

### Message of Newly Appointed President of JCCU



HONDA Eiichi

I would like to send my warm greetings to all cooperators around the world as I assume the position as the President of JCCU.

JCCU was established in 1951 as a National Federation of Consumer Co-ops for the realization of "Peace and Better Life". Consumer Co-ops are supported by their local members who subscribe to the share capital, use the facilities and have a say in how the co-op is run. Co-ops tackle local and social problems and realize members' wishes through their businesses and activities in collaboration with local governments and others.

Today, Japan is facing a variety of problems such as widening gap in income between rich and poor, aging population, low birth rate etc. Because the principle of market mechanism cannot by itself solve these problems, the importance of mutual help and mutual support have become increasingly important.

Today, membership of consumer co-ops is more than 28 million nationwide. We will continue to be "dedicated to working with the people to realize a new society where smiles and trust abound" as stated in the "2020 Vision of Japanese Consumer Co-ops".



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## JCCU held the 67<sup>th</sup> Annual General Assembly

JCCU on June 16, 2017, held the 67<sup>th</sup> General Assembly in Tokyo. Out of the 656 representatives to the General Assembly, 450 attended in person, 7 by proxy and 199 by document.

The meeting was honored to receive congratulatory messages from many dignitaries including Ms. Monique Leroux, the President of ICA, Ms. JOZUKA Yumiko, Director-General, Social welfare and War Victims' Relief Bureau, Ministry of Health, Labour and Welfare (MHLW) and Mr. OKUNO Choe, Committee Chairman of the Japan Joint Committee of Co-operatives (JJC) and also the President of JA-ZENCHU (Central Union of Agricultural Co-operatives).

At the opening remarks, the President of JCCU, ASADA Katsumi, expressed his appreciation to the co-ops nationwide for their timely effort in various ways towards the revival of the Kumamoto earthquake and further asked the co-ops to continue offering assistance towards the ongoing reconstruction exercise.

He mentioned that, as poverty and expansion of inequality become serious social problems in daily life, co-op nationwide, besides the "Regional Protection Agreements" with the local governments which allow co-ops to confirm the safety of the elderly and report any risk situation to the offices of the local governments in the town or village for appropriate action to be taken, have been actively participating in the local community through comprehensive collaboration agreement with the local governments and related organizations in the areas of food education, child rearing and environmental preservation.

There was a debate session after the bill was proposed, in which 17 representatives gave remarks. Also among the major discussions that took place in a wide range of themes include,

co-ops commitment to create a community that everyone could live in with a sense of security, peace efforts, practical case report on business and report of members' opinions on product development.

Representatives from the co-ops in the areas affected by the 2011 earthquake also gave an appreciation remark for the various assistance from co-ops nationwide.

In addition, with the expiration of the terms of office of ASADA Katsumi as the President of JCCU, HONDA Eiichi was appointed to replace him.



Opening remarks: ASADA Katsumi



Ms. JOZUKA Yumiko (MHLW)

## JCCU Releases "Quality Assurance Report 2017"

JCCU manages the design, management and delivery of CO·OP Products based on its own quality and safety management system. Inquiries to the products and contents offered by co-op members are used to improve the product quality and prevent accidents.

In addition, in order to create a framework for social food safety, JCCU extensively engages in social communication by participating in various government committees and submitting public comments on food labeling to government agencies.

We are pleased to inform you that we have issued the "quality assurance report 2016" which summarizes the current status of JCCU's quality assurance efforts in collaboration with co-op nationwide.

The effort includes working with our business partners and other distribution companies to develop new food safety management standards in order to improve safety of domestic food production.

The report gives the flow of quality assurance system of CO·OP Products, including managing and inspecting raw materials, product inspection before delivery of CO·OP Brand Products and the figures and facts in the fiscal 2016.

One of the major achievements in the report include the development of new series of products for babies and toddlers. The report also covers the management of imported products through the setting of management policies that ensures safety at each step such as raw materials, manufacturing and processing, storing, and transporting. Information regarding how JCCU responds to inquiries and complaints are also featured.

For more detail of the 2016 report follow the link below:

[http://jccu.coop/eng/public/pdf/quality\\_assurance\\_report\\_2016.pdf](http://jccu.coop/eng/public/pdf/quality_assurance_report_2016.pdf)

## 2016 JCCU Business Report and Key Issues in 2017



SHIMADA Hiroyuki  
Managing Director (CEO)

At JCCU's General Assembly held on June 16, SHIMADA Hiroyuki, Managing Director/CEO reported that in fiscal 2016 (April 2016-March 2017) consumer co-ops nationwide achieved an increase in both sales and surplus. This trend has continued for four consecutive years.

According to the business report, membership of the community-based retail co-ops for the fiscal 2016 was 21.07 million an increase of 2.1% compared with the previous year. The total business turnover obtained was 2.73 trillion JPY (101.3% year-on-year) and the ordinary surplus rate was 1.83% which is an extension of -0.14 point from the 2015 fiscal year.

The home delivery sales increased by 1.7% from the previous year to a value of 1.64 trillion JPY given an ordinary surplus rate of 3.49%. A new home delivery business model with the utilization of IT and improvement of delivery convenience through effective logistics distribution infrastructure advanced.

