

## JCCU Establishes New Electric Power Company

On June 20, JCCU announced the establishment of a new power company the "Earth Club Co., Ltd." which is a subsidiary of JCCU and CX Cargo with a business capital of 30 million JPY.

(CX Cargo is also a 100% subsidiary of JCCU).

The new firm, which aims at promoting integrated power generation and use of renewable energy will produce and supply energy mainly to cover the energy demand of JCCU business facilities. Other services include buying and selling of solar power and providing consultation and support services on other energy-related products to member co-ops who are advancing their own energy business. The facility will have a production scale of 5.7 MW.

For now, the business is limited to the Tokyo metropolitan area and JCCU business facilities will receive energy produced from the solar panels installed on CX Cargo distribution center in Okegawa city in the Saitama Prefecture.

By taking advantage of the Feed-in Tariff System (FIT), the Earth Club Co., Ltd. will sell power to JCCU at a level equivalent to that of the normal electricity prices.

Through the wholesale electricity market, the facility will procure from small hydro-power and biomass power producers to meet any shortfall to balance the supply and demand from JCCU.

A back-up contract is signed with a public-power-supply company (Tokyo Electric Power) in a preparation for the case where it cannot supply from its own channel.



## JCCU held the 64<sup>th</sup> Annual General Assembly

On June 13, 2014, the Japanese Consumers' Co-operative Union (JCCU) held its 64th Annual General Assembly in Tokyo.

Out of the 659 representatives to the General Assembly, 458 attended in person, 7 by proxy and 194 by document.

The meeting was honored to receive congratulatory messages from many dignitaries including Dame Pauline Green, the President of ICA, Mr. INOUE Masahiro, Ministry of Health, Labor and Welfare (MHLW), and Mr. BANZAI Akira, Chairperson, JA-ZENCHU (Central Union of Agricultural Co-operatives).

All the eight bills including "the 2013 business and financial reports", "the 2014 business plan and the budget", were all passed by majority votes.

At the opening remarks, the President of JCCU ASADA Katsumi, described the living environment of the stricken area of the Great East Japan Earthquake as being still severe and expressed the necessity for continuous measures without being weathered, for the reconstruction assistance.

He also mentioned that JCCU and member co-ops initiative to conclude "Regional Protection Agreement" with various local governments in the fiscal 2013 was an area with great achievement that really enhanced co-op visibility among the communities and the members.

Major policies for 2014 include, "advancing managerial competencies to maintain affordability of co-op products in response to the rising consumption tax", "further strengthening CO-OP product competitiveness"

In addition, efforts to protect members livelihood, peace efforts, commitment to energy issues, practical case studies aimed at strengthening business management,

were among the major discussions that took place.



Opening Remark (Asada Katsumi)



Mr. INOUE Masahiro's congratulatory message



State of the entire discussion

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## JCCU publishes new materials for dietary education activities

JCCU launched a dietary education program titled 'Taberu Taisetsu Kids Club' (healthy eating kids club), in 2006, targeting elementary school children and their families.

The program provides study materials to children four times in a year.

Using the materials, children could learn the importance of food and train themselves about their daily diet.

JCCU has published a new teaching material designed to prompt children's interest in food education and to stimulate communications at home through cooking interactions with their parents.

To support a healthy eating lifestyle and to allow members and children to think about the importance of eating, Co-op promotes activities such as farming experience, exchange with producers and cooking classes.

JCCU published this new material so that through the activities in it, children themselves become the leading role in learning about the importance of food in their lives.



The material is utilized in food education activities addressed by Co-ops nationwide.

## 2013 JCCU Business Report and Key Issues in 2014



SHIMADA Hiroyuki  
Managing Director (CEO)

At JCCU's General Assembly held on June 13, Mr. SHIMADA Hiroyuki, Managing Director/CEO reported that in fiscal 2013 (April 2013-March 2014) consumer co-ops achieved an increase in both sales and profits.

According to the business report, membership of the community-based retail co-ops exceeded 20 million (actual figure 20,100,000) for the first time, recording an increase of 260,000 compared with the previous year.

The total business turnover obtained was 2.68 trillion JPY (101.3% year-on-year). Excluding Co-op Insurance and the Welfare businesses the total turnover recorded an increase of 1.3%, a value of 2.582 trillion JPY. This result might have been partly influenced by the buying rush before the consumption tax hike in April.

