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QR Code Payment Usage Hits A Record High of 68%:

2024 Infcurion Consumer Payment Trend Survey

Tokyo, Japan, July 4, 2024—Infcurion (CEO: Hiroki Maruyama, Head Office: Chiyoda-ku, Tokyo) conducted the 2024 Consumer Payment Trend Survey covering 20,000 people aged 16-69 across the country. The survey showcases Japan’s ongoing transition from a predominantly cash-based society to a cashless one. This shift has reshaped the market structure and the way Japanese consumers conduct transactions, providing new opportunities and challenges for businesses and financial institutions alike.

1. Key Trends

i. Steady Progress Toward a Cashless Society

According to data from the Ministry of Economy, Trade and Industry, the cashless payment ratio in 2023 reached a record high of 39.3%. Japan is experiencing a consistent shift towards cashless transactions, driven by an increasing number of consumers adopting digital payment methods over traditional cash.

ii. Credit Cards Remain Dominant, but Their Lead is Eroding

While Credit Cards continue to hold a dominant position in terms of purchase value for cashless payments, their lead is modestly diminishing as QR Code Payment Apps become the preferred payment method for many consumers in various situations.

iii. Smartphone as the “Money Control Center” for Japanese Consumers

The behavioral transformation triggered by smartphones goes beyond QR Code Payment; it is revolutionizing the very way people manage their money. Smartphones are becoming central to managing finances in Japan, with a growing number of consumers using mobile apps and services for a wide range of financial transactions.

Note: *QR code* is a registered trademark of DENSO WAVE INCORPORATED.

2. Summary of Survey Results

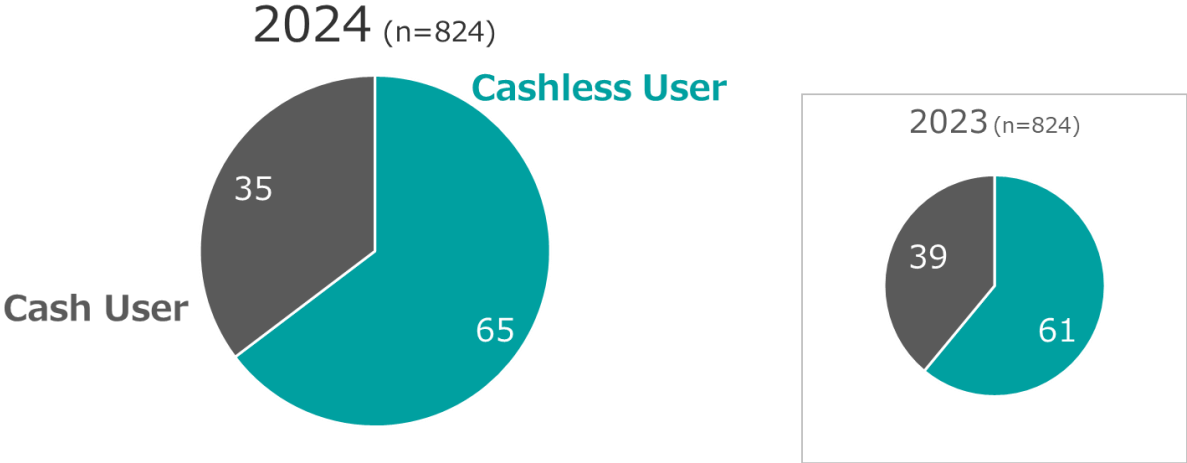
- I. When asked to classify themselves as either Cashless User (who primarily pay with cashless payment methods) or Cash Users (who primarily pay with cash), 65% of the respondents identified as Cashless Users, a 4-point increase from last year.
- II. 54% of QR Code Payment App users reported an increase in usage over a period of one year. Similarly, 44% of E-Money users and 24% of Debit Card users also reported increased usage. Conversely, 39% of all respondents indicated their cash usage decreased, highlighting a significant shift towards cashless transactions.
- III. Usage of QR Code Payment Apps continues to rise, reaching a new all-time high this year at 68%.
- IV. BNPL (Buy Now Pay Later) usage has decreased for the first time since it was incorporated into the survey.
- V. In terms of the individual payment services' usage rates, PayPay remains the leader at 51% with its usage rate continuing to increase.
- VI. In terms of payment service utilization across various business sectors, while the healthcare sector has been slower to adopt cashless methods, there has been a notable increase in the usage of QR code payment apps across all sectors over the period of two years.
- VII. Contactless card payments have finally entered a phase of expansion in Japan, a country that has been lagging behind in terms of adoption. According to the survey, half of credit card users and 35% of debit card users now utilize contactless payments.
- VIII. Smartphones have become a central financial hub for many Japanese consumers. QR Code Payment Apps usage has reached 68%, while 52% are accessing their bank accounts via smartphones. Additionally, 22% use their smartphones for E-Money accounts, and 19% manage their investment accounts through their mobile devices.
- IX. An increasing number of consumers are managing their finances through smartphones. 41% are depositing loyalty points into payment apps, while 28% use payment apps for money transfers. Moreover, 33% of users are initiating bank transfers via their smartphones, and 30% are using smartphones to transfer funds between their own bank accounts.

