

IYC is covered on government online magazine

In 2011, the IYC National Committee drew up the Co-operative Charter to promote people's awareness of co-operatives as well as the Government's commitment towards co-operative development.

In order to reflect the ideas compiled in the Charter on the Government policy about co-operatives, the vice chairperson of the IYC National Committee, Mr. Asada Katsumi, (also President of JCCU), and other Co-operative leaders have engaged in various efforts such as visiting the Chief Cabinet Secretary in January.

Encouraging results have been achieved.

With reference to the request, the Government has released a statement on IYC including its support and commitment towards Co-operative development and a full release of the statement has been covered on the Government online magazine.

The link is given below:

<http://www.gov-online.go.jp/>

In addition a radio program sponsored by the Government announcing the launch of IYC 2012 and also highlighting on co-operative values, business and social responsibilities was broadcasted on June 23 and 24. Online radio link is given below:

http://www.tfm.co.jp/japan/archive/japanrhythm120623_vol115.asx



The 62nd Annual General Assembly of JCCU held

The Japanese Consumers' Co-operative Union (JCCU) held the 62nd General Assembly in Tokyo on June 15, 2012.

Out of the 691 registered representatives, 687 attended the assembly. 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, and Mr. Banzai Akira Chairperson, JA-ZENCHU (Central Union of Agricultural Co-operatives).

At the meeting, all of the nine bills including "the 2011 financial report" and "the budget for 2012 business plan" were all approved by a majority vote.

During the general discussion after the bills had been proposed, 14 representatives mostly from Co-ops in the Great East Japan Earthquake affected areas gave some remarks, expressing their appreciation to the support from various organizations, the local and national commitment towards the reconstruction exercise.

In addition, active discussion was made regarding the reinforcement of cooperation between the Government and Co-operatives for the earthquake recovery.

Also discussed was the way to underscore the importance of co-operatives values and roles, especially in the areas of welfare, the realization of rich environment and human solidarity in the wake of the 2012 International Year of Co-operatives.

In conclusion, it was emphasized that in order to achieve common challenges such as enhancing the pace of earthquake recovery and rebuilding and to improve the livelihood of co-op members, there is the need to strengthen ties between all kinds of co-operatives nationwide through network formation.

The ICA President's congratulatory message to JCCU at the General Assembly can be viewed from the link below:

<http://www.youtube.com/watch?v=gC2YPdpdWd4&feature=plcp>



Asada Katsumi (JCCU president) delivering the opening address



Mr. Inoue Masahiro (MHLW)



Mr. Banzai Akira (JA-ZENCHU)



The entire state of the discussion

2012 Business Plan and Budget

As 2012 is the last year of JCCU's three-year plan, it must be the year to achieve our target with our continuous recovery support.

In the three-year plan there are 12 core issues to be tackled besides the support for the recovery from the Tohoku Earthquake.

We will also continue to promote management restructuring by centering on the cost reduction.

Special issues include recovery support of the Earthquake, International Year of Co-operative, Amendment of Co-p Law and the formulation of the Next three-year plan.

Business Management

Though 2011 had a special demand with the Earthquake, in 2012, without such a condition, the business budget should take into consideration the sluggish nature of the present economy and its impact on consumers.

Co-op Product Business

In 2012, 1,100 items are to be developed or improved.

Development of products with values and theme will be conducted systematically. An emphasis is placed on Co-op Basic and other core products.

Achieving the target will increase JCCU sales by an additional 16 billion yen.

JCCU would continue to promote members' participation in the process of product development.

Promotion of collaborative development of products would be continued as well as integration of business to allow sharing of facilities with member co-ops.

The three-year plan issues with the joint-procurement of national brand items will further be continued.

Also to be reviewed is the SCM production control and its associated problems.

2011 JCCU Business Report and Financial Statement



Yano Kazuhiro
Managing Director (General Affairs)

Business Activity Report

Following the Great East Japan Earthquake in 2011, JCCU and member co-ops have remained focused in supporting the victims and helping with the recovery process.

Soliciting help with co-ops nationwide, JCCU carried out various support activities including fund raising (under the slogan "let's get connected"), supply of commodities in moving vans (mobile shops) to areas of inconvenient shopping etc., and at the same time extended assistance to members co-ops to enhance their business and activities to fulfill our expected roles proposed in the 2011.

In the year under review, JCCU undertook a structural and managerial reform by focusing on cost reduction and productivity improvement as an important step to realize Co-op's vision 2020.

On the issue of Co-op product policy, about 1,279 items were developed or improved reflecting members' opinion and about 40% was developed with members' participation such as monitoring.

The total sales turnover of JCCU was 397.4 billion yen, up 4.3% in budget ratio and 101.1% year on year. Also an improvement was made in personnel cost resulting in 97.9% budget ratio and 99.1% year on year. However, the business cost exceeded the budget by 1.5%.