However, the ordinary surplus rate did not reach the target of 2%. The actual value obtained was

1.33%, which is an extension of 0.26 point from the 2012 fiscal year.

The home delivery business sales increased by 2.1% from the previous year to a value of 1.68 trillion JPY reflecting the 3.8% increase in sales of the individual delivery that amounted to 1.077 trillion JPY, with the group delivery sales reducing from the previous year value of 602.9 billion JPY to 598 billion JPY.

Although the store business had the buying rush before the tax increase on April 1 2014, however, the sales decreased by 0.7 point from the previous year to a value 877.8 billion JPY, indicating the prevalence of severe business situation.

Again the average amount of purchase by members has reduced from the previous year value of 11,298 JPY to 11,235 JPY indicating that increasing membership did not help maintain sales.

With regards to the trend of CO-OP products, Mr. Shimada said at a press conference after the general meeting that frozen foods were popular. Sales of half-cooked and precooked goods were increased, while processing foods made little increase.

One of the major issues of business in 2014 is to support members living by improving the convenience of CO-OP product. JCCU would also strengthen CO-OP product competitiveness by re-checking the taste and value and promote members loyalty and participation through the "Love Co-op campaign."

## Co-op members expanding "Love Co-op Campaign"

Under the theme "Let's expand Love Co-op" a gathering was held by a group of co-op members on June 12 2014, to expand the campaign that intends to promote members loyalty for CO-OP products.

This event was planned and held as one of the series of events organized at various places across the country where members could see and experience values of CO-OP products in display, have the chance to interact with fellow members and Co-op employees with CO-OP product as theme. 314 members from 44 co-ops nationwide took part in the gathering.

The days event included product tasting, soup tasting and trying individuals favorite dressing.

Members also enjoyed surprised arrangement of jam and handmade chocolate fondue.

Members opinion and comments on the products tasted were collected which will be used to reflect on the development and improvement process of CO-OP products.

There were smiles and feeling of satisfaction on the faces of members as the meetings came to an end.





## Co-op PAL System Chiba certified as child-rearing support company

On May 29 2014, PAL system Chiba was certified as a child-rearing support company at the first holding of the ceremony in fiscal 2014, organized by the Labor Department of Chiba Prefecture. This is the second time PAL system has won the award.

PAL system was recognized as a company that has created a workplace compatible for work in conformity with the standard requirements of Ministry of Health, Labor and Welfare law to promote measures to support the development of the next generation.

In the period of the authorized action plan (October 26 2011 to October 31 2013), Pal System Chiba made great efforts to achieve the target in the action plan.

The target achieved during the period include, granting childcare leave for 12 male employees and all women staff who requested for childcare leave to achieve results that is significantly higher than the target.

Other previous achievements were evaluated such as PAL system being honored twice as "Kurumi certified employer" in 2011.

PAL system received encouragement from the bureau chief saying " I hope you will get the award again by all means for the third time".

Companies that have been certified as "child-rearing support company" are allowed to use the certification mark (nicknamed Kurumi) as shown below for products, advertising and classified ads.



## Niigata Prefectural Consumer Co-op Union wins Award

Niigata Prefectural Consumer Co-operative Union was awarded the "2014 Cabinet Office Minister Extraordinary Award" for being recognized as an organization rendering distinguished consumer support service. The ceremony was held in the Prime Minister official residence on May 26.

This commendation for distinguished consumer support service has been carried out since 1985 as a system which commends individuals or organizations that are active in various fields for the advocacy and promotion of consumer interests.

Reasons for the award to the co-op union are as follows:

- ✓ Being instrumental in the establishment of the "Consumer Network Niigata", and being responsible for the secretariat function after the establishment.
- ✓ Promoting communication between consumers and producers by organizing "lecture to think about the safety and security of Niigata food products" at various places within the prefecture.
- ✓ Signed an agreement with the local government of Niigata Prefecture to supply emergency relief items in the event of a disaster. Also, the prefectural union greatly contributed to the relief effort in the recent heavy rain in Niigata and Fukushima.
- ✓ Provided assistance to victims of the Great East Japan Earthquake and assisting the implementation of "Children's recreation project of Fukushima".

The Chairperson of the prefectural union Mr. TASAI Eitoshi said "the award is not only for the union but it is a symbol of the governments recognition for co-op movement in Niigata Prefecture, including the various activities of the Co-op members.

While appreciating deeply the support and cooperation of member co-ops in the meantime, I wish the award will bring happiness to the union and all member co-ops".



