

Transformation of the “Sogo-Shosha” in the IT Age

/ strategies for
the successful eMarketplace

— Summary of the final report
from Japan Foreign Trade Council, Inc. (JFTC)
Special Research Project,
“The IT Revolution and Tomorrow’s Trading Firms”

Behind the expression “that’s not how wholesalers do business” is the implication that good business deals cannot be made without the cooperation of wholesalers. This derives less from vested interests or power relationships and more from the nature of the trading firm as a total solution provider which holds many cards and is in a position to add value to transactions for all parties to them.

In short, it makes little sense to ask whether trading firms belong to the old economy or the new one. The IT revolution may be anticipated to weed out not intermediary businesses per se but only those which fail to add sufficient value in the transactional chain.

The point is, instead, to make a fundamental redefinition of the role of intermediaries or go-betweens in network transactions so that it matches the new digitized schemes, reclarify the kind of value they can add to these transactions, and reproduce this value-adding function within the total value chain of tomorrow’s cyber trading market.

Foreword

Established in 1947, shortly after the end of World War II, the Japan Foreign Trade Council, Inc., is Japan's leading association of trading firms. In 1997, as part of its activities to mark the 50th anniversary of its founding, it implemented a special research project to view the outlook for trading firms for the first 50 years of the 21st century. Under the leadership of Professor Iwao Nakatani, the project findings were compiled into a written report which was published in April 1998 under the title "Shosha no Miraizo" (Portrait of Tomorrow's Trading Firms).

This report was widely acclaimed for its on-the-mark reading of external trends and its picture of new types of trading firm business for the 21 century painted by the industry itself. Comparison with the actual situation today, three years later, reveals that the forecasts contained in its pages were remarkably accurate in orientation.

However, over the last few years, the world has been changing at a pace far exceeding even the expectations of the report. Application of the Internet has been spreading at a particularly rapid rate. In the spring of 1998, when the Portrait was published, there were already signs on the horizons that the Internet would set in motion landmark change, but few foresaw the "revolutionary" developments it is igniting in the political, economic, and social spheres alike.

Under these circumstances, the Council decided to compile a sister edition of the Portrait upon taking another look at the recent currents in the "IT revolution," and instituted another project of special research under the title "IT Kakumei to Shosha no Miraizo" (Transformation of the "Sogo-Shosha" in the IT Age/ strategies for the successful eMarketplace) in May 2000. The findings are presented in this document, whose publication is, needless to say, a highly gratifying event for all members of the Council.

Looking back, just the year in which the project group was in action alone saw a dizzying succession of developments including the plunge of stock quotations for the so-called "dot-coms," and some observers went as far as to

say that the IT revolution was over. There also surfaced some myopic opinion to the effect that it would render trading firms useless because they were essentially middleman businesses. Meanwhile, hardly a single day went by when newspapers did not carry articles about the development of IT business by trading firms.

In light of this situation, the publication of a book probing the implications of the IT revolution and trading firm approaches to coping with them is indeed a timely one.

Trading firms have an abundance of diverse experience and know-how accumulated through their worldwide network of locations, ongoing communication with an immense pool of clients, and long years of real (as opposed to virtual) business operations. They have built on this foundation by also equipping themselves with sophisticated capabilities in the areas of information technology (IT), logistics technology (LT), financial technology (FT), and business creation.

As the IT revolution proceeds, the role of trading firms as the links between virtual and real business is bound to assume increasing importance. On numerous occasions to date, trading firms have used their wealth of human resources and superb capacity for adaptation to turn changes in the business environment into chances for further strides. We hope that this new publication will serve to show how trading firms are taking new leaps forward by using IT as a powerful tool for boosting their level of capabilities even higher.

I would like to express our deep gratitude to Professor Nakatani, who again agreed to provide his able leadership for the preparation of this report as he did for the Portrait, and to the members of the group, whose enthusiasm and dedicated efforts were steadfastly brought to fruition in the form of this publication.

A handwritten signature in black ink, appearing to read 'Kenji Miyahara', written in a cursive style.

Kenji Miyahara
Chairman, Japan Foreign Trade Council, Inc.

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Prologue: Taking up the challenge of the eMarketplace

1. How real is the IT revolution?

Some say the “IT revolution” is a “bubble” that will soon burst. In fact, the crash of Internet business stocks in 2000 suggested that the IT revolution was itself blown way out of proportion. However, it would be jumping to the wrong conclusion to say that this means the IT revolution is over. On the contrary, it has still just begun, and merely completed its first phase.

It was also said that the IT revolution would eliminate the “middleman” enterprises linking buyers and sellers, but it has since been seen that actual business is not so simple. The steep decline in the value of dot-com stock showed that middlemen would not be eliminated so easily and that, conversely, purely cyber business-to-business (B2B) or business-to-consumer (B2C) operations are, with few exceptions, not particularly profitable. In reality, business transactions require a staunch credibility in society as a whole, a customer base carefully built up over many years, “high-touch” services that cannot be offered through networks alone, and the organizing abilities to bring together a host of principals. Herein lies ample room for the subsistence of mediating businesses.

Nevertheless, this does not mean that trading firms will be able to survive even with business as usual. The age of broadband Internet links among the majority of the Japanese populace is going to arrive in the relatively near future, and is bound to have an immense impact that goes beyond the business world and reaches right down to the level of daily life and culture. As a result, business paradigms will undoubtedly be in for major revision, and trading firms will naturally have to undertake sweeping adjustments of their activities.

In response to these needs, all trading firms have busily set about the task of developing new business. This activity has just gotten under way and it is

still too early to see its specific direction and nature. This is only to be expected, seeing that the IT revolution is still in its infancy and cannot yet be seen clearly in its entirety. As such, the approaches described in this report should be considered nothing more than the products of tentative attempts to arrive at full-fledged business models that will generate high levels of additional value. But it is precisely because of their character that we find these attempts so intellectually stimulating.

While it discusses the future of trading firms, this report is consequently thought to have a certain universal or general dimension making it fairly applicable to studies of business models adapted to the IT revolution in other industries as well. This prologue revolves around discussion not on trading firm business per se but on topics that are more general in scope, such as the nature of the IT revolution and the reconversion of business models it will demand. It also touches upon the question of the kind of role to be played by trading firms in the new landscape and the kind of new business models to which they should aspire.

2. Historical significance of the IT revolution

The industrial revolution freed humankind from physical labor. Before it occurred, most of the population had all they could do to earn their daily bread even if they worked from sunrise to sunset, due to the low level of productivity. Mechanization swiftly progressed with the successive invention of the steam engine, electricity, and the internal combustion engine. In the process, levels of productivity increased dramatically. With more time at their disposal, people were able to direct more of their energy to the development of better goods and services. Ultimately, this led to the emergence of today's mature consumer society.

The IT revolution appears to have a similar story. It is freeing people from the drudgery of information processing. As society became increasingly complex in the wake of the industrial revolution, the task of information processing evolved into a serious struggle. In fact, today's white-collar employees may spend most of their time engaged in the job of information

processing in the broad sense. This is because activities such as the filing of slips, collection of payments, customer management, labor administration, and communication with clients are all varieties of information processing. Viewed in this light, it can be seen that the bulk of work in modern companies is taken up by information processing.

The spread of computers and the Internet has been joined by the development of electronic information systems which have made information processing much more efficient. For example, cyber-based supply chain management (SCM) has facilitated the internal sharing of information and brought about a steep reduction in the time that must be spared for communication. In addition, the Internet itself is a sea of countless websites offering all kinds of information; companies can now have application service providers (ASP) perform the various services which they used to perform themselves.

Thanks to the streamlining of the task of information processing through IT, the productivity of corporate business processing has jumped, and many employees no longer need to spend so much time processing information. As a corollary, they can spend more time on creative work only human beings can do. In the 21st century, we may expect to see individual and corporate entities that have been freed from the chore of information processing engage in competition keyed by items on higher levels such as capabilities for knowledge creation and innovation. If so, the society of 20 or 30 years in the future is sure to be far more creation-oriented than the contemporary one. In addition, the people freed from the chore of information processing should be able to set out in search of more human, analog-type value.

As viewed from the historical perspective, all of this is part of the significance of the IT revolution.

3. Four phases of the IT revolution

The year 2000 might be remembered as the year when the IT bubble burst. The metaphor certainly seems apt enough, considering the plummeting of NASDAQ stocks in the United States and of quotations for information- and

communications-related firms on the Tokyo Stock Exchange. But it would be much to rash to conclude from this evidence that the IT revolution is winding down; on the contrary, the real revolution still lies ahead. (The IT revolution is thought to be unfolding in phases, as follows.)

(1) First phase

The first phase of the IT revolution was led by venture firms developing network business. By the spring of 2000, however, it became obvious to all that simple e-commerce, be it B2B or B2C, was not such a money-making proposition.

The reason has to do with the revolution in information power. Clients and consumers, who had formerly been utterly dependent on the supply side for information, suddenly found huge quantities of the stuff at their fingertips. The information initiative consequently shifted from the supply side to the demand side. This, in turn, caused a swift narrowing of price spreads for commercial products toward the floor price. In many fields, merchandise came to be treated as commodities (for which there are single uniform prices and margins approach zero). Many dot-coms became saddled with huge deficits as a result. They made the fundamental mistake of forgetting that the Internet is a variety of public infrastructure, like roads, which are essentially public facilities and of value because they can be freely traveled at little or no charge. The same is true of e-commerce; the notion of trying to make money off the Internet itself, which is but another public infrastructure, was wrong from the start.

(2) Second phase

In the second phase of the IT revolution, the big traditional firms in a superior position as regards customer base and credibility in society as a whole will come to full grips with Internet application. All sorts of marketplaces will be launched to make transactions more efficient, and deals will probably be greatly simplified in an increasing circle of areas. This would raise the level of productivity in society and provide power for higher rates of

economic growth. The second phase should also see extensive construction of information systems around the Internet among the big (“old-economy”) firms finally going on the IT offensive.

Cisco Systems is a first-rate firm that can boast what is by far the largest share of the Internet router market. Particularly noteworthy is its information system. It is centered around the Internet, which is utilized for a wide sharing of information with not only clients, the production division, component firms, logistics division, settlement division, and employees but also outside sources of parts and materials.

