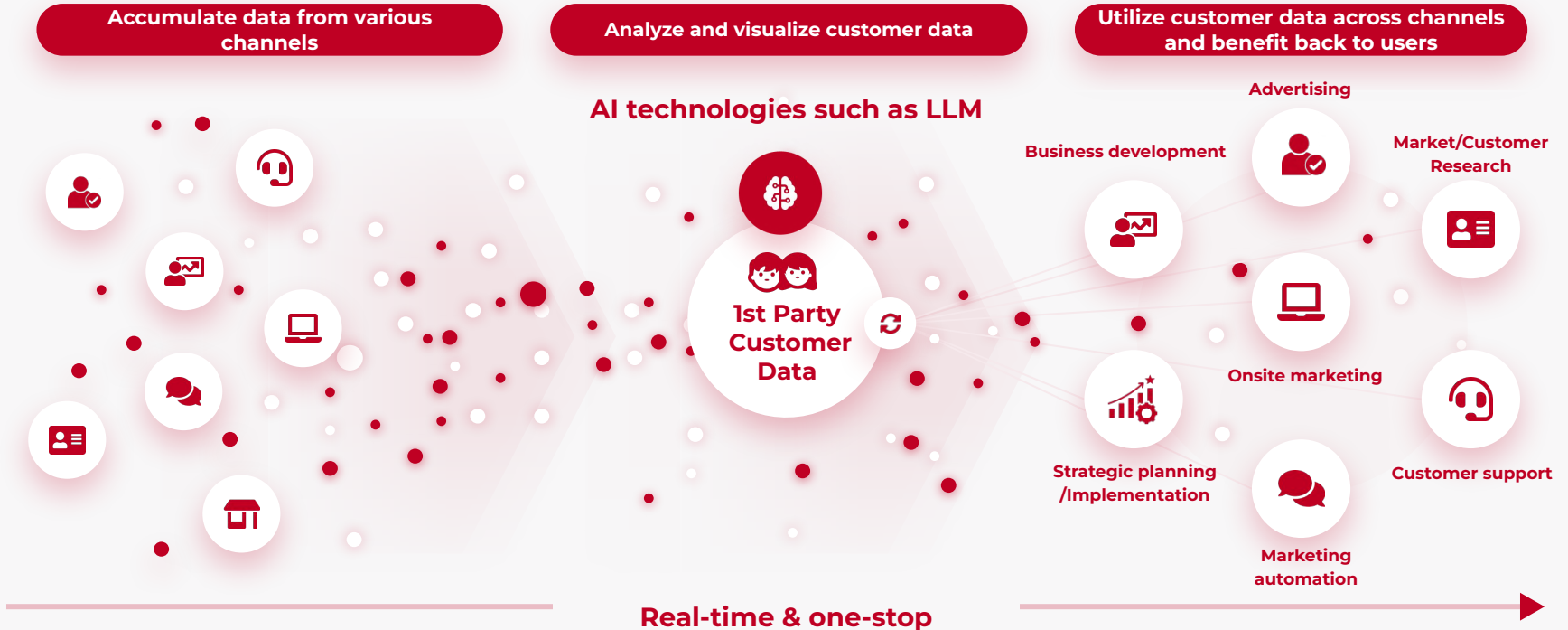
Our Strengths

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

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



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

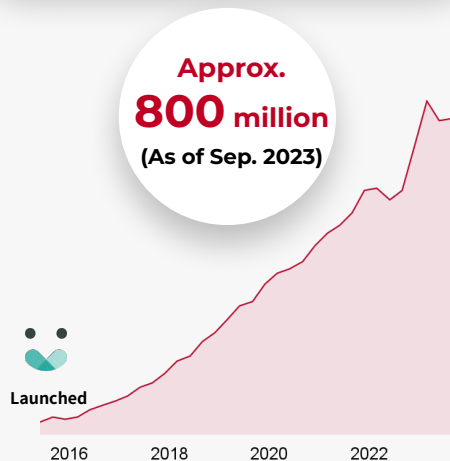
5

Professional service facilitating corporate business transformation and advancement

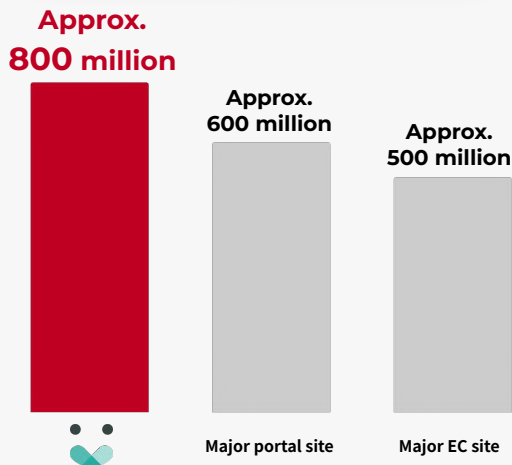
1 The largest domestic 1st party customer data platform

