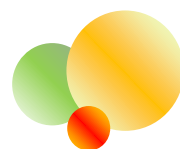




Profile of CO-OPTRADE JAPAN LTD.

2018 - 2019



Greetings from the President

CO-OPTRADE JAPAN LTD. (CTJ) is a wholly-owned subsidiary of Japanese Consumers' Co-operative Union (JCCU). As a foreign trade department of JCCU, CTJ currently manages 7 offices across the world, working on the development and procurement of products to supply to member co-ops of JCCU nationwide.

Co-ops in Japan drive their businesses and operate with a mission of "creating a more human lifestyle and sustainable society through the concerted efforts of autonomous citizens." There are about 29 million co-op members throughout, the net revenue amounts to about 3.49 trillion JPY. Since co-ops are owned and democratically controlled by its members, they develop products aiming to realize members' wish, reflecting their members' voices.

As a part of the organization, CTJ continues to develop and supply products that will put a smile on co-op members' faces, and improve the safety, quality, and reliability in foreign products, while striving to "realize the dreams" of co-op members. We aim to proactively develop products that use environmentally-friendly and sustainable ingredients, products made with attention to freshness and taste, and products that will improve the daily lives of the members.

To realize these goals, CTJ continues to tackle new challenges, while preserving the win-win relationships with both foreign and domestic business partners.



Naoyoshi Nakano, President of CO-OPTRADE JAPAN LTD.

History

- 1956 - Established the predecessor company of CTJ
- 1960 - Began importing Okhotsk herrings
- 1971 - Began trade with Canadian Fishermen's Co-op
- 1973 - Launched unbleached herring roe products
- 1976 - Began importing shrimp from the Philippines
- 1981 - Launched Italian spaghetti and USA frozen vegetable products
- 1987 - New office established in Shanghai
- 1989 - New offices established in Bangkok and Seattle
- 1997 - CO-OPTRADE JAPAN LTD. established
- 2000 - New office established in Singapore; Seattle office becomes incorporated (CTA)
- 2007 - New office established in Ho Chi Minh City; began importing kitchen groceries from China
- 2008 - New office established in Qingdao; launched processed poultry products from Thailand
- 2009 - Launched Italian olive oil
- 2010 - Launched processed capelin products from Thailand
- 2012 - Launched paper-packed tomato products from Italy
- 2016 - Launched frozen pizza from Italy, canned tuna products from Thailand

Overview

Company Name	CO-OPTRADE JAPAN LTD.
Initial Capital	20 million JPY
Owner	100% Owned by Japanese Consumers' Co-operative Union
Description	In reference to the service agreement signed with JCCU: <ul style="list-style-type: none"> • Development and procurement of direct-trade CO-OP Brand Products • Management of trade settlement and its incomes and expenditures, and product quality control • Procurement and sales of raw ingredients used in CO-OP Brand Products • Procurement and quality control of imported products other than CO-OP Brand Products offered by JCCU
Offices	• Headquarters located in Tokyo • 7 foreign offices in 6 different countries
President	Naoyoshi Nakano (JCCU Operating Officer)

