Function of SHOSHA

In developing business, the SHOSHA draw on an array of functions as noted below. Amid the changes in business circumstances, best represented by the “globalization” and “information technology (IT) revolution”, the SHOSHA are exploring ways to take advantage of high powered, diversified and value-added functions, built up over long years of experience in (1) information collection, analysis and market development capabilities (2) project management and risk management know-how and (3) IT (information technology), LT (logistics technology), FT (financial technology) and MT (marketing technology), etc. As suggested, the functions and roles of the SHOSHA consistently change along with the needs of each era.

For a brief outline of the SHOSHA’s primary functions, click the following.

- **Business Promotion**
- **Risk Management**
- **Research and Information**
- **Logistics**
- **Market Development**
- **Finance**
- **Business Incubation and Management**
- **Large-Scale Project Organization**
**Function of SHOSHA**

The core functions of the SHOSHA drive their global business.

Business promotion by the SHOSHA consists of matching the requirements of sellers and buyers based upon information related to worldwide supply and demand disparities for commodities and services. In addition, the SHOSHA have recently taken a positive approach to the e-market place to enable them to realize optimum procurement and sales on a global basis. In advancing business transactions, the SHOSHA actively provide customers with attractive services, including (1) logistics (land transportation, ocean freight, customs clearance, processing and inventory management), (2) financing (procuring funding, fund management, transaction settlement and foreign exchange), (3) insurance arrangements (marine insurance, export/import insurance and fire/casualty insurance) and (4) legal consulting and credit management.

Incidentally, the SHOSHA’s business is classified (1) by type of trade; as domestic, export, import and offshore transactions and (2) simply by type of contract, as in spot trading and future trading contracts.

In all of the above services and transactions, the SHOSHA make full use of a wide range of know-how and expertise acquired over the years in carrying out their trading and other business activities.
Function of SHOSHA

Collection and analysis of a wide range of information to utilize in daily business.

Through their global network, the SHOSHA collect and analyze a wide range of information from all over the world and utilize it in corporate strategy and management planning, as well as to promote their daily business activities. This information includes worldwide political and economic conditions, industrial and corporate trends, advanced technology information, marketing data, and changes in the legal and taxation environment, etc. Additionally, they furnish useful information in a timely fashion to their customers and clients to support their business and improve business performance.

With the recent IT revolution, these capabilities are being highly improved both quantitatively and qualitatively, resulting in increased value-added and speedier service.
Function of SHOSHA

Research and development of the global market

The SHOSHA’s far-reaching global networks provide them with the means to collect and analyze information on the supply and demand situation of commodities and services in the global market place. These findings yield solid footing for expanding the world commodity market, exploiting the market for newly developed products, discovering users for newly licensed technologies and finding investors for prospective ventures.

The SHOSHA sometimes acts as an intermediary in the exchange of different commodities and products between countries representing a unique market enhancing capability distinctive to the SHOSHA (known as "counter trade"), stemming from the fact they can handle a wide range of commodities and products through their global networks.
Function of SHOSHA

Employing a variety of management resources to develop and nurture new business and support the management of group companies improving group-level performance.

Amid the quick changing social and industrial climate and the increasing unmet needs of the customers, the SHOSHA vigorously work to nurture various lines of products and services, supporting industry development by using a variety of management resources, including information analysis, material procurement, logistics, financing and human resources development among others.

Moreover, the SHOSHA’s broad expertise helps industries restructure their value chains from upstream to down stream and apply the existing value chains to other business fields.
Use a wide range of know-how and management resources to minimize various risks in daily business transactions

In their daily business transactions, the SHOSHA utilize a wide range of know-how and management resources acquired over the years to keep various associated risks to a minimum. They are especially capable in minimizing risks in businesses requiring more refined risk management, such as large-scale projects in developing countries and venture businesses in new growth fields. Specifically, they make full use of their deep reservoir of know-how and expertise to minimize risks in such matters as the selection of appropriate partners, the formation of consortiums, the sharing of responsibility and the assurance of collateral, as well as through such other risk-hedging practices as currency exchange transactions, forward contracts, and insurance coverage.
Implementation of optimum logistics

The SHOSHA offer the best combination of logistics alternatives whether by land, sea, or air. Lately, the SHOSHA have become involved in the logistics business itself. More specifically, they are now taking part in the creation and running of logistics information network systems. They are also participating in the operation of such logistics facilities as warehouses and distribution centers. As a further goal, they are striving to offer a comprehensive and optimized logistics system which will meet the customer's requirements at every stage of the cargo flow, including air, sea and land transportation, storage, processing, sorting and distribution. By making full use of their expertise and know-how in this field, they are now actively developing an integrated international logistics business, and also operating logistics facilities in developing countries, especially in Southeast Asia and China.
Provide distinctive financial facilities

The SHOSHA offer unique financial facilities distinct from those of banks or other financial institutions. These are exemplified by credit support, guarantee of obligations, project finance, foreign exchange dealing, managing commodity funds and leasing services. Lately, venture capital funds have been provided to promising ventures to support their growth. They are also providing other financial facilities in relation to mergers and acquisitions (M&A), management buy-outs (MBO) and employee buy-outs (EBO). As this suggests, they are rapidly deepening and broadening their capabilities in this field to meet the ongoing changes in the economic environment.
Utilizing various inherent capabilities to promote and materialize large-scale projects

In promoting such large-scale projects as the construction of oil refineries, petrochemical plants, steel mills and natural resources development, the SHOSHA put together combined packages of their various capabilities. Projects are promoted by utilizing their inherent capabilities in all requisite areas, including information collection and analysis, planning for the project scheme proposal, selection of appropriate partners, formation of consortiums, arrangement of project funds, procurement of materials and equipment, consignment of the construction, insurance arrangements and market promotion. Projects for large-scale power generation plants in developing countries applying build-operate-transfer (BOT) and build-own-operate (BOO) schemes furnish ample evidence of the superlative organizing function of the SHOSHA.