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Press Release

VOD Market in Japan:

**389.4 billion yen in 2020, up 33.1% year-over-year,
and Netflix's share is No. 1 for the second year in SVOD Market**

from "The 5 year forecast (2021 2025) of Video On Demand (VOD) market" report

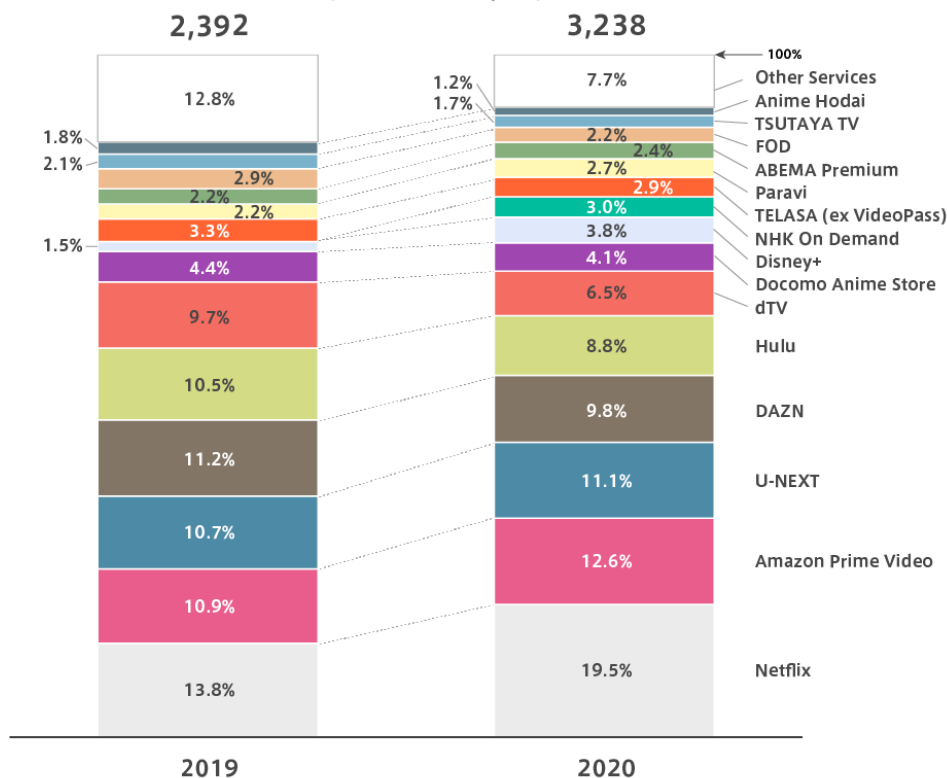
Tokyo, February 12, 2021 - GEM Partners has published a report called "The 5 year forecast (2021 2025) of Video On Demand (VOD) market". The report includes predicted values for the market size from 2021 to 2025 under three scenarios and the estimates of the video on demand (VOD) market size/share in 2020. From this report, we are pleased to report some remarkable findings.

[Survey Highlights]

- In 2020, the overall size of the VOD market in Japan was estimated to be 389.4 billion yen (+33.1% YoY), with significant growth.
- In the SVOD market, Netflix further increased its share from the previous year and took the No. 1 position for the second year in a row. Amazon Prime Video also increased its market share, rising from third place last year to second place this year.
- Future projections for the overall size of the VOD market: Estimated to reach 658.3 billion yen by 2025 in the base scenario.

Changes of SVOD market shares per type of service in Japan

(100 million yen)



※ Displayed in descending order of market size in 2020

※ "NHK on Demand" was included in "Other Services" until 2019, but is counted separately from 2020.

Source) GEM Partners "Video home entertainment user analysis report", "Demographic forecast" by Bureau of Statistics, Ministry of Internal Affairs and Communications, "Demographic forecast in Japan" by National Institute of Population and Social Security Research, "Telecom use trend survey" by MIC, "Video software market size and use trend survey" by Japan Video Software Association, The DIGITAL Entertainment Group " Home Entertainment Report" as well as companies' IRs, press release, and website are used for analysis.

GEM Standard

The 5 year forecast (2021-2025) of Video On Demand (VOD) market

Japan's VOD Market in 2020

In 2020, the overall size of the VOD market in Japan was estimated to be 389.4 billion yen (+33.1% YoY), with significant growth.

Based on the results of the "Video on demand / Broadcast / Physical home video market user analysis report in Japan" conducted by GEM Partners and other factors, the total size of the VOD market in 2020, including "Subscription Video On Demand (SVOD)," " Transactional Video On Demand (TVOD)," and " Electric Sell-Through (EST)," was estimated to be 389.4 billion yen, up *33.1% from the previous year. The market of the VOD grew significantly, reflecting the growing interest in home entertainment in the Covid-19 pandemic.

*The overall VOD market size for 2019 has been recalculated to 292.6 billion yen due to updated logic using the latest statistical data.

In the SVOD market, Netflix further increased its share from the previous year and took the No. 1 position for the second year in a row. Amazon Prime Video also increased its market share, rising from third place last year to second place this year.

Many services in the "Subscription Video On Demand (SVOD)," market have expanded their scale compared to the previous year. As a result, the overall size of the SVOD market has also increased, and the estimated size of it in 2020 was 323.8 billion yen.

Estimating the market share by service, Netflix, which ranked first in 2019, further expanded its share in 2020 to 19.5% (+5.7pt YoY), and remained in first place in 2020. Amazon Prime Video, which ranked third in 2019, increased its share to 12.6% (+1.8pt YoY) and rose to second place. U-NEXT also increased its share to third place overall, the highest among Japanese companies.

Future projections for the overall size of the VOD market

Estimated to reach 658.3 billion yen by 2025 in the "Base" scenario.

Taking into account the results of the consumer survey, the past diffusion of VOD in Japan and the U.S., and the impact of the Covid-19 pandemic, we have estimated the growth speed of the overall VOD market until 2025 in three scenarios: Base, Optimistic, and Pessimistic.

In the "Base" scenario, the current growth speed of the VOD market in Japan is expected to slow down to the same level as that of the U.S. before the Covid-19 pandemic. Based on this assumption, the market will grow at an average annual rate of 11.1% between 2020 and 2025, expanding to 658.3 billion yen by 2025.

We forecast that the DVD/BD market will continue to shrink. However, the VOD market is expected to expand at a faster pace than the DVD/BD market shrinkage, and the total market size of "DVD/BD" and "VOD" in the "Base" scenario is expected to expand at a CAGR of 5.2% toward 2025.

In the product report, we have included the market size and share trends by service regarding TVOD and EST as well as SVOD. In addition to the "Base" scenario introduced here, we have also estimated the market size based on the "Optimistic" and "Pessimistic" scenarios. Furthermore, the above estimation logic is described in detail in "The 5 year forecast (2021-2025) of Video On Demand (VOD) market in Japan" so that the estimation method can be confirmed.

Report specification

Product name: The 5 year forecast (2021 2025) of Video On Demand (VOD) market in Japan

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About GEM Partners inc.

GEM Partners Inc. launched in 2008 in Japan. The company provides data x digital marketing services for the entertainment industry. 10+ years experience in providing the most trusted and accurate predictive analysis of theatrical and home entertainment revenue, and digital media execution services with unmatched marketing insights and analytical expertise in the entertainment industry.

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