

Philosophy of the Palsystem Group

Create a spiritually rich lifestyle and a society of co-existence.

● Spiritually Rich Lifestyle

This refers to a lifestyle whereby people pursue generosity and peace of mind, good quality of life as well as strong interpersonal relationships as important values, never remaining content with mere materialistic wealth.

● Society of Co-existence

This refers to a society in which people help their neighbors by pursuing a symbiotic coexistence between nature and human beings, a peaceful coexistence of people that transcends regionalism and any conventions, creating an organic relationship between the present and the future.



Message from Our Leaders

The United Nations has proclaimed 2025 as the second International Year of Cooperatives (IYC). It is extremely rare to have an international year under the same name twice; the second IYC therefore reflects the global community's great expectations for cooperatives. Our role as cooperatives is once again drawing global attention in addressing numerous challenges in various fields.

August 2025 marks the 80th anniversary of the end of World War Two. In recent years, we have been witnessing a series of threats to the peace across the world, including Russia's invasion of Ukraine and the Israel-Palestine conflict, with growing concerns about the use of nuclear weapons. In December 2024, Japan Confederation of A- and H-Bomb Sufferers Organizations (Nihon Hidankyo) received the Nobel Peace Prize. We must raise our voice to call for peace more broadly across the world.

The growing uncertainty in international affairs, together with climate change leading to severe disaster, has been casting a dark shadow on our lives. We are faced with financial instability due to such issues as the U.S. tariff policy and poor harvests caused by a series of extreme weather events. These challenges have led to price hikes, causing millions of families to struggle financially. In particular, rice prices remain high and unpredictable despite the government's release of stockpiled rice.

There are many other urgent issues we must address without passing on to the next generation, including climate change leading to natural disasters, environmental issues such as reducing plastic use, as well as poverty, gender, and other human rights issues.

These problems cannot be solved solely by government interventions and the profit-oriented market mechanism. Cooperatives, which connect people and work together with each individual facing difficulties, can play a unique role in addressing issues while respecting everyone. To ensure a stable and peaceful life for the next generation, we must build a sustainable society through the power of mutual help. To achieve this, it is essential that we further strengthen our collaboration with all of you and build trust. We look forward to working together with you to help build a safe and comfortable society for all.



President &
Representative Director
Atsushi Shibusawa



Executive Director &
Representative Director
Masakazu Tsuji

Aiming to become a consumer co-op for a spiritually rich lifestyle

Palsystem Consumers' Co-operative Union is a federation consisting of local co-ops and the Palsystem Insurance Consumers' Co-operative Federation, located mainly in the capital region. Based on consumer co-op's spirit of mutual help, Palsystem Consumers' Co-operative Union works with Palsystem Group's member co-ops and subsidiaries to promote essential businesses that support people's lives, including merchandise delivery, mutual aid and insurance, welfare services, and electric power supply.

Our Businesses



Our Committees

Product, Sanchoku, Peace and Community Activity, Environment, Community Development Fund Management, Personal Information Protection, and Information Security

2025 Data As of March 31, 2025

Members: 13

Areas: Tokyo and its 12 neighboring prefectures

(Miyagi*, Fukushima, Ibaraki, Tochigi, Gunma, Saitama, Chiba, Kanagawa, Niigata, Yamanashi, Nagano, and Shizuoka)

* In Miyagi Prefecture, i-coop Miyagi offers Palsystem products.

Total members: 1.762 million

Group Co-ops' total revenue: 260.42 billion yen

Union's revenue: 181.10 billion yen

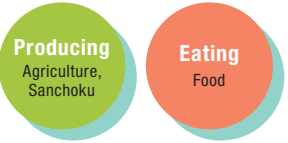
Share capital: 15.87 billion yen

Palsystem Group's Vision for 2030

Building inclusive communities through eating, producing, and supporting each other



We have strict in-house requirements to ensure safe product choice



We develop safe and reliable products, also taking various initiatives to enrich members' lives.



Examples of our private label products

Meeting strict in-house requirements: Palsystem private label products

Palsystem sets its own requirements for product ingredients and their quality. Items with our private brand logo prove that they meet these strict requirements.