In other words, information about orders received from clients is instantaneously shared by all concerned principals inside and outside the company. In response, the component firms, for example, immediately embark on production of the necessary items, while the logistics division makes preparations for shipment based on estimates of the date of completion. The work for settling accounts likewise proceeds in parallel and can be finished at the same time.

As such, all steps from order receipt to shipment and settlement are executed in a single stretch and with almost no extra communication costs. This enables Cisco to hold its general sales administration costs to very low levels and to enjoy high rates of profit. There are as yet no companies in Japan making such masterful use of the Internet, but there can be little doubt of movement in this direction.

(3) Third phase

The third phase of the IT revolution will presumably set in with the arrival of broadband Internet. In essence, it will amount to the fusion of e-business and “t-business,” i.e., the traditional, conventional business. Typically, e-business has new business models but is lacking in respect of social credibility and customer base. In contrast, t-business is by definition of an established style not actuated by IT, but has a much more solid credibility and customer base. The skillful melding of the two could engender some formidable business models.

One real-world development foreshadowing the third phase was the merger of America Online (the world's top Internet provider) and Time-Warner (a contents maker with a history of roughly 100 years). The marriage is breeding a new business model resting on distribution of musical and cinematic contents by new methods.

The arrival of broadband Internet holds the prospect of a similar fusion of communications and broadcasting.

(4) Fourth phase and beyond

Obviously, the fourth and further phases of the IT revolution are far from clear, but may be expected to bring new paradigms that will change the face of the market economy. For example, the fledgling peer-to-peer (P2P) models devised by Napster and Gnutella could induce the formation of a diverse Internet communities whose members exchange music, movies, books, and other such contents with each other through files at no charge.

As regards the character of communities, the broadband Internet also could spur a return from the "dry" contract-bound bent of modern society to arrangements that are fundamentally "wetter" and give more play to the human element. People who share the same priorities and values will be able to join hands in single communities that transcend constraints of distance and time and cross national borders. This might very well induce an evolution of human personality itself, from the detached "homo economics" type of the present to individuals who are more inclined to take action in the framework of close-knit associations built around volunteer work.

These remarks naturally do not go beyond the realm of speculation. The world may very well experience fifth and sixth phases of the IT revolution. Only if it goes far beyond the level of Internet diffusion and e-commerce will the IT revolution deserve to be considered a landmark historical and cultural phenomenon of the type that unfolds over a long period of time.

Chapter 1 What the IT revolution means to trading firms

1. Trading firms joining the IT revolution

Can trading firms cope with the tremendous change ushered in by the IT revolution? What are their options as regards strategy and orientation to this end? These questions are central to the overall theme of this study. To answer them, however, first requires a good understanding of what trading firms are. Considering that the socioeconomic system as a whole is entering upon a phase of momentous change, it also demands a clear positioning of trading firms in the context of Japan's economy and industry. In this connection, it may be noted that the website of the Japan Foreign Trade Council (<http://www.jftc.or.jp/sogo.htm>) contains the following passage.

“‘Sogo shosha’ (integrated or all-around trading firms) are a unique, Japanese-born type of corporate enterprise. Starting out in trade, they now engage in all sorts of business on an international scale. They may be likened to bridges for goods, services, and information from continent to continent and continent to island.

“In other words, trading firms fulfil the function of needs-matching around the world. The word ‘sogo’ refers not only to the comprehensive nature of their fields of activity but also to their marshalling of diverse expertise.

“The term is applied to the 18 companies which are currently members of the Council. Taken together, they have more than 2,000 locations inside and outside Japan and a yearly business volume of about 100 trillion yen. The composition of this combined amount of transactions is 12 percent for export from Japan, 15 percent for import to Japan, 24 percent for transactions between foreign countries, and 49 percent for transactions within Japan. In monetary terms, some 30 percent of Japan's total export and 50 percent of its total import go through their hands.”

These are the facts of today's trading firms. But any study, however

careful, could not afford a solid grasp of the nature of trading firms if it considered only their current shape. In essence, trading firms are not static entities that can be properly apprehended at a certain point in time, but exceedingly dynamic ones that only come clearly into focus within the flow of history. Before proceeding to the main topic, this chapter therefore begins with brief look back at the history of trading firms.

2. The truth about trading firms emerging from history

The birth of trading firms could be traced back in the early part of the Meiji era (1866–1912). Mitsui and Mitsubishi, the two big “zaibatsu” conglomerates of the prewar period, both began with export of coal from their own mines. The profits from this trade were invested in further industrialization, and the resulting expansion in import of raw materials and fuel and in export of products bred even higher profits. The firms therefore succeeded in setting up a spiral of expanding trade and production.

This spiral was stalled by the Showa financial panic and depression in the late 20s and early 30s, and broke down completely in World War II. With Japan’s defeat, the country’s industrial development was sent right back to the drawing board.

The period of postwar reconstruction was a kind of second flowering of industry. The trading firm presence was only a shadow of what it was during the Meiji and Taisho (1912–1926) eras. The dismemberment of zaibatsu as part of the reconstruction compelled the breakup of the Mitsui and Mitsubishi conglomerates and contraction of the business scope of all major trading firms, leaving a mass of small operations, all scrambling for a piece of the pie.

Trading firms again came to center-stage in the 1950s, when Japanese industry recovered its productive strength due to the placement of priority on chiefly coal and steel, and began to seek markets for its output overseas in its pursuit of further advancement. Now that they had been completely reorganized, with the support of official policy, trading firms were again in a position to lead Japanese trade. In the process, they rapidly extended their network of information-gathering nodes and business locations around the

world.

Meanwhile, trading firm activities widened from commercial goods to production facilities and the latest industrial technology. This was linked to increased industrial production and the rise of new industries in fields such as petrochemicals. These developments provided critical drive for the booming economic growth recorded in the 1960s.

In this atmosphere, the business of trading firms also grew by leaps and bounds, but the mood of upswing was dampened by the surfacing of talk about trading firms being headed for decline. Besides pointing out the rise of independent capabilities for trade and technology import among manufacturing firms, the proponents of this pessimistic outlook mused that the knowledge of trading firms would not be able to keep pace with the advancement of the petrochemical and consumer goods industries, and that the growth of retail industry through franchise chains managed by larger companies would eliminate the need for wholesaling capabilities in domestic distribution.

As things turned out, of course, the prediction was off the mark. Trading firms were able to retain their value in commercial transactions by refining all sorts of skills that come into play in business, in the areas of logistics, settlement, information-gathering, and credit. However, it must be said that their value is now a relative thing resting on comparison with manufacturers and firms in other industries. The structural problems cited in the theory of trading firm demise persist today, albeit in latent terms.

In the 1970s, trading firms found increasing openings for involvement in huge investment projects both inside and outside Japan. Moreover, these projects rapidly grew in terms of scale, type, and number, and included resource development in other countries, infrastructural improvement (both domestic and foreign), and establishment of offshore production locations for Japanese manufacturers.

The trends of increasing scales of investment and overseas expansion were hardly confined to trading firms; on the contrary, they were exhibited by Japanese companies in many fields. Nevertheless, trading firms had certain

advantages over the rest, including the capital needed for assuming enormous risks, the ties of trust forged with all sorts of companies over long-standing transaction relationships, and extensive locations overseas to assist involvement in foreign projects. Thanks to these advantages, they often led projects themselves or played the role of coordinating the participation of firms from other industries.

With the immense risks and the long time required for retrieval of funds, these investment projects represent quite a difference from the usual trading business. When risks turn into realities, the impact can be devastating. This is graphically illustrated by the cases of Ataka Sangyo (Ataka & Co., Ltd.), which was merged with C. Itoh & Co. (the current Itochu Corporation) to save it after the failure of its crude oil venture in the United States, and Mitsui & Co., whose petrochemical project in Iran was aborted in the wake of the Islamic Revolution and the Iran-Iraq War.

In spite of such jolts, investment projects have come to rank alongside sales of goods in domestic and foreign markets as key sources of profit for trading firms.

As the heirs to this historical build-up, today's trading firms organically combine a host of heterogeneous capabilities, in areas such as proxy performance of trade, sales, distribution, and settlement work for Japanese firms; provision of overseas locations for information-gathering and business activities by Japanese firms; investment for cultivation of new technologies and industries; and coordination of large-scale projects bringing together companies from mutually different industries and/or competitors in the same industry.

More importantly, a look back at their history shows that trading firms have, in essence, always been at the vanguard of Japan's economic advancement, constantly spearheaded constructive change, and continually supported other industries.

Naturally, just because they have done so thus far, there is no guarantee that trading firms will lead change in Japanese industry in the future. Their ability to play this role in the past derived from the monetary muscle to

shoulder huge risks, their lack of fixed management resources such as plants and stores, and, above all, their recruitment of first-rate personnel and flexible application of their energies in ways attuned to the times.

Will trading firms be able to adapt accurately to the times without losing these strengths? The answer to this question is the key one as regards their prospects for playing a leading role even in the new age being opened up by the IT revolution.

3. Trading firm perspectives on the IT revolution

In the eyes of trading firms, what kind of change is the IT revolution going to bring? At present, its future course is, in itself, uncertain, and it would be impossible to present a systematic account of all of its implications for trading firms. This reservation being noted, the following paragraphs take up assorted movements that are liable to have a great bearing on the future of trading firms.

(1) Management innovation harnessing IT

Efforts to harness IT for higher levels of efficiency in management and power in sales are already widespread. Various concepts and tools have been introduced for such purposes, including enterprise resource planning (ERP), supply chain management (SCM), and customer relationship management (CRM).

None, however, can deliver the expected benefit merely through incorporation of the system as a complete package. To make the most of their potential requires not only a good understanding of their nature and mode of use but also a corresponding modification of the organization and corporate culture.

Trading firms could participate in this process and furnish valuable support for the incorporation of such systems. System vendors and consulting firms are already acquiring a solid position in this field. And it may be true that the advantage lies with them when it comes to customizing systems and imparting the related know-how.