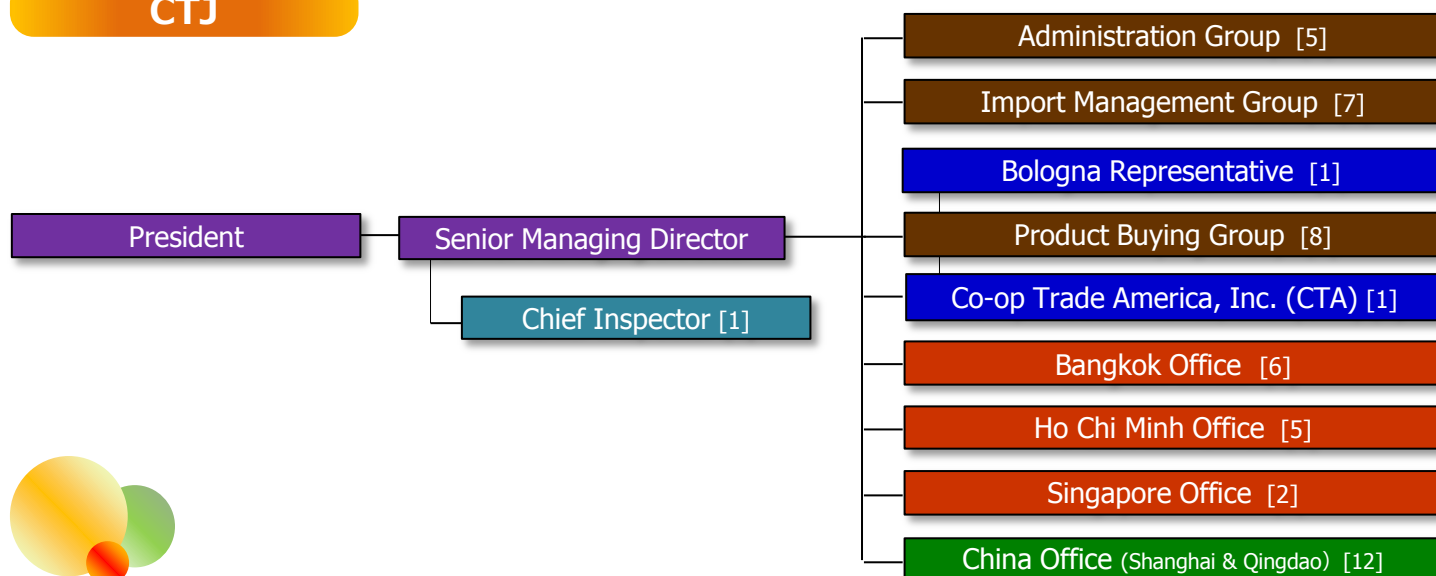
Office Locations

CO-OPTRADE JAPAN LTD.

- Head Office ... 3-29-8 Co-op Plaza Building, Shibuya-ku Tokyo, JAPAN
- China Office (SHANGHAI) ... Room 1708 OOCL PLAZA NO.841 Yanan Middle Road, Jingan District, Shanghai, CHINA
- China Office (QINGDAO) ... Room 10A-23A, Yihe International Tower, NO.10, Hongkong Middle Road, Qingdao, CHINA
- Singapore Office ... 420 North Bridge Road #05-10 North Bridge Centre SINGAPORE 188727
- Bangkok Office ... ITF TOWER II, 18th Floor 140/39 Silom RD., Suriyawong Bangrak, Bangkok 10500 THAILAND
- Ho Chi Minh Office ... 4F, Unit 403, Vital Building.16 Dang Tat St., Dist.1, Ho Chi Minh City Viet Nam
- Co-op Trade America, Inc ... 263 West Bakerview Road Suite 405 Bellingham, WA 98226 USA

Organization Overview

CTJ



Product Buying Group

CTJ Product Buying Group supplies JCCU with direct-import products, and provides support to JCCU on the product development and procurement, by collecting up-to-date information about foreign suppliers and products. A wide variety of information is assessed and compiled, including product prices and specifications, comprehensive list and safety information of raw ingredients and packaging supplies, any applicable certifications, etc. In addition, various cost factors are assessed to ensure the product's competitiveness. We also audit the processing facilities with the Quality Assurance Div. of JCCU to verify that there are no foreseeable risks. Once the development process is finalized, we construct the production and shipping schedule, and advance the process while carefully evaluating the packaging designs and colors, container loading, and sample products, etc. to ensure that the actual products meet the agreed specifications. The last process of the development is to observe the production of the final products, while analyzing the specifications and quality from various perspectives, in order to be able to deliver products to Japan as expected, responsibly and reliably.