3. Survey Outline

Method	Two-phase online survey
Period	April 5- 7, 2024
Geographies	Japan
Panel	People aged 16 – 69
Phase 1 Description	Payment service usage survey (n=20,000)
Phase 2 Description	Economic activities including purchasing, payment, and financial service usage (n=824)

4. Ratio of Cashless Users and Cash Users (%)

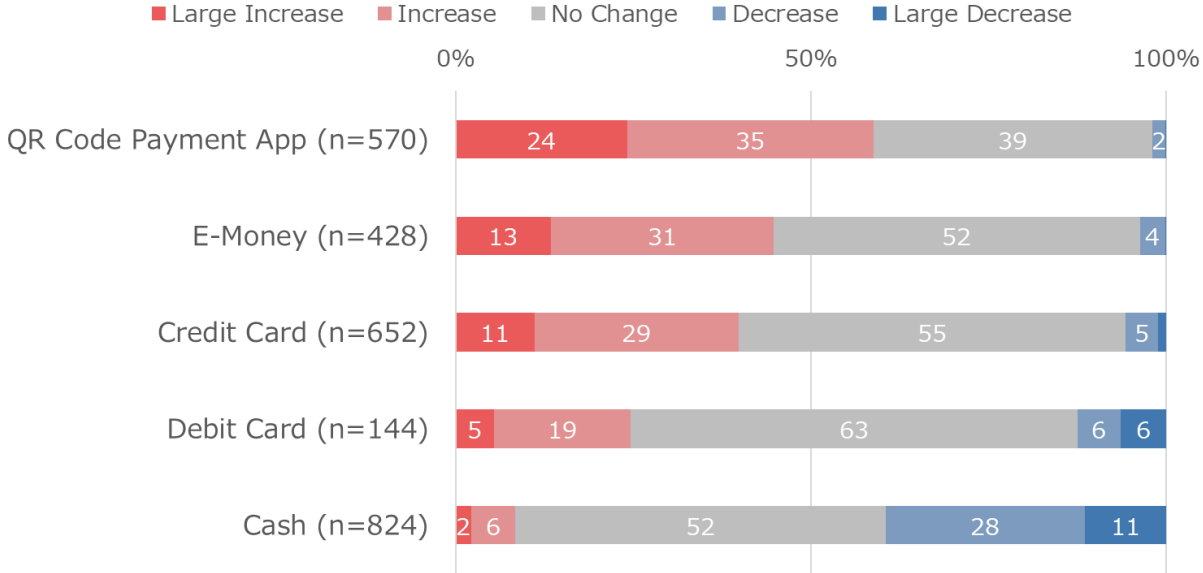
Respondents were asked to classify themselves as either Cashless User (who primarily pay with cashless payment methods) or Cash Users (who primarily pay with cash).



- 65% of respondents identified as Cashless Users, a 4-point increase from last year.

