



Promoting Solidarity of Consumer Co-op Business in Japan

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Vice-President



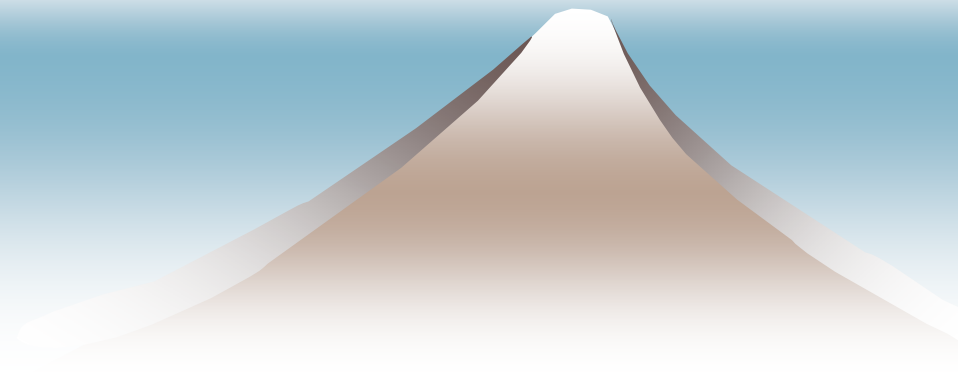
JCCU

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Challenges of Japanese Consumer Co-ops



Coming global competition



Carrefour



Reorganizing of Retailers

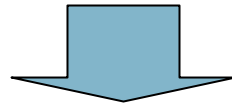
Ito Yokado
Adaptation to change and emphasis on fundamentals.

V.S.