Nevertheless, trading firms could offer support backed by their wealth of experience gathered from diverse business development in product sales and project investment. Furthermore, they could go beyond consulting and supply the right mix of functions from the assortment for their own business. By making the most of these strengths, they should be fully capable of competing with the consulting firms and other businesses running ahead of them in this field, or at least of carving out niches for themselves in it.

From a trading firm perspective, a business that began and ended with consulting would not be very attractive. The domain could be injected with more appeal by constructing schemes for a sharing of the gains from improvement of results at the client companies or for mutual benefit through closer transactional relationships.

(2) A host of promising new fields and firms

The IT revolution is accompanied by innovation in systems of technology premised on industrial activities. As it proceeds, it will alter the division of roles between industries and companies, and give birth to new industries as well. We are already seeing a burst of activity aimed at starting up firms around novel ideas depending on utilization of the Internet and other new technical assemblages.

This trend represents a dramatic expansion of investment opportunities for trading firms. The practice of investing in new ventures and helping new firms and industries to grow has traditionally been a mainstay of trading firm business alongside sales of goods. The subjects of such activity are rapidly proliferating due to the IT revolution.

Although it is sometimes made for launching their own enterprises, investment by trading firms is often aimed at starting up businesses with partners, whether domestic or foreign. That involving IT is highly varied in character; the object ranges from development of business in Japan together with a forerunning firm scoring success in foreign markets to the unearthing of growing ventures inside or outside Japan for capital participation and collaboration in management, and further to a coordinating role in projects

spanning two or more industries. By the same token, this means that trading firms are expected to play different roles depending on the project.

(3) Heightened contact with consumers

The IT revolution is going to alter relationships not only between industries and between companies but also between companies and consumers.

Conventionally, direct contact with consumers was limited to firms in certain industries, such as retailers and service suppliers. However, the spread of the Internet into homes has removed some of the most fundamental prerequisites. To communicate with consumers, it is no longer necessary to have stores or equivalent facilities and sales forces.

With the right use of the Internet, even firms that are not retailers can build business models targeting the general consumer that are completely different in kind from those applied in the ordinary retail business, which is now struggling in the recession.

Various approaches are already being made along this line. Some manufacturers have launched sites to give consumers information on products of their own make and those bearing their brand. Others have sites for sales directly to the consumer, without going through retail stores. Still other sites were established to absorb the views and preferences of consumers for feedback into programs of new product development.

Trading firms are by no means standing by idly; many of them are setting about the development of e-business of this B2C format linking them directly with the consumer. Closer collaboration with convenience stores, which are coming to the fore as distribution centers in schemes of sales via the Internet, is an agenda item among many of them.

(4) More efficient commercial transactions

The IT revolution could also work a fundamental change in the very way of doing business, and particularly in the mechanism of intercorporate sales of goods. The normal approach, whereby goods are delivered from the

manufacturer or other supplier to the end-user only after passing through the hands of intermediaries such as trading firms and layers of wholesalers, is on the way to being succeeded and overshadowed by direct meeting and dealing between buyer and seller on the web.

The construction of such new schemes can also open up vital business opportunities for trading firms. However, the intermediary business which it is going to replace is now one of the major fields of trading firm activity. The spread of the new setups therefore could spell the loss of their conventional business—and the profit accruing from it.

This is why the IT revolution has been termed a doubled-edged sword for trading firms. And, as was noted above, to the extent that the resulting change makes good economic sense, they would be better able to secure their position for the future by taking it upon themselves to lead it than by making vain attempts to stop it.

4. “That’s not how wholesalers do business” — importance of distinctive trading firm capabilities

There is a Japanese expression which literally translates as “that’s not how wholesalers do business” and means the equivalent of “that’s what you think” or “you’re expecting too much.” In his latest work entitled “IT Kakumei–Shinseiki e no Chosen” (The IT Revolution—Taking up the Challenge of the New Age; published by Asahi Shimbun), Professor Heizo Takenaka of Keio University asserts that it is an excellent indication of the importance and character of wholesaling in commercial transactions in Japan, and that, beneath its droll exterior, it has extremely profound connotations.

Indeed, the “tonya” wholesalers of the Edo period (1615–1867) undoubtedly had to be able to catch all kinds of information about producers and consumers in the distribution process. As such, they were not mere intermediaries, but what might be called “info-mediaries.” They had to know everything from the financial position of the producer and quality of the product to the personality of the client and the wants and needs of the consumer.

Conversely, they would not be able to stay in business as wholesalers unless they had a keen appreciation of the worth of such information and how to use it to best effect. In this sense, they truly embodied the info-mediary functions of trading firms.

Smart wholesalers were therefore essential to sound business. They linked sellers with buyers and producers with consumers, put mercantile creeds into practice while serving as producers and innovators for the entire distribution process, stayed closely attuned to their customers, and came up with ideas for new business models and products solidly grounded in their needs.

It may also be observed that the financing furnished by trading firms is not just a matter of lending funds. From early on, they have been offering a wide range of financial functions and services, including some that have come into vogue with web auctions and dealing, such as escrow (whereby a party with the necessary credibility stands between owner and bidder or buyer and seller and manages the flow of money and goods; to ensure the safety of transactions, the party may also confirm product content and delivery, transfer payments, and facilitate product hand-over) and electronic bill presentment and payment (EBPP), as well as extension of funding and credit to fill gaps between buying and selling payment sites, and warehousing to assume risks associated with commodity price fluctuation.

Behind the expression “that’s not how wholesalers do business” is the implication that good business deals cannot be made without the cooperation of wholesalers. This derives less from vested interests or power relationships and more from the nature of the trading firm as a total solution provider which holds many cards and is in a position to add value to transactions for all parties to them.

In short, it makes little sense to ask whether trading firms belong to the old economy or the new one. The IT revolution may be anticipated to weed out not intermediary businesses per se but only those which fail to add sufficient value in the transactional chain.

The point is, instead, to make a fundamental redefinition of the role of intermediaries or go-betweens in network transactions so that it matches the

new digitized schemes, reclarify the kind of value they can add to these transactions, and reproduce this value-adding function within the total value chain of tomorrow's cyber trading market.

Paradoxically enough, when viewed from this perspective, there appear to be no opportunities as attractive as this for intermediaries equipped with the requisite expertise, flexibility, information capabilities, and credibility.

The burning questions here are how the setup for both transactions per se and the entire transaction chain in cyber versions of conventional transactions should be modified, and how trading firms can add value in the process.

Chapter 2 Business models for the Internet Age

1. Dawn of an age breaking with the past

How will business in Japan have changed by the year 2010? This is a question that must be addressed if we are to paint a portrait of tomorrow's trading firms. In this connection, it might be noted that, in the United States, the number of Internet users reached the "critical mass" about five years after the start of commercial application of the Internet around 1995. According to the "law" formulated by Dr. Robert Metcalfe (founder of 3Com), the term "critical mass" as used in this way indicates the number of participants sufficient to induce a dramatic increase in network value. In the United States, e-business was triggered by the growth of the Internet population, and began to take off around 1997. One of the grounds for this interpretation is the sharp increase in IT investment around the same time. After staying on the order of 18 percent in 1996 and 1997, the rate of growth in U.S. IT investment jumped to over 20 percent in 1998 and 1999. As if in response, labor productivity recorded a steep rise in the late 1990s, and has grown by 2.8 percent since 1998 in particular. In Japan, circumstances conducive to an analogous e-business take-off are expected to be in place around 2005.

Just what does it mean to speak of e-business as "taking off?" To put it in a nutshell, it refers to the stage of virtually universal participation in the IT revolution. In Japan, too, some pioneering firms are already developing e-business through the Internet. This trend is anticipated to gather momentum and rapidly draw in almost all firms. The information and communications advances driven by the Internet constitute technical chance that is non-continuous, in the sense that of not being on a continuum with the past. This will bring about a remarkable rise in business process efficiency through innovative technology and methods that are completely different from their predecessors. The industrial revolution that started in the 18th century in Britain brought a revolutionary improvement in business process efficiency through mechanization. The IT revolution that began in the United States is

business process innovation through information intensification. Just as the industrial revolution pushed a lot of craftsmen with pride in their manual skills out of jobs in the knitting and weaving industries, so the IT revolution will make the skills of many business persons who think it has nothing to do with them obsolete and narrow their scope of usefulness. The same approaches will no longer work. This is why the IT revolution may be regarded as a break with the past.

2. Business process streamlining and information synchronization

In the United States, the big traditional “old-economy” companies are promptly reforming their business process by applying the Internet.

Then, what is “the business process”? The term “business process” refers to the sequence of steps that must be executed before a product is delivered to consumers. There are at least seven. Automobiles, for example, cannot be assembled without the components. To manufacture these components, in turn, requires all sorts of materials, from steel sheet and plastic to artificial leather. And in almost all cases, the crude substances needed for manufacture of these materials are imported from production sources in other countries. Furthermore, assembly must be preceded by design, development, and publicity among consumers. Once assembled, the automobiles must be sold by dealers and finally shipped to buyers. Altogether, there are consequently at least seven business process steps (development and import of crude substances, manufacture of materials, manufacture of components, design/development/publicity, assembly, sales, and shipment). This chain of value creation beginning with the development and import of crude substances and ending with delivery of finished products to customers is called the “value chain.” The IT revolution is setting in motion a conversion and shift in value chains from confinement to a single company or corporate group to linkage with other companies and groups in outsourcing networks.

In reality, value chains are not about the flow of materials only; the flow of information also plays a vital role. Besides the relay of ordering information

and data needed for accounting, there must be close communication between the development and production divisions, for example. All sorts of information must be processed and exchanged among the various stages of the business process, and among the employees manning them. The IT revolution will synchronize this information processing and exchange with the business process and thereby greatly streamline the overall value chain.

3. “Disintermediation” and “Reintermediation”

As described above, the real thrust of the IT revolution clearly lies in value chain innovation. This is behind predictions that, as the IT revolution progresses, B2B transactions will achieve a fast-paced expansion and come to account for the lion’s share of the overall e-business market. However, this rearrangement of the value chain through a switch to out-tasking is at the same time a movement to exclude the middleman. Companies with specialized capabilities will handle the corresponding stage of the business process value chain and construct a new pull-type sequential system that takes customers linked directly to them by the Internet as its starting point. The aim is to raise levels of efficiency and speed in the value chain as a whole, and to select the right resources at each for intensive allocation to the core business.

