



The foods business, which is one of the JT Group's core businesses, holds regular meetings with external experts, who are food safety advisers, to ensure food safety and meet consumer expectations. Food adviser Nobuko Hiwasa talked to representatives of the Foods Business. (Interviewed by Ayako Sonoda, president of Cre-en Inc.)

## Special Topic 1: Working with external experts to ensure food safety and consumer's comfort

### Ensuring food safety and consumer's comfort

**Sonoda:** First off, what principles or guidelines does the JT Group, as a food company, follow to meet the expectations of consumers who are increasingly concerned about the safety of what they eat?

**Furuya:** This spring the JT Group announced its action guidelines, "JT Group Way." The guidelines are particularly applicable to the food business.

These guidelines focus on three issues: responsible, customer-oriented action, striving for quality, and consolidation of diversified resources. As a food manufacturer, we must naturally give the highest priority to customer satisfaction, adherence to quality, and deliver safe and delicious foods at reasonable prices. We also need to place a premium on diversity as Katakichi Co., Ltd. joined the group last year. Based on "JT Group Way,"



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we continue to listen to customers and work on specific programs such as disclosure of information about the place of origin.

In the event of an incident, meanwhile, we must address any problems from the standpoint of customers, not from our standpoint, to minimize any impact. That is, we must do what we ought to do. That's our policy.

**Sonoda:** Doing what you ought to do may not be as easy as it sounds. What are you actually doing to implement such a policy?

**Oyama:** About a year has passed since the pesticide contamination incident. We have thoroughly reviewed our food safety control system. Specifically, we're now strengthening safety control measures, focusing on three issues. First, we aim to reduce food safety risks, which cannot be eliminated but can be minimized by strengthening control measures and inspections. Second, we're creating a system to better serve customers. We should be more sensitive to the opinions of customers, quickly respond to their concerns and proactively disclose information. Third, we're strengthening our organization, involving external experts to keep us from being self-righteous and objectively evaluate our plans. The three food safety advisers, including Ms. Nobuko Hiwasa here with us today, are such external experts who help us strengthen our organization.

**Sonoda:** How are you going to ensure consumer's comfort through such efforts?

**Hiwasa:** Ensuring consumer's comfort is no easy task. The only possible way would be to promote information disclosure through media such as websites and CSR reports. This all comes down to how you keep in touch with consumers. Plant tours, I think, are one good way to reach out to consumers.

### Promoting disclosure of information about place of origin

**Sonoda:** Speaking of information disclosure, how are you going to address traceability, which is attracting the attention of consumers?

**Oyama:** We have a system in place to check not only direct suppliers but also raw material producers. For major raw materials such as vegetables and meat, we inspect fields and breeding farms to select and source safe materials. In addition, the information on ingredients, place of origin and place of processing are indicated on product packages, posted on the website and provided through the Customer Service Center upon inquiry.

**Sonoda:** Ms. Hiwasa, what do you think about their approaches to traceability and information disclosure?

**Hiwasa:** I think such approaches are very important. However, ensuring the supply of raw materials constantly from one source is difficult, which makes it difficult to indicate the place of origin. In addition, we need to think about how we should let consumers know that ensuring safety costs a certain amount of money. Ingredient labeling, meanwhile, should be clear and accurate to disseminate appropriate information and to prevent misunderstanding among consumers. What's important here is to disclose all information that is relevant or requisite to consumers even if the information is detrimental to JT.

Companies tend to go too far, saying that "we've done this much" for traceability and other issues. Such efforts, however, are not cost free. You need to have a clear picture of what is really needed, with cost-effectiveness in mind.

### Sensitivity to customer opinion

**Sonoda:** Mr. Ohyama, you mentioned a system to better serve customers. Specifically, what measures are in place?

**Oyama:** We're now more sen-



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sitive to customer opinions, paying particular attention to issues that could have an impact on human health. Should any incidents take place, we share the information with all parties concerned and respond to them quickly, while tracking down the root causes. Now the Customer Service Center is on call 365-day-per-year, as closing the center on holidays would simply delay our response time.

**Hiwasa:** Actually, I visited the center. The atmosphere was cheerful and welcoming, and employees were pleasantly and sincerely responding to customers. However, addressing customers' inquiries, opinions and complaints is a stressful job. The staff seems to have its own way to relieve such stress, which I think is very important.