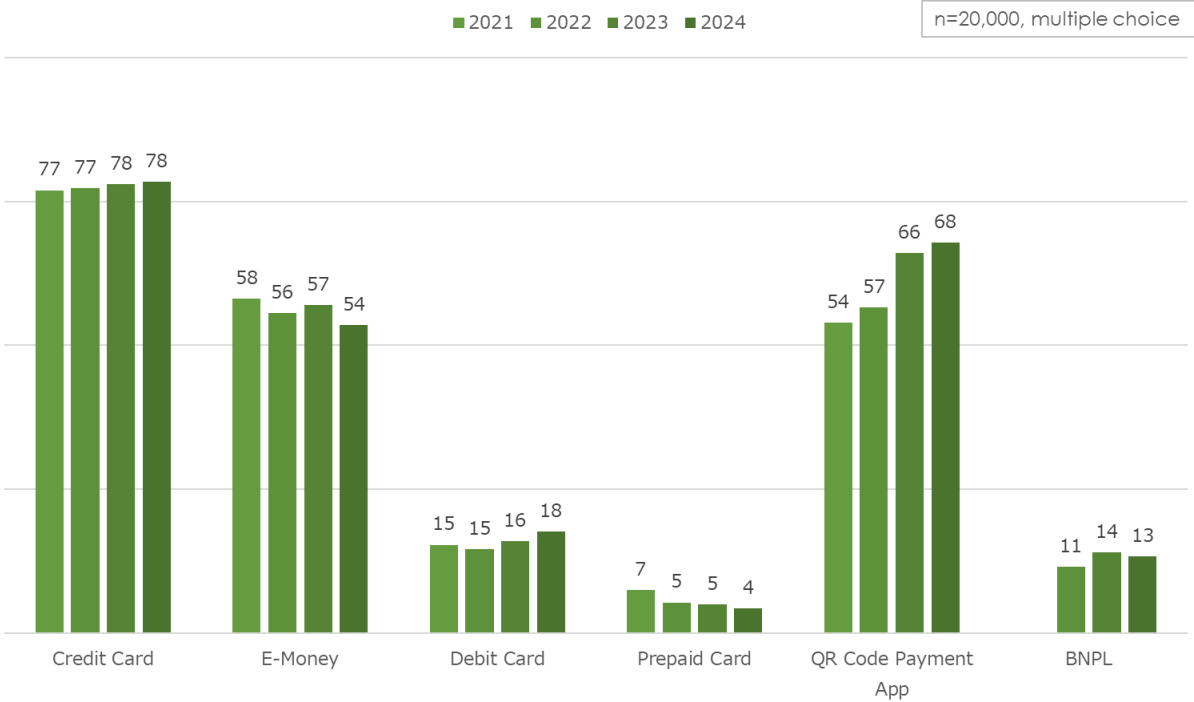
5. Change of Payment Method Usage over the Period of One Year (%)

The users of each payment method were asked to report the change of service usage since last year.



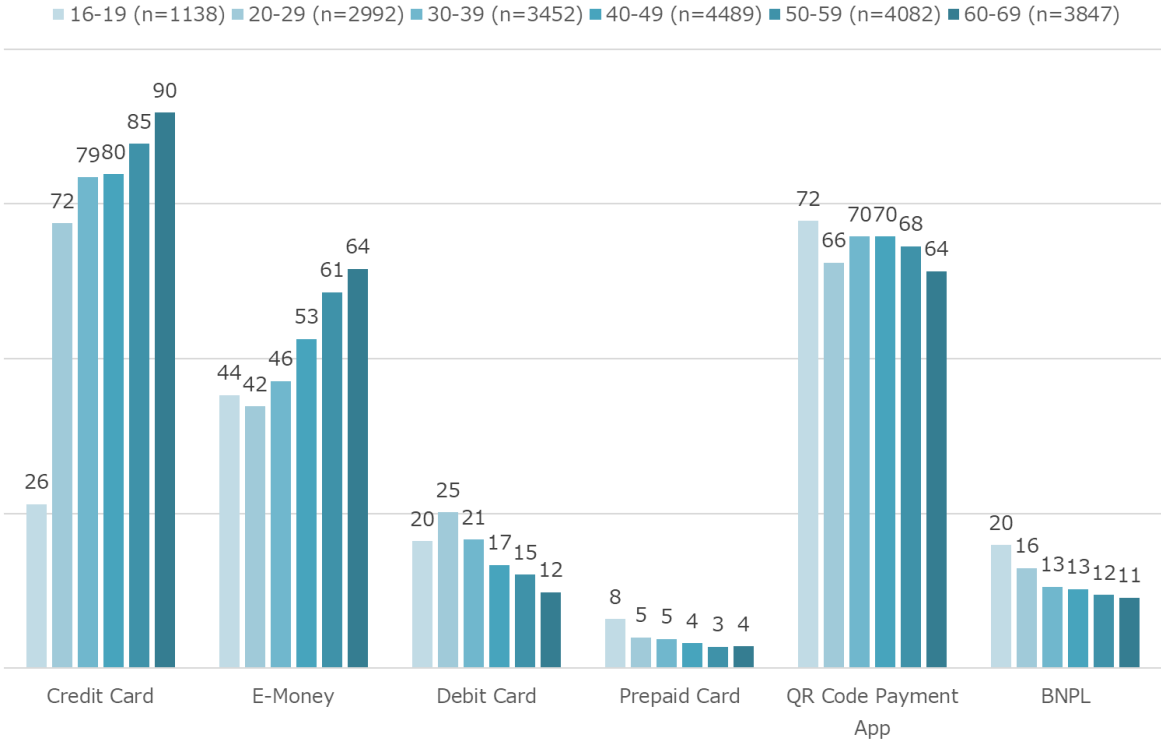
- 59% of QR Code payment App users reported an increased in usage.
- 44% of E-Money users and 24% of Debit Card users also reported a increased usage.
- 39% of all respondents indicated their cash usage decreased.