Nevertheless, this trend toward external networking in the value chain, while being one of “disintermediation” (departure from mediation) is also a process of “reintermediation” (return to mediation). Trading firm employees assigned to business with General Motors used to complain that there was very little they could do for GM because it was such a gigantic company and had just about all the capabilities of trading firms itself. But with the onset of the Internet age, it is obvious that GM will need new online intermediaries to promote out-tasking in its value chain. Therefore, amid this value chain reengineering, trading firms could very well find a widening field of activity as middlemen providing new, IT-based intermediary functions.

4. New mediating functions of trading firms

What new capabilities must trading firms acquire to function as middlemen in the Internet age? At the very least, they would probably have to be able to play the following four roles: 1) e-market maker, 2) e-marketplace manager, 3) value chain integrator, and 4) e-business portal.

The term “e-market maker” refers to the ability to plan and build e-marketplaces as open virtual markets. As described above, an e-marketplace is a forum for encounter and transaction between plural numbers of buyers and sellers. Trading firms have already begun to launch B2B markets in this field and to invest and participate in them. The second function listed above is that of managers who operate and run the e-marketplaces that have been planned and made. The value chain integrators smoothly coordinate the entire value chains of clients. Finally, e-business portals link consumers and the companies whose brand is on their purchases as well as the value chains reorganized through outsourcing.

5. A bright future for trading firms—the rise of e-trading firms

The IT revolution is therefore both a disintermediation process and reintermediation process. Because all stages from the discovery of partners and negotiations to the conclusion of deals will be executed entirely in the cyber e-marketplace, intermediaries that cannot wield new capabilities harnessing IT will find no openings for their participation in the business. Conversely, however, e-trading firms, i.e., trading firms armed with such new intermediary functions, could unearth new business opportunities by remaking value chains which have been confined to individual companies or groups and quickening the out-tasking of steps in the business process. A further strength of trading firms is their ability to fuse e- and t-transactions. In the United States, there have arisen a lot of Internet-based business models, but many are hampered by a lack of such ability. This is partly because the United States does not have the equivalent of Japanese-style trading firms. Nevertheless, now that they have entered the Internet age, U.S. businesses as

well have begun to awaken to the need for intermediation services like those offered by Japan's shosha.

This is because, even if products and services are purchased on the Internet, physical transaction acts off the net must be performed to receive the goods and services in reality. Customers and consumers are only satisfied once they actually have the goods and services at their free disposal. If websites are unable to furnish adequate t-transactions, they are liable to find their clientele swiftly shrinking. The reintermediation needed in the Internet age amounts to the synchronization of the flow of goods or services and that of information. As described above, forerunning trading firms that are versed in handling these two flows will be the ones exercising leadership in the wake of the IT revolution.

What kind of socioeconomic impact will result from the value chain rearrangement triggered by the IT revolution? The outsourcing of work that has thus far been accomplished in-house will presumably eliminate the need for a commensurate number of employees. This raises the question of whether it will spawn large numbers of jobless and create a labor mismatch. The answer is "no" if trading firms fully discharge the reintermediation function. In his book entitled "Business @ the Speed of Thought," Bill Gates states that, although jobs are lost when companies down-size, they merely move when companies out-source. The work outsourced as a result of value chain reorganization in the IT revolution will go to other companies commissioned to perform it. The employees who lose their jobs due to out-tasking could be absorbed by these other companies along with their whole departments and so be reemployed. Those of an entrepreneurial bent might even establish their own companies for performance of outsourced work. Tomorrow's trading firms will supply business portals for seamless connection via the Internet between these new companies and clients wanting to outsource work to them. If it increases overall efficiency, value chain streamlining will be not a zero-sum game, but a plus-sum one.

By leading and supporting the IT revolution in this way, futuristic trading firms could help to pave the way for further socioeconomic advancement.

Chapter 3 Approaches to IT — innovation of trading firm capabilities

1. Trading firm approaches to IT

With the lifting of the ban on Internet business in 1993 and the steady progress of the IT revolution thereafter, the U.S. economy and industry have achieved sustained growth on a long-term basis and driven worldwide economic advancement. The wellsprings of their vitality lie above all in higher levels of productivity thanks to IT and the invention of new business, particularly in the service sector.

The IT revolution is now unfolding on a global scale and is, in essence, an Internet revolution (e-revolution). From the perspective of industry, it means, first and foremost, the emergence of new business models based on B2B and B2C schemes.

The innovation ignited by the IT revolution may be summarized in the rise of the networked society and the further globalization of economic activities. It will demand of companies greater speed and powers of decision in their management. Because it facilitates the sharing of information, the Internet will induce a shift from the conventional infrastructure for one-to-one communications as a general rule to a new one for many-to-many communications. This, in turn, will set in motion a fast-paced shift in the locus of power from the supply side to the demand side. The shift will obviously lead to the elimination of (ordinary) intermediaries in distribution. In fact, this is already happening in the United States, where the e-economy is more developed than in Japan.

In spite of this movement to get rid of middlemen, value-creating intermediaries will become increasingly needed principals in the e-economy; it is the intermediaries with a low level of capabilities that stand to be bypassed.

Trading firms are approaching IT from two directions. One is cultivation of

the information industry as a new growth field and source of earnings (i.e., the industrialization of information). The other is translation of the business process into information systems for pursuit of the ultimate in in-house productivity (information intensification of industry).

For trading firms, the industrialization of information began with deregulation in the information and telecommunications sector, which commenced in 1985 and continues today. Initially, it was manifested mainly by project investment in infrastructural fields. While the fields in question varied somewhat depending on the trading firm, the main ones were telecommunications (long-distance, international, and regional), satellite communications, and cable TV. In the 1990s, the scope expanded to include mobile communications, satellite broadcasting, Internet and other network business, and business in contents.

As for information intensification of industry, the former systems centered around large hosts were supplanted by distributed ones beginning in the second half of the 1990s. More recently, companies have been actively incorporating enterprise resource planning (ERP) schemes offered by SAP firms and quickly putting the in-house information infrastructure into the shape needed for e-commerce with transaction partners and execution of supply chain management (SCM).

2. Taking up the challenge of new business models

Besides striving to strengthen and build up their existing business through reform of their conventional business models, the key factor for survival of trading firms as a growth industry in the 21st century is the creation of new business models. The concrete strategies to this end vary from firm to firm as evidenced by the case profiles below, but the overall thrust may be summarized as follows.

- (1) Launch of new business by mobilizing resources in fields already entered (e.g., information infrastructures, optical cable networks for CATV, satellite communications, and cellular telephone networks)
- (2) Reinforcement and enlargement of business territory through e-

transformation of the existing logistics business (intermediation as a proxy mainly for the manufacturing sector)

- (3) Establishment of e-marketplaces led by trading firms in various industrial fields, including steel, chemicals, and food products (whereas that noted in (2) above would be vertically oriented, this e-business would be horizontally oriented, and the trading firms would try to build a new market around it; in the case of both (2) and (3), competition would surface as the business developed)
- (4) Operation of B2C sites and cyber shopping malls
- (5) Operation of e-procurement services for industries including electrical power, machinery, and textiles and lumber
- (6) Efforts for the establishment of e-marketplaces across industrial borders
- (7) New business built around e-provision of capabilities cultivated through their activities to date, in areas such as settlement, credit investigation, and logistics
- (8) Construction of VA-oriented capabilities through new business models making integrated and effective use of IT, financial technology (FT), and logistical technology (LT) as an SCM organizer linking manufacturing industries with wholesale and retail industries or offshore production locations.

Conclusion Strategy for transformation into e-trading firms

1. Evolving capabilities of e-trading firms

In hindsight, the mid 1990s were a kind of turning point for “information outfitting” among trading firms. In intercorporate transactions before that time, cyber activity was dominated by electronic data interchange (EDI) for exchange of mainly ordering data between a limited number of manufacturers and users, with the mediation of trading firms. There was no unified protocol for manufacturers or users, and the system did not offer a particularly high efficiency. In the second half of the 1990s, however, corporate information came to be centrally managed by ERP systems. At the same time, in step with the downsizing trend, the large hosts were replaced by personal computers in the construction of distributed information systems. Companies began to exchange data through the Internet, and circumstances permitting graduation to a much more convenient type of intercorporate EDI gradually fell into place.

Around the same time, offices were equipped with in-house local area networks (LAN). Personal computers were installed at a rate of one for almost every employee and enabled an extensive give-and-take of e-mail, albeit within the company walls. This opened up a new age in the internal sharing of information. From 1997 to 1998, employees were given access to the Internet as communications grew out of the closed LANs and provisions were made for connection with outside entities. The days of the telex were over, and e-mail became an indispensable means of routine communication with parties anywhere in the world. The websites established by companies and agencies grew into powerful tools of publicity and enabled them to collect information both quickly and cheaply.

It was around 1999 that the IT revolution really began to make itself felt. In the world of business, the Internet was assimilated into operations, and the

notion that companies which neglect to use the new tool would fall by the way swiftly came to the fore. The Japanese economy still showed no signs of solid recovery, and many began to question the value of the role played by trading firms, whose business prospects seemed fated to dwindle. Among trading firms, a sense of crisis about this situation is behind mounting inclinations to stake their future on IT. The Japanese word for “crisis” (“kiki”) is often said to be compounded from the word for “danger” (“kiken”) and that for “opportunity” (“kikai”). Although they have been confronted with scenes of serious socioeconomic upheaval on several occasions, trading firms have managed to remain key supports of the Japanese economy by not merely meeting these tests but also turning them into springboards for another leap. Only trading firms possess this degree of vitality.

At present, there is an infectious enthusiasm to apply IT for the creation of new trading firm capabilities. Trading firms are beginning to remake their organizations for speed through priority allocation of human resources to the IT department. They have instituted interdepartmental committees to push information sharing and positioned IT at the center of the companywide strategy. Similarly, they have appointed chief information officers (CIO) and placed top-level management in direct charge of deploying the corporate IT strategy.

