



統合型リゾート

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Japan IR Application Analysis: Osaka and Nagasaki are applying for two completely different reasons

In this study we will utilize existing national data in an attempt to gauge the interest and appetite for the introduction of Integrated Resorts, a policy which will see casinos open in the country for the very first time. We will focus on the reasons that we believe Osaka and Nagasaki have made their applications, while also attempting to understand where other opportunities may lie for other prefectures.

Current status of the Integrated Casino Resort policy: The Japanese national government is progressing with the plan as a way to boost both domestic and international tourism. At present, two prefectures have submitted applications: Nagasaki and Osaka.

IR Impact on Tourism to Japan

It should be noted that Japan is planning an attempt to revive its tourism industry after keeping its doors closed throughout the COVID-19 pandemic. Tetsuo Saito (Japan's Minister of Land, Infrastructure, Transport and Tourism) issued Japan's economic policy document for 2022 in June, a 36 page action plan to ensure that the country keeps on track for its target of 60 million inbound visitors by 2030.

For the national government's part, they believe the casino resort policy is firmly a part of this plan and despite only two prefectures (Osaka and Nagasaki) submitting applications by the April 2022 deadline, there is the possibility of further applications in Autumn of this year.

Cross Tabulation of Data Sets Relevant to the Study

Given that there is no pre-existing national data to inform us whether casinos will attract visitors, we can use similar entertainment types to model lifestyle choices and make an assessment on the areas where an integrated casino resort is likely (or not) to be a success.



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Here we will look at Pachinko parlors, Pachinko players (25 years and older), video arcades and internet penetration to analyze correlation.

We will additionally look at international tourism to Japan statistics (pre COVID-19) to assess the approach.

Pachinko Parlors

Here we will present the prefectures in Japan which contain the most and the least number of Pachinko parlors per 100,000 people. (Note that our tables only show the top five and the bottom five prefectures, full data sets are available on request).

Summary

Nagasaki, one of the IR applicants, features in the top five (4th) with 14.41 Pachinko parlors per 100,000 people.

Osaka, the second IR applicant, is 21st in the list with 11.28 Pachinko parlors per 100,000 people.

Other interesting notes:

- Kagoshima and Kochi are the top two prefectures with 17.87 and 15.37 per 100,000 people respectively
- Both Tokyo (45th out of 47) and Okinawa (47th out of 47) are in the bottom 3
- The bottom five have less than half the number of Pachinko parlors per 100,000 people than Kagoshima

Top 5

Rank	Prefectures	Pachinko Parlors	
		Amount	per 100000
1	Kagoshima	245軒	17.87
2	Kochi	95軒	15.37
3	Tottori	73軒	15.18
4	Miyazaki	139軒	15.17
5	Nagasaki	166軒	14.41



Bottom 5

Rank	Prefectures	Pachinko Parlors	
		Amount	per 100000
43	Kyoto	185軒	8.35
44	Nara	92軒	8.01
45	Tokyo	934軒	7.95
46	Kanagawa	588軒	7.59
47	Okinawa	82軒	7.19

Source: <http://www.bohan.or.jp/>

Pachinko Players (25 years and older)

Here we will present the prefectures in Japan which contain the most and the least number of Pachinko players (25 years and older) per 100 people. (Note that our tables only show the top five and the bottom five prefectures, full data sets are available on request).

Summary

Nagasaki is 12th in the list with 10.9 Pachinko players (25 years and older) per 100 people.

Osaka is 33rd in the list with 9.11 Pachinko players (25 years and older) per 100 people.