- 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

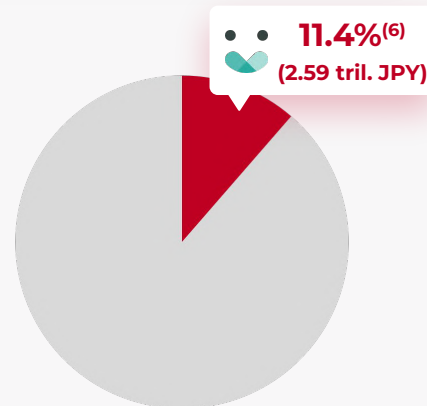
of MAU⁽²⁾⁽³⁾ analyzed by KARTE



Comparison⁽⁴⁾ of MAU with top domestic websites



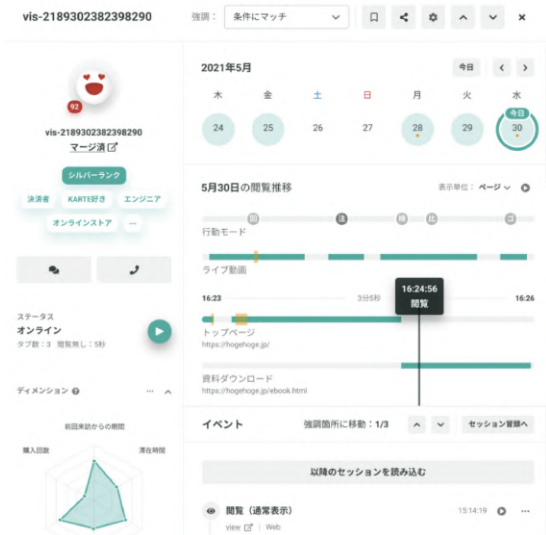
Analysis of the share of GMV in the domestic e-commerce market



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.

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



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



Our Strengths

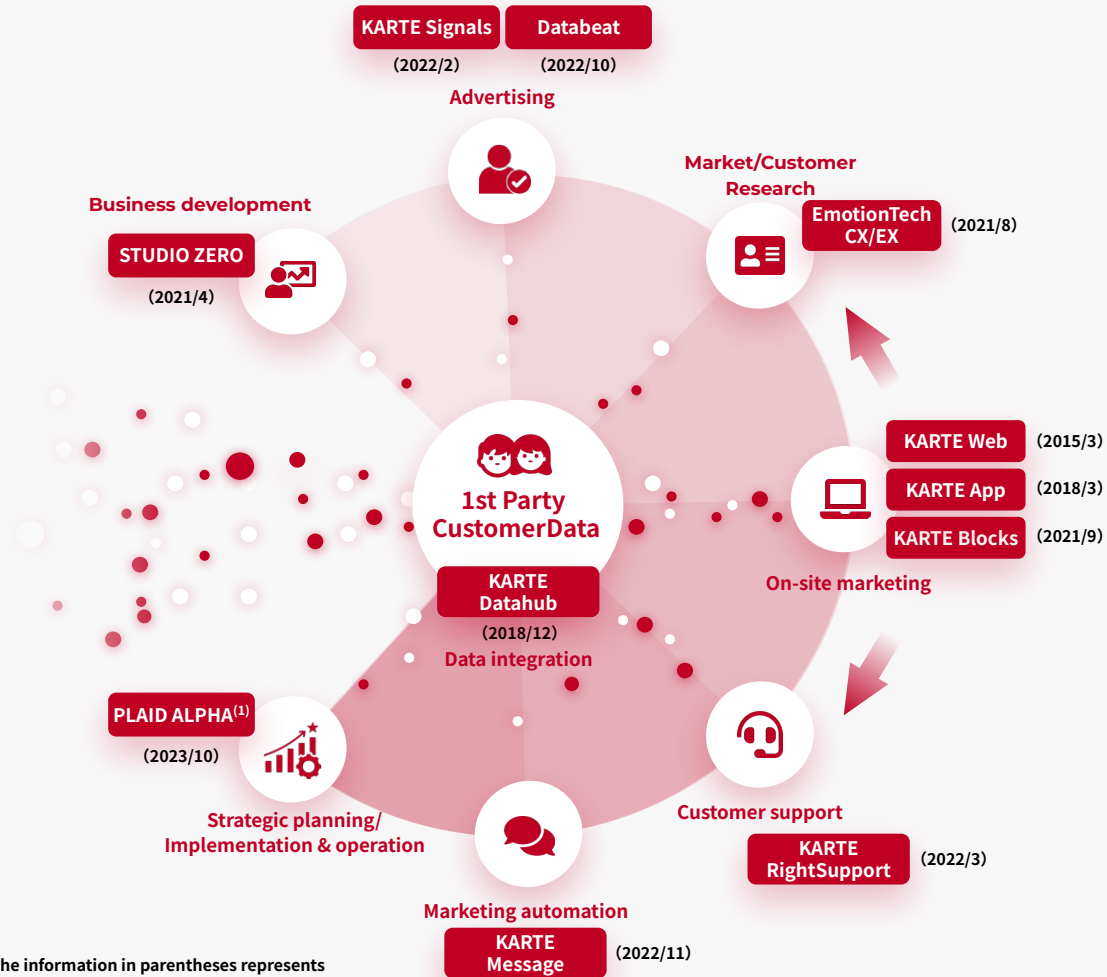
4 A seamless suite of multi-products enabling corporate activities based on high-resolution user understanding

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

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



The information in parentheses represents the launch/grouping period

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



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 development

Information & Communication : Support for the development of next-generation sales and marketing talent



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

Our Business Strategy

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 fully integrated to achieve advanced analysis of action data and improve usability, thereby further strengthening our products