In reality, trading firms are already involved in a diversity of IT-related business. As was observed above, this involvement can be divided into two categories: the IT transformation of business, and the business transformation of IT. The former refers to the bolstering of capabilities through the erection of new business models based on application of IT in traditional mediation transactions. Cases in point include SCM for the drafting and execution of proposals for supply chain optimization, open e-marketplaces for smooth pairing among a mass of unspecified buyers and sellers, and e-procurement for effective sourcing of materials. There is also a movement to develop business in B2C transactions (in search of wider contact with consumers) and C2C transactions (based on intermediation between the two consumers).

The latter category (business transformation of IT) refers to the

development of business around construction of network infrastructures and other elements of the IT industry per se. It includes the areas of core communications infrastructure in both the international and domestic sectors, construction of “last-one-mile” lines to the office and home, and support for the smooth operation of communications networks through data centers, etc. Considering these activities, trading firms can be regarded as already solidly on their way to becoming e-trading firms. Indeed, in no other industry are companies engaged in so many dynamic projects.

It has only been about two years since the genuine start of e-business. Trading firms have been trying out various business models amid general uncertainty about which will bear fruit, and have begun to feel more confident about their future while applying IT as a means in their business. Even in the IT age, people remain the protagonists in transactions; it is they who are doing the transactions, not the faceless screens of their computers. To this extent, real (as opposed to virtual) work is still the main factor. Trading firms are vying with each other in a brain-racking search for ways of making this work more fluid and endowing it with additional value. Their business partners, too, have begun to realize that e-business is by no means easy going without trading firms. The role of e-trading firms is precisely one of a bridge between the real and virtual business worlds. And they are uniquely qualified to play it, thanks to their vast store of know-how accumulated through their real business and their solid credibility. These could very well be termed the quintessential requirements in all transactions.

To take another look back at history, upon the British-born industrial revolution and the subsequent appearance of new frontiers in the form of the New World and the Orient came the heyday of merchant banks from the 18th to the 19th centuries. While the business of these banks consisted of things such as the acceptance of bills, exchange operations, and insurance, what enabled them to achieve a solid position for themselves was their credibility and their store of trade-related expertise and skill. And in the 20th century, investment banks arose in the United States, and found a formula for success by combining banking services with the resources and capabilities of

merchant banks. The key factors in this success are said to be credibility, flexibility, expertise, and innovation.

Perhaps this will also apply for trading firms. The combination of conventional trading firm services with IT will instill them with even greater power because of their staunch superiority in respect of the business fundamentals, i.e., credibility, specialized know-how, and an entrepreneurial spirit that does not shrink from creative destruction when necessary. Although it was initially seen as posing a threat to trading firms, the IT revolution has since come to be perceived as an opportunity. Trading firm capabilities evolve in adaptation to the times. Changes in the surrounding environment are also chances for further advancement. For e-trading firms, the future appears to hold boundless possibilities. In the IT age, as in previous ages, trading firms will undoubtedly continue to have a precious worth. Today, they are poised to take their place in the very vanguard of business activities using IT as a tool.

List of established e-commerce sites jointly developed by various Sogo-Shosha

[trade name • business started since • URL • note from developers • participants]

- [1] **MEDIASEEK** • 2000. 3 • <http://www.mediaseek.co.jp> • Contents and information service provider transmitted to cell-phone users. • Bandai Networks Co., Ltd., Toei Animation Co., Ltd., Trans Cosmos Inc., Orix Capital Corp., Itochu Corp., Nichimen Corp., Goodwill Group, Inc., Mitsubishi Corp., A.T. Kearney, Inc.
- [2] **MarineNet** • 2000. 7 • <http://www.marine-net.com> • Integrated information provider and on-line trade site for ocean shipping industry. • Itochu Corp., Kaiji Press Co., Ltd., Mitsui O.S.K. Lines, Kawasaki Kisen Kaisha, Ltd., Nippon Yusen Kabushiki Kaisha, Mitsui & Co., Ltd., Marubeni Corp., Mitsubishi Corp., Sumitomo Corp., Nissho Iwai Corp., Hyundai Co., Ltd.
- [3] **Mixcube** • 2000. 7 • <http://www.mixcube.com> • On-line sales of software music, games and agency service for amusement and theater tickets. • Digicube Co., Ltd., Aplus Co., Ltd., JCB Co., Ltd., Sumitomo Corp., Nichimen Corp., Mitsubishi Corp., etc.
- [4] **e-JAN** • 2000. 7 • <http://www.e-janworld.co.jp> • e-marketplace for chartering business of maritime business. • Sumitomo Corp., Nissho Iwai Corp., Nippon Yusen Kabushiki Kaisha, Mitsui & Co., Ltd., Mitsubishi Corp., etc.
- [5] **Cxhub** • 2000. 8 • <http://www.cxhub.com> • e-marketplace for construction materials. • Keplande Hub Ltd., Bouygues Construction, Mitsui & Co., Ltd., Nissho Iwai Corp., etc.
- [6] **JBP** • 2000. 9 • <http://www.j-motto.co.jp> • All round portal site for small businesses providing support services to develop e-commerce business. • ITX Corp., Nichimen Corp., Nissho Iwai Corp., Tomen telecom Corp., NTT Communications Corp., Otsuka Corp., Daido Life Insurance Company, The Taiyo Mutual Life Insurance Co., Ltd.
- [7] **NC network** • 2000. 9 • <http://www.nc-net.or.jp> • IT support service for small manufacturers. • ITX Corp., Itochu Corp., Toshiba Corp., Nichimen Corp., Marubeni Corp., Mitsubishi Corp.
- [8] **e-zaiko.com** • 2000. 9 • <http://www.e-zaiko.com> • B2B e-marketplace for surplus stock items. • Itochu Corp., Mitsui & Co., Ltd., Orix Corp., Tokio M. & F. Ins.
- [9] **AT TOKYO Corp.** • 2000. 9 • <http://www.attokyo.co.jp/> • Data center business with the administration of the information and telecommunications system. • Tokyo Electric Power Co., Tokyo Telecommunication Network Co., Inc., INTEC Inc., Mitsubishi Corp., Mitsui & Co., Ltd., Sumitomo Corp.
- [10] **Media Pal** • 2000. 10 • <http://www.mediapal.net/> • Multiple platform and C2C2B management. • Tomen Corp., Toyota Tsusho Corp., Yoshimoto Kogyo.
- [11] **Risk Monster** • 2000. 12 • <http://riskmonster.co.jp> • Credit and financial services for member companies. • ITX Corp., Nissho Iwai Corp., Nichimen Corp., Tokyo Shoko Research,

Ltd., EBIS TRADE, Inc.

- [12] **Logilink Japan** • 2001.4 • <http://www.j-logilink.com> • e-marketplace for logistics information. • Sumitomo Corp., Mitsubishi Corp., Mitsui & Co., Ltd., Toyota Motor Corp., Nippon Express Co., Ltd., etc.
- [13] **Shainkenshu.com** • — • <http://www.shainkenshu.com/> • Institutional training for corporate education for member companies. • Nichimen Service Corp., Nichimen Corp., Mitsubishi Motors Corp., NEC Corp., Tomen Corp.

ITOCHU Corporation

- [1] **arukikata.com** • 1999. 10 • <http://www.arukikata.com> • Sales of discount air tickets, tour packages. • Diamond Group, Japan Telecom, travel.com (Australia)
- [2] **Autobytel Japan** • 1999. 11 • <http://www.autobytel-japan.com> • On-line support site for purchasing automobiles. • Autobytel (U.S.A.), GE Capital, Intec, Recruit, Trans Cosmos
- [3] **kabu.com Securities** • 2000. 2 • <http://www.kabu.com> • On-line securities brokerage. • Sanwa Bank, JCB, Asahi Life Insurance, JAFCO, Fujitsu, Microsoft
- [4] **Airwalk** • 2000. 3 • <http://www.airwalk-jp.com> • On-line sales of “AIRWALK” brand goods. • —
- [5] **par 72 plaza** • 2000. 3 • <http://www.par72.co.jp> • On-line service for golf course reservations. • par 72 club
- [6] **ito-ito.com** • 2000. 6 • <http://www.ito-ito.com> • Web business for imported cotton threads and fabrics. • —
- [7] **mangazoo.com** • 2000. 6 • <http://www.mangazoo.com> • General information site for animation. • Japan Ad Systems, BANDAI, Art Net, Comics Wave, NEC
- [8] **Because** • 2000. 7 • <http://www.because.ne.jp> • Marketing site targeting female consumers. • Northern Lights Japan
- [9] **Biznavi.net** • 2000. 7 • <http://www.biznavi.net> • General support site for small & medium sized enterprises. • —
- [10] **Go to school.com** • 2000. 7 • <http://www.52school.com> • General education portal site for application for examinations; also provides PR service for universities and institutions. • Kawai-juku
- [11] **Letscard** • 2000. 8 • <http://www.lets-card.co.jp> • Business cards creation site. • Inter-pyron
- [12] **Magaseek** • 2000.10 • <http://www.magaseek.com> • On-line sales of goods listed in fashion magazines. • —
- [13] **e-baby** • 2000. 10 • <http://www.e-baby.co.jp> • Mail order of baby goods. • —
- [14] **Farmers' Portal** • 2000. 10 • <http://www.nou.co.jp> • Farming tools, fertilizer, pesticides, etc.

- shinshin

- [15] **e-guarantee** • 2000. 11 • <http://www.eguarantee.co.jp> • Total financial portal site for inter-company e-commerce transactions. • JCB, Teikoku Databank, Yasuda Fire & Marine Insurance, Taisei Fire & Marine Insurance, Nissan Fire & Marine Insurance
- [16] **Netcentives** • 2001. 4 • <http://www.netcentives.co.jp> • On-line loyalty program service. • Dentsu, JCB, Cyber Communications, Netcentives (U.S.A.)