Import Management Group

CTJ Import Management Group is responsible for import-related duties for all direct-import products. Communicating with relevant departments of JCCU to process the shipments through the Japanese Customs while paying attention to product quality, customs processing schedule, procedures, and requirements, to move the cargos to the designated storages of member co-ops or JCCU, at the same time inputting logistics and accounting data to submit to JCCU. In case of an issue, we become the window of contact and perform the legwork, while communicating with JCCU's merchandising, product assurance, and logistics departments.

From 2014, we began taking on duties formerly performed by JCCU for some of the direct-import products, such as order placement and management of inventory and logistics costs, and improved the operation in terms of income and expenditure, in combination with JCCU's merchandising department and CTJ's Product Buying Group. In order to realize consistent management of the supply chain, from the cargo leaving the factories abroad to being received at one of JCCU's branches, we strive everyday to contribute to the businesses of JCCU.

Administration Group

CTJ Administration Group consists of 5 members, 4 female employees and a manager.

◆ Management of budget and accounting for the entire organization

Cooperating with the seven separate foreign offices, all with different currencies and local laws, we check expenses and manage the budget execution.

◆ Processing of payments, reservation of exchange, and all other accounting tasks related to direct importing

Since each transaction involves a large sum of money, we strive to ensure and maintain appropriate earning through accident-free transactions, while paying close attention to the constantly-changing currency market.

◆ General affairs and public relation affairs of the entire CTJ, including the foreign offices

Each foreign office require a different approach and understanding of the local laws and customs. By communicating frequently with the local managers, we aim to provide appropriate management and create a rewarding work environment for all employees.

Bologna Representative

CTJ's representative in Bologna is responsible for the quality control and communication between suppliers of Italian products, such as dry spaghetti, olive oil, paper-packed tomatoes, canned tomatoes, and frozen pizza products, traveling all over Italy to oversee the production and perform the inspection of CO-OP Brand products.

By combining the Italian passion for authentic flavors with the thoughtfulness of the Japanese culture, we strive not only to deliver the final products to Japan as expected, but to deepen the trust between the suppliers in Italy and CTJ.

◆ Overseeing the communication and negotiation between CTJ and Italian suppliers

◆ Observation of production, inspection of the final products, and relevant recordkeeping

◆ Accompanying visitors from Japan and providing interpretation

◆ Compiling and reporting information from suppliers

◆ Attending trade shows throughout Europe and collecting information

◆ Accompanying Italian suppliers when visiting Japan, and providing interpretation

China Offices (Shanghai & Qingdao)

The main responsibility of the China offices is comprehensive quality control of CO-OP Brand products, such as the management of harvest sites, inspection of ingredients and supplies used in production, and supervision of the logistics and shipping process. We also conduct on-site investigation and devise corrective actions in response to customer inquiries and complaints. In addition, we collect and distribute up-to-date information in regard to local laws and requirements, as well as developing new products, through market research and participation in trade shows.

◆ There are 7 employees working at the Shanghai office (3 in Product Team, 3 in E-Commerce Team, and 1 Manager), managing the production of seafood products (herring roe, shrimp), snacks (sweet chestnut), processed food (canned peaches, canned mixed fruits, etc.), household items (garbage bags, couch covers, etc.), etc.

◆ There are 5 employees working at the Qingdao office (2 in Product Team, 2 in E-Commerce Team, and 1 Manager), managing the production of frozen products (fish sticks, frozen taro), processed food (starch vermicelli), seafood (horse mackerel), etc.

Our mission is to contribute to the development of products that can only be offered abroad, improve the services offered by adhering to the business plans of JCCU, to make co-op members more satisfied. In addition, we strive to meet the ever changing needs of the modern society, focusing on developing environmentally-friendly products, and ensuring the quality and safety of the products from ethical and food defense perspectives.

Bangkok Office

We continue to strive everyday in order to deliver better CO-OP Brand products to our members.

◆ Employees: 6 total, 85% female

Years of Experience: 3-15 years

◆ Types of CO-OP Products:

Processed poultry, canned tuna, processed shrimp, processed capelins, salted sockeye salmon fillets, frozen takoyaki, frozen green beans, etc.