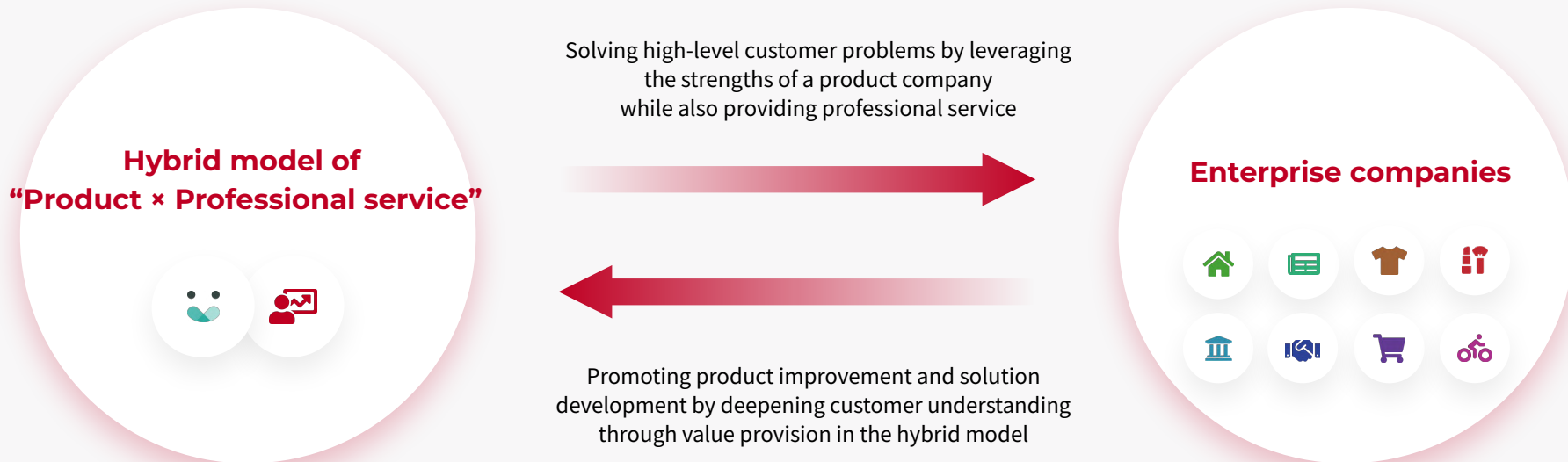
Our strengths

- 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



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

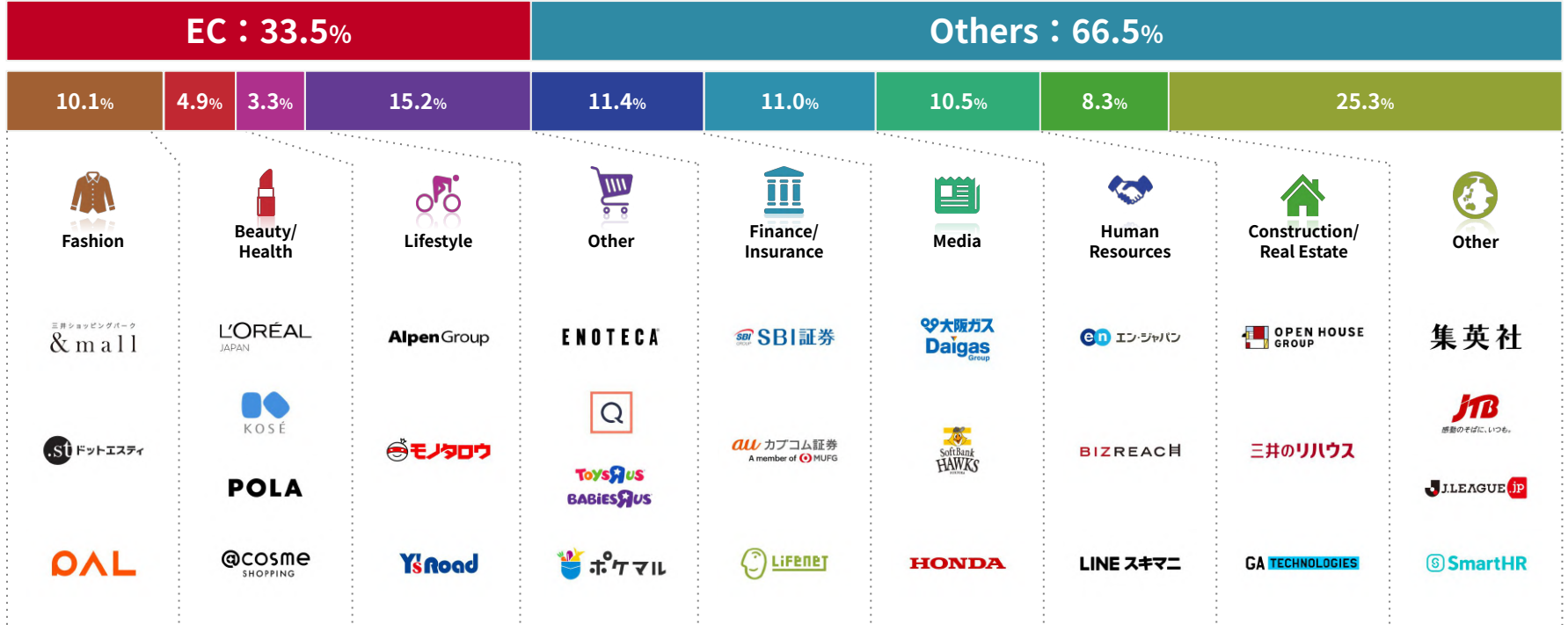
- Shifting to a “Product × Professional service” hybrid model to strengthen deployment to enterprise companies
- Solving customer problems through multifaceted value provision that goes beyond just product provision