In the case of the store business, reform towards overcoming the store deficit was advanced. To improve profit and loss, non-profitable stores were closed while advancing on store renewal and new store openings. However, the retail sales amount for fiscal 2016 had only a marginal increase of 0.2% with a value of 922.4 billion JPY and a minus surplus rate of 1.28% which is 0.15 point below the previous year.

With regards to CO·OP Brand Products, JCCU launched a new series of its sub-brand CO·OP Quality products and strengthened the product capabilities through "Love CO-OP" campaign, which aims at raising members loyalty for the products.

However, in the fiscal 2016, CO·OP products sales reached a value of 371.6 billion JPY which is 1.2% less than the previous year. The ordinary surplus was 54.7 billion JPY.

### Key Issues in 2017:

In 2017 fiscal year, together with the targets set forth in the 2nd three-year plan (2017-2019) of consumer co-ops nationwide, aiming to realize "Co-op Vision 2020", and JCCU's mid-term business policy (2017-2019), JCCU will fulfill its role as a national federation, to strengthen ties with co-ops nationwide in order to maintain suitable business structure that can further contribute to the realization of the ideals and vision of the co-op.

Priority Issue will include:

1. JCCU will support efforts to create a community where everyone can live in with a sense of security. We will support regional inclusive care system initiatives, disaster prevention and mitigation measures, promotion of comprehensive collaboration agreements including regional protection activities, efforts to improve understanding of dementia and share examples of initiatives across the country with the support of co-ops nationwide and local governments.

2. Management Issue:

We will challenge organizational reforms, such as fundamentally reducing costs, reviewing work and organizational ways to reduce total workload and improving productivity, aiming for management targets under the medium-term business policy.

3. We will continue to promote initiatives to strengthen co-op product competitiveness through the advancement of managerial competencies and the reflection of co-op members' opinion in co-op product development and improvement process to help maintain affordability of CO-OP Brand Products.

4. Securing and fostering young talent who will bear the future of co-op is also a major priority.

While the talent shortage and aging are progressing, securing and fostering human resources in co-op is also a big task, and in this respect, JCCU in cooperation with the co-op nationwide will start "human resource support center" to help with information exchanges for recruiting capabilities, establishment of organizational revitalization, personnel exchanges between co-ops across the country, career development support for young talent and training of specialized human resources.

5. On retailing business, we shall also advance efforts in the use of subscription promotion portal to increase home delivery users and advance initiatives to provide information to members who request it via WEB.

We shall also work towards improving the profitability of the store by strengthening the fresh food division.

## Social Contribution Activity Grant Exchange Meeting Held

On May 20<sup>th</sup> 2017, "Co-op Mirai Saitama Area Social Contribution Activity Grant Exchange Meeting" was held at Co-op Plaza Urawa.

It was participated by organizations that used the social contribution activities grant for projects in the fiscal 2016 and 2017.

Fifty-eight people from 37 organizations in Saitama Prefecture and 123 people including co-op members and employees working in the Saitama area attended the event.

A lecture was given by Ms. KURIBAYASHI Chieko of NPO corporation "Toshima Children's Wakuwaku Network" on the subject "Circle of spreading citizen activity – using the power of bonding to enrich the region".

She explained the situation about child poverty and how it could be solved by accepting children's SOS and connecting them with the various organizations in the area for a solution.

Reports on efforts and results from the organizations using subsidies for projects were given followed by exchanges and interactions among the eight groups.



Learning session with lecture by Ms. KURIBAYASHI (Children NPO WAKUWAKU Network) Chairperson.

## News in Brief

### Nara Co-op and Lawson opened a joint store

On June 2, 2017 Nara Co-op and Lawson Inc. opened a joint store "Nara Co-op with LAWSON Mamigaoka Store".

This partnership agreement to open the joint store of a super market and convenience store is anticipated to respond to community needs and to improve the shopping convenience of the local residence with a wide selection of products.

On the day of the opening an impressive number of about 1,800 people visited the store.

In addition to offering ordinary Lawson handling products and services, Nara Co-op has about 1,500 items of its original food products, daily necessities and perishable items.

The store has a corner with 51 seats where customers could relax, eat and drink purchased items.

While continuing delivery service of purchased items and shopping service, the store will also serve as a health station where health related consultations could be made as well as having a dispensing pharmacy where the purchase of prescribed medicines could be made (scheduled to be opened in August).

Many comments were received from customers at the day of the opening, such as:

"LAWSON and Co-op collaboration is the first of its kind in the area, the store is spacious and ..."

Starting with this opening, Nara Co-op will consider new services and store development with LAWSON tailored to the needs of the region.



### CO-OP Brand Products Festa held

On June 15, 2017, JCCU held "CO·OP Brand Product Festa in Tokyo".

The days event included food tasting to deepen understanding and experiencing the value and quality of CO·OP Brand Products especially the new brands, exhibition corner showing the history, initiatives and activities of co-ops nationwide.

63 co-ops nationwide with a total of 365 co-op members and employees participated in the event.

There was a stage event where live cooking by home cooking researcher Ms. OKUZONO Toshiko was held.

Also an award ceremony was held for "Everyday Easy Recipe Contest with CO·OP Brand Products" launched from October 1 to November 30, 2016. The occasion was also a chance for co-op

members and staff to interact with producers.

Valuable comments and hints gathered through the festa will be used to reflect on CO·OP products development and improvement activities.



Scene at the exhibition

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