◆ Number of Direct Export CO-OP Products: 50 SKU

◆ Number of Containers Shipped in 2017: 355FCL

◆ Distance From Office to Supplier: 30 - 700Km

◆ Rewarding Moments:

- When a new product ships out as planned
- Successfully cooperating with suppliers to address a problem found
- When co-op members tell us "It was delicious" or "Where can I buy more?" through JCCU's customer service center.

Singapore Office

In Singapore office, the main responsibility is to manage the production of direct-import shrimp products from various areas of Indonesia (South Sulawesi, North Kalimantan and Semarang). Our buy now is Black Tiger shrimp (farmed) and white shrimp (Vannamei). Sea-catch shrimp is currently added to our list too. About 20 varieties of products are offered. Mainly breaded shrimps, shrimp cutlet, salad shrimp, headless shrimp, PDO shrimp, easy peel, etc.

We have staff visiting each factory twice a month. Their task is to perform duties such as final products inspection, tasting it's sweetness and texture, production line inspection and complaint analysis, etc.

In addition, we assist JCCU's quality assurance department in conducting annual factory audit. We also provide services such as sourcing of new suppliers, product development, and sample testing. In order to provide a consistent supply of our quality products, we communicate regularly with our suppliers to ensure smooth production and shipment schedules.

Co-op Trade America, Inc.

The main purpose of Co-op Trade America, Inc.(CTA) is to provide assistance to JCCU in developing and procuring direct import products from the Americas. Responsibilities include translation of documents, interpretation in meetings, market research, certificate maintenance, and customs processing, but the most important task is the quality control of CO-OP products before arriving in Japan. All direct-import products handled by JCCU must have the production observed, and the final products inspected by the local staff prior to leaving the factory.

CTA manages various types of product, ranging from frozen vegetable and fruits, soybeans, herring roe, frozen bagels, canned corn, herring roe, etc.. By routinely visiting all of the processing factories and the harvest sites of the ingredients in order to verify, maintain, and improve the production management, and at the same time understanding the JCCU's expectations in regard to management and quality standards, we strive everyday to improve the quality of CO-OP Brand products with the local suppliers.

Ho Chi Minh Office

The two main responsibilities of Ho Chi Minh Office are divided into two categories; providing support to JCCU's Merchandising Div. and Catalog Sales Div.

◆ Support to JCCU's Merchandising Div.

1) Direct-trade products (2 factories for shrimp, 1 for fried products) ... Production observation, final product inspection, sensory testing, observation of the container loading, complaint analysis, follow-up of corrective actions.

2) Indirect-trade products (2 factories for mackerel) ... Product inspection and sensory testing, observation of the production

◆ Support to JCCU's Catalog Sales Div.

1) Routine audit of factories located across Asia (Vietnam, Thailand, Cambodia, Indonesia, Malaysia, Laos, India, Myanmar, etc.)

2) Research, information collection, etc.

◆ Other Duties

New supplier research upon request from CTJ or JCCU's Merchandising Div., gathering local news and trends, etc.