Our Business Strategy

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

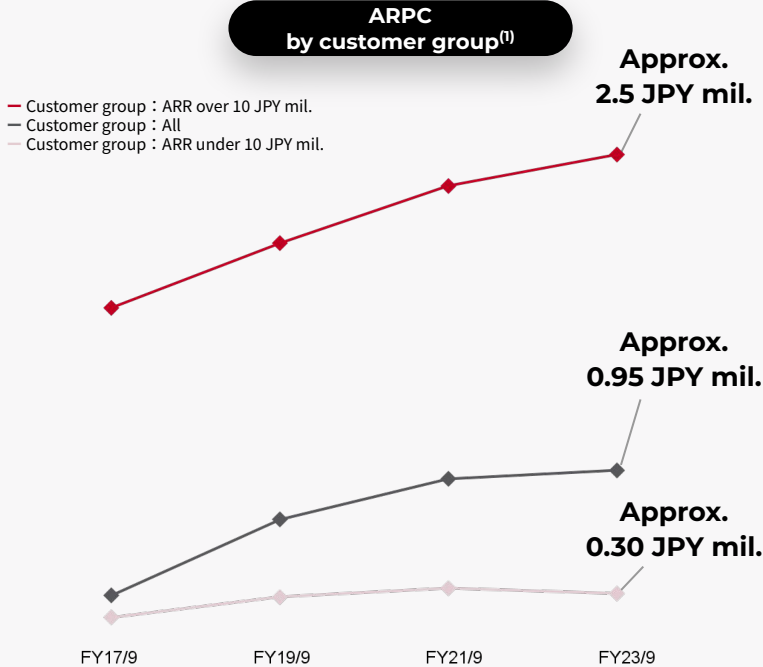
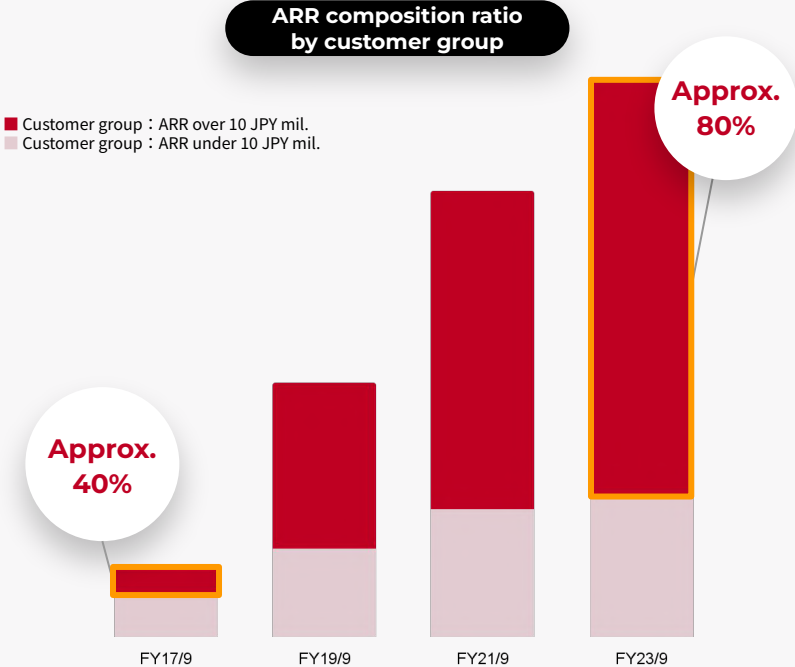
- Since the launch of KARTE, its installation by leading enterprise companies across various industries in Japan has been steadily progressing



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.

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

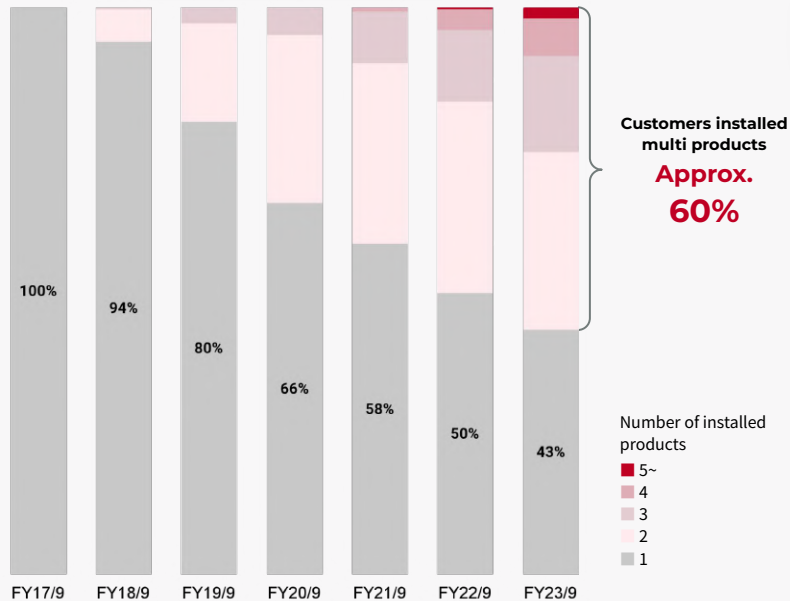
- Proportion of the high-price range customer group (with an ARR over 10 million JPY) in the Plaid's standalone ARR has been increasing
- ARPC of this customer group is about 2.5 million JPY, which is about 2.6 times the overall average of about 950 thousand JPY