Sumitomo Corporation

- [1] **Jupiter Telecommunications** • 1995. 1 • <http://www.jcom.co.jp> • Management CATV operations. • Liberty Media Group, Microsoft Group, etc.
- [2] **Lycos Japan** • 1998. 10 • <http://www.lycos.co.jp> • Internet search service 'Lycos'. • Lycos Inc., Internet Initiative Japan, Inc, etc.
- [3] **Cross Beam Networks** • 1997. 4 • <http://www.xbeam.co.jp> • Sales of cable modems produced by Terayon Communication Systems, Inc., U.S. and ASP Business. • —
- [4] **Sumisho Computer Systems Corporation (SCS)** • 1995. 12 • <http://www.scs.co.jp> • Software development, information processes, communication networks. • —
- [5] **WAM!NET** • 1999. 9 • <http://www.wamnet.co.jp> • High-speed, large-volume graphic data transmission for the use of advertising agencies, newspaper, publishers, and printing companies. • WAM!NET Holdings
- [6] **Vertex Software** • 1999. 9 • <http://www.vertex-s.co.jp> • JAVA software development. • —
- [7] **@Home Japan** • 1999. 9 • <http://www.jp.home.com> • High-speed internet service for CATV operators. • Excite @Home Co., Ltd., Jupiter Telecom Co., Ltd
- [8] **VA Linux Systems Japan** • 2000. 10 • <http://www.valinux.co.jp> • Marketing of VA Linux's products and related services in Japan including systems integration, operation, and maintenance. • VA Linux Systems, NEC, etc.
- [9] **ISF** • 1999. 5 • <http://www.e-phone.ne.jp> • Internet telephone service for telecommunications providers, internet service providers, e-commerce businesses, corporate users and individual customers. • TransCosmos, Shiseido, etc.
- [10] **BIO-NET** • 1997. 4 • <http://www.bio-net.ne.jp> • Sales of furniture and utensils via internet • —
- [11] **Jupiter Shop Channel** • 1999. 9 • <http://www.shopchannel.co.jp> • Mail order services via CATV and SkyperfecTV. • Jupiter Programming, HSN International
- [12] **Sumisho Home Shopping** • 2000. 10 • <http://www.e-okaimono.com> • Mail order services via TV and internet. • —

- [13] **Internet Flower Cupid** • 2000. 5 • <http://www.i879.com> • Flower delivery sales via internet in partnership with JFTD. • JFTD
- [14] **e87.com.inc** • 2000. 4 • <http://www.e87.com> • Flower delivery sales via internet. • Cross Beam Networks
- [15] **Eoscare.Net** • 2000. 11 • <http://eoscare.net> • Nursing care service. • SCS, eos, Chihaya T3 Corp.
- [16] **Otto-Sumisho** • 2000. 1 • <http://www.sumisho-otto.com> • Apparel sales via internet. • Otto Versand GmbH
- [17] **Eddie Bauer Japan** • 2000. 3 • <http://www.eddiebauer.co.jp> • Apparel sales via internet. • Otto-Sumisho, Eddie Bauer, Inc.
- [18] **Club Createurs Beaute Japon** • 2000. 6 • <http://www.ccb-paris.co.jp/jp/> • Cosmetics sales via internet. • Otto-Sumisho, L'Oreal S.A., Trois Suisse International
- [19] **Summit** • 2000. 11 • <http://www.summitstore.co.jp> • Web site for supermarket chain "Summitstore". • —
- [20] **Asahi Medix** • 2000. 1 • <http://www.eeee.net/119/> • Internet drug store. • —
- [21] **Car@** • 1999. 4 • <http://www.car-at.com> • Auction site for used cars. • —
- [22] **oto.co.id.** • 1999. 9 • <http://www.oto.co.id> • Indonesian automotive loan site via internet. • P.T. Oto Multiartha
- [23] **Logiclinic** • 2000. 2 • <http://www.sumitomocorp.co.jp/logiclinic> • Logistics diagnostic services via internet. • —
- [24] **Digital Nonbank** • 2001. 4 • <http://www.digitalnonbank.com> • Financing and credit service for B2B transactions. • Sumitomo Mitsui Banking Corporation, Sumitomo Trust, Sumitomo Marine & Fire Insurance, etc.
- [25] **SC Grainger** • 2000. 10 • <http://www.monotaro.com> • Supply of maintenance, repair and operation products. • Grainger
- [26] **Pleomart** • 2000. 11 • <http://www.pleomart.com> • B2B marketplace for stationery goods, etc. • NEC, Ariba Inc., etc.

Tomen Corporation

- [1] **Next Generation Chemical B2B** • 1999. 10 • <http://www.chemcross.com> • A market place for chemical trading in Asia. • Chem Cross.com, Samsung Corporation
- [2] **Findbioventure** • 2000. 10 • <http://www.findbioventure.com/> • To provide the information and assistance to approach the biotechnology ventures in the U.S.A. • Tomen America Inc.

- [3] **Agrofrontier** • 2000. 11 • <http://agrofrontier.tomen.co.jp>, <http://agrofrontier.com> • To provide the information of biological pesticides, including solutions based on the use of natural enemies. To give the guidance how to use the pesticides. • —
- [4] **O'NEILL online** • 1999. 10 • <http://www.oneill.co.jp> • To provide various ideas about sports life, especially about water sports. • O'NEILL Japan
- [5] **GELANOTSTM** • 1999. 10 • <http://www.fcc.co.jp/gelanots> • To introduce the Gelanots, a new material developed by Tomen and Komatsuseriren, one of advanced functional materials. • —
- [6] **PET Bottle Recycling** • 1999. 10 • <http://www.fcc.co.jp/ecosmile/index.html> • To promote the business of PET bottle recycling, introducing newly developed materials. • Tomen Hotline (Osaka) Co.,Ltd.
- [7] **OGAWATEC** • 1999. 10 • <http://www.ogawatec.co.jp> • Introduction, proposal and sales site as the professionals of sophisticated membrane construction, such as dome, stadium etc. • Ogawa Tec Corp.
- [8] **Grand Marche** • 2000. 11 • <http://grand-m.com/> • Information, communication and sales site for the professionals and freek about the confectionery. • Tomen Foods Co., LTD.
- [9] **Chicago Market Information** • 1997. 7 • <http://www.tomenamerica.com/chicago/market/> • Information site about the Chicago grain market. • —
- [10] **EcoEco Net** • 2000. 10 • <http://www.ecoeconet.co.jp> • Market place for industrial waste disposal service. • KEC, Tokyo Sangyo Co., Ltd.
- [11] **Tomen Machinery Co., Ltd.** • 1999. 10 • <http://tomenmcn.co.jp> • To introduce industrial machinery and to provide engineering idea, especially about environmental facilities. • Tomen Machinery Co., Ltd.
- [12] **European market creation** • 2001. 3 • <http://www.mejorocarson.com> • Market place of used cars in Spain. • Tomen Vehicle Co., Ltd. Tomen Corporation Espana S.A.
- [13] **SUZUKIAUTO MADRID** • 1999. 10 • <http://www.suzukiautomadrid.com> • Sales site of SUZUKI vehicles in Spain. • Suzuki Motor Corp.
- [14] **SUPER SENTO** • 1999. 10 • <http://www.fcc.co.jp/tomenindacs> • To give the guidance about Super Sento business (recreation center including public bath). • Tomen Machinery Co., Ltd.
- [15] **Tomen Devices Corp.** • 1999. 10 • <http://www.tomendevices.co.jp> • To introduce the semiconductor memories of Samsung. • Tomen Devices Corp.
- [16] **Tomen Electronics Corp.** • 1996. 5 • <http://www.tomen-ele.co.jp> • To introduce a variety of new information technology such as semiconductors, network equipments, communication equipments etc. • Tomen Electronics Corp.
- [17] **Mediatti** • 1999. 10 • <http://www.mediatti.com/> • To provide a variety of media-mix information as MSO of CATV. • Olympus Capital Holdings Asia, Pacific Century CyberWorks, Japan

- [18] **Tomen Cyber Business** • 1999. 10 • <http://www.tomen-g.co.jp> • Development and sale of the software, network system, solution service, internet products. • Astec, Tomen Electronics Corp. Pioneer Corp.
- [19] **Tomen Information System Corporation** • 1999. 10 • <http://www.ksi.tomen.co.jp/tisco> • Development and sale of the software, network system, information solution service. • Tomen Information System Corp.
- [20] **TOMEN TELECOM** • 1999. 10 • <http://www.tpnet.co.jp/> • To provide the information and recreation service for PHS and mobiles. • Tomen Telecom Corp.
- [21] **Artist Theme Park** • 2000. 11 • <http://www.unaryu.com/> • To promote independent artists. • Culture of Asia
- [22] **On-line sales for employees** • 1999. 10 • <http://www.e-shahan.com/tomen/> • On-line sales for the employees. • —
- [23] **Magokoro** • 1999. 10 • <http://www.get.ne.jp/magokoro/> • To support Japanese businessmen overseas providing such relocations service as shipping of households belongings, Japanese food supply educations, etc. • Service Center Co., Ltd.
- [24] **Tomen Business Support Ltd.** • 1999. 10 • <http://www.tomen-bs.co.jp> • Temporary staff service. • —
- [25] **T-care net** • 2001. 3 • — • sales site of care goods. • Toyota Tsusho Corp. Tokai Corp.

