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BLAST-OFF FOR SPACE BUSINESS IN JAPAN - TOWARD CREATING AND BROADENING THE
MARKET

Abstract

Commercial Space has grown the space economy from \$330B to \$383B in 2017, with global government space budgets now less than 20% of the global space economy. Commercial Space evolution and revolution have been changing the global space industry landscape. This phenomenon is also happening in Japan, which has adopted policies encouraging commercial space business development. There are now about thirty space venture companies in Japan. Several of them have gotten VC funding, including the largest Series A funding anywhere in the world, which is about \$100M for a space resources utilization company. Non-US VCs which invest in space start-ups are 234 in 36 countries. The first is Japan with 44 VCs. Japan has been rapidly getting active for space venture companies with VC's investment, and non-space companies have gotten into space business such as Canon and Sony. Furthermore, traditional big, middle, and small space companies have been actively seeking new business opportunities.

The new space business ecosystem in Japan is created under a PPP model. Two new laws on space activities and satellite remote sensing have been passed in November, 2016 and activated in November 2018, that are now driving space commercialization in Japan. Space Industry Vision 2030 was released in May, 2017 with the goal to expand the space market more than double from \$12B to \$25B dollars. To realize it, the government released space policies and initiatives such as S-Net, Space Business Court, S-Booster, S-Matching and J-SPARC since 2016. The S-Matching program has received a commitment for \$1B in new government backed VC funding over the next five years, which will make Japan the largest sovereign VC space investment fund in the world.

To encourage commercial space business, a Space Ventures SMEs space business committee was formed in August, 2017 to provide input on challenges and opportunities to government space policy. There are over 70 member companies, in addition to that, about 20 advisors including lawyers. New Space and Old Space synergies have been brought into this committee, and several business matchmaking efforts have started including overseas cases. The 8 WGs have just started to conduct RD in each field with funds under PPP, and will function as a space policy think tank and commercial space trade association. It is expected that new synergies, collaborations and business flows will happen in all directions, and create and broaden a borderless industry blast off for space commerce.