

# PayPal snags Japan's Paidy to ramp up its buy now, pay later solutions

Article

**The news:** PayPal signed an agreement to acquire Japan-based buy now, pay later provider Paidy for an estimated \$2.7 billion (JPY300 billion), per a press release.

**How Paidy works:** Paidy lets customers pay for purchases in monthly installments via bank transfer (no fees) or at a network of convenience stores throughout Japan. The company also has products like short-term installment plan Paidy 3-Pay and Paidy Link, which lets

customers connect their mobile wallet to their Paidy account—PayPal was the first wallet to integrate the solution.

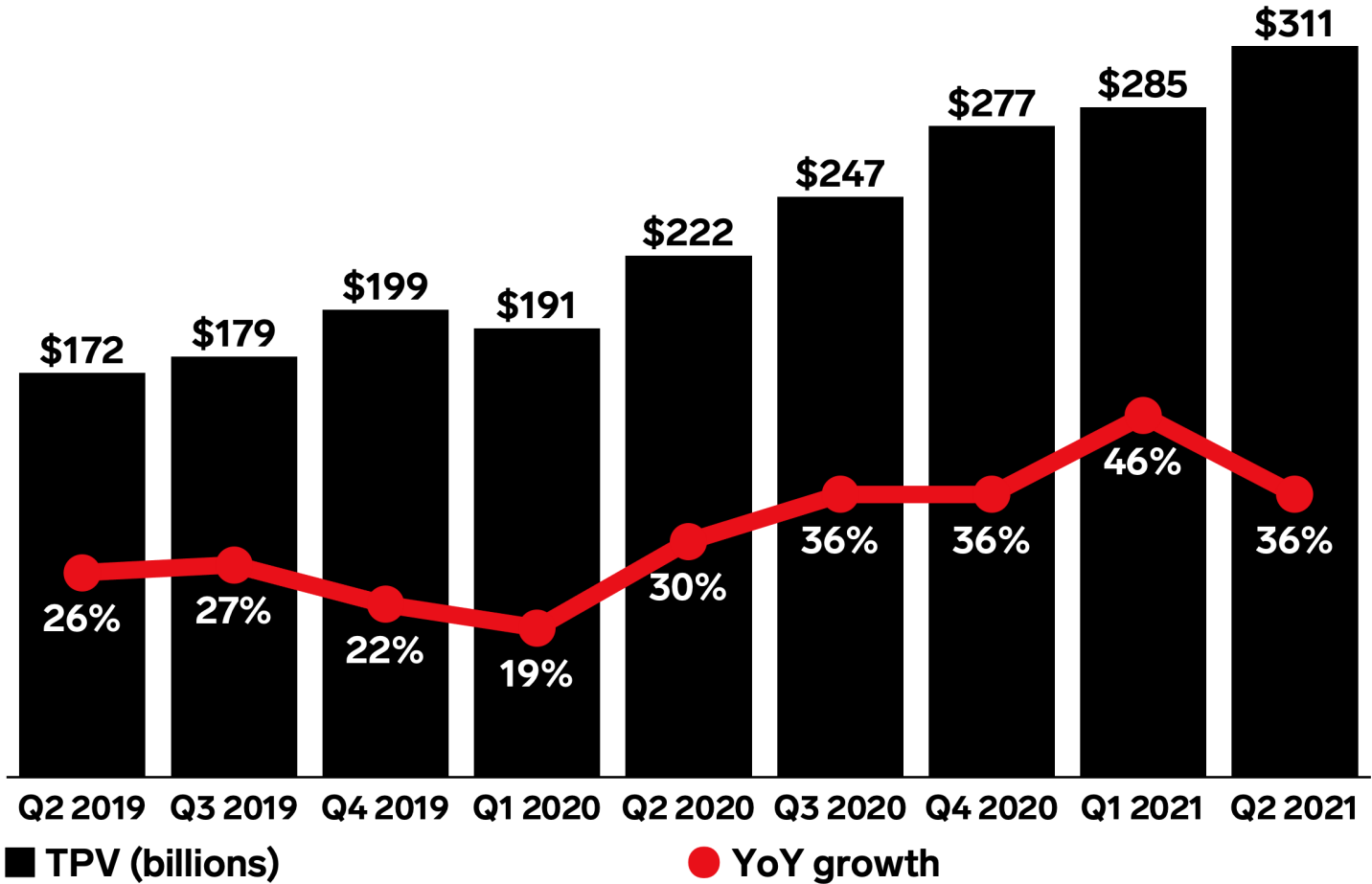
**PayPal's opportunities:** As Japan's payments space evolves, PayPal sees a growth pathway through Paidy.

- **Paidy might boost PayPal's presence in Japan's payments and BNPL spaces.** Despite being a historically cash-heavy society, Japanese consumers embraced digital payments during the pandemic. And the Japanese government has **committed** to **boosting cashless payments penetration to 40%, up from 20% earlier this year.** Acquiring Paidy, which has **more than 6 million users**, gives PayPal a pathway into Japan's budding BNPL space and an early mover advantage as Japan's digital transformation takes shape.
- **The Paidy acquisition also opens up cross-selling opportunities for PayPal.** PayPal can use Paidy's existing customers to grow its own user base, **which recently hit 403 million.** It can also be a pathway to bring offerings like its in-store payments solution Zettle into the Japanese market—which can help sustain volume growth, **which surged 36% year over year in Q2.**

**Related content:** Check out the PayPal section of [The Buy Now Pay Later Report](#) for a deep dive into PayPal's BNPL service and how it stacks up against incumbent BNPL players.

# PayPal Total Payment Volume (TPV)

global



Note: growth is reported on a constant currency basis

Source: PayPal, 2021

Methodology: This data is from PayPal's Q2 earnings report released on July 28, 2021

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