Yano Research Institute

July 7, 2016

RESEARCH SUMMARY

Yano Research Institute Ltd.
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Prepaid Settlement Market in Japan: Key Research Findings 2016

◆ Research Outline

Yano Research Institute has conducted a survey on the domestic prepaid settlement market with the following conditions:

1. Research period: From January to May, 2016
2. Research targets: Prepaid settlement service providers, prepaid settlement service adoption supporters, and etc.
3. Research methodologies: Face-to-face interviews, survey via email/telephone, and literature research

What is the Prepaid Settlement Market?

Prepaid settlement services in this research indicate those services that enable to settle the payment through cards and mobile devices by previously charging money or by purchasing in advance. The services are categorized into the following three: 1) Contactless IC electronic money (a prepaid settlement service that can add to or subtract from the balance recorded in an IC chip, an issued medium); 2) Server-managed electronic money (a prepaid settlement service that manages the account from a server so that no need for a card to have balance functions); 3) Others (i.e. those prepaid voucher types made of paper issued by departments and other retailers, and magnetic type of pre-paid cards like those for purchasing books.) Note that the market size is calculated based on the trading volume at prepaid settlement service providers.

◆ Key Findings

■ Prepaid Settlement Market Size in FY2015 Rose by 17.6% to Attain 7.5 Trillion Yen

The prepaid settlement market in FY2015 rose by 17.6% to achieve 7.5 trillion yen, partly because of robust expansion of contactless IC electric money. The market in FY2016 is likely to grow by 15.8% to achieve as far as 8.7 trillion yen.

■ As More Cases of Integration with CRM and Expansion of Services, Prepaid Settlement Solutions Proceed toward Generalization

Prepaid settlement solutions are likely to add its values by being integrated with CRM (Customer Relationship Management) in the form of, for instance, reward points programs. With increasing number of people have started using prepaid settlement services through smartphone applications, there have been more cases of prepaid settlement services that have reduced costs and have been introduced at stores not included in an in-house group, showing that the services have gradually been generalized.

■ Prepaid Settlement Market Size in FY2021 Likely to Achieve 13 Trillion Yen

The prepaid settlement market for FY2021 is expected to expand to 13 trillion yen. By providing more gain and improving convenience for consumers the market is projected to expand, with contactless-IC- and server-managed-electronic money growing steadily, during which they are likely to gradually shift from house-cards to more generalized ones.

◆ Report Format:

Published report: "Prepaid Settlement Market 2016"
Issued on: May 31, 2016
Language: Japanese
Format: 251 pages in A4 format
Price: 150,000 Yen (The consumption tax shall additionally be charged for the sales in Japan.)

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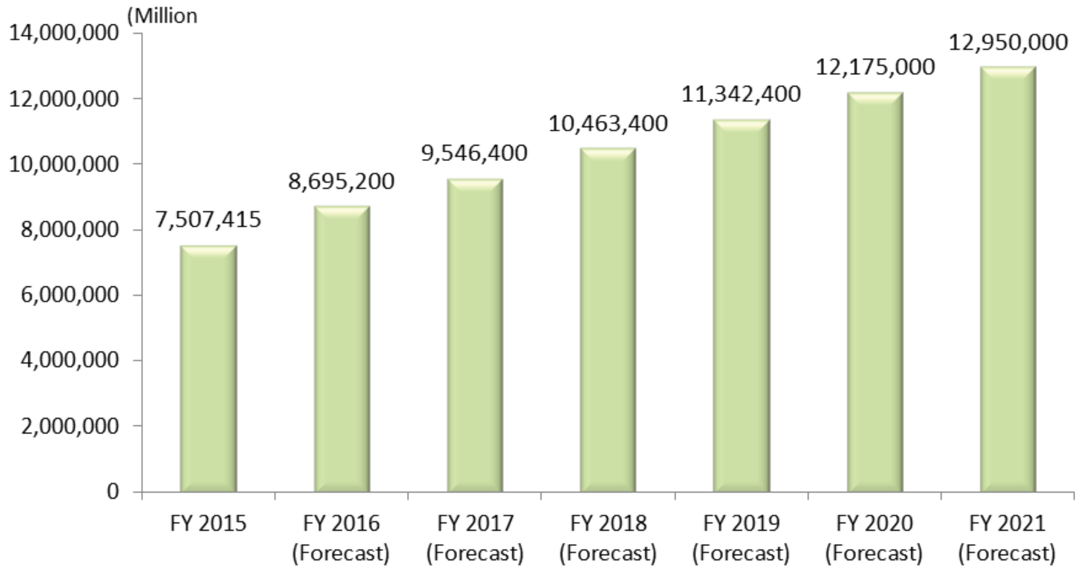
■ Figure 1: Forecast of Prepaid Settlement Market Size



Calculation by Yano Research Institute

Notes:
1. The market is based on the trading volume at prepaid settlement service providers.
2. The values for FY2016 and beyond are forecast.