AEON

Restructuring Co-op businesses

**Structural Reform of CO-OP
Business Management**



**Increase in
Revenues and Profits
in 2002**

Revitalization of Co-op Sapporo



Co-ops all over Japan

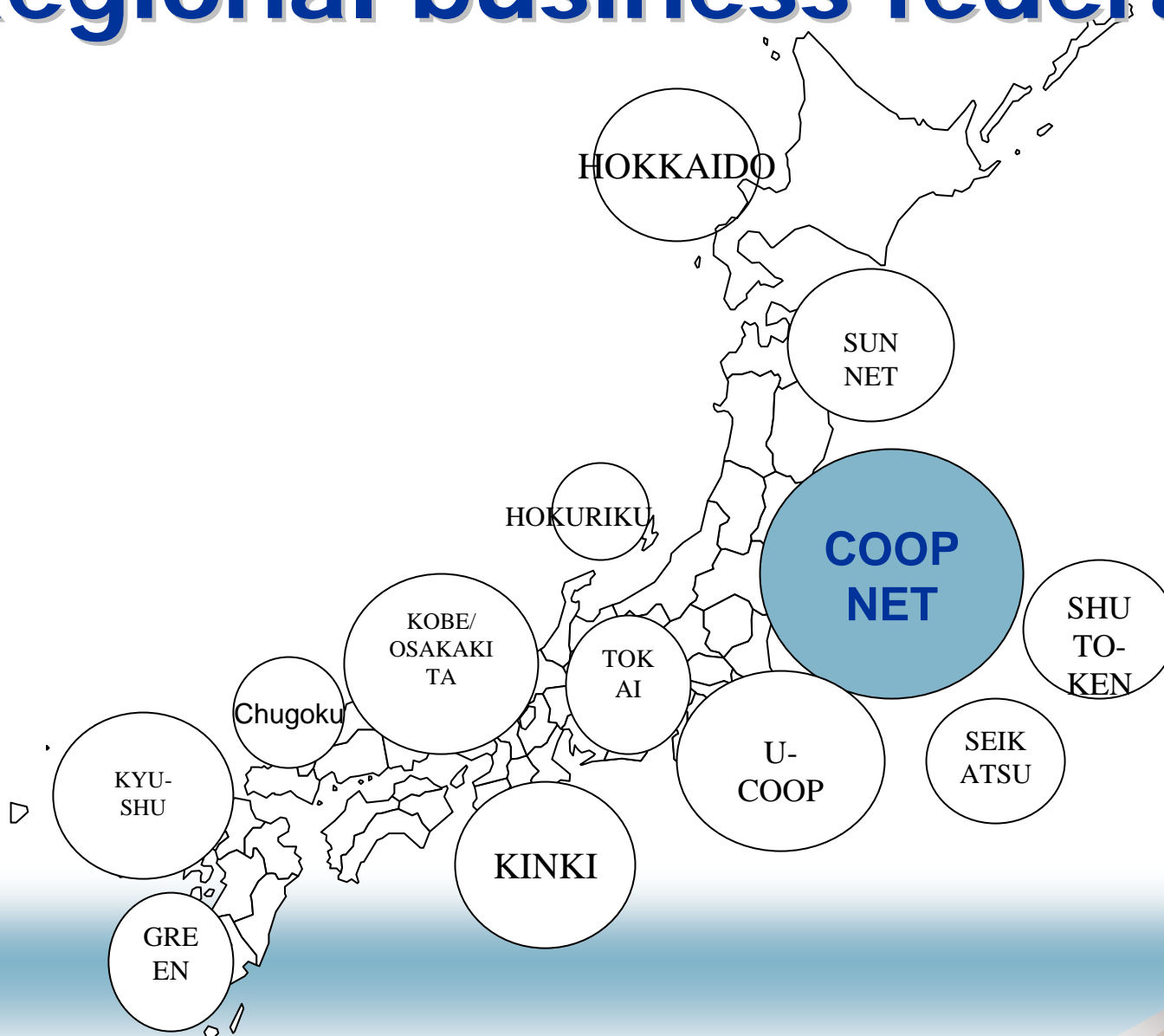
Expansion of Non-Store business

Establishment of SM Chain store system



**Co-op Net
Business federation
and
Substantial merger
between Saitama Co-op
and Co-op Tokyo**

Regional business federation



Co-op Net Business Federation

6 Primary Societies

Members 2.42 mil.

Rate of total households

18.7%

Turnover JY 423billion

No. of stores 207



The Success of unification of catalogue for home delivery

Challenge to build up SM Chain store system

No. of stores

	Tokyo	Saitama	Others	total
SM	39	25	21	85
Super let	44	31	47	122

Integrated administration and business strategy

Personnel

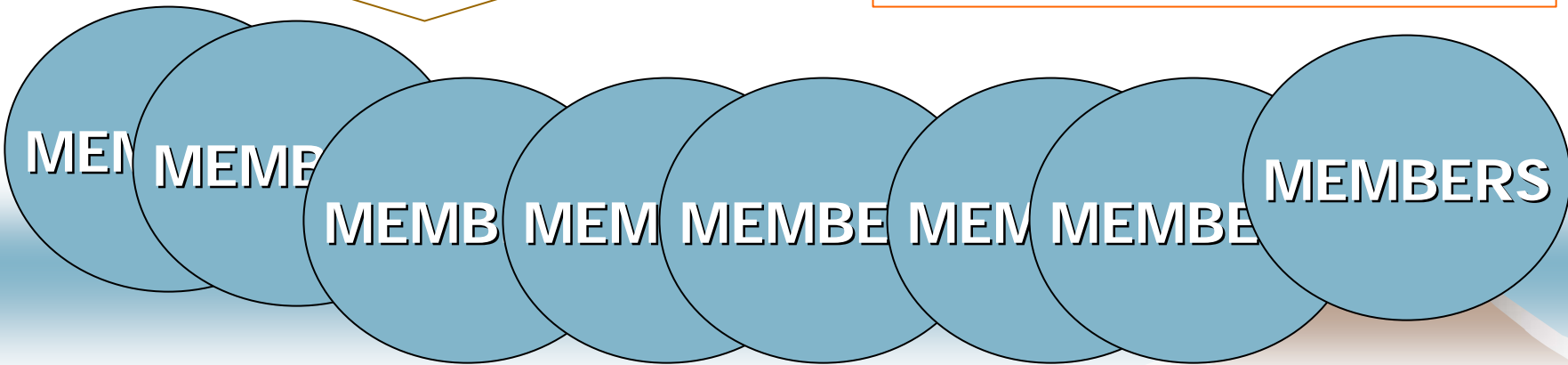
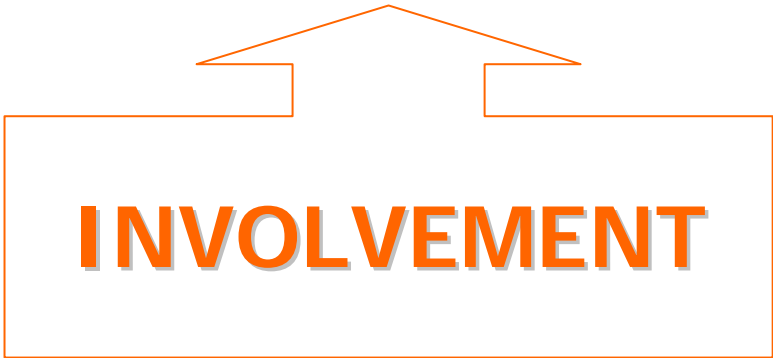
Financial
strength

