

Coffee, Tea & Drink Ingredients

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Japan GreenTea Co., Ltd.

Chairman, Isamu KITAJIMA**~ Bringing Culture and Relaxation Into Our Lives Through the Herbs and Teas of the World ~**

The functional food labeling system started in April 2015. Beverage manufacturers are accelerating their delivery of a range of products based on the keyword “health”. The size of the market for sugarless tea beverages, which includes tea varieties such as green and oolong, now exceeds JPY700 billion. Within that market, “health teas”, including herb teas, take a share worth around JPY40 billion. The market for herb tea alone appears to be worth around JPY10 billion. In October 2016, the coffee giant Starbucks started offering Teavana at its branches nationwide. They are starting to work on going beyond the specific fan segment, to open up and expand into new segments, so that a much broader base can enjoy tea. The markets for black tea and herb tea are expected to expand further. We talked to Chairman Kitajima of Japan GreenTea, a company which has been guided by an unwavering mission as it leads Japan’s world of tea and herbs, and is now approaching its 50th anniversary. Back when the word “herb” was unknown in Japan, they started marketing herb tea with focused targeting on young women, and concentrating on the flower as the most commonly used of all the medicinal parts of herbs. The result was “flower tea”, aimed at the black tea market.

Q: Tell us about the foundation of Japan GreenTea.

In 1969, Apollo 11 succeeded in humanity’s first moon landing. Our company was founded four months later. I was born in 1939. Now, in the Internet age, you can do a job even if you have no physical goods. But back then it was the age of physical goods, and to shift goods, one needed money. In most of the world, people normally become adults at twenty, but in the business world at the time, banks would not do business with anyone under the age of thirty. I shuffled around various companies from my university graduation at 22 until I turned 30, preparing myself by learning marketing and saving money. Once I was 30, I founded the company.

The lifespan of a company is said to be 30 years. The survival rate for companies is 3% over 30 years, and 1% over 50 years, but we will turn 50 in two years. Everything I have been doing in service of my heaven-sent mission, as we advance towards the 50th anniversary.

Q:Why did you start a tea company?

I was born as the heir to Japan's leading dry confectionery, but in May when I was 21 years old and a fourth-year university student, my father died suddenly of a cerebral hemorrhage. Immediately after that, I was told to "get out!" of our family home at the Kitajima Seika Company, which was taken from us. I made up my mind that if I had been thrown out of the dry confectionery business, which is the companion to tea, I would make my comeback with tea. But at that time, Japanese tea was being overwhelmed by coffee and cola, which were being spread by US occupation policies. In that case, I thought I'd use Japanese tea as my way to revive Japan's spirit and culture. I took the world's teas as my theme when I started my business, because I wanted to spread unusual and delicious teas and cultures, selected from around the world, leading to a rediscovery of the excellence of Japanese tea.

In 1970, I flew to Dusseldorf, Germany, to visit a company called TEEKANNE. In Japan's tea industry, there are many tea companies that have been carried on through many generations. I chose the theme of "teas of the world" to distinguish my company from them. To that end, my first choice was West Germany, as the company that had the best relations with Japan. At that time, only black tea and jasmine tea were known in Japan, so we chose herb tea from TEEKANNE to assist in Japan's expansion in the world. Back then, herbs had the image of something drunk by the sick and elderly for their medicinal effects, and I was worried that herb tea would get stuck with the image of a health drink or a medicinal beverage. So of the parts of herbs that are used, namely the flowers, leaves, branches, fruit, seeds, bark, and roots, I focused flowers, the most commonly-used part, and sold herb tea under the name "flower tea". Young women were the target market. "Drink flowers and become like a flower!" Flower tea was positioned in black tea sales areas as a smart and stylish tea, and it didn't take long for it to spread throughout Japan.



Q: Other than importing and wholesaling, you opened specialty tea shops, right?

We opened Japan’s first herb and tea specialty store, “Tea Boutique Aoyama”, in 1982. We opened the first shop in Japan to sell tea by weight, from as little as 10g, so that people could feel free to make diverse choices from many types of tea, and enjoy trying them out. One serving of herbs or tea weights two to three grams. That’s a teaspoon-full. We chose 10g as a suitable amount for one teatime for a family of four. The boutique was very popular, particularly with young women, and we opened a succession of stores, as the “tea boutique” style spread.