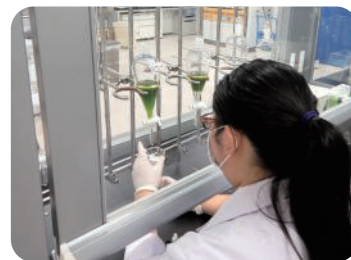


The number of Palsystem's original products **885**

*As of March 2025, excluding Sanchoku vegetables. We offer 100% Sanchoku rice, and most of the products we deliver are our private brand, except for some special online products.

Ensuring safety for members: Product Inspection Center

Palsystem has its own Product Inspection Center to check safety of products and to improve their quality through physiochemical tests and more. The results of radiation tests are sent back to production areas.



Preparing for a chemical residue test

Test results are also available on our website (in Japanese).



Say "No" to GMOs: Also offering labels to help choose safe products

Genetically modified organisms (GMOs) are broadly used across the world, and we may be eating them without realizing it. Palsystem firmly stands against this situation by working together with producers and manufacturers to develop proper products.



First Press Canola Oil

We also provide labels to help members choose GMO-free products.

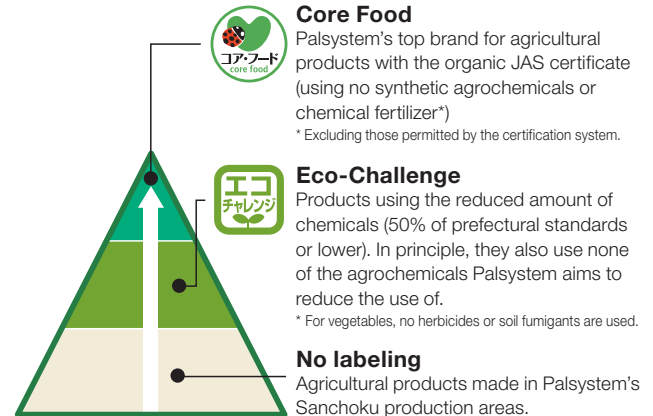


Deepening Sanchoku across the sea: Also for the environment and fair trade

We currently partner with 12 overseas production areas for international Sanchoku to provide products to co-op members. We work closely with the partners, focusing on safety and security just like domestic Sanchoku, to protect the environment and workers.

Reducing and stopping agrochemical use: People- & planet-friendly agriculture

Since 1998, Palsystem has promoted a program to reduce agrochemical use, aiming to cut total agrochemical inputs while avoiding highly hazardous agrochemicals. Labels such as Eco-Challenge and Core Food are put on products using less agrochemicals. Through these initiatives, we have been working together with producers and co-op members to promote people- and planet-friendly agriculture.