**Furuya:** When Ms. Hiwasa visited the center, she advised us on how we should reflect customer opinion in our products and services. The Customer Service Center plays a key role in collecting valuable opinions and suggestions from customers, which are taken into account in designing products and improving their quality. Such improvements, meanwhile, should be made public. We're now creating a better system for communication to increase trust with customers.

### The awareness of employees, the key to improving safety

**Sonoda:** The awareness of each individual employee, I think, is the key to addressing safety and consumer's comfort issues. Ms. Hiwasa, I understand that you also visited JT's factories as an advisor. What impressions about JT's employees did you have?

**Hiwasa:** I toured a factory producing sterilized rice. First off, I was impressed to see the manager working with great enthusiasm. Those who are working at that factory have the rice they produce for lunch, which is very important, as there're many factory workers out there who've never eaten what they produce.

Special Topic 1: Working with external experts to ensure food safety and security

**Sonoda:** How does the JT Group educate and train its employees in food safety control?

**Oyama:** We have a group-wide system in place to motivate and raise the awareness of employees. One of our focuses is compliance. Specifically, we use a variety of educational materials and hold workplace meetings to ensure compliance with quality and safety standards as basics. While the quality of products is believed to be perfected in the course of manufacturing, the foundation of manufacturing needs to be strengthened to confidently deliver products to customers. Our human resource development program is designed to put this concept into practice. In addition, we have the "Food Safety Week" program, which encourages employees to review their work from the viewpoint of food safety.

**Furuya:** The point is how we communicate the group's principles and code of conduct, including "JT Group Way," to employees and put them into practice. For that matter, we need to have a common understanding of what is really important.

**Hiwasa:** There's no such thing as a one-stop solution for food safety and consumer's comfort issues, which should instead be addressed in a variety of ways. What matters most is the validity of corporate rules. As legislative rules are not comprehensive, corporate rules usually specify and regulate legislative rules. Corporate rules tend to be impracticably rigid. As a result, employees might overlook minor rule violations as long as the violations are not illegal. These violations could discourage employees from observing rules, which is a very dangerous situation.

Consequently it is important to establish appropriate but not unduly rigid rules and review them as needed for improvements, which must be strictly observed by each employee. I think this is the only way to raise the awareness about compliance among employees. Also important is to improve internal communications so that employees offer their views when they spot something unusual.

**Oyama:** The JT Group is now gearing up for ISO 22000 certification. As you pointed out,

such certifications mean nothing without a corporate culture that places a premium on observing rules. This is possible only through continuous training programs and creation of a positive atmosphere in the workplace.

**Furuya:** As the JT Group merged with Katokichi last year, we hope to create a better corporate culture based on the

two different corporate cultures. Our challenge is to further strengthen the strong points of the two companies.

**Hiwasa:** I think Katokichi and JT are totally different in terms of management style, which could be a boon rather than a bane to both parties. Each can improve by learning from the other, while respecting the advantages of the other.

**To have what we produce eaten by the people we love...**

**Sonoda:** I understand that the philosophy of the JT Group's foods business can best be described as "to have what we produce eaten by those we love." Will you please elaborate on this philosophy?

**Furuya:** We all care most about those we love and we want them to eat safe and delicious food. The words expressing our philosophy describe our mission, that is, to provide those we love with safe and delicious food. We're going to share this philosophy with each other through these words and make never-ending efforts to deliver better products to customers. Our greatest pleasure is to satisfy our customers with such products.

**Hiwasa:** Indeed, the words in the message are superb and easy to understand.

**Sonoda:** Lastly, will you tell us how the JT Group is going to address safety and consumer's comfort issues based on that philosophy?

**Oyama:** The key is to reduce risks. We continue to review our system to minimize risks, while carefully listening to the opinions of external experts and customers.

**Furuya:** Safety is an absolute requirement for those are engaged in the food business which concerns consumers' diets. A common understanding is that we give the highest priority to safety when producing frozen foods, beverages and seasonings. The sense of consumer's comfort, however, is not something that we can determine; it must be evaluated by customers.

To provide customers with the sense of consumer's comfort, we must pursue safety no matter what we produce. This is a never-ending effort.

**Hiwasa:** While frozen foods play an important role in our diets, I'm very interested in the JT Group's food business that operates worldwide. I'm also looking forward to seeing how the food business develops further.

