

Nintendo worth more than Sony after Pokemon rally

July 19 2016



Nintendo, the Pokemon franchise creator, surged nearly 11% to end the morning at 30,780 yen (\$290), up more than 100% from its July 6 close

Nintendo on Tuesday shot past Sony in market value after shares in the video game giant more than doubled following the release of its wildly popular Pokemon Go game.

The shares surged more than 14 percent to end at 31,770 yen (\$300), up 120 percent from their July 6 close.

That put Nintendo's market capitalisation at 4.5 trillion yen (\$42.5 billion),—making it more valuable than Sony, one of Japan's best-known companies, by about 400 billion yen.

On Friday Nintendo, creator of the 20-year-old Pokemon franchise, set a record for the most shares ever traded daily in Japan.

Since its launch two weeks ago, the [game](#) for mobile gadgets has sparked a worldwide frenzy among users who have taken to the streets with their smartphones.

The [free app](#) uses satellite locations, graphics and camera capabilities to overlay cartoon monsters on real-world settings, challenging players to capture and train the creatures for battles.

Investors are betting its popularity is a good sign for Nintendo's nascent push into mobile gaming, a major U-turn for a company that long insisted on a consoles-only policy.

The Pokemon craze has also boosted other shares in Tokyo. McDonald's Japan—which has been struggling to get past a series of food safety scandals—soared as much as 23 percent in the morning after it started on Friday giving away with some meals figurines based on the game's characters such as Pikachu.



Pokémon GO has been a surprise hit since its launch two weeks ago and sparked a worldwide frenzy among users

It ended up 5.26 percent at 3,200 [yen](#).

"Investors are flocking to Pokemon-related stocks and McDonald's Japan is one of those benefiting from the boom," said Mitsushige Akino, executive officer at Ichiyoshi Asset Management.

"The boom came at a time when McDonald's business has already started recovering and there's expectation that the Pokemon toy offering will further increase customer traffic to their shops."

The game was launched in the United States, Australia and New Zealand. Since the weekend it has been released in more than two dozen more countries but has yet to be available in Japan.

Nintendo declined to say when the app would be released in its home market, and Niantic—which developed the game for Nintendo—did not reply to requests for comment.

Forbes cited Niantic chief executive John Hanke as saying the reason for the delay is that Japan's server capacity is not powerful enough to keep up with expected demand.

© 2016 AFP

Citation: Nintendo worth more than Sony after Pokemon rally (2016, July 19) retrieved 26 April 2024 from <https://phys.org/news/2016-07-nintendo-worth-sony-pokemon-rally.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.