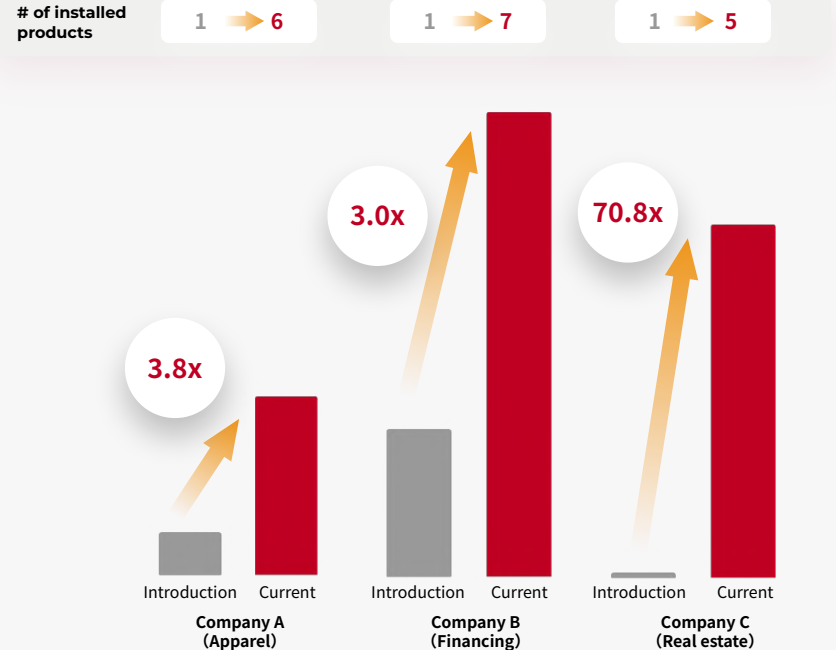
Multi-products is boosting cross-selling

- 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

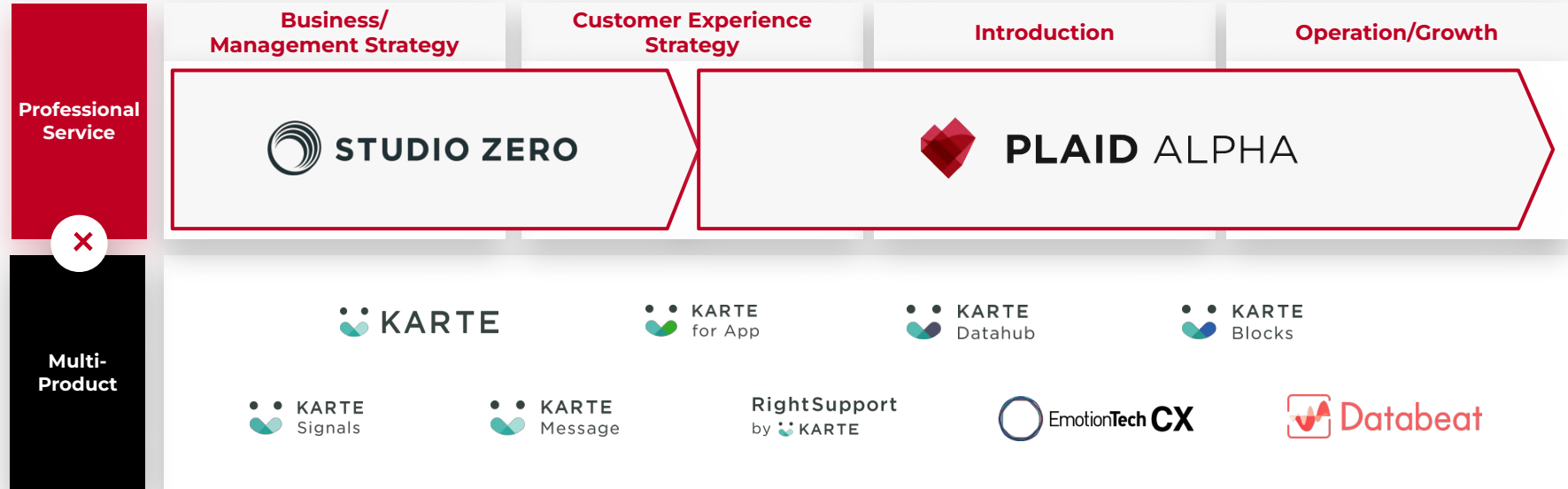


Examples⁽¹⁾ of increase in ARPC



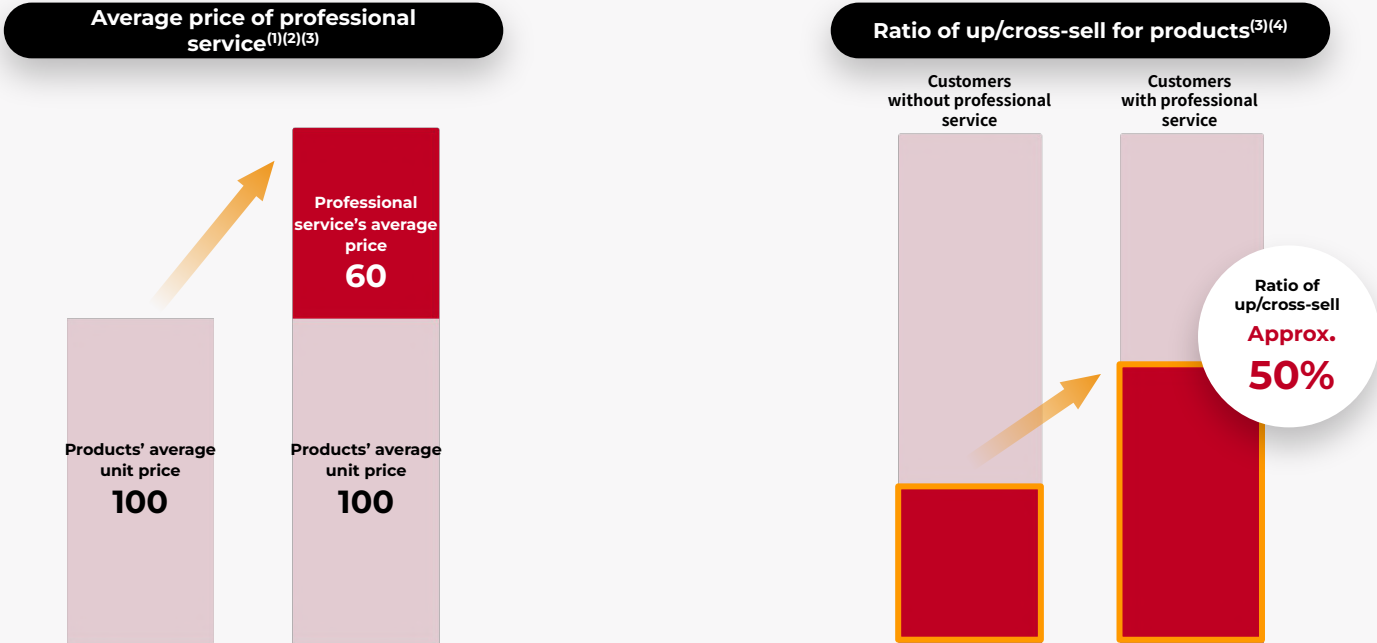
Seamless value provision through the hybrid model of "Product x Professional Service"