6. Cashless Payment Service Usage, 2021-2024 (%)



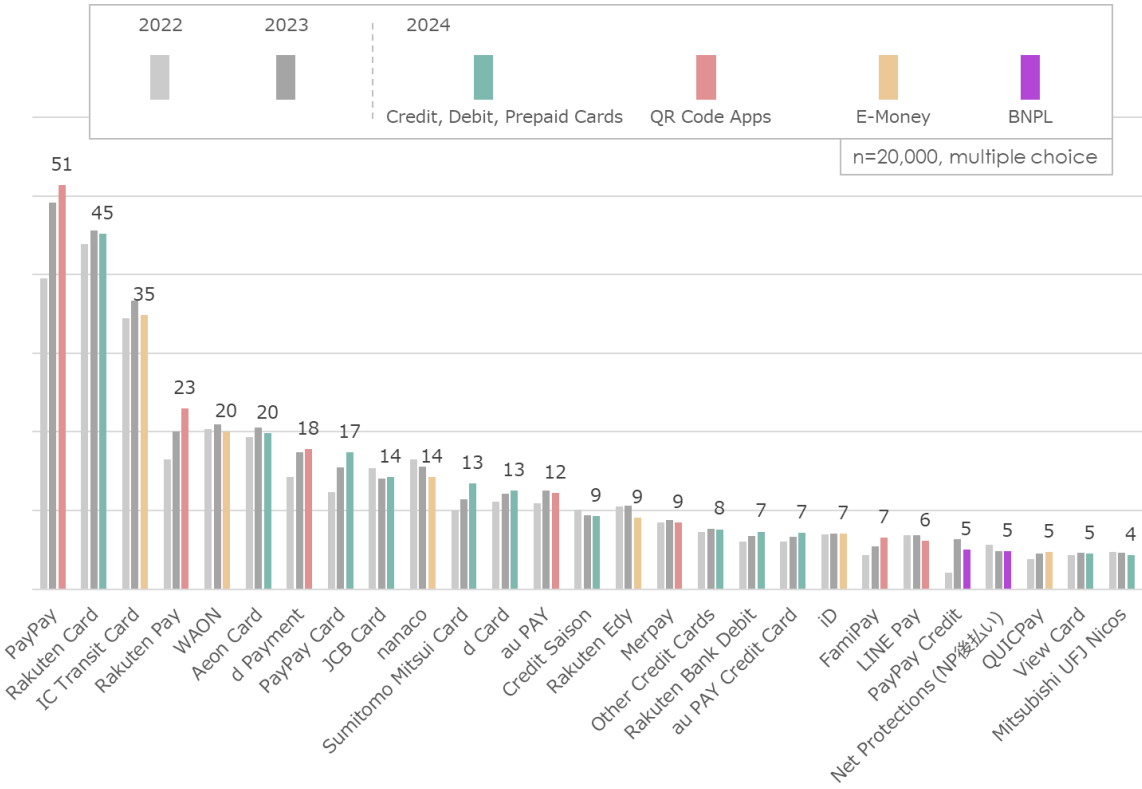
- Usage of QR Code Payment Apps continues to rise, reaching a new all-time high this year at 68%.
- BNPL usage has decreased for the first time since it was incorporated into the survey.

7. Cashless Payment Usage by Age Group (%)



- The usage rate of Credit Card and E- Money is highest among people aged 60-69.
- QR Code Payment App has penetrated a broad age demographic, from the younger generation to those in their 60s.

