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Press Release

VOD market in Japan:

**461.4 billion yen in 2021, up 19.0% year-over-year,
Netflix's share is No. 1 for the third year in SVOD market
while Disney+ is making great strides**

from "The 5 year forecast (2022-2026) of Video On Demand (VOD) market" report

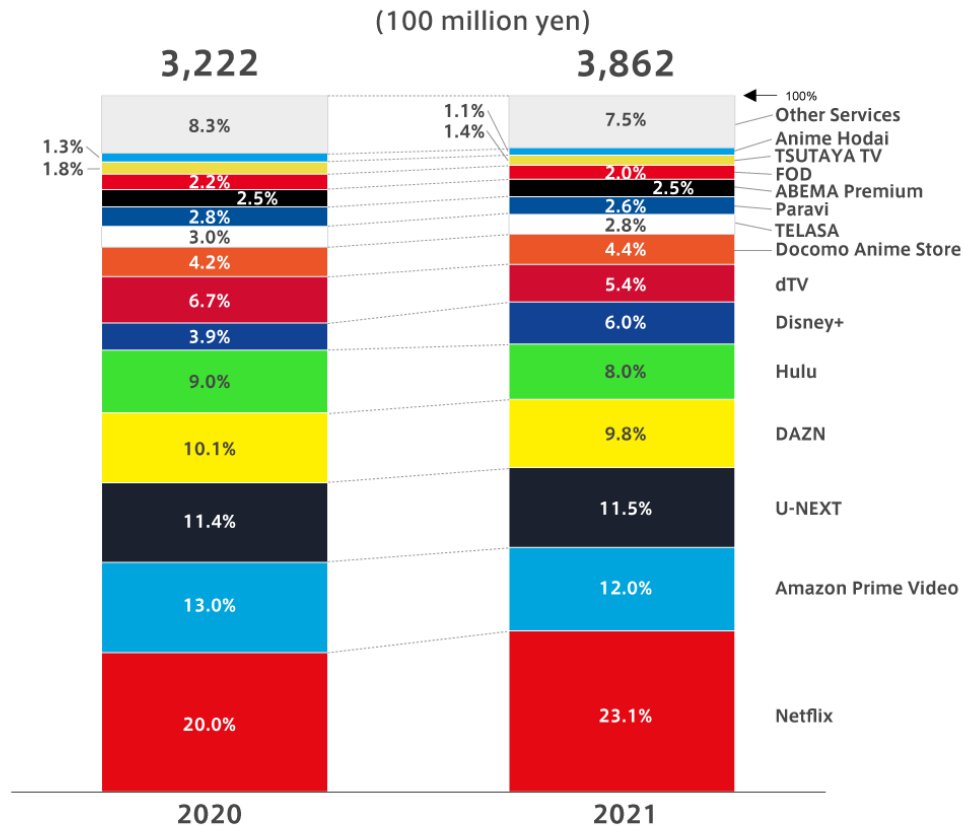
Tokyo, February 18, 2022 - GEM Partners has published a report called "The 5 year forecast (2022-2026) of Video On Demand (VOD) market". The report includes predicted values for the market size from 2022 to 2026 under three scenarios and the estimates of the video on demand (VOD) market size/share in 2021. From this report, we are pleased to report some remarkable findings.

[Survey Highlights]

- In 2021, the overall size of the VOD market in Japan was estimated to grow to 461.4 billion yen (+19.0% YoY).
- Netflix continued to expand its market share in the SVOD market, achieving the No. 1 position for three consecutive years. Disney+ expanded the market the most.
- Future projections for the overall size of the VOD market: Estimated to reach 724.1 billion yen by 2026 in the base scenario.

Changes of SVOD market shares per type of service in Japan

Figures are estimates. Displayed in descending order of market size in 2021



※The market size for 2020 has been recalculated from the estimates in the 2020 edition of the "The 5-year forecast (2021 - 2025) of Video On Demand (VOD) market" using the latest statistical data.

Source) GEM Partners "Video home entertainment user analysis report", "Brand Loyalty Survey for Subscription Media Streaming Services", "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 r t rend survey" by Japan Video Software Association, The DIGITAL Entertainment Group " Home Entertainment Report" as well as comp ani es' IRs, press release, and website are used for analysis.

GEM Standard

The 5 - year forecast (2022 - 2026) of Video On Demand (VOD) market

Japan's VOD Market in 2021

In 2021, the overall size of the VOD market in Japan was estimated to grow to 461.4 billion yen (+19.0% YoY).

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 2021, including "Subscription Video On Demand (SVOD)," " Transactional Video On Demand (TVOD)," and " Electric Sell-Through (EST)," was estimated to be 461.4 billion yen, up 19.0% from the previous year. The growing trend of interest in home entertainment in the Covid-19 pandemic after 2020 will continue unabated in 2021, and the market continues to expand.

Netflix continued to expand its market share in the SVOD market, achieving the No. 1 position for three consecutive years. Disney+ expanded the market the most.

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 2021 was 386.2 billion yen.

Estimating the market share by service, Netflix which ranked first in terms of market share in 2019 and 2020, also took the top spot in 2021 with the largest share of 23.1% (+3.1pt YoY), for the third year in a row. Amazon Prime Video followed in second place with a 12.0% share (-1.0pt YoY), although its share dropped from the previous year. The highest share among Japanese companies was gained by U-NEXT at 11.5% (+0.1pt YoY), which ranked third.

The largest increase in size compared to the previous year was seen in Disney+, which increased from a 3.9% share as of 2020 to 6.0% in 2021, with an estimated revenue increase of 86% over the previous year. This growth rate is the highest among all services. The market share rank also rose from 8th the previous year to 6th.

Future projections for the overall size of the VOD market

Estimated to reach 724.1 billion yen by 2026 in the "Base" scenario.

Considering 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 2026 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 9.4% between 2021 and 2026, expanding to 724.1 billion yen by 2026.

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 4.9% toward 2026.

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 (2022-2026) of Video On Demand (VOD) market" so that the estimation method can be confirmed.

Report specification

Product name: The 5 year forecast (2022-2026) of Video On Demand (VOD) market

Published Date: February 18, 2022

Language: English / Japanese

Deliverable Option: Report (PDF), Aggregate data (Excel)

The total number of pages: 25 pages

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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