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



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 ARPC



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.

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...

Our Business Strategy

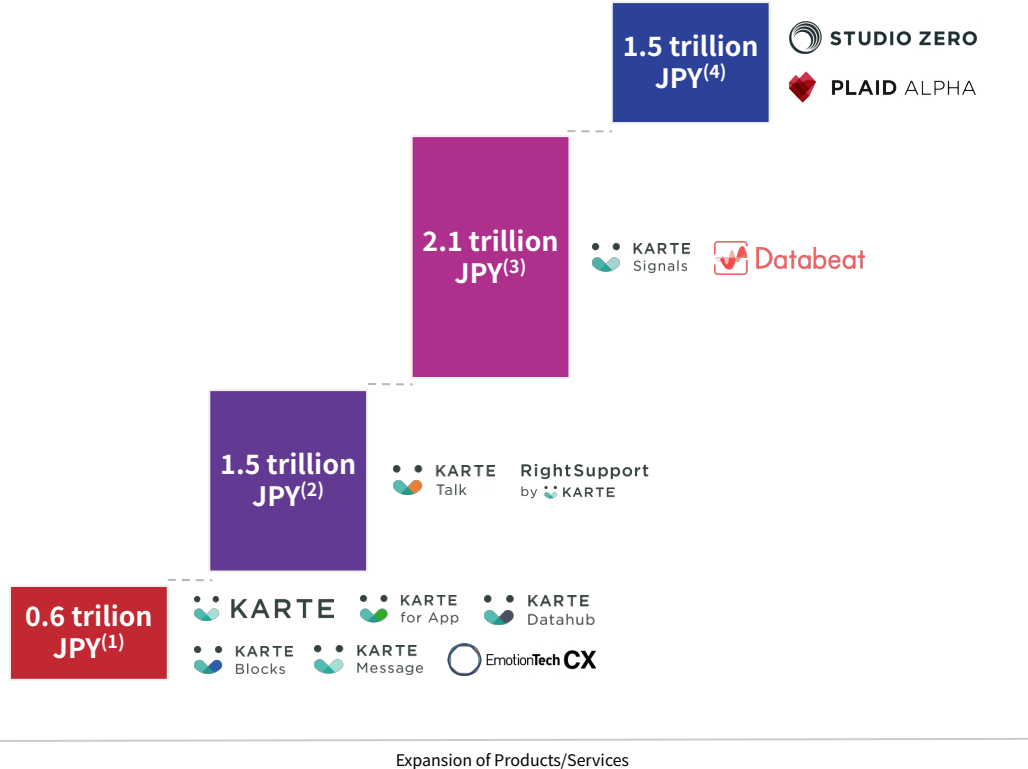
Overall potential market size of the group

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.

- Business and IT consulting⁽⁶⁾
- Advertisement
- Customer support
- CX related solutions⁽⁵⁾



Contents

1. Earnings Results Q1 FY 9/24
2. Business Updates
3. Key Takeaways
4. Growth Strategy
- 5. Appendix**



Financial Information

Income Statement (Quarterly)

(JPY mil.)	Q1 FY 9/24	Q1 FY 9/23	YoY	Q4 FY 9/23	QoQ
Net sales	2,531	1,952	+29.7%	2,322	+9.0%
Subscription revenue	2,066	1,686	+22.5%	1,968	+5.0%
Service, consulting and other revenue	465	265	+75.1%	354	+31.4%
Gross profit	1,836	1,418	+29.4%	1,696	+8.2%
Gross profit margin	72.5%	72.7%	-0.1pt	73.0%	-0.5pt
SG&A	1,862	1,566	+18.9%	2,030	-8.3%
% of Net sales	73.6%	80.2%	-6.7pt	87.4%	-13.8pt
Personnel expenses	1,065	905	+17.7%	1,007	+5.8%
% of Net sales	42.1%	46.4%	-4.3pt	43.4%	-1.3pt
Advertising expenses	117	122	-3.8%	188	-37.5%
% of Net sales	4.7%	6.3%	-1.6pt	8.1%	-3.5pt
Other	679	538	+26.1%	833	-18.6%
% of Net sales	26.8%	27.6%	-0.8pt	35.9%	-9.1pt
Operating income	-26	-147	-82.1%	-333	-92.1%
Adjusted operating margin	-1.0%	-7.6%	+6.5pt	-14.3%	+13.3pt
Reconciling items	70	60	+17.9%	115	-38.8%
Goodwill amortization	13	40	-66.3%	48	-72.2%
Stock-based compensation expenses	57	19	+187.5%	67	-14.7%
Other non-recurring expenses	-	-	-	-	-
Adjusted operating income	44	-87	-150.7%	-217	-120.4%
Adjusted operating margin	1.8%	-4.5%	+6.2pt	-9.4%	+11.1pt