Q: What are the factors behind the rapid growth and progress of Japan GreenTea

As the pioneer in this industry, we cover everything, upstream, downstream, and in between, handling importing, production, wholesaling, and retailing distribution for ourselves. Doing everything is important when going up against big businesses that rip

off the new business ideas of medium, small, and micro companies. One of our business principles is to own all the forms of business in the upstream, middle, and downstream areas of distribution. We also started the Japan Herb Association in 1984, to foster the sound growth of the herb market. We carried on working to stimulate and advance the industry, with measures such as establishing the Japan Mate Association and the Japan Argan Oil Association. The key points for standing up to the big players are to encompass the whole range of distribution and to establish associations. These measures lead to progress for the industry.

Q: What is the current situation of herb tea in Japan?

There is a strong ambition for health. That is a market that will grow in future, because there are health needs for it. In medicine there is *kanpo* (Chinese medicine) and Western medicine, but Japanese has “*waho*” (Japanese-style medicine). *Kanpo* Chinese medicine is said to have started from tea. Herbs are positioned as a luxury item, and as a health food that truly both prevents and cures illness. Ancient states lacked doctors and medical science, so if there was an epidemic of, for example, dysentery, that state could be wiped out. In those eras without drugs and doctors, the ancient states that survived, such as Greece, Rome, and Egypt, always had medicinal herbs.

Q: Teavana from Starbucks is trying to make a new concept or culture of tea by blending tea leaves with fruit, flowers, spices, herbs, and the like.

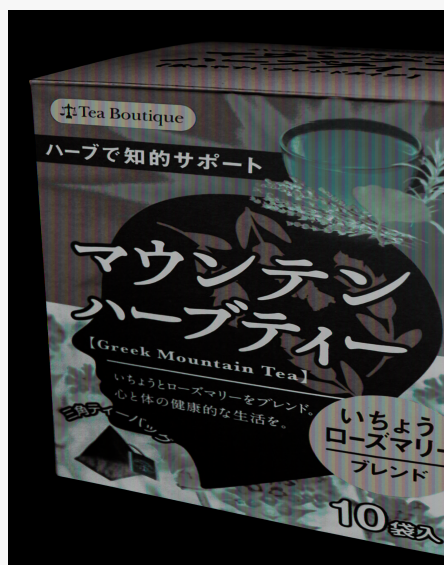
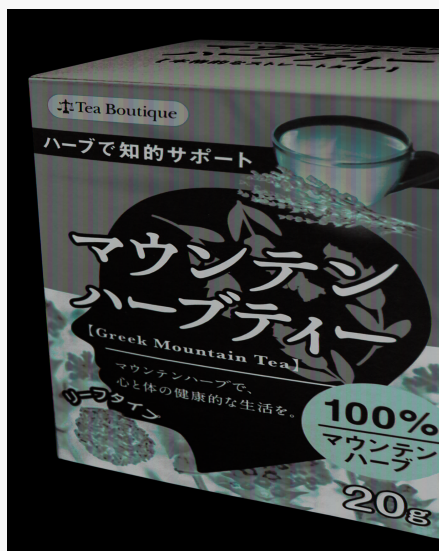
Starbucks seems to be emphasizing just the health aspect. They’re not thinking “tea is tea, coffee is coffee”. Maybe mixing them together will be the fashion in future. Jasmine tea was the first flavored tea. It’s Chinese green tea, flavored with Jasmine flowers from the Middle East that had traversed the Silk Road. Earl Grey is also a flavored tea from ancient times. In Germany there’s a black tea product called “Granny’s Apple Tea” made with green apple flavoring. That is partly why we started handling flavored teas. What will happen in future with the union of tea and herbs? Could coffee be made with herbs too? Spearmint and cinnamon actual go well with coffee. They should be a good match for American coffee, not for a stronger coffee. Rather than “herbs are herbs, tea is tea, coffee is coffee, cocoa is cocoa”, isn’t it time to start blending them? The variations would increase, making life that much more fun.

Q: How do you think Japan's herb and tea industry should be in future?

Coffee can be take-out or eat-in, and can be sold as goods or served in cafes and the like. But why is tea different from coffee? The difference is one of culture. That's the difference! Now that we're in what's being called an age of the spirit, the tea ceremony keeps on spreading. Chinese and Japanese tea ceremonies are being emphasized with the corresponding tea types, in what is also being called the age of the heart. I think that is why tea ceremony is spreading. In future, I think health will be another reason. Caffeine-free and decaffeinated coffee never used to exist. What that means is that luxury goods require much more consideration for health. I think there will be more progress towards products that both prevent and heal illness. I believe we should start from the idea that medicine and food are the same.

Q: What is tea for you?

For me, tea is life itself. It forms a triangle of take-out, eat-in, and culture. As a pioneer, we were the first company in Japan to add herbs to the teas of the world. Herbs really are natural remedies. We also handle salt. Salt is the origin of life. And we handle oil. Oil is another origin of life. There's another product that we are working on now. It's a mountain tea from Greece, where it has been