Consolidated
accounting

Members' participation

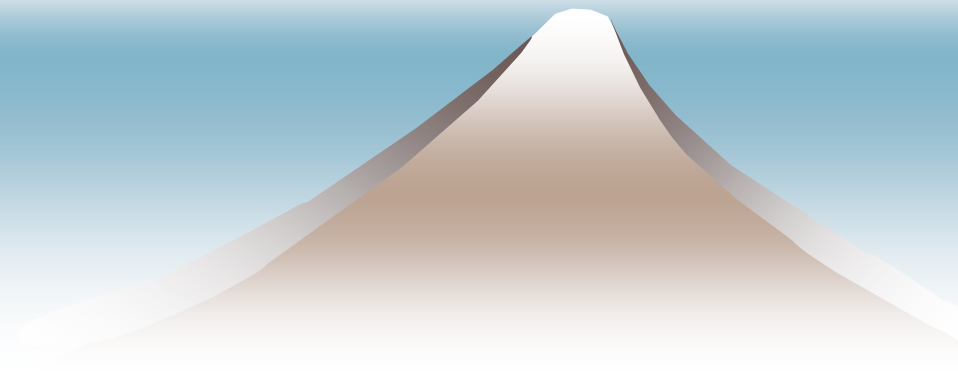


Domestic Member Control

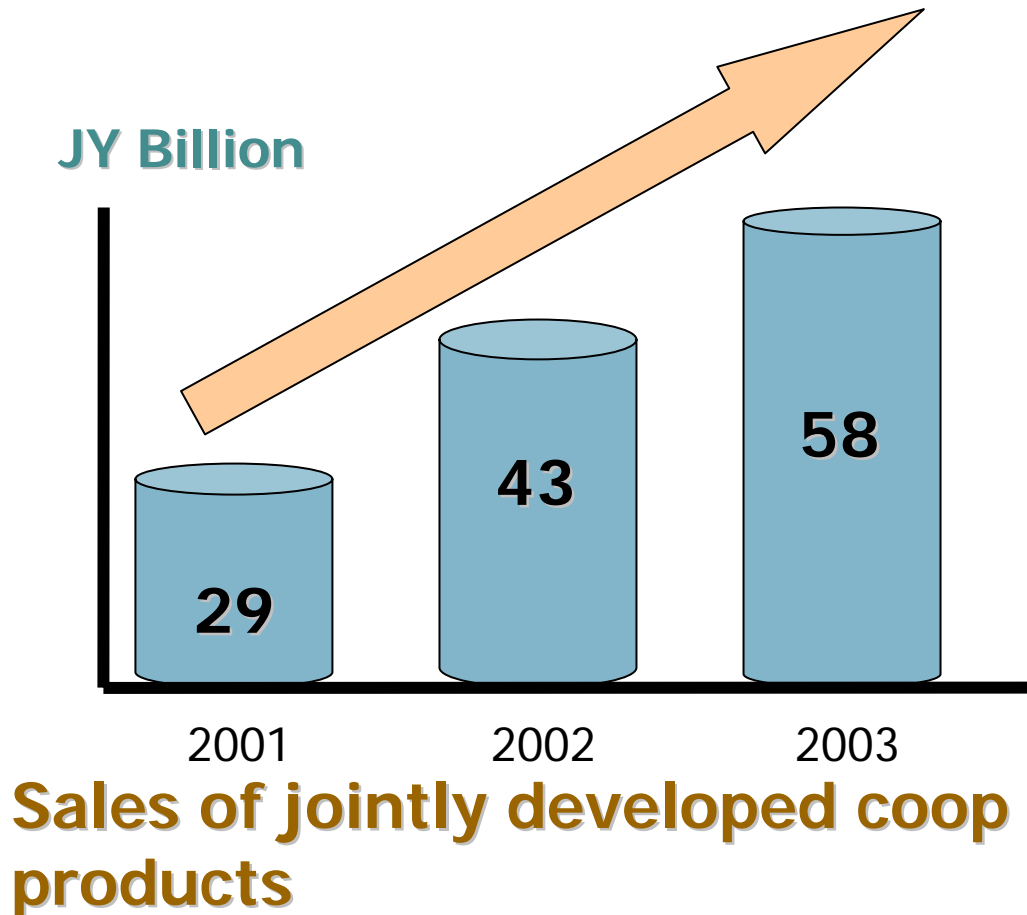




Nation-wide business collaboration in JCCU Mid-term Plan



Corporation to develop co-op brand products



Collaboration to procure National brand products

Outsourcing
= through
Wholesalers

OR

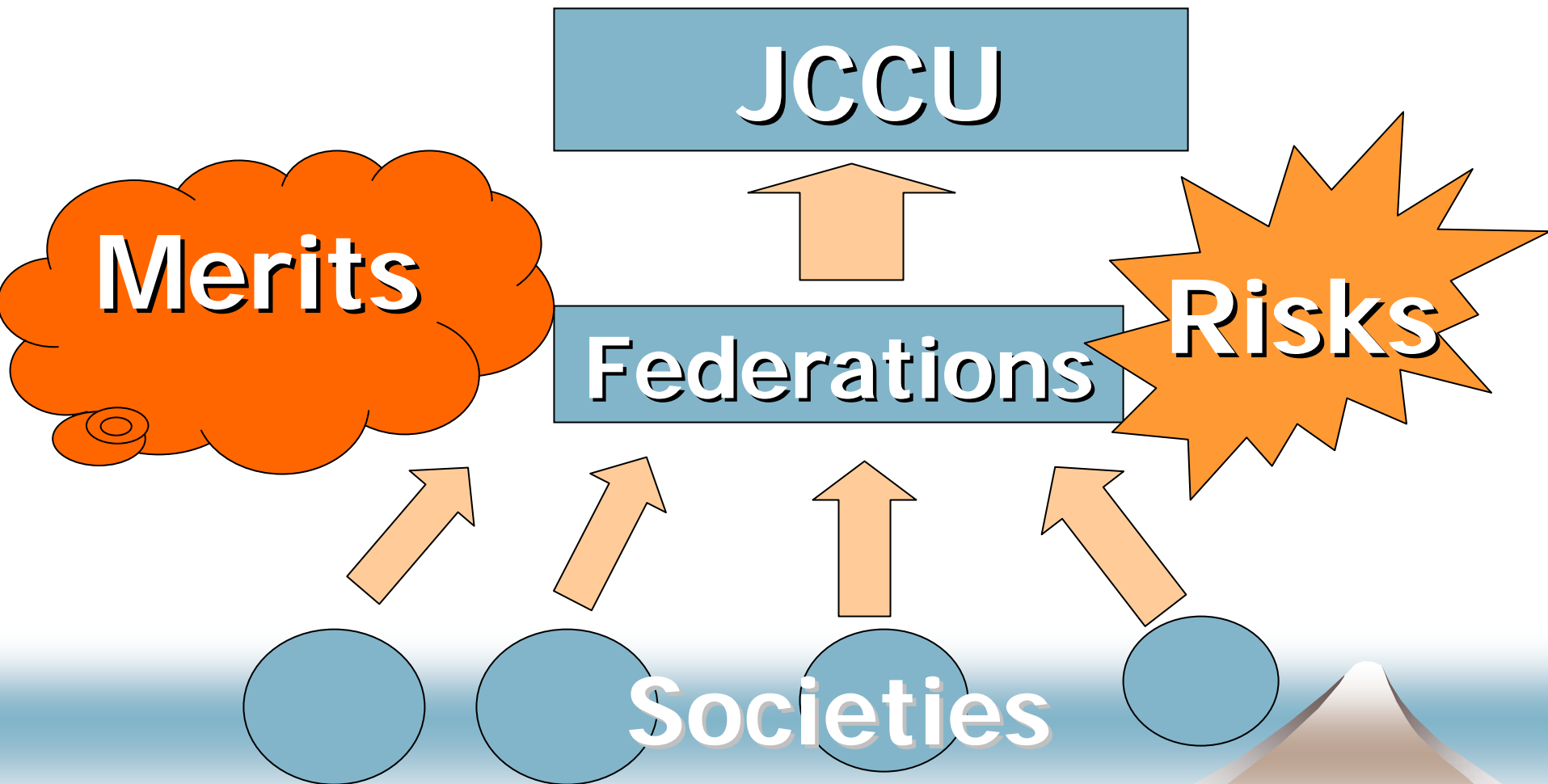
Direct Contracts
with
manufacturers

JCCU



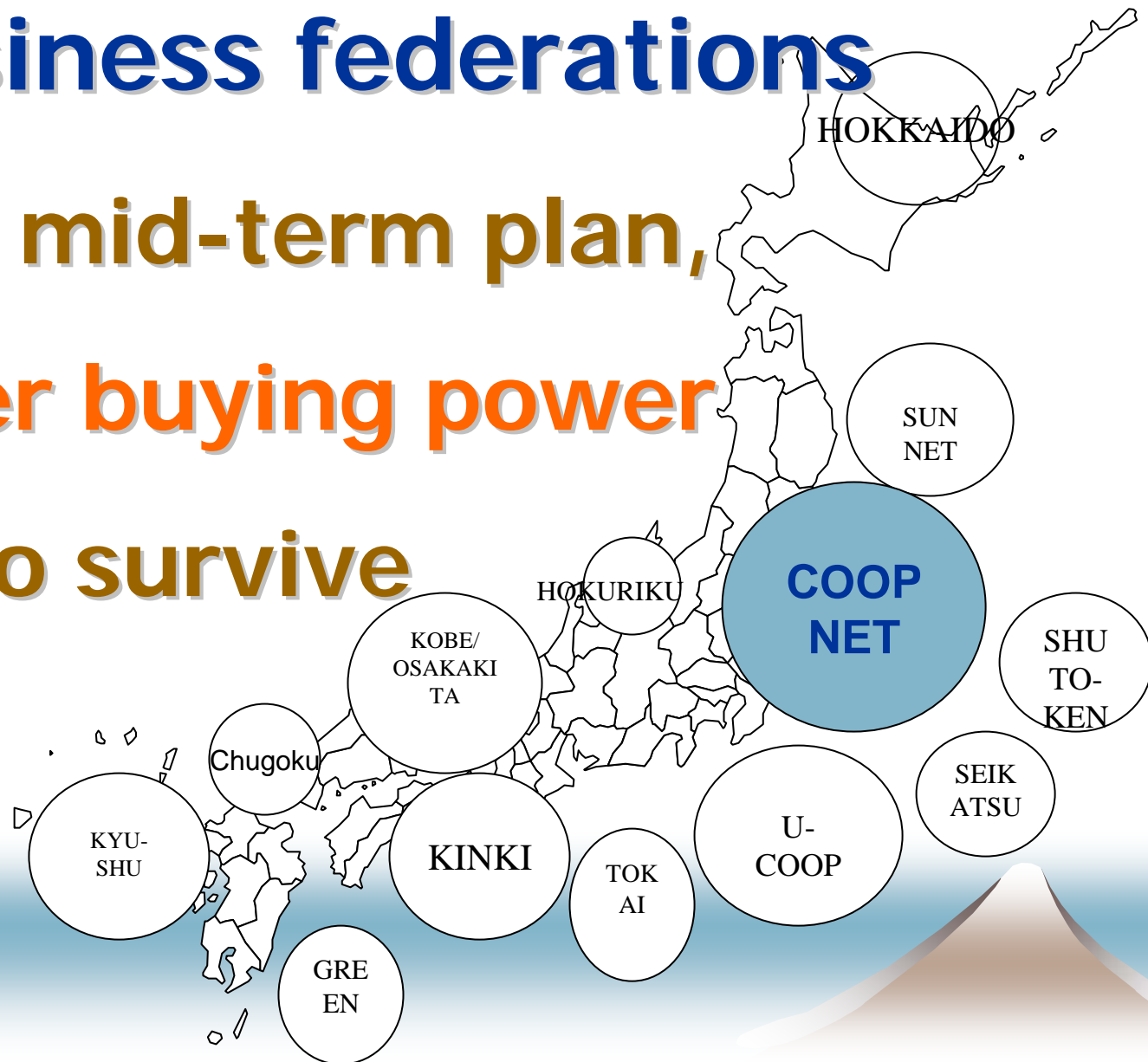
The diagram illustrates two procurement strategies for national brand products. The first strategy is 'Outsourcing = through Wholesalers', and the second is 'Direct Contracts with manufacturers'. These two options are presented as alternatives, separated by the word 'OR'. Below these options is a blue hexagon labeled 'JCCU', which is the central entity in the procurement process. A purple curved arrow points from the right towards the 'JCCU' hexagon, indicating a flow or relationship.

Setting up a single buying points ?

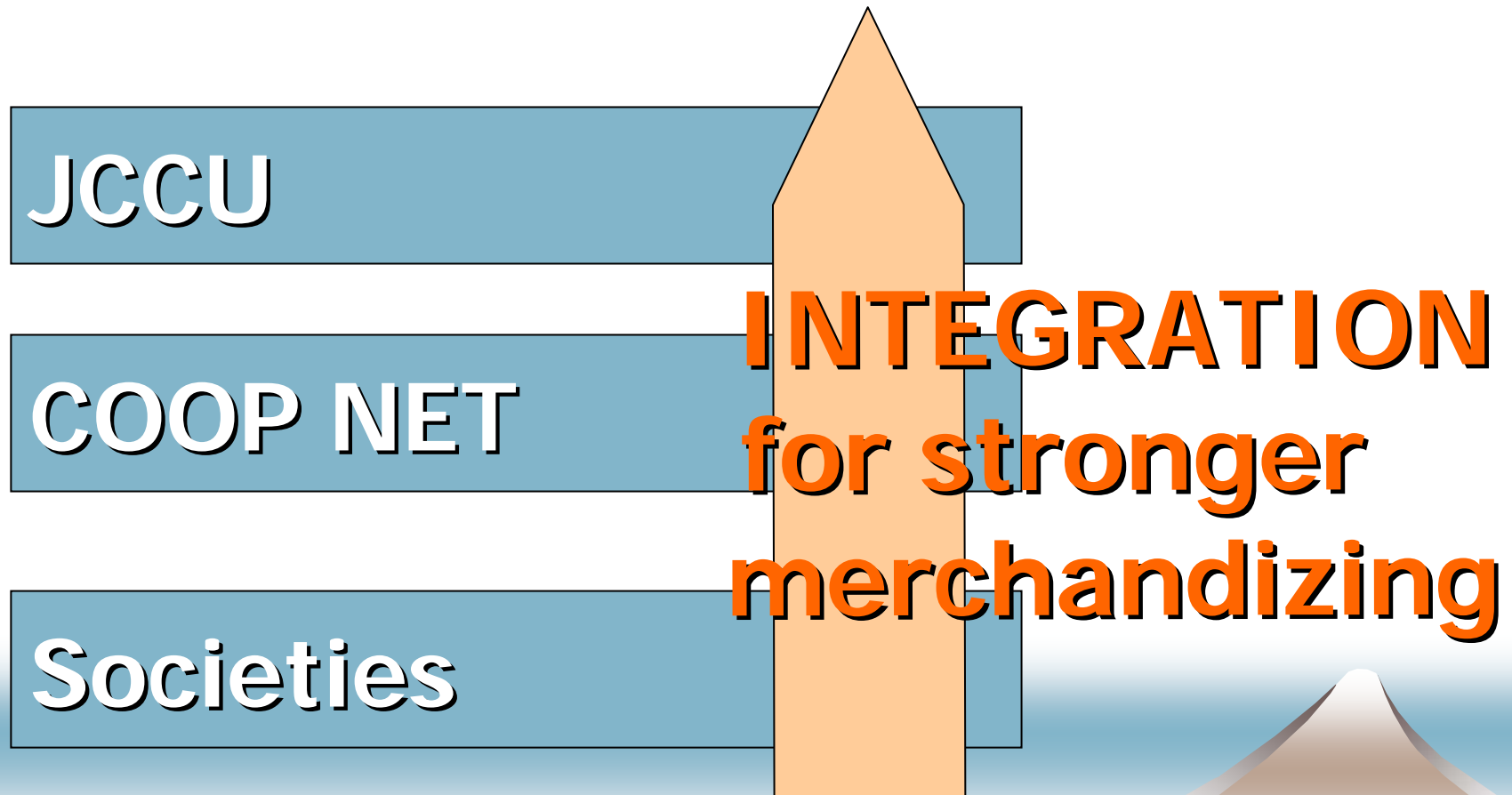


Reinforcement of regional business federations

In next mid-term plan,
Stronger buying power
to survive



Vertical Integration of merchandizing between JCCU and COOP NET





Thank you
for your kind attention!