The details of the facts and figures are shown in the table.

On the issue of supply chain management (SCM), we expanded the number of target items ahead of the three-year plan. When instability of the product supply increased due to the Earthquake, we made strenuous efforts to control production volume, to have enough stocks for expanding demand of the busy seasons and for stabilization of the product procurement.

On the issue of OEM (Original Equipment Manufacturer), we started to sell some new items such as rice bag to rice producers and made some improvement in the operational rules of co-development to be more comprehensive.

JCCU Facts & Figures

	Result (JPY)	% of budget	Year on year
Total Sales	397.4 (billion)	104.3%	101.0%
Total Business Cost	50.89 (billion)	101.5%	102.2%
Personnel Expenses	9.9 (billion)	97.9%	99.1%
Non-Personnel Expenses	40.96 (billion)	102.4%	103.0%
Ordinary Profit	3.77 (billion)	177.6%	176.1%

Welfare business

JCCU contributed to the promotion of welfare business of member co-ops through the preparation of operational manuals and organizing workshops leading to achieving surplus.

For the revision of nursing care fee, we summarized opinions of co-op members to appeal to the Government.

Our future task is to review our strategy of welfare business for further advancement in the business.

Environmental Commitment

Due to the nuclear power accident, we postponed our long-term plan for the greenhouse gas reduction.

However, through the formation of an Energy Review Committee at JCCU we established an energy policy, which we have requested to the Government division of the Environment Policy Promotion Committee for consideration and implementation.

IYC

The president of JCCU, Mr. Asada Katsumi is serving as the vice chairperson of the IYC National Committee.

In commemoration of IYC 2012, JCCU in collaboration with the National Federation of Italian Co-operative (Co-op Italy) has developed "CO-OP Italian Wine" which promotes awareness of the global network of co-operatives.

Launch of 'F Co-op' Fukuoka Minami Care Service

Like many consumer co-ops in Japan, F Co-op in Fukuoka Prefecture carries out many community-based welfare activities including health care service to its members and the community. Services include consultation and design of health care plan to suit individual purpose, operation of day service centers and dispatching of health care experts to homes to offer care assistance. Responding to the care service needs of the community, F Co-op has opened a new care support center in Yanaga, Minami ward in Fukuoka. This is the fifth care center of F Co-op. The opening ceremony was held on June 4 and was attended by the presidents of the local senior citizen's association and neighborhood association, and other community members. During the ceremony, Mr. Goto, the manager of new care center explained their service and introduced the staff. He remarked 'We will work with all our heart and strength to provide the required health care services to residences in Yanaga whose society has been aging'.



Introducing the Japan CO-OP Insurance Consumers' Cooperative



Yano Tomomi, President JCIF

JCIF (Japan CO-OP Insurance Consumers' Cooperative Federation) is a federation for exclusively providing mutual insurance products.

It was established in November 5, 2008, under the revised Co-op Law adopted in 2007.

The law required Co-ops conducting insurance business and other businesses to separate these organizations.

This necessitated a major transformation in the co-op's insurance business.

JCCU therefore established JCIF and started full-fledged insurance business on March 21, 2009, taking over all the insurance businesses transferred from affiliated co-ops.

JCIF is now a union of 164-consumer co-op societies from across the nation, which are also affiliated with JCCU.

JCIF insurance products are designed to suit members' needs with more reasonable premiums and better coverage.

JCIF offers members the opportunity to learn about insurance and acquire the ability to select the insurance that suits them most.

Also to encourage the spirit of mutual aid among members JCIF promotes communication between members and CO-OP employees.

JCIF will continue to develop and improve insurance products with the cooperation of its member co-ops to meet the needs of its member customers, refining the existing services for quick and accurate benefit payment, and reinforcing our business base.

Data Statistics

Co-op societies	164
Number of Policy Holders	7,415,905
Premium income	151 (billion JPY)
Claims paid	56 (billion JPY)

Wakame Seaweed Production site visit and exchanges

The huge tsunami following the March 2011 earthquake damaged many fishing ports in the Tohoku region (North Eastern Japan).

Aqua farming industries in the region were also severely damaged, particularly in Iwate and Miyagi prefectures, where production of oysters and wakame seaweed is widespread.

Aiming to support the recovery of the Earthquake-stricken area of Tohoku, 19 board members and staff of Co-op Net Group visited Iwate and Miyagi prefectures on April 18 and 19, to exchange with the producers of Sanriku wakame seaweed.

The group visited Toni-cho Fishery Co-operative in Kamaishi city Iwate and some factories of wakame producers in the region to see how they are recovering from the damage of the Earthquake.

The visit was a morale boosting for the fish farmers who are still facing many challenges in overcoming the burden brought by the quake such as the ropes used for farming wakame seaweed being washed away in the tsunami.