Toyota Tsusho Corporation

- [1] **INDIVISIO** • 1997. 7 • <http://www.franken.ne.jp> • Digital content distribution business, mainly cartoons. • Hakuholdo, Inc.
- [2] **Ecoline** • 1998. 12 • <http://www.ecoline.ne.jp> • Exclusive website operation gathering and processing vehicles for recycling purpose. • —
- [3] **MC-NET** • 1999. 10 • <http://www.mc-net.ne.jp> • Offering personal outsourcing service community information and other support services. • Toyotsu Telecom Corp.
- [4] **TAS-MAP** • 2000. 9 • <http://www.tas-japan.com> • Real estate appraising and information service. • Toyota Motor Corp., Aero Asahi Corp., Sanyu Appraisal Corp.
- [5] **Prometric Certification Testing Center** • 2000. 9 • <http://www2.prometric-jp.com/jyukenyoyaku.html> • Authorized examination center for software technicians. • Recruit Co., Ltd., Prometric Co., Ltd.
- [6] **α internet** • 2000. 10 • <http://www.alpha-net.ne.jp> • Internet service provider. • Kyoden Ltd.
- [7] **e-license** • 2000. 10 • <http://www.elicense.co.jp> • General consulting services for copyrights of digital contents. • Hakuholdo, NTT-ME Consulting Co., Ltd., Akihiro Mino

Nichimen Corporation

- [1] **Lumber Net** • 1999. 7 • <http://www.e-lumbernet.com> • Internet-based EDI system for lumber import business. • —
- [2] **Nature's Net** • 1999. 10 • — • e-commerce supply for foodstuff and other articles for restaurants. • —
- [3] **Special steel plaza** • 2000. 10 • <http://www.nm-nuz.com> • B2B community site on special steel that provides various information to create new business relationship, such as industrial news, products info, member profile and so on. • —
- [4] **Assetline.com** • 2000. 11 • <http://www.targetsoftware.com/assetline-dot-com.html> • World largest matchmaking and auction portal site for used and second hand construction machinery. • Viventure, Lazard, Leavesley, Dresdner Kleinwort Benson
- [5] **CargoNow.com** • 2000. 12 • www.cargonow.com • Website for matchmaking cargo space. • LSXS AB
- [6] **Stylife Corporation** • 2000. 6 • <http://www.stylife.co.jp/> • on-line shopping mall and fulfillment services such as logistics, collection and call center functions to the merchants. • Nichimen Media Corp., Sunkus & Associates Inc., Circle K Japan Co., Ltd., ORIX Capital Corp., Investment-One Inc.
- [7] **Nichimen Media Corporation** • 1998. 11 • <http://www.looks.new-media.co.jp/> • shopping site for apparel, accessories and cosmetics through the distribution of catalog magazine—"Looks". • —
- [8] **ARCE Corp.** • 1998. 4 • <http://www.arce.co.jp/> • internet portal site named "LIN" (Ladies Information Network) for ladies. Has alliance with Stylife. • ICP Inc., Investment-One Inc., Fuji Bank Capital
- [9] **JET Securities, Inc.** • 2000. 6 • <http://www.jetsnet.co.jp> • on-line securities company. • Mr. T. Funai, Japan Information Processing Service Co., Ltd., JAIC
- [10] **BroadOne Corp.** • 2000. 10 • <http://www.broadone.co.jp> • Broadband access provider for multi tenant unit. • Trustsystem Inc.
- [11] **Toki-meki.com Inc.** • 2000. 7 • <http://www.toki-meki.com/> • Providing information, goods and services to customers via internet, mobile phone and multi-media kiosk. • Circle K Japan Co., Ltd., Sunkus & Associates Inc., UNY Co., Ltd., Fujitsu Ltd., Toyota Motor Corporation, Sanwa Bank Ltd.
- [12] **Navee.com Co., Ltd.** • 2000. 7 • <http://www.navee.com> • Production and information service for internet contents in the fields of music, drama, publishing, game, etc. • Kato partnership, NEC, JPEC System, Sunkus, Circle K, Sumitomo Trust Banking Co.
- [13] **Good Morning** • 2000. 10 • <http://www.goodmorning.ne.jp> • Career re-education training

consortium for aged employees with the consortium companies. • —

- 14 **okaimono-net.com** • 2000. 1 • <http://www.okaimono-net.com> • Nation's first realization of a internet supermarket. • —
- 15 **e-seikatsu Co., Ltd.** • 2000. 1 • <http://www.e-seikatsu.co.jp> • Information service on web (house rent, hotel booking etc.), e-commerce integrated system. • Freebit.Com, Orix Capital, Tomy Service, Mitsubishi Corp.

Nissho Iwai Corporation

- 1 **BEITSUBO.COM** • 2000. 8 • <http://www.beitsubo.com> • The first web site that ebistrade corporation operates management on. The company aims in the future to expands it's business into materials and the general industrial materials. • NTT-X
- 2 **EBISTRAD**E • 2000. 8 • <http://www.ebistrade.com/> • The site which handles the business operations & the construction of B2B websites. The company has already started a Web trading site "beitsubo.com" will follow with other industries web-trading site. • NTT-X, IITX, Sanwa Bank Ltd., NIPPONKOA Life Insurance Company, Ltd., Orient Corp., Japan Asia Investment Co., Ltd.
- 3 **CYNOMIX** • 2001. 1 • <http://www.cynomix.com/> • The site which provides the round service for eTrade Life Line TM which supports the grown e-business. • Computer Associates
- 4 **INSURANCE NAVIGATION** • 2001. 10 • <http://www.hokennavi.ne.jp/> • Insurance agent for automotive, life and other insurance on the web. • —
- 5 **TEXTREAM** • 1999. 2 • <http://www.textream.ne.jp/> • The site which provides information related to accommodation and interior. • —
- 6 **ISO 14001 certification accession support service** • 1999. 4 • http://www.e21.nisshoiwai.co.jp/ez_top.nsf/Top?OpenView • The site which srovides know-how of ISO certification. • —
- 7 **HikkoshiGuide** • 1999. 10 • <http://www.hikkoshiguide.com/> • The world scale mover's web site for relocation of household effects for international businessmen and students who work and study abroad. • moving monster.com
- 8 **Chemcross** • 2000. 7 • <http://chemcross.com> • e-commerce site for chemical products. • Samsung Corp., Shinarumasu, Japan Zeon, etc
- 9 **Fusion Communications** • 2001. 4 • <http://www.fusioncom.co.jp> • A nation-wide unified system on long distance call service based on a low rate. It provides services on voice and data combined transmission, such as the VPN, and other means. • NISSHO Electronics Corp., IITX, Furukawa Electric, Co., Ltd., NTT Data Corp., etc
- 10 **Fishroud** • 2000. 8 • <http://www.fishroud.com> • An e-market place of marine products. • Samsung Corp., Shinko. JP, Merrill Lynch & Co., Ltd.

- [11] **Site of Semiconductor** • 2001. 4 • <http://www.chip1stop.com> • Sales of semiconductor and electronic parts. • GLQ Enterpia. Inc, Zuken Corp., Omron Logistic Create Co., Ltd.
- [12] **Wine 21** • 2000. 10 • <http://www.wine21.ne.jp> • Sales of wine. • ——
- [13] **E-COMMON** • 2000. 2 • <http://www.e-comeon.co.jp> • Sales of health foods. • ——
- [14] **OISIX** • 2000. 5 • <http://www.oisix.com> • Sales of organically-grown vegetables. • Oisix Co., Ltd., etc
- [15] **my-ss.net** • 2000. 11 • <http://www.my-ss.net> • Provides services on sales information at the gas stations. • NISSHOIWAI Petroleum Corp.
- [16] **nifts.co.jp** • 2000. 6 • <http://www.nifts.co.jp> • On-line trade. • NISSHOIWAI FUTURES Inc.

<h2 style="margin: 0;">Marubeni Corporation</h2>
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- [1] **quick-go.to** • 1997. 10 • <http://www.quick-go.to> • Provides after sales safety check • maintenance systems information and running cost information. • Quick
- [2] **iron planet** • 1995. 12 • <http://www.ironplanet.com> • On-line sales of used construction equipment in the U.S. • Caterpillar, Volvo, Komatsu America
- [3] **Sofmap.com Store** • 1998. 7 • <http://www.sofmap.com> • On-line digital shop—"Sofmap" (PC specialty). • Sofmap
- [4] **Marubeni Direct** • 1997. 10 • <http://www.marubeni-direct.co.jp> • PC software sales. • Marubeni Direct
- [5] **Mrs-hanako** • 1999. 2 • <http://www.mrs-hanako.co.jp> • Sale of pasta/pasta sauce, wheat/malt and wheat flour with bran. • Okumoto Flour Milling
- [6] **Logitec PC Direct** • 2000. 4 • <http://www2.ld.logitec.co.jp> • Sales of "Logitec" brand PC. • Logitec
- [7] **JURLIQUE** • 2000. 11 • <http://www.jurlique-japan.com> • On-line sales of Australian Jurlique cosmetic and information on its relaxation cosmetic salons. • Jurlique
- [8] **EnplaNet.com** • 2000. 4 • <http://www.EnplaNet.com> • B2B sales of engineering plastics. • ——
- [9] **fine wine club** • 2000. 7 • <http://www.finewine.co.jp> • Internet wine shop. • fine wine
- [10] **SHOES-NAVI** • 2000. 5 • <http://www.shoes-navi.com> • Shoe sales site to find shoes that fit just right. • Marubeni Footwear
- [11] **SELECT SQUARE** • 2001. 2 • <http://www.selectsquare.com> • On-line clothes/accessories shopping. • Ships, Bay Cruise Tomorrow Land
- [12] **Fibregate** • 2001. 1 • <http://www.Fibregate.com> • Member's marketplace for cotton

polyester/polyester fabric. • —

- 13 **FLOWER WISE** • 2000. 5 • <http://www.wise-system.co.jp> • e-market place handling flowers. • WISE SYSTEM
- 14 **Famille Home Gallery** • 2000. 4 • <http://www.marubenisumai.com> • Introducing “Famille” brand housing/apartments for sale (ranked #5 in the Japan) • —
- 15 **Hotel Park Lane** • 2000. 9 • <http://www.htlparklane.co.jp> • Reservations/availability confirmation portal for Park Lane hotels. • Park Lane
- 16 **iShipExchange** • 2000. 7 • <http://www.ishipexchange.com> • Web site for procurement of spare parts, stores, and other ship supplies. • Fairmont
- 17 **OceanConnect** • 2000. 9 • <http://www.oceanconnect.com> • Web site for real-time auctioning of marine fuels and cargoes, and e-procurement for marine goods and services. • Shell, BP, Texaco, Nisseki Mitsubishi

Mitsui & Co., Ltd.