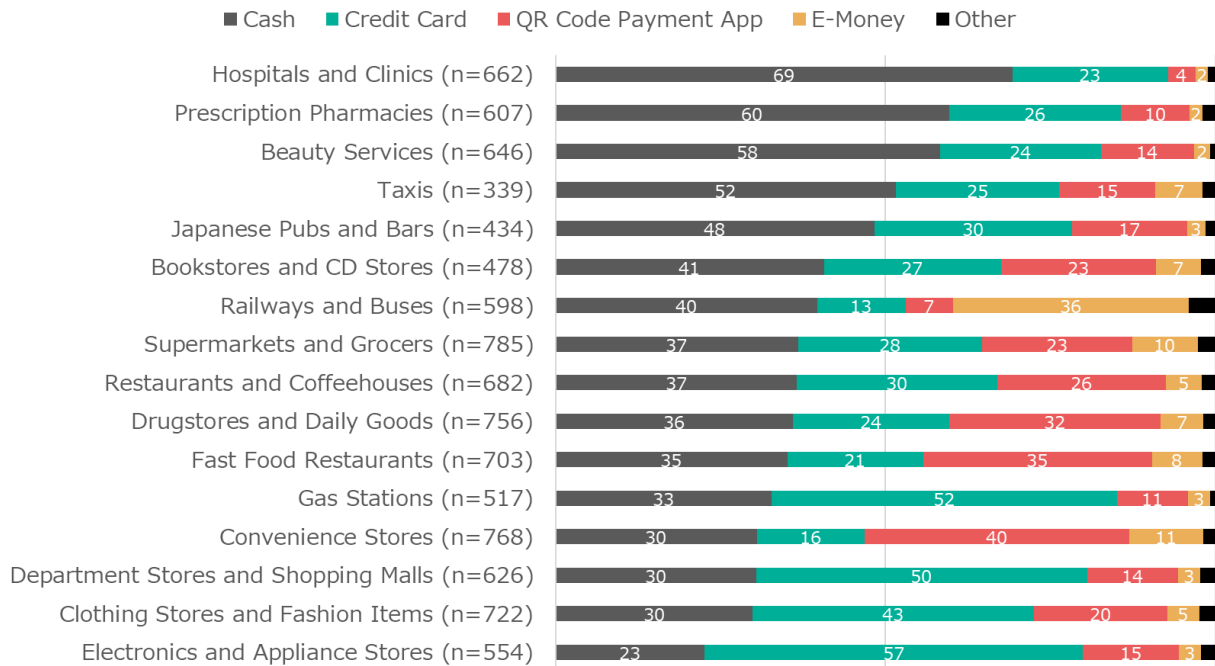
8. Individual Payment Service Usage, 2022-2024 (%)



- In terms of the individual payment services' usage rates, PayPay remains the leader at 51% with its usage rate continuing to increase.

9. Most Used Payment Service in Each Business Sector (%)

For each business sector, the shoppers (users) were asked to choose one payment service they use the most there.



- Payments in the healthcare sector are still predominantly in cash, lagging in the transition to cashless.
- QR code payment app usage is higher in *Drugstores and Daily Goods*, *Fast Food Restaurants*, and *Convenience Stores*.

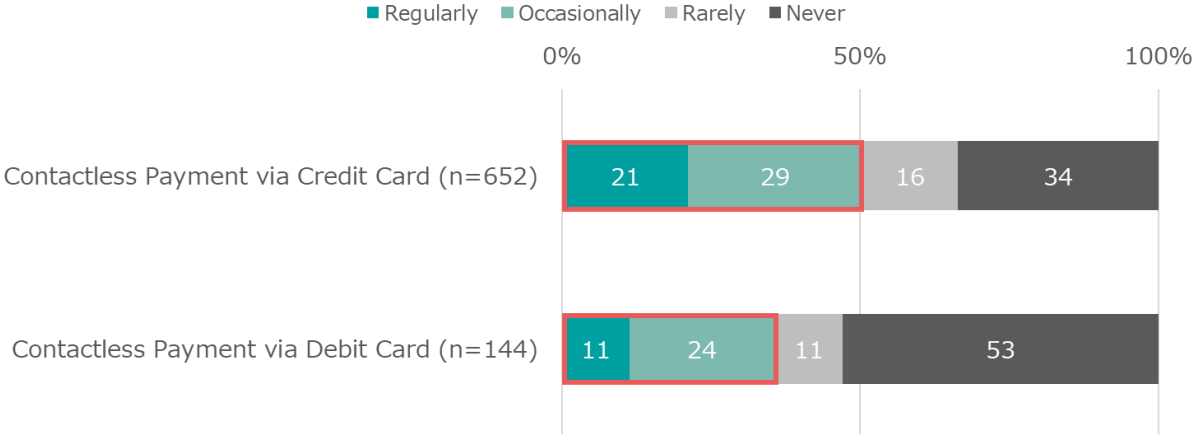
10. Change of Payment Method Usage in Each Business Sector, 2022-2024 (percentage points)