Other interesting notes:

- Kagoshima is in second position, it was also in first position for the number of Pachinko parlors per 100,000 people
- Both Tokyo (46th out of 47) and Okinawa (47th out of 47) are in the bottom 3
- Tokyo and Okinawa were also in the bottom 3 for the number of Pachinko parlors per 100,000 people



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Top 5

Rank	Prefectures	Pachinko Players (25 years of age or more)	
		Amount	per 100
1	Kumamoto	185,000人	13.44
2	Kagoshima	169,000人	13.21
3	Miyazaki	112,000人	13.1
4	Fukui	77,000人	12.71
5	Ishikawa	107,000人	12.04

Bottom 5

Rank	Prefectures	Pachinko Players (25 years of age or more)	
		Amount	per 100
43	Saitama	443,000人	7.85
44	Kanagawa	509,000人	7.19
45	Nara	73,000人	6.92
46	Tokyo	575,000人	5.37
47	Okinawa	40,000人	3.86

Source: <http://www.stat.go.jp/data/shakai/2011/>

Video Arcades

Here we will present the prefectures in Japan which contain the most and the least number of video arcades per 100,000 people. (Note that our tables only show the top five and the bottom five prefectures, full data sets are available on request).

Summary

Nagasaki is 33rd in the list with 1.8 video arcades per 100,000 people.

Osaka is 25th in the list with 2.26 video arcades per 100,000 people.

Other interesting notes:



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- Both Tokyo (1st) and Okinawa (2nd) are in the top 3
- Tokyo and Okinawa were in the bottom 3 for the number of Pachinko parlors per 100,000 people and Pachinko players (25 years and older) per 100 people.
- Kagoshima is in 36th position. It was in the top 3 for both the number of Pachinko parlors per 100,000 people and Pachinko players (25 years and older) per 100 people.

Top 5

Rank	Prefectures	Video Arcades	
		Amount	per 100000
1	Okinawa	135軒	9.5
2	Tokyo	509軒	3.8
3	Tochigi	67軒	3.38
4	Wakayama	32軒	3.3
5	Ishikawa	37軒	3.2

Bottom 5

Rank	Prefectures	Video Arcades	
		Amount	per 100000
43	Yamanashi	11軒	1.31
44	Shimane	9軒	1.29
45	Iwate	16軒	1.25
46	Nara	14軒	1.02
47	Akita	10軒	0.96

Source: <http://www.bohan.or.jp/>

Internet Penetration

Here we will present the prefectures in Japan which has the highest and lowest internet penetration by percentage. (Note that our tables only show the top five and the bottom five prefectures, full data sets are available on request).



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Summary

Nagasaki is 38th in the list with a penetration of 67.9%.

Osaka is 5th in the list with a penetration of 79.55%.

Other interesting notes:

- Tokyo has the highest internet penetration with 85.1%
- Both Kochi (64.5%) and Kagoshima (64.85%) are in the bottom 3. They were both in the top 5 for number of Pachinko parlors per 100,000 people.

Top 5

Rank	Prefectures	Internet Penetration
1	Tokyo	85.10%
2	Kanagawa	81.75%
3	Saitama	81.70%
4	Aichi	80.50%
5	Osaka	79.55%

Bottom 5

Rank	Prefectures	Internet Penetration
43	Aomori	65.10%
44	Kagoshima	64.85%
45	Akita	64.50%
45	Kochi	64.50%
47	Iwate	64.45%

Source: <https://www.soumu.go.jp/johotsusintokei/statistics/statistics05.html>

Most Visited Prefectures

Here we will present the most prefectures in Japan among international visitors based on visiting rate. This data is based on information retrieved prior to the COVID-19 pandemic. Note only the top ten prefectures are shown.