Production areas

<p>Spain</p> <p>Oleoestepa S.C.A. We signed the sanchoku agreement in September 2015. They are a producer's group in Andalusia with a 50,000 m² olive farm. They focus on environmentally friendly production and quality management, avoiding agrochemicals as much as possible.</p> <p>Extra Virgin Olive Oil - Limited Edition</p>	<p>Philippines</p> <p>Altertrade Philippines Inc. (ATPI) ATPI was established to help producers' self-reliance, in response to the hunger on Negros Island in the mid-1980s. They started providing Eco Bananas (Balangon) since 1990.</p> <p>Eco Bananas (Balangon)</p>	<p>Indonesia</p> <p>PT. ALTER TRADE INDONESIA (ATINA) ATINA is a local subsidiary of Alter Trade Japan, Inc. They have built relationships with extensive black tiger shrimp farmers in eastern Java and southern Sulawesi. They are managing the entire process from purchasing, freezing to export.</p> <p>Eco Shrimp</p>	<p>Mexico</p> <p>Calavo Growers, Inc. The production area (near Uruapan in Michoacan State) is suitable for growing avocados thanks to its altitude and a large day-night temperature difference. Calavo makes contracts with producers and checks their progress.</p> <p>Eco Avocados</p>
<p>Thailand</p> <p>Banlat Agricultural Co-operative In 1999, they started supplying chemical-free Eco Bananas (Homton). In 2003, they established the Sanchoku Council with Palsystem.</p> <p>Thung Kha Wat Gardening Management group They invited Japanese farmers and hosted a workshop on production technology to overcome drought damage. They also work to introduce an irrigation system.</p> <p>J Fresh Seika Co., Ltd. (JFS) Working with a banana importer Pacific Trade Japan (PTJ), they manage farmers, production areas, cultivation, and export.</p> <p>Eco Bananas (Homton)</p>	<p>Australia</p> <p>Kangaroo Island Pure Grain (KIPG) Kangaroo Island is a valuable production area of non-GMO canola for our First Press Canola Oil, and KIPG is its producer organization. The Government of South Australia will ban genetically modified canola crops for a foreseeable future.</p> <p>First Press Canola Oil</p>	<p>New Zealand</p> <p>Zespri Zespri was funded and established by kiwifruit growers, mainly supplying Green and SunGold varieties. With the organic certification, they actively work on environmentally friendly production.</p> <p>NZ Organic Green Kiwifruit</p>	<p>Colombia</p> <p>C.I. La Samaria S.A. Located in an area suitable for cultivating bananas, they also develop forests in surrounding areas to live in harmony with wild animals and the natural environment.</p> <p>Organic Bananas</p> <p>C.I. Tequendama S.A.S. The company extracts palm oil in their own mill, located in their plantation, to produce raw materials for soap, shortening, etc. They develop the farmland utilizing recycled natural resources without destroying forests.</p> <p>Save the Planet Body Soap</p> <p>Ecuador</p> <p>Hacienda Celia Maria C.A. With its plantation located in El Oro, southeastern Ecuador, Celia Maria practices circular agriculture by composting banana waste (e.g., leaves, stems) and using it in the field. The company is also Fairtrade certified and ensures good work environments for employees.</p> <p>Organic Bananas</p>

We value members' voices and dialogue with producers & production areas



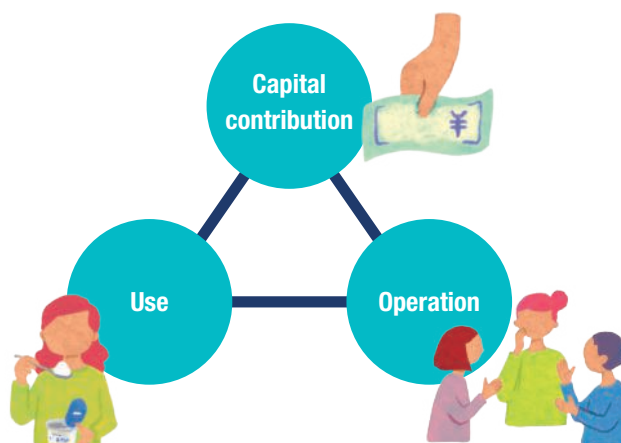
As a consumer co-operative, we promote dialogue and communication with producers and production areas, and incorporate co-op members' voices in product development.



Developing the Sanchoku wheat caramel apple bread together with co-op members

What is a consumer co-operative?

A consumer co-operative is a nonprofit organization. It is a consumers' organization, in which members help each other to build a better life and a better society. Each co-op member uses its products and services, and contributes money (share capital) to operate the organization.



Developing products with members' voices: "Make our wishes come true" project

In the "Make our wishes come true" project, Palsystem works together with co-op members and producers to develop and update products. Project members come together to discuss and try different methods to develop products tailored to co-op members' lifestyles.

The number of products developed with co-op members **159**

*As of March 2025.



Sanchoku wheat caramel apple bread

Project members developing Sanchoku wheat bread at Palsystem Saitama

Visiting production areas: Sharing thoughts and deepening trust

Palsystem values face-to-face relationships with producers. To achieve this, we organize various programs such as the "Let's go to production areas" tours and open confirmation meetings, enabling producers and consumers to come together, share thoughts, and deepen mutual trust.



Observing wildlife in an organic rice field

Delivering members' voices to producers: Reviews and message cards

Palsystem offers a variety of mechanisms to incorporate members' voices. For example, when delivering vegetables, we also include a card for the member to write a message to the producer. We forward each message to the production area.

