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Is the metaverse really over?

Even in an era of resurgence in real-world applications, there is great potential for the future, reaffirmed through current data and use cases

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Summary

- The metaverse, a virtual space for interaction and activities, suddenly gained attention as an alternative to face-to-face activities during the COVID-19 pandemic. However, interest in the term as a buzzword peaked in early 2022 and has since declined.
- However, it is still too early to conclude that the future potential of the metaverse has been lost. For example, looking at recent domestic cases in Japan, the use of the metaverse, such as digital twins (technology that replicates real-world environments or spaces in virtual environments for simulation purposes) in the construction and manufacturing industries, as well as hybrid exhibitions combining the real world and the metaverse to support regional revitalization, continues to advance. Additionally, the number of web searches for prominent metaverse-related services such as VRChat, Fortnite, and Roblox remain steady. Interest in the metaverse has not been lost. In fact, the metaverse is gradually becoming more established in Japan.
- In this context, awareness and business utilization of the metaverse in Japan are low, both in absolute terms and compared to other countries. While adoption is progressing among younger people, understanding and experience among working adults, particularly those in their late 20s through middle-age, appears to be limited. This may be attributed to Japan's relatively slow pace in adopting new digital technologies. Additionally, factors contributing to the withdrawal of some companies include closed service designs that fail to leverage the strengths of the metaverse, and services that merely serve as simple substitutes for the real world.
- However, according to various estimates, the global metaverse-related market is expected to reach approximately 500 bil USD by CY2030, and in Japan, the metaverse market size is projected to approach 2 tril yen by FY2028. Additionally, advancements in related technologies such as VR devices and next-generation communication technologies hold the potential for further growth. The future prospects remain significant.
- In the future, it will be important to leverage the unique characteristics of virtual spaces, such as enabling experiences that are difficult to achieve in the real world and reducing transportation

costs for complementary applications, or to prioritize communication-focused applications. To avoid repeating the situation mockingly referred to as “digital defeat,” the government must continue to promote successful case studies, provide utilization manuals, and offer research support in the metaverse field. Additionally, companies should conduct educational activities such as training programs to foster a practical understanding through hands-on experiences of actual services and sharing industry-specific case studies, ensuring they do not miss opportunities for practical utilization.