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INDICATIONS OF GROWTH IN SPACE BUSINESS AND INVESTMENT IN JAPAN

Abstract

Space commercialization is now a big wave all over the world. There are many new businesses starting to use space commercially such as small sat development and utilization, ISS utilization, new low cost and responsive launch services and so on, in addition to mainstream commercial space transportation. And now the space commercialization wave is expanding to beyond LEO. In Japan, the Basic Space Law was issued in 2008 and the new Basic Space Plan was announced in January 2015. Under the new space policy, competitive space technology and utilization will be a priority government target, which creates opportunities for space business even though until now Japanese space development has been totally dependent on government funding and contracts. There seems to be many cases to create new markets through assimilation with the IT industry, using the “agile aerospace” and “disruptive technology” business model. This trend is now becoming widespread in the space business sector, especially in the US. In Japan, it looks like promising space business sectors include IT, entertainment, smart energy, advertisement, and security services to use space. There are now several Japanese NewSpace start-ups with hardware on the test stand and plans to enter commercial service within a few years. Regarding investment, space industry has particular issues. However, if space business is positioned as solution providing business to use space such as small sat utilization for downstream terrestrial applications, it is not so difficult. This paper will consider space investment issues against investment metrics. There are example commercial space companies which have investment from VC’s. The paper will then discuss Japanese space business and investment status. It has been not regarded that space is an area for significant private investment in Japan yet. However, it could be high potential as indicated by the audience numbers for a space investment lecture series which was held in 2014, and private seminars on commercial space organized by several universities and a major Japanese investment bank.