	Cash	Credit Card	QR Code Payment App	E-Money	Other
Prescription Pharmacies	-10	7	4	- 1	- 0
Fast Food Restaurants	-9	4	10	- 5	0
Bookstores and CD Stores	-8	- 0	9	- 1	0
Restaurants and Coffeehouses	- 6	- 1	8	- 1	1
Hospitals and Clinics	- 5	3	1	0	0
Japanese Pubs and Bars	- 4	- 3	9	- 1	- 1
Electronics and Appliance Stores	- 4	- 2	5	0	1
Convenience Stores	- 4	2	7	- 5	0
Taxis	- 3	2	6	- 5	0
Clothing Stores and Fashion Items	- 2	- 7	8	- 0	1
Department Stores and Shopping Malls	- 2	- 4	6	- 1	1
Gas Stations	- 1	0	6	- 2	- 3
Drugstores and Daily Goods	- 1	- 0	7	- 6	0
Supermarkets and Grocers	- 1	- 6	10	- 2	- 1
Railways and Buses	5	1	3	- 9	- 1

- QR Code Payment App usage increased across all business sectors.
- Cash usage decreased in all business sectors except for *Railways and Buses*.
- Credit Card usage increased in some sectors where cashless payment adoption was slower, such as *Prescription Pharmacies* and *Fast Food Restaurants*.
- Credit Card usage decreased in sectors where cashless payment was already common and QR Code Payment App usage is expanding, such as *Clothing Stores and Fashion Items*, *Supermarkets and Grocers*, and *Department Stores and Shopping Malls*.

11. Contactless Card Payment Penetration (%)

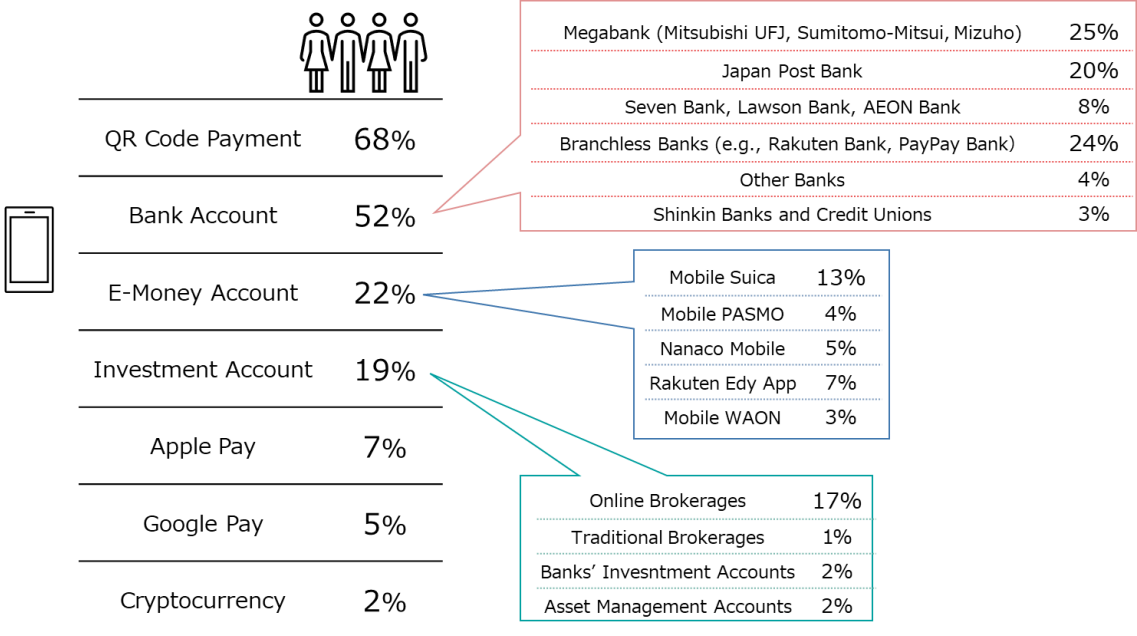
Contactless Payment usage among Credit Card users and Debit Card users.