Co-op members

- Palsystem Call Center
- Product information dial
- Brief mail
- Reviews * About 6,000/month
- Surveys and monitoring
- Message cards for producers * About 20,000/year
- "Make our wishes come true" project

Share voices ↓

↑ Improve products & systems

Committees & working groups

Federation

Producers & manufacturers

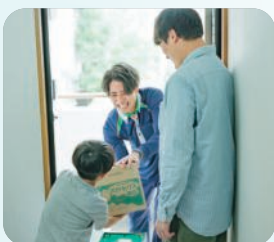
Producers and consumers sharing risks as partners

It costs labor, time, and money to enjoy safe and delicious foods. To build relationships where producers and consumers share these challenges and risks, Palsystem provides opportunities for their interaction and offers information.

From order placement to delivery

Catalogue delivery

A merchandise catalogue, order form and the merchandise are delivered on a fixed day each week.



Ordering

A purchase order is placed by the specified day of the week either via the web or using the order form.

Merchandise arrives

Merchandise arrives a week after the purchase order is placed. Along with the merchandise, a catalogue for the following week is delivered.



A truck wearing our brand character "Konsen-kun"

Payment

Direct debit or credit card payment. Closing at the end of each month and the monthly payment withdrawn on the 6th day of the following month.

We offer a variety of products and services to accommodate diverse lifestyles

Supporting each other
Welfare,
mutual help

Changing Environment

We strive to provide a wide range of products and services, recognizing the growing diversity of members' lifestyles and challenges they face in everyday life.



Our spring 2025 ad campaign: Meal Kit

No time or skills to cook? No problem! Cooking tasty meals made easy

Our meal kit comes with pre-cut ingredients and seasoning sauce, enabling everyone regardless of gender to prepare delicious meals quickly and easily. The product also aims to increase the use of domestic ingredients.



Tomato-flavored dry curry set

Helping prepare toddler meals: Kids meal support set

This meal kit for toddlers combines products only requiring simple processes, such as microwaving and boiling.

* Available only through online ordering



A variety of catalogues to accommodate different lifestyles

Palsystem offers a wide variety of catalogues to choose from to accommodate diverse lifestyles, helping address different challenges facing members.



Koto-Koto
For families raising children



Kinari
For adult families



Plain Page
For families with allergy concerns



Care Support
For families needing long-term care

Palsystem app and online ordering website keep evolving

The Palsystem app and online ordering website keep improving, for example by adding a function to introduce new products.

* In addition to the internet, you can also use the printed form and phone to order products.

You can place an order on your smartphone while looking at the catalogue.



Palsystem app



Digital catalogue

Combining the catalogue and order form for universal accessibility

“Filling out the order form and online ordering can be a hassle.” Responding members’ voices like this, we have developed Kinari Select, allowing users to directly enter the number of items in the catalogue to place an order.



Kinari Select
Kinari Select is featured in the White Paper on Consumer Affairs 2023.

From everyday dishes to weaning recipes: Helpful recipe websites for daily meal preparation

Palsystem’s recipe website DaidokoLog offers over 10,000 recipes. With special sections such as easy recipes and dishes with no food waste, the website addresses various concerns in meal preparation. Also, Childcare 123 provides recipes at different stages of weaning and helpful information on childcare in the Q&A format.



DaidokoLog



Childcare 123

We will change our lifestyles, aiming for a sustainable future

Supporting each other
Welfare, mutual help

Changing Environment

Striving to create a sustainable future, we work together with co-op members to address social problems and continue to take action to change our lifestyles.



Go Beyond through rice



Fried Sanchoku Rice, an example of processed Sanchoku rice products



Nihon no Komebuta (Japanese rice pork), raised on feed rice

Japan's food security is in jeopardy due to challenges in rice production, including a rise in production costs and the aging of producers. We promote the "Go Beyond through rice" initiative to protect our food culture with rice.

Let's eat fish



Smoked autumn salmon by Core Food Notsuke



Simmered mackerel in miso sauce (boneless)

We strive to increase fish consumption and support the fisheries sector by promoting the use of convenient processed seafood products and supporting the environmentally friendly fisheries.

*Our efforts in this field were recognized with the Minister of the Environment Award at the 43rd National Convention for the Development of an Abundantly Productive Sea.