- 1 **mitsui GLOBAL STRATEGIC STUDIES INSTITUTE** • 1999. 10 • <http://mitsui.mgssi.com/> • Total business consulting, and development of promising business models. • —
- 2 **Curio City** • 2000. 3 • <http://www.curio-city.com/> • Management of portal site for shopping, the advertisement service on the internet, and website building for business. • The Sumitomo Mitsui Banking Corp., SENSUKAI CO., LTD., Mitsui Knowledge Industry
- 3 **Food's Foo** • 1996. 10 • <http://www.foods.co.jp> • Web site for consumers specialized for food. • —
- 4 **Licene Online** • 2000. 2 • <http://www.licenseonline.ne.jp> • Support for dealing of software license. • Licene Online
- 5 **Saibai Net** • 2000. 4 • <http://www.saibai.net> • e-marketplace for vegetables and fruits. • Saibai Net
- 6 **i-4S system** • 2001. 4 • — • Support for trade of steel materials with IT. • Nihon Unisys, Ltd.
- 7 **ActionSCM** • 2001. 12 • — • SCM solution service using CPFR system for retailers, wholesalers, and manufacturers. • Retailer, Wholesaler, Manufacturer
- 8 **Procurezone** • 2000. 7 • <http://www.procurezone.com> • e-marketplace for materials of plant building. • Procurezone
- 9 **e-koubai.com** • 2000. 7 • <http://www.e-koubai.com> • Website for the sale of office materials. • TOSHIBA Information Systems (japan) corp.
- 10 **e-Plastics** • 2000. 8 • <http://www.e-plastics.gr.jp> • Total solution provider of plastics. • —

- [11] **e-bossjapan** • 2000. 9 • — • Logistics and settlement support service. • NTT Data Corp., MOSHI MOSHI HOTLINE INC.
- [12] **HYPER WEB** • 2000. 9 • <http://www.hy-perweb.com> • e-marketplace for parts of a machines. • HYPER WEB, INC.
- [13] **SuperNet Solutions Corp.** • 2000. 9 • — • On-line credit service. • NTT Communications, The Sumitomo Mitsui Banking Corp., Mitsui Marine & Fire Insurance Co., Ltd., Visa
- [14] **QVC JAPAN** • 2001. 4 • <http://www.qvcjp.com/> • TV shopping. • QVC (USA)
- [15] **DoCoMoAOL** • 1997. 4 • <http://www.jp.aol.com/> • Total internet service provider. • NTT DoCoMo, Inc., AOL (USA), Nihon Keizai Shimbun, Inc., Nikkei Business Publications, Inc.
- [16] **Cybercash** • 1997. 4 • <http://www.cybercash.co.jp/> • On-line settlement service. • SOFTBANK CORP., OMRON CORP., Cybercash, ORIX CORP.
- [17] **e-Carnet** • 1999. 4 • <http://www.e-carnet.co.jp/> • On-line information service specialized for motor vehicles. • Aucnet Inc., Tokyo Broadcasting System, Inc (TBS), art.net
- [18] **Symix** • 1999. 10 • <http://www.symix.co.jp/> • Sales of the ERP system for manufacturers. • Symix (USA)
- [19] **Money Park** • 2000. 6 • <http://www.money-pk.com/> • Portal site for the financial services. • The Sumitomo Mitsui Banking Corp., The Nomura Securities Co., Ltd., Nippon Life Insurance Company, Mitsui Marine & Fire Insurance Co., Ltd., The Chuo Mitsui Trust & Banking Co., Ltd.
- [20] **Japan Net Bank** • 2000. 10 • <http://www.japannetbank.co.jp/> • The bank conducting business exclusively over the internet. • The Sumitomo Mitsui Banking Corp., FUJITSU LTD., Nippon Life Insurance Company, The Tokyo Electric Power Co., Inc., NTT DoCoMo, Inc., Nippon Telegraph and Telephone East Corporation (NTT EAST)
- [21] **Link Share** • — • <http://www.linkshare.ne.jp/> • Affiliate marketing service. • Link Share Corp. (USA)
- [22] **Vantive (People Soft)** • — • <http://www.vantive.mitsui.co.jp/vantive/> • Development and sales of CRM systems. • Vantive corp. (USA)
- [23] **Viador** • — • — • Sales of the EIP (Enterprise Information Portal) software. • Viador (USA), BSI
- [24] **DMIND** • — • — • e-business consulting. • DMIND (USA)

Mitsubishi Corporation

- [1] **Web Paddock** • 2000. 3 • <http://www.webpaddock.com> • An advanced business incubation service which incubates and supports prospective new business schemes before sending them out to the world. • B-Incubation Japan Inc, EC-One, Inc.

- [2] **e-WeatherClub** • 2000. 10 • <http://www.mcrc.com> • Web site for Weather Derivative inquiries/quotations. • Tokio Marine, Mitsui Marine, Societe Generale
- [3] **e-PropertyClub** • 2000. 1 • <http://www.mcrc.com> • On-line application site for diagnosis on earthquake resistivity of houses/buildings. • EQE International, Dia Reform, MC Insurance Center, Tokio Marine
- [4] **e-milenet** • 2000. 12 • <http://www.e-milenet.com> • Web-mall providing reward points exchangeable for JAL mileage. • Japan Airline
- [5] **eMerchantBank** • 2001.4 • <http://www.emerchantbank.co.jp> • On-line financial service provider for B2B e-Commerce. • —
- [6] **e-LogiT** • 2001. 2 • <http://www.e-logit.com> • Logistics service provider for e-Business • e-LogiT
- [7] **shin-geneki Net** • 2001. 4 • <http://www.shingeneki.com> • Web site for middle-aged and senior people. • Okamoto Associates, ANA, NTT communications, Toshiba, etc.
- [8] — • 2001 autumn • — • B2C life support site providing financial services, information & products. • Bank of Tokyo-Mitsubishi, Mitsubishi Trust & Banking, Tokio Marine, etc.
- [9] **eMATRIX** • — • — • On-line payment system for B2B e-Commerce. • ORIX, Nippon Steel, Cosmo Harmony
- [10] **Globe Xplorer, Inc.** • — • <http://www.globeexplorer.com/> • Sales of satellite imageries by internet (for B2B) • Sun Microsystems, Informix software, MAPQUEST.com, Inc
- [11] **Information Warehouse** • 1998. 10 • — • To deal semiconductor materials on virtual private network. • Mitsubishi Electric Corp. (and other main semiconductor materials companies)
- [12] **Spaceterior, Inc.** • — • — • To provide broadcasting services using a digital communications satellite (CS) situated in the 110 degree-east orbital slot. • TOKYO FM Broadcasting Co. Ltd
- [13] **Sports Navigation Inc.** • 2000. 7 • <http://www.sportsnavi.com> • Portal site of sports information . • Dentsu Inc., Wit Japan Investment Inc.
- [14] **d-rights, Inc.** • 2000. 3 • <http://www.d-rights.com> • Producing animation programs, and merchandising. Rights management. Media buying, and arranging sponsors as an advertising agent. Domestic and overseas licensing • TBS, TV Tokyo and other terrestrial broadcasting companies, TAKARA Co., Ltd., Shogakukan Inc. etc.
- [15] **HitPops, Inc.** • 2001. 8 • <http://www.hitpops.co.jp/> • Broadband content delivery service for cable television stations. • Space Communications Corp., Tokyo Electric Power Co., etc.
- [16] **PLAT-ONE Corp.** • 2002 spring • <http://www.plat-one.com/index.htm> • To provide platform service for broadcasters using a digital communications satellite (CS) situated in the 110 degree-east orbital slot. • Nippon Television Network Corp., WOWOW Inc., NTT Communications Corp., and NTT DoCoMo Inc.

- [17] **AT TOKYO Corp.** • 2000. 9 • <http://www.attokyo.co.jp/> • Data center business with the administration of the information and telecommunications systems. • Tokyo Electric Power Co., Tokyo Telecommunication Network Co., Inc., INTEC Inc., Mitsubishi Corp., Mitsui & Co., Ltd., Sumitomo Corp.
- [18] **TANKER NET** • 2000. 9 • <http://www.tanker-net.com> • shipping • An internet-based marketplace for the East of Suez AFRAMAX tanker chartering. • —
- [19] **Special steel cyber market “Tecchan”** • 1999. 12 • <http://www.tecchan.com> • e-marketplace for selling the stock of special steel. • Ryotetsu
- [20] **Mitsubishi Parts Management System (MPMS)** • 2000. 12 • power generating plant • Spare parts procurement for the power generating plant. • Mitsubishi Heavy Industries, LTD
- [21] **Trade-Ranger** • 2000. 9 • <http://www.trade-ranger.com> • The premier Internet-based global marketplace for goods and services traded in the energy and petrochemical industries. • Joint initiative by 14 companies, bp, Royal Dutch Shell, Dow Chemical, etc.
- [22] **FreeMarkets, Japan** • 2001 • <http://www.freemarkets.com> • Leading B2B global marketplace and eSourcing solutions provider, delivering average 15% savings on direct goods for clients. • FreeMarkets, Inc
- [23] **Project-Stations** • 2000. 12 • <http://www.project-stations.com> • Service provider for web-based project management & collaboration system (ASP) • Microsoft, HP & Plus-T Inc
- [24] **ChEM-CALS** • 2000.1 • — • Marketing & sales support system mainly for specialty & fine chemicals. • —
- [25] **Commerx.com** • 1995 • <http://www.commerx.com> • ASP (Application Service Provider) for EDI (Electronic Data Interchange) systems between sellers/buyers of plastics products in the main. • MITSUBISHI INTERNATIONAL CORPORATION, NYPRO, CYRO, GRAHAM PACKING CO.
- [26] **Linercargo.com** • 2001. 4 • <http://www.linercargo.com> • Reverse auction site for dry containers ocean freight. • —
- [27] **Computer Aided Redesign Of Logistics** • 1995 • — • Business solution with order management and supply chain management for GMS. • —
- [28] **MCvegefru.com** • 2000.9 • For any inquiries: vegefru@org.jp.mitsubishicorp.com • B2B website specialized for fresh vegetables & fruits. Offer growth information to buyers and sales information to growers. National retail chains and major grower organizations are using it. • major grower organizations and major supermarkets
- [29] **Merchan Town II** • 1999. 4 • — • B2E solution focused on the online sales within the corporate intranets. • —