

## “Pokémon GO”, is it GO for the Japanese economy!?

“Pokémon GO” is one of the smartphone apps of game software called “Pocket Monster (Pokémon)” released by Nintendo. This software was distributed for free in USA, Australia and New Zealand on 6<sup>th</sup> July 2016 followed by Japan on 22<sup>nd</sup> July. Players need to walk around and capture Pokémon in the real world which was materialized using GPS and a technology to display cartoon characters on the background of real landscape on the spot. This is an epoch-making incident as field to play game became the real world.

### Point 1

#### Boom is expanding with unthinkable speed

People are hitting the town with a smartphone in their hands

- “Pokémon GO” is a game to capture Pokémons out on the street and foster them. People are flocking to various places day and night, as there are lots of real locations to visit where i) rare Pokémon characters appear, ii) game items to capture more Pokémons can be collected (PokéStops) and iii) trainers can go to sharpen their monsters’ battling skills and Pokémons can go to gain experience like fitness gym (Gym).
- The app has located some PokéStops in real shops and facilities where they charge money to enter, thus helping those places to call in customers. Meanwhile, the authority sounds a warning on increase of traffic accidents and burglaries due to people playing games while moving from one place to another.

### Point 2

#### Stock markets were responsive to the boom

Nintendo’s share prices rose sharply with humongous trade volume

- Next day after Pokémon’s application was distributed in USA (7<sup>th</sup> July), the US stock responded quickly as Nintendo’s share prices had almost doubled from around USD17 to USD37.17 on 18<sup>th</sup> July. Its trade volume also skyrocketed significantly to almost 137 folds in 18<sup>th</sup> July in 12 days.
- Even in Japan, Nintendo’s share prices doubled to JPY31,770 in 19<sup>th</sup> July from what it was around JPY14,000 in Tokyo Stock Exchange. After almost 2 weeks since Pokémon GO debuted in Japan, the rally in Nintendo share price seems to calm down in both US and Japan.

### Future Outlook

#### Game’s ripple effect to economy is expected. Key factor is whether players’ enthusiasm can be longstanding.

- Some are seeking economic benefit from “Pokémon GO” boom. For example, sales of batteries for smartphones are growing as players wanted to enjoy this blockbuster device for long time. Also, some shops and facilities are expecting to call in Pokémon game players who are out on the street. Various types of business collaboration with “Pokémon GO” is expected going forward.
- On the other hand, huge boom of “Pokémon GO” has started to settle down for the time being. Although it is expected that the software distribution globally expands and “Pokémon GO Plus”, a new device interacted to smartphones, comes soon, “Pokémon GO”-related companies including Nintendo will need the players keep enthusiastic about the game in order to lift their earnings.

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