Long Term Model⁽¹⁾⁽²⁾ (KARTE domain)

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

Company information




Appendix

Company 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 (Consolidated)	414 (as of December 2023)







Overview of Plaid group by business domain

Business domain	Overview	Main product/service	
PLAID	KARTE domain	<ul style="list-style-type: none"> Offers products and services centered around KARTE to enrich CX and marketing for companies 	
	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. 	
RT/ET/ 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 	

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

Main products / Services -2

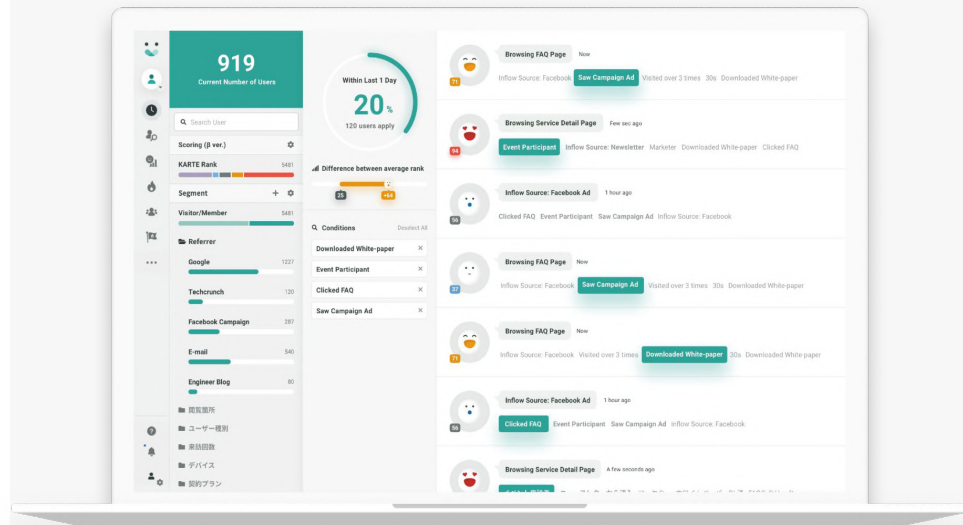
Domain	Product/Service	Summary
Product Utilization/ Technical Support	 PLAID ALPHA	Professional services including support for utilizing KARTE and consulting on CX. Also assisting customers in resolving challenges related to their resources and capabilities and creating value.
Strategic Planning / Business 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

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

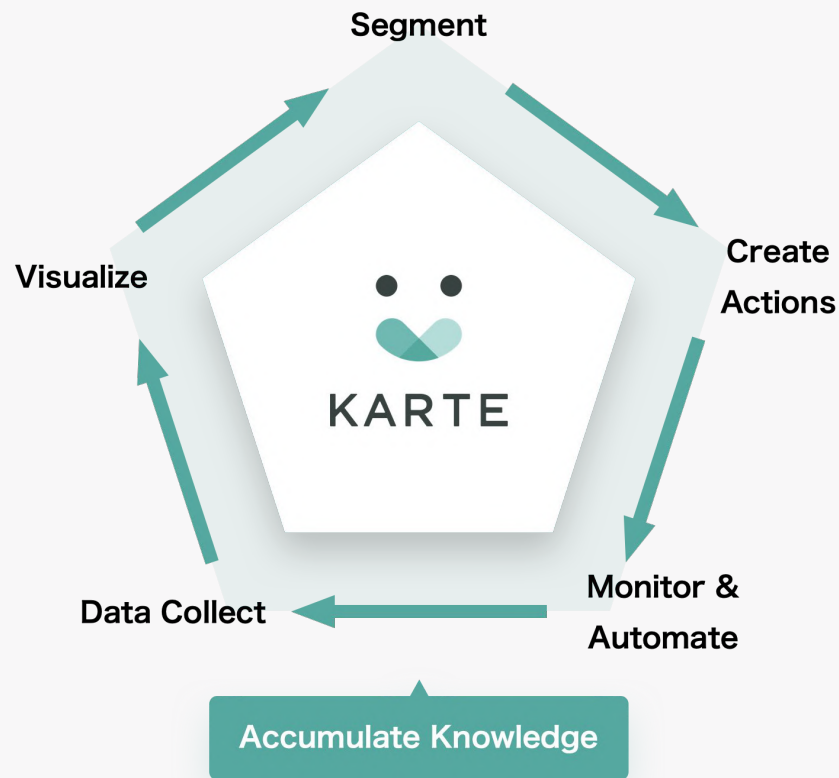
KARTE analyzes the real-time behaviors of customers visiting a website, etc., such as "They have been considering a specific product for a long time," together with the past data. This enables businesses to communicate appropriately with customers, without overlooking a timing or sign of their intent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