Sustainable cooking and eating

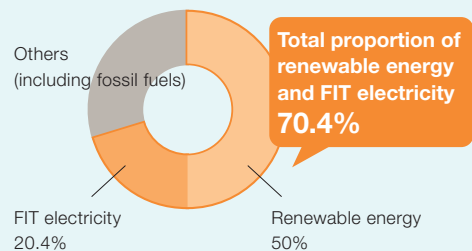


Salt-flavored colorful bok choy stir-fry set, with the expiration date extended to five days including the delivery date

Our meal kits promote sustainability by using "off-spec" vegetables and recyclable paper trays. In fiscal 2025, we have introduced products with the expiration date extended to five days including the delivery date.

Energy action for the future

Palsystem Denki power generation by source (fiscal 2024 results)



We promote Palsystem Denki, mainly delivering renewable energy and FIT electricity, while also encouraging each member to use energy in a sustainable manner.

Helping reduce food waste: Ordering items a week in advance

At Palsystem, we close members' orders a week before the product delivery, and then place an order to each producer and manufacturer. This system significantly reduces inventory and therefore can minimize food waste.



Connecting consumers and producers: Rice subscription

In our rice subscription system, co-op members pre-order rice for the entire year to support the work of rice producers. This initiative was recognized with the Good Design Award 2023.

* As of July 2025, we have suspended the acceptance of new applications.



Mr. Norimasa Onodera,
a producer at Shonai Kyodo Farm
(Yamagata Prefecture)



Mr. Hitoshi Aoki,
a producer at JA Niigata Kagayaki
(Niigata Prefecture)

Use of domestic wheat reaching 84% at Pal Bread Corporation

Our subsidiary Pal Bread Corporation has worked diligently to develop bread using domestic wheat, striving to increase the self-sufficiency rate of wheat. In fiscal 2024, the proportion of domestic wheat being used has finally reached 84% of the total.



Special yeast bread
(domestic wheat)

Promoting sustainable palm oil production

Palm oil consumption has been increasing rapidly across the world. As oil palm plantations expanded mainly in Indonesia and Malaysia, challenges have also emerged including loss of biodiversity and violations of workers' rights. Palsystem promotes transition to sustainably produced palm oil.



Harvesting oil palm

Reducing food waste with our food inventory management app

About half of food waste is said to come from households. Our food management app Mame Pal automatically adds items you ordered through Palsystem to the list. It also offers recipe suggestions based on ingredients on your stock list.



Protecting, nurturing, and using marine resources and ecosystems

We promote environmentally friendly fisheries. For example, in Onna Village where Onna Mozuku Seaweed is grown, we use a portion of the revenue to plant corals as a member of the Joint Onna Village Coral Reef Forest Co-op.



Planting corals

Recycling and reusing are both important

We work on the 3Rs (reduce, reuse, and recycle) to reduce our environmental impact, leveraging our unique distribution and collection system as a consumer co-op.



Taking action before product use: Reducing plastic use in packaging

We promote various initiatives to further reduce our environmental impact, such as discontinuing plastic trays and using recycled materials for packaging bags, aiming to reduce plastic waste and to help build a recycling-based society. We also provide the "Less Plastic" label to help members choose environmentally friendly products.



The number of products with
the "Less Plastic" label

616 *As of March 2025.



Brown rice tea with organic
Sanchoku matcha 200g



We will build **communities** for all, ensuring their safety and comfort



At Palsystem, we organize various welfare activities based on our vision: a peaceful coexistence of people that transcends regionalism and any conventions.



Palsystem Tokyo Ota Center donated its spare vegetables to children's cafeterias and others.
* Spare vegetables: vegetables reserved for replacement in case of product damage after shipment from production areas.

Welfare and mutual aid services by Palsystem

Childcare



Palsystem Tokyo: Pal Kids

We operate the nursery school Pal Kids and provide domestic support services to assist families with small children.

Long-term care



Palsystem Kanagawa: Nukumori

We provide home care services and deliver care-related products to help independent living at home.

Mutual aid



Co-suke, the official mascot of CO-OP Kyosai

CO-OP Kyosai (Kyosai means "mutual aid"), founded on the spirit of mutual help, offers affordable insurance products.

K-87500-2506

Ensuring well-being of your family from a distance: Safety monitoring service

Our safety monitoring service supports members' wishes to enjoy living in their own communities. At the weekly product delivery to a member, our staff collects basic information (e.g., whether the member was at home or not) and emails it to their family. The staff will also make an emergency call when finding something wrong.