## Fukui Citizen Co-op extends food assistance to the needy

In response to the Prefectural Social Welfare Council's request, Fukui citizen co-op provides food items to the needy in the community.

The food items are distributed through the social welfare council of each city or town in the prefecture to the handicapped and people without job and have no public assistance.

The items are mainly groceries collected from seven Fukui Citizen Co-op stores which have no problem of quality but near expiry date. They include frozen foods, instant noodles, cup noodles and some beverages all totaling 1,600 items.

At the handover ceremony, Mr. HINOHARA Hiroki, Executive Director of the citizens Co-op handed the food items to Mr. IGARASHI Yoshinari, Managing Director of the Social Welfare Council and said, "the prefectural co-op is an organization of mutual help and it is made to help all people in the prefecture".

Fukui Citizen Coop will continue this effort and aims to deliver food items again to the welfare council in October this year and also in January next year.

The Fukui credit bank had also cooperated in this business with the social welfare council, and has distributed about 200 items until now.



Scene at the handover ceremony

## JCCU submitted "Opinion on Gas System Reform"

On June 10, 2014, JCCU submitted to the Agency for Natural Resources and Energy, Ministry of Economy, Trade and Industry, an opinion on the gas system reform.

Currently the Ministry is supplying gas in a stable manner and inexpensive, however, for the realization of a gas system where consumers could have variety of choices, gas industry system reform is being considered by the ministry. In respect of this, public comment on the institutional design has been made.

JCCU, from the standpoint of consumers, and also as a measure to ensure the realization of low and stable gas fee and to broaden consumer choice, submitted an opinion to the ministry on the gas system reform to ensure consumers easy and secure use of city gas.

## Deepening understanding about food allergy

JCCU has released a card game material "RanRan Lunch" that helps children over six years old to deepen understanding about food allergy.



The "RanRan Lunch" material was developed by Doctor HORIGUCHI Itsuko and her laboratory group at the Juntendo University School of Medicine, Public Health Department targeting elementary school children. The material is developed through a simulated experience and by enjoying oneself as a game, one can learn about how to choose a menu that avoids allergen. The material provides useful information to co-op members with children who have food allergy problems.

## News in Brief

### Co-op Kobe launches online sale of over-the-counter drugs

Co-op Kobe on June 14, announced the start of online sales of OTC drugs (over-the-counter drugs), that could be sold without a doctor's prescription, as a ban on the online sales of the drugs was lifted with the enforcement of Japan's revised Pharmaceutical Affairs Law on June 12.

Co-op Kobe is the first consumer co-op in Japan to take advantage of the amended law to provide convenient access to OTC drugs especially to senior citizens living in the food deserts.

It is expected that internet sales of OTC drugs would perform well in the coming years due to Japan's aging population.

An online shopping site for the Co-op "Co-op Sheer Drug Net Shop" has been launched and the first order was received on June 16.

For now sales of drugs have been limited to 15 stores even though co-op members are requesting for the increase of the sales outlet.

An order is accepted from 5:00 a.m. till the following morning 1:00 a.m. Symptoms and precautions for use are confirmed through the exchange of e-mail between 10:00 am and 21:00 p.m. with a registered pharmacist located

at Sheer Kobe Higashinada store. About 700 items are being handled at the moment and the numbers would increase shortly.

The sales target for the first year is about 480 million JPY.

The co-op staff in charge of the online sale cautions customers to learn how to take their over-the-counter medicines safely to avoid side effects or potential interactions and how to get the most from the medicine.



She mentioned that Co-op will do everything in its capacity as OTC seller to provide consultation services to customers to make them have the feeling of security.

### Co-op Kumamoto held study meeting on CO-OP products

In co-op Kumamoto, as part of members voluntary circle activities, area co-op committees are formed where monthly meetings are carried out to discuss the usefulness/merit of CO-OP products. These meetings are usually joined by Co-op staff who receives members opinion and demands about CO-OP product and reports to management.

On April 19, the first learning session and food tasting in 2014 was held with the attendance of new committee members.

Mr. MACHIDA Katsuhisa manager of Marui food company, a manufacturing company that produces CO-OP products was invited as a lecturer.

He explained the special features about three CO-OP products in respect of ingredients, eating texture and why the products are good for lunch.

Through the committee meetings members are able to reaffirm the secret of taste of CO-OP products.



Learning session and tasting with CO-OP dressing organized on May 17

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