The visiting group participated in wakame picking and remarked: 'we heard about the challenges and the effort being made by the farmers towards recovery and their pride in wakame seaweed production. We came to show our moral support and offer our message of encouragement'.



Rice cultivation at Ohara Yugaku-no Sato

In Japan, rice is the staple food, and is an important food that forms the basis of Japan's unique culture.

Also paddy fields are playing an important role for preserving natural environment. Now, majority of people live in urban areas and do not know how rice is produced. Decline of rice consumption is causing negative effects on rural economy and environments.

As part of social activities, many consumer co-ops in Japan are promoting events for their members living in urban area to experience rice production in rural areas.

As one of such events, on May 4, a rice cultivation event, the first of a series of four events this year, was held at Ohara Yugaku-no Sato rice paddy in Asahi-shi, Chiba. About 200 participants, including 150 members of Chiba Co-op and Co-op Tokyo, experienced rice planting.

Ohara Yugaku is the name of an agriculturist who was said to have established the first agricultural co-operative in the world about 170 years ago.

This event is a part of 'rice cultivation exchange' programs hosted by the Town and the Country Exchange Council of Asahi-shi.

It purposes to let people realize the importance of agriculture and the richness of nature through the experience obtained from the four events.



News in Brief

Co-operative merger scheduled in fall

In spring of 2013, two large co-ops will be born in the greater metropolitan area consisting of Tokyo and its surrounding five prefectures.

Co-op Tokyo, the third largest consumer co-operative in Japan is set to merge with Saitama Co-op and Chiba Co-op, which operate in Saitama and Chiba prefectures respectively.

The merger will create the largest co-op in Japan with 2.8 million members and turnover of 340 billion yen.

At the same time three other co-ops; Co-op Kanagawa, Co-op Shizuoka and the Citizen Co-op Yamanashi, which operate in Kanagawa, Shizuoka and Yamanashi prefectures respectively, are to merge to create another bigger co-op with 1.8 million members and turnover of 200 billion yen.

The two merger policies were approved at the annual general assemblies of the six co-ops respectively this June.

An extraordinary general assembly of each co-op to make final decision of the merger is scheduled this fall. After all necessary formalities had been completed, the two new big co-ops would be launched in spring next year.

The greater Tokyo metropolitan area, where the six co-ops operate, has the biggest market size with more than 40 million residents, about 31% of Japan's total population.

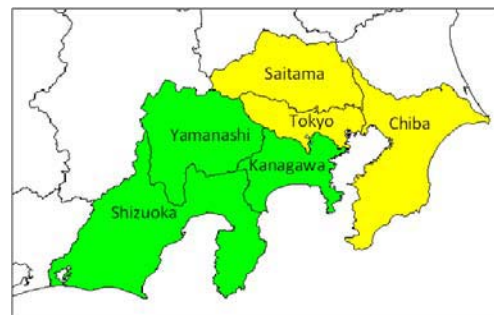
Strong competitors such as Aeon and the 7 & i Holdings have built effective store networks, causing an intense competition in retailing.

It is highly expected that the two scheduled mergers would mark a significant shift in the business landscape, providing better products and services to the members and thus strengthen co-op's competitiveness significantly in the most important and biggest retail market in Japan.

A consumer co-operative in Japan had not been allowed to operate outside the prefecture where its headquarters was located for several decades according to the outdated law regulating consumer co-ops.

In 2007, the law was eventually amended, and it has become possible for a co-op to operate in neighboring prefectures and to create a co-op operating in multiple prefectures.

The two mergers are important examples of effective use of the new law.



Iwate Co-op's "Raising the Co-op Forest" Campaign

Iwate Co-op, operating in Iwate prefecture, northeastern Japan, launched its "Raising the Co-op Forest" Campaign in 2010.

The campaign calls members for donation to create a "Co-op Forest" in the Kuzumaki town in Iwate.

The objective is to promote co-op members' awareness toward preservation of forests and proper consumption of woods.

In Iwate Prefecture, forests cover more than 77 percent of the total area, and have significant impact on ecology and economy in the region.

The Kuzumaki Forest Co-op cooperates with the campaign and the land space for the Co-op Forest is offered by the property owner company at no charge.

In June 2012, the third Tree Planting Event took place. 135 people, mainly Iwate Co-op members and their families, planted 530 seedlings of Japanese horse chestnut with instructions given by the Forest Co-op members.

Further 1,500 seedlings of Japanese horse chestnut and 500 of chestnut are to be planted this year by the Forest Co-op entrusted by Iwate Co-op.

Tens of acorns, picked up by members in the forest two years ago, were planted in their gardens and 40 of them have grown to be seedlings.

Some of them were planted in the forest during the event.

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