Supporting youth learning with members' donations: Palsystem grant-type scholarship system

This system, without obligation to pay back, supports young people with difficulty going to school due to family circumstances and financial reasons. It also offers unique support through relevant organizations to help them pursue their education, such as consultations on daily living and future careers. It is entirely funded by co-op members' donations; in fiscal 2025, the scholarship is provided to additional 20 students.



We distribute flyers, encouraging co-op members to contribute to the system.

Housing support for vulnerable people

Many people have difficulty in renting a house or an apartment due to poverty, old age without family, and disabilities. The role of housing support is therefore growing to help these vulnerable people find adequate housing. Palsystem has joined the National Council of Housing Support Organizations, established in 2019, to provide housing support.



Submitting a request to a government agency

Making Palsystem products more accessible: Voice-based catalogue for people with visual impairments

We provide the voice-based catalogue on CD free of charge, enabling people with visual impairments to easily access Palsystem products.



Grant programs to support citizen-led community activities

We collaborate with civil society organizations, producers, and business partners to support community activities, aiming to build an inclusive society where everyone can play an active role. The grants are funded by the surplus generated through co-op members' use of Palsystem products, services, and insurance.



Urinko Club, a group aiming to build an inclusive society for people regardless of disability. The photo shows their miso (a traditional Japanese seasoning) making event.



Co-op members' social event through the Community Development Fund by a support organization

Continuing support for disaster-hit communities through donations and staff volunteering

Fourteen years have passed since the Great East Japan Earthquake. Palsystem continues to provide support through donations and volunteering. For example, we have organized fundraising to support people affected by the TEPCO Fukushima Daiichi Nuclear Power Station accident to ensure that we never forget this incident. This system financially supports activities that help evacuees and others affected by the accident. Donated money is used in various activities including thyroid exams, recreational activities, and educational programs to help people remember the accident.



A child getting a thyroid exam (Photo by Annaka Hidamari Marche)

Exploring what we can do for peace: Peace and Community Activity Committee

Palsystem has established the Peace and Community Activity Committee under the Board of Directors. The committee engages in discussions and promotes action to protect peace and our lives, as well as to pass a world without conflict on to the next generation.



At the Peace and Nuclear Abolition Forum

Sustainable action:

“For a Better Tomorrow: Go Beyond” Declaration

To go beyond our conventional framework, aiming for a sustainable future, Palsystem is committed to working together with everyone to put this declaration into action to drive society forward.



1 Go Beyond through safety and security

We will ensure safety and security for ourselves, our families, and all the people and communities involved in production.



2 Go Beyond through gender neutrality

We will reexamine the assumptions and inequalities in society and develop new suggestions, products, and services.



3 Go Beyond through interactions

We will go beyond face-to-face relationships by promoting exciting and memorable interactions for all.



4 Go Beyond through lifestyles

“Good for me, good for the planet” as our shared value. We will enjoy sustainable, comfortable, and healthy lifestyles.



5 Go Beyond through cooperation

We will go beyond members’ activities and turn them into social action to build a society that respects diversity and promotes mutual support.



History of Palsystem

- 1977 ● Established the "Business Liaison Conference of Metropolitan Cooperatives"
- Started joint product development and joint purchasing businesses
- 1981 ● Developed and launched the original product: "Konsen Milk"
- 1983 ● Started additive-free ham and sausage production using Sanchoku meat
- 1990 ● Acquired a corporate license as the "Metropolitan Co-op Consumers' Cooperative Union"
- Started a "Personal Delivery System" on a trial basis
- 1992 ● Established the "GPS Corporation," a cooperative vegetable buying business
- 1994 ● Started a supply and recovery business with reusable bottles
- 1997 ● Established the "Pal Bread Corporation" bakery
- 2001 ● Started an Internet order-receiving system
- Introduced merchandise catalogues targeted at different life stages
- 2005 ● Changed the corporate name to "Palsystem Consumers' Co-operative Union"
- 2009 ● Established the "Palsystem Insurance Consumers' Co-operative Federation"
- 2011 ● Opened the "Palsystem Service Center" for general customer service
- 2014 ● i-coop Miyagi joined the Union
- 2016 ● Palsystem Electric Power Corporation started electricity retailing
- 2017 ● Received the Deputy Director of SDGs Promotion Headquarters (Chief Cabinet Secretary) Award at the First Japan SDGs Award
- 2021 ● Integrated the business of GPS Corporation to Palsystem Consumers' Co-operative Union
- Started the Palsystem East business (distribution in the eastern area)
- 2023 ● Established the Palsystem Youth Support Fund

