

Success Stories: Ideas for Potential Players

I/S

ICT / Software

ipstar *
Broadband Satellite

Sales / Services

IPSTAR Co., Ltd.

Satellite services bring the Internet to Japan's farthest corners



The headquarters of Thaicom Public Co., Ltd. in Thailand.

Although Japan is known as an advanced broadband society, the nation's rugged geography and vast number of islands make it impossible to provide wired broadband connections to all corners of the nation. This is where IPSTAR Co., Ltd. comes in. This company uses an Internet Protocol (IP) platform aboard the Thaicom 4 satellite owned by its parent firm, Thaicom Public Co., Ltd. in Thailand, to deliver fully digital, two-way broadband communications. The satellite has bandwidth of 45 gigabits per second, 15 to 20 times as much as an ordinary communication satellite. The bandwidth allotted to Japan's land area alone is equivalent to what

a single dedicated satellite could provide.

IPSTAR Co., Ltd. completed its registration as a business in Japan in January 2007. In April the following year it launched its Japan office, and in March 2009 it received the final licenses it needed to begin offering its communication services in earnest to Japanese consumers.

Japan as a Key Market

The satellite's beams that cover Japan had to be fixed prior to launch, so it is evident the parent company intended to offer service in this market from an early stage. According to Yasuto Tanaka, IPSTAR Co.'s country representative for Japan, Thaicom saw this as an important market. Considerable public resources have gone toward building up the nation's advanced IT infrastructure over the years, and "Japanese purchasing power is especially evident when you look at the amount spent on communication services," he notes. Japan's geography makes satellite an ideal way to provide broadband services to remote consumers, turning the country into a market with considerable potential.

- 2000 IPSTAR Co., Ltd. is established in Thailand.
- 2007 Japan company established in Tokyo.
- 2008 Japan company formally begins operations.
- 2009 IPSTAR Co., Ltd. begins offering IP-based communications services to Japanese customers.

ipstar *
Broadband Satellite



Japan Country Representative Yasuto Tanaka.

Also attractive to Thaicom were Japan’s open trade policies and its transparent regulatory conditions, which make the nation “one where it’s easy to do business,” according to Tanaka. He stresses that the Japanese market is also a valuable arena for a company to test and improve itself: “The number-one focus of consumers is service quality, and Japan’s consumers are very demanding in this regard.” For Thaicom, serving Japan is a way to improve its offerings and roll out higher-quality service throughout Asia.



A base station in Ogano, Saitama Prefecture, links the satellite to terrestrial networks in Japan.

Assistance for a New Market Entrant

IPSTAR Co. also benefited considerably from help offered by JETRO. Early on the company used a temporary office at the Invest Japan Business Support Center (IBSC) in central Tokyo. JETRO staff were also on hand to assist in talks with local officials in Ogano, Saitama Prefecture, where the company maintains a base station.

According to Tanaka, the JETRO name also came in handy in his communications with the parent company in Thailand. “When we had to explain Japan’s social insurance and other requirements to the home office, having that information available in English, on a trustworthy website with that .go.jp address, was invaluable.” IPSTAR took advantage of a JETRO-sponsored booth at a trade show in Tokyo to meet with prospective clients and even used its JETRO contacts to gain access to journalists who covered the firm’s operations in key newspapers.

IPSTAR Co. launched its services in April 2009. So far

these have been very well received. Some schools in remote rural locations are getting their first broadband Internet connection from IPSTAR dishes, and corporate users are also pleased. Construction firms, for instance, can now send and receive vital design information in real time, rather than spending hours to take physical media from remote sites to the nearest city by car. Moreover, the satellite’s IP services—which enable voice, video, and data communications—mean the firms no longer need pricey satellite phones.

A Bright Future Ahead

Tanaka is confident in IPSTAR Co.’s prospects for growth. He envisions further applications in fields like remote monitoring of natural phenomena, such as sea levels, and communications following disasters. He hopes to see IPSTAR Co.’s sales clear the ¥2 billion mark within a few years.

Tanaka argues: “Japan has a reputation as a closed business environment, but the country has made steady progress in liberalization and it has a clearly defined regulatory framework.” Companies must be prepared to make long-term commitments, though: IPSTAR is planned to operate through 2021, and the firm is promising that service will continue at least that long.

It is also key for a head office to avoid calling all the shots, adds Tanaka. “The local company is closest to users and knows the local market best; if you set up shop in Japan, you need to let the local staff make appropriate judgments.” IPSTAR Co. hopes this approach will continue to bear fruit for years to come.

Japanese Operation

- Established:** January 2007
- Capital:** None (branch office)
- Employees:** 15
- Business:** Broadband, IP-based satellite communications services
- Location:** 10F, Sumitomo Fudosan Nishi-Shinjuku Bldg., 7-20-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo 160-0023, Japan
- URL:** <http://www.ipstar.com/>
- Parent company:** Thaicom Public Co., Ltd. (Thailand)