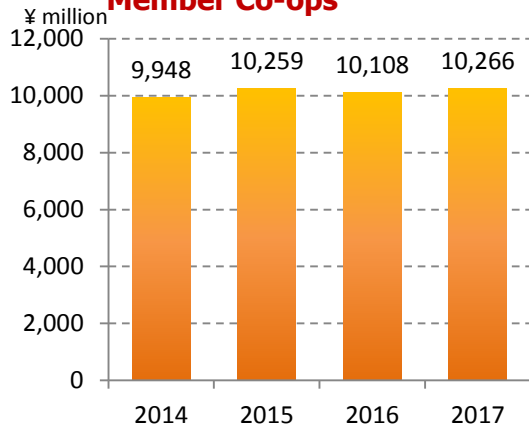
JCCU's Direct Trade Business



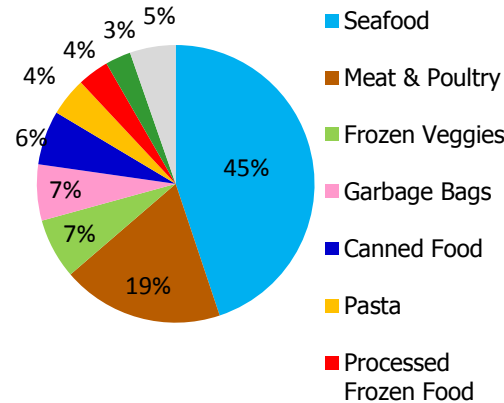
Sales Figures

The total revenue of directly imported CO-OP Brand Products, managed by CTJ on behalf of JCCU, exceeded 10 billion JPY in FY2015 and has been increasing since. Seafood, consisting mainly of shrimp products, was the highest grossing product category, and Products from South Asia accounts for over 60% of the total revenue.

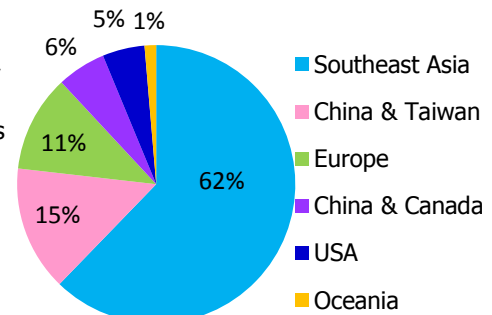
Annual Revenue to Member Co-ops



Revenue By Product Category (Sales to Member Co-ops)



Revenue By Area (Sales to Member Co-ops)



CO-OP Products

CO-OP Crispy & Tender Fried Shrimp 5pcs x 2

The most popular product behind the CO-OP fried shrimp lineup. It is made using the black tiger shrimps. Offered in four different packaging sizes to meet a variety of demands, the whole series sells over 1.1 billion JPY annually. While microwaveable products are becoming more common, demand for this product does not slow down despite it needs to be cooked with oil, thanks to its great taste and texture.



★ 2017 Sales Volume to Member Co-ops: 420 million JPY

CO-OP Italian Spaghetti

Long-seller product first launched in 1981 as a collaborative effort with Italian consumers' co-operatives. Made with semolina flour from durum wheat since the product launch, it continues to provide the Japanese co-op members with an authentic Italian flavor for a reasonable price.



★ 2017 Sales Volume to Member Co-ops: 440 million JPY

CO-OP Frozen Poultry Products

While it is a relatively new product among the popular direct export products of CO-OP, but frozen poultry products from Thailand have been common in markets across Japan even before becoming a CO-OP Product. Many members purchase them every month, as the members have always been very familiar with the product.



★ 2017 Sales Volume to Member Co-ops: 190 million JPY

CO-OP American Frozen Vegetable Products

Now a staple in every household's freezer, CO-OP frozen vegetable products from USA were launched in 1981 with a long history. The most popular products within the lineup are mixed vegetables, offered in two varieties; a typical 3-way mix of corn, carrots, and green peas, and a 4-way mix with onions added. From 2016, organic varieties have been added to the lineup.



★ 2017 Sales Volume to Member Co-ops: 400 million JPY

CO-OP Semi-transparent Garbage Bags 45L x 100 bags/box

Semi-transparent for versatility, boxed container for easy storability, and a large capacity including 100 bags in a pack, it is a very popular product among many disposable kitchen items, designed with strength and ease-of-use in mind. It is a must-have for moving and redecorating the house, end-of-the-year cleaning, or daily living in general.



★ 2017 Sales Volume to Member Co-ops: 350 million JPY

CO-OP Herring Roe Products

Launched in 1973, CO-OP herring roe products continue to be offered without using any bleach. In order to deliver roes of this quality, JCCU staff is committed to always being present at the factories while sourcing the ingredients in Canada, as well as grading and processing which are done in China, overseeing the production and inspecting the products.



★ 2017 Sales Volume to Member Co-ops: 580 million JPY (Raw material basis)