- Half of credit card users and 35% of debit card users now utilize contactless payments.

12. Account Usage via Smartphone (%)

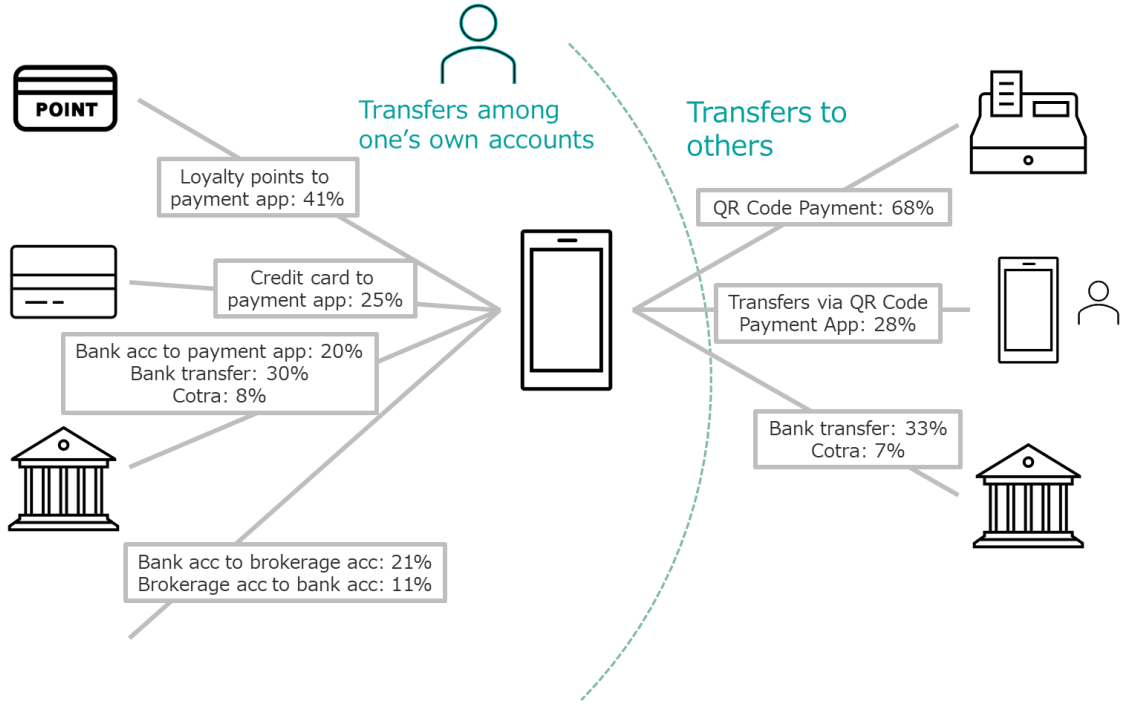
Respondents were asked to indicate all accounts they had accessed via smartphone.
(n=20,000)



- Smartphones have become a central financial hub for many Japanese consumers.
- QR Code Payment Apps usage has reached 68%.
- 52% are accessing their bank accounts via smartphones.
- 22% use their smartphones for E-Money accounts.
- 19% manage their investment accounts through their mobile devices.

13. Experience with fund transfers via smartphone (%)

Resopndents were asked to indicate their experience with transferring funds using a smartphone. (n=20,000)



- An increasing number of consumers are managing their finances through smartphones.
- 41% are depositing loyalty points into payment apps.
- 28% use payment apps for money transfers.
- 33% of users are initiating bank transfers via their smartphones, and 30% are using smartphones to transfer funds between their own bank accounts.

About Infcurion

In recent years, Embedded Finance, which incorporates financial services into the existing services of non-financial companies to improve customer experience is attracting attention as a new type of Fintech service. Infcurion enables the integration of Fintech into any service for corporates and individuals in every industry through its platforms that provide various financial services on an individual function level such as a BaaS platform "Wallet Station", a prepaid top up connection service "CharG", a next-generation card issuing & processing platform "Xard" and an invoice payment platform "Winvoice", realizing new value for society.

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※This press release is based on current information as of July 4, 2024. There may be a partial or full update in the future.

※The corporate names, product names and service names are registered trademarks of each respective company.

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