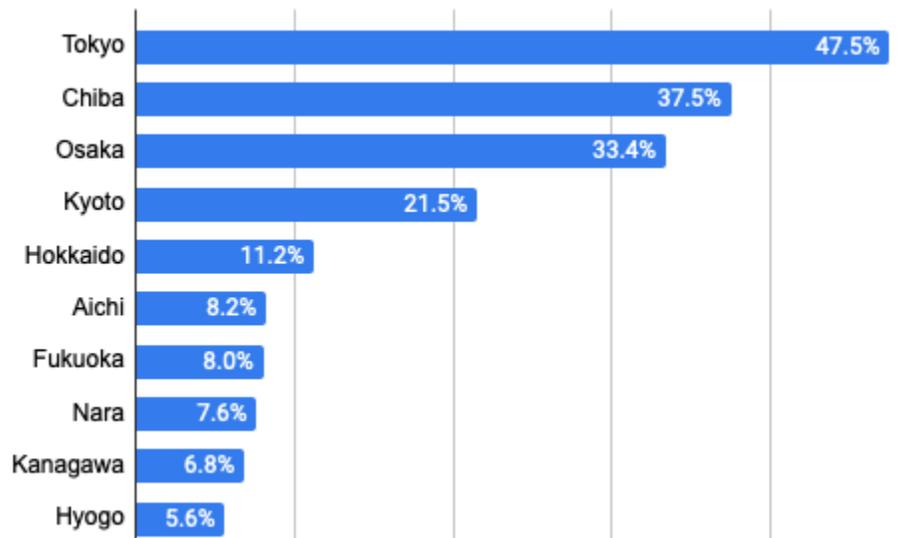


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Summary

Nagasaki is 23rd in the list with 1.3% of international visitors.

Osaka is 3rd in the list with 33.4% of international visitors.



Source: [Statista](#)

What does the data tell us

There are some interesting threads that can be taken from the data.

- The prefectures with larger, more modern cities (such as **Tokyo**) have less a traditional approach, they are less interested in Pachinko and are more interested in newer technology such as the internet and video games. This is also likely to do with the fact that the [average age in the prefectures with large cities](#) is amongst the lowest in Japan.
- Conversely, the prefectures (such as **Kagashima** and **Kochi**) which have a lower internet adoption and less interest in video games have a much higher interest in more traditional games such as Pachinko where they rank amongst the highest in the country.



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Why Nagasaki and Osaka have submitted IR proposals

Using our analysis we can see two very different mindsets by each prefecture with regard to their IR proposals.

Nagasaki

Nagasaki is taking the more traditional route. They have amongst **the highest local interest from within the prefecture in gambling** (if we take Pachinko as a firm indicator) as they rank highly for number of Pachinko parlors (4th) and number of Pachinko players (12th).

They also attract amongst the lowest percentage of international visitors to the country (1.3%) so are therefore also likely aiming to **attract domestic tourists** to their Integrated Resort.

With that said Nagasaki Prefecture has enacted the Nagasaki Prefecture Tourism Promotion Ordinance, aiming to become a tourism-oriented prefecture according to its own [IR Scheme summary document](#) (PDF download).

They further go on to say “Introducing IRs will further increase the charm of the prefecture as one of the most prominent tourist spots in Japan, and serve as a trigger for the promotion of tourism in the prefecture as well as in the Kyushu region.”

Nagasaki Prefecture can be said to be one of the optimal sites for IRs aimed at local revitalization due to its strong advantages such as: 1) geographical proximity with Asia; 2) international tourism resources with a strong message; 3) synergy effects with Huis Ten Bosch; 4) cooperation between administration, assemblies, and the private sector; and 5) collaboration with various tourism resources throughout the Kyushu region.”

Highlighting that **East Asian international tourism** and **area rejuvenation** are high on the prefectures agenda.

Summary: The data suggests that Nagasaki will need to rely on its own residents and other Japanese visitors in its early years of operation despite its initial claims in its own scheme documents that suggest attracting international tourists is its primary aim.

Osaka

Osaka is approaching their IR application in a different way. Osaka attracted one third (33.4%) of international visitors and their main strategy appears to be to attract visitors from overseas to play in their Integrated Resort while visiting the country.



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With that said, Osaka also ranks highly for internet penetration (5th) and have one of the lowest average ages in Japan. They are a young, vibrant prefecture that is in touch with the modern world and this demographic will also have an appetite for gambling but in a much different way to the more traditional prefectures where Pachinko is highly popular.