

PayPal to Acquire Paidy

Expands PayPal's reach in Japan and enhances global portfolio of buy now, pay later solutions

SAN JOSE, Calif., September 7, 2021 /PRNewswire/ – [PayPal Holdings, Inc.](#) (NASDAQ: PYPL) today announced that it has agreed to acquire Paidy, a leading two-sided payments platform and provider of buy now, pay later solutions in Japan, for ¥300 billion or approximately US\$2.7 billion, principally in cash. The acquisition will expand PayPal's capabilities, distribution and relevance in the domestic payments market in Japan, the third largest ecommerce market in the world, complementing the company's existing cross-border ecommerce business in the country.

"Paidy pioneered buy now, pay later solutions tailored to the Japanese market and quickly grew to become the leading service, developing a sizable two-sided platform of consumers and merchants," said Peter Kenevan, vice president, head of Japan at PayPal. "Combining Paidy's brand, capabilities and talented team with PayPal's expertise, resources and global scale will create a strong foundation to accelerate our momentum in this strategically important market."

Paidy's payment services allow Japanese shoppers to make purchases online, and then pay for them each month in a consolidated bill at a convenience store or via bank transfer. The company uses proprietary technology to score creditworthiness, underwrite transactions and guarantee payment to merchants. Paidy helps consumers feel comfortable and safe while shopping online and drives increased conversion rates, average order values and repeat purchases for merchants.

Paidy's ability to rapidly develop and successfully launch innovative products, including its Paidy 3-Pay monthly installment offering, has driven strong engagement with its more than six million registered users and helped establish strategic relationships with leading global brands and online marketplaces. Its integrations with PayPal and other digital and QR wallets through [Paidy Link](#) expands Paidy's reach to online and offline merchants beyond its platform.

"There is no better home for Paidy to continue to grow and innovate than PayPal, which has been removing friction from online shopping for more than 20 years," said Russell Cummer, founder and executive chairman of Paidy. "Japan has been a vibrant environment for our growth to date and we're honored to have our team's hard work and potential recognized by a global leader. Together with PayPal, we will be able to further achieve our mission of taking the hassle out of shopping."

"Paidy is just at the beginning of our journey and joining PayPal will accelerate our plans to expand beyond ecommerce and build unique services as the new shopping standard," said Riku Sugie, president and CEO of Paidy. "PayPal was a founding partner for Paidy Link and we look forward to working together to create even more value. Thank you to our community of merchants and users who helped us get to this important milestone."

Following the acquisition, Paidy will continue to operate its existing business, maintain its brand and support a wide variety of consumer wallets and marketplaces. Cummer and Sugie will continue to lead the Paidy team.

Subject to customary closing conditions, including the receipt of regulatory approvals, the transaction is expected to close in the fourth quarter of 2021. The acquisition is expected to be minimally dilutive to non-GAAP earnings per share in 2022.

BofA Securities is acting as sole financial adviser to PayPal, and White & Case is acting as lead legal adviser with regard to the transaction. Goldman Sachs is acting as the sole financial adviser to Paidy, while Cooley LLP and Mori Hamada & Matsumoto are acting as its legal advisers.

About PayPal

PayPal has remained at the forefront of the digital payment revolution for more than 20 years. By leveraging technology to make financial services and commerce more convenient, affordable, and secure, the PayPal platform is empowering more than 400 million consumers and merchants in more than 200 markets to join and thrive in the global economy. For more information, visit [paypal.com](https://www.paypal.com).

About Paidy

Paidy is Japan's pioneer and leading BNPL service with the mission to spread trust through society and to give people room to dream. Paidy offers instant, monthly-consolidated credit to consumers by removing hassles from payment and purchase experiences. Paidy uses proprietary models and machine learning to underwrite transactions in seconds and guarantee payments to merchants. Paidy increases revenue for merchants by reducing the number of incomplete transactions, increasing conversion rates, boosting average order values, and facilitating repeat purchases from consumers. Paidy continues to innovate to make shopping easier and more fun both online and offline. For more information visit [paidy.com](https://www.paidy.com).

Forward-Looking Statements

This announcement contains "forward-looking" statements within the meaning of applicable securities laws. Forward-looking statements and information relate to future events and future performance and reflect PayPal's expectations regarding the impact of this transaction on PayPal's and Paidy's financial and operating results and business, the operation and management of Paidy after the acquisition, and the timing of the closing of the acquisition. Forward-looking statements may be identified by words such as "seek", "believe", "plan", "estimate", "anticipate", "expect", "project", "forecast", or "intend", and statements that an event or result "may", "will", "should", "could", or "might" occur or be achieved and any other similar expressions.

Forward-looking statements involve risks and uncertainties which may cause actual results to differ materially from the statements made, and, accordingly, readers should not place undue reliance on forward-looking statements and information. Factors that could cause or contribute to such differences include, but are not limited to, the failure to satisfy the conditions to the completion of the transaction, including securityholder and regulatory approvals in connection with the transaction, the possibility that the transaction may not be completed in a timely manner or at all, the reaction to the transaction of Paidy's customers and business partners, the reaction of competitors to the transaction, the retention of Paidy's employees, PayPal's plans for Paidy, economic and political conditions in the global markets in which PayPal and Paidy operate, the future growth of PayPal's and Paidy's businesses, and the possibility that integration following the transaction may be more difficult than expected.

More information about these and other factors that could adversely affect PayPal's results of operations, financial condition and prospects or that could cause actual results to differ materially from those expressed or implied in forward-looking statements can be found in PayPal Holdings, Inc.'s most recent Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other filings with the Securities and Exchange Commission (the "SEC"), and its future filings with the SEC.

The forward-looking statements contained in this announcement speak only as of the date hereof. PayPal expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

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