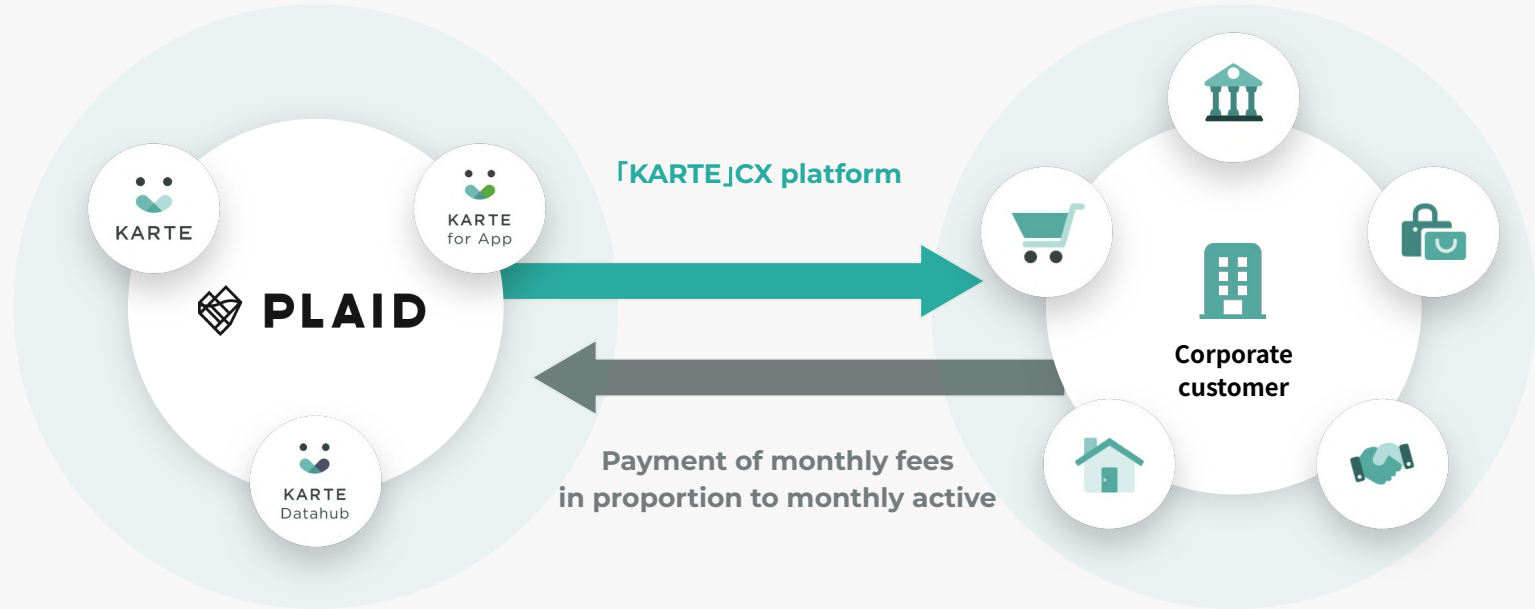


The uniqueness of KARTE (comparison in the on-site marketing area)

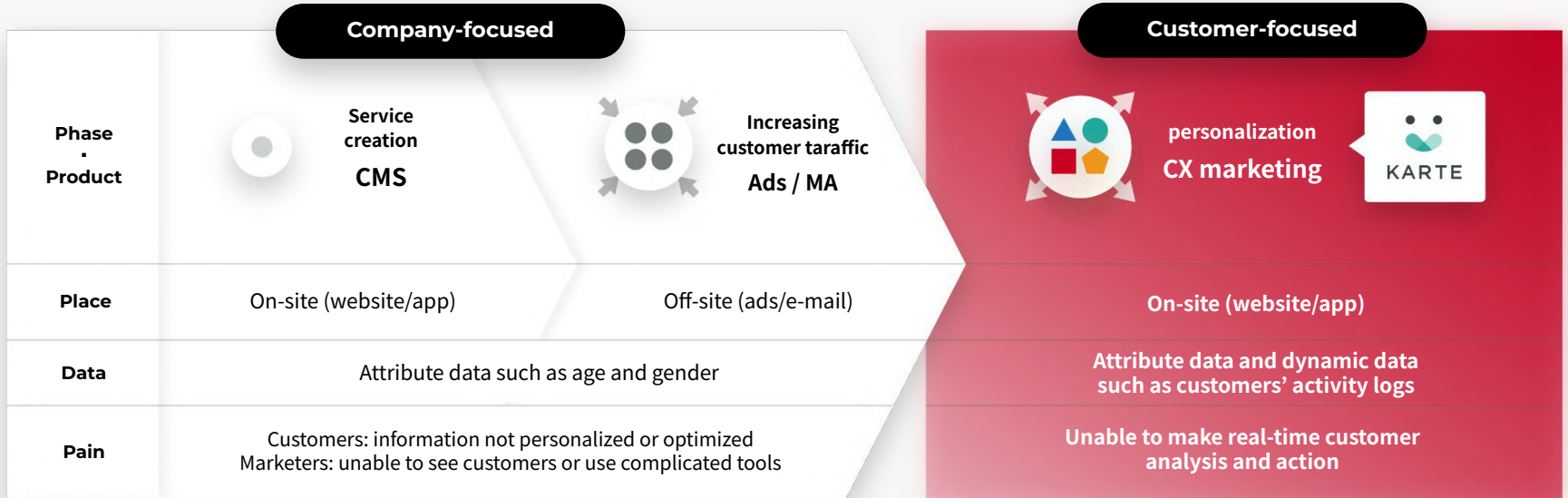
		Integrated marketing tools	Other marketing tools
Real-time performance	 Consistent real-time accumulation/analysis/action	 Non-real time/ Only some part (limited functionality, etc.)	 Non-real time/ Only some part (limited functionality, etc.)
Data storage/ Utilization Channels	 Multi-channel (Web/app/email/SMS, etc.)	 Multi-channel (Web/app/email/SMS, etc.)	 Single-channel
In-depth understanding of users	 Both attribute/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

Business Model

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



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'

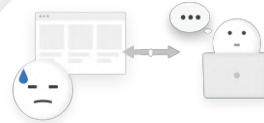


Contents are not streamlined for individual customers



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

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