Palsystem Member Co-ops

	No. of members	Total sales (1,000 yen)
Palsystem Tokyo	539,465	88,327,307
Palsystem Kanagawa	368,539	57,021,031
Palsystem Chiba	270,075	36,298,662
Palsystem Saitama	228,329	33,156,826
Palsystem Ibaraki Tochigi	141,718	18,348,925
Palsystem Yamanashi Nagano	59,836	8,232,642
Palsystem Gunma	51,626	6,168,063
Palsystem Fukushima	39,678	4,906,697
Palsystem Shizuoka	44,639	5,629,586
Palsystem Niigata Tokimeki	18,857	2,330,945
Ordinary revenue (1,000 yen)		
Palsystem Insurance Consumers' Co-operative Federation	11 members	4,803,746

As of March 31, 2025

Subsidiaries

Pal Meat Corporation

Meat processing of beef, pork, etc.

Pal Line Corporation

Delivery / Catalogue printing and setting

Palsystem East Corporation

Delivery for member co-ops and distribution

Pal Bread Corporation

Manufacturing bread and confectioneries

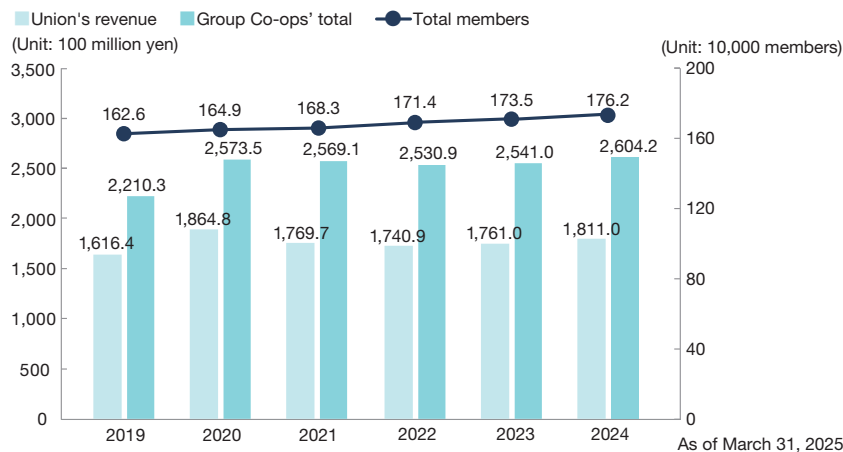
Palsystem Relations Corporation

Planning, designing, and sale of information system

Palsystem Electric Power Corporation

Electric power business / Recycling business

Revenue and Number of Members



Palsystem's Sustainability

Taking small steps every day for a sustainable future

We are introducing our initiatives to build society for all, enabling everyone to enjoy life and live in harmony with other people, nature, and communities while helping each other.

Palsystem x SDGs

Since Palsystem's predecessor was established in the 1970s, we have always worked with co-op members, discussing issues surrounding products, to build a sustainable society. In recognition of these efforts, in 2017, we received the Deputy Director of SDGs Promotion Headquarters (Chief Cabinet Secretary) Award at the First Japan SDGs Award. We are committed to continuing our efforts through merchandise delivery, mutual aid and insurance, electricity, and general welfare services, striving to achieve our Vision for 2030 and contribute to the SDGs.



パルシステムは
第1回「ジャパン
SDGsアワード」を
受賞しました



Palsystem has received the First Japan SDGs Award.



International Year
of Cooperatives

2025 is the International Year of Cooperatives. Palsystem raises awareness of cooperatives and promotes activities to help achieve the SDGs.

Palsystem Consumers' Co-operative Union

2-2-6, Okubo, Shinjuku-ku, Tokyo 169-8527, Japan
Phone: +81(3)6233-7200

<https://www.pal-system.co.jp/>

