

PRESS RELEASE

Paidy Announces \$143 Million USD in Funding: \$83 Million USD in Series C Extension & \$60 Million USD in Debt Financing



TOKYO (Nov 1, 2019) – Paidy Inc. ("Paidy"), a payment provider offering instantly-issued credit, announced additional funding worth \$143 million USD. The funding was composed of a Series C extension and debt financing. Financing for the Series C extension was provided by both new and existing investors to the company, whereas the debt financing was led by four financial institutions including a Warehouse facility. According to a report on the top 20 corporate valuations (post funding) found in “Japan Startup Finance Report 2019H1”¹, this investment ranks as the largest in the Fintech industry. This funding will help Paidy strengthen their balance sheet, which in turn will help accelerate their business growth.

1: <https://biz.entrepedia.jp/report/japan-startup-finance-2019h1/> (as of Aug 29, 2019)

Series C extension

PayPal Ventures, Soros Capital Management LLC (a Robert Soros Enterprise), JS Capital Management LLC (the family office of Jonathan Soros), Tybourne Capital Management Ltd. and one more company invested in Paidy as part of the Series C extension. This latest round of funding will bring the total amount of investments received by Paidy to \$83 million USD including the funding from existing investors such as Eight Roads Ventures. Additionally, the total amount of investments from the foundation of the company to this round is \$163 million USD.

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Debt financing

On October 9, 2019, Paidy established a Warehouse facility worth \$52 million USD² with Goldman Sachs Japan Co., Ltd. In addition, at the end of October Paidy established a Credit facility worth \$8 million USD² with Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, and Sumitomo Mitsui Trust Bank, Limited. Together these investments bring the total amount received for debt financing to \$60 million USD².

2: JPY 100=\$0.92 USD (as of Oct 31, 2019)

Moving forward, Paidy will focus on increasing its customer base to 11,000,000 accounts by the end of 2020. It plans to achieve this by acquiring large-scale merchants and offering additional financial services.

Paidy's Founder, Russell Cumber, stated the following "As the Paidy network continues to grow, we are very pleased to continue innovating and to offer best-in-market solutions to merchants and new frictionless payment experiences to consumers. We are pleased that our vision of an instant buy-now pay later consumer experience has been validated by millions of consumers and by global leaders like PayPal and Goldman Sachs."

About Paidy

Paidy offers instant, monthly-consolidated credit to consumers throughout Japan. In October 2014, Paidy started Japan's first instant post-pay credit service for e-commerce consumers. With the goal of removing barriers and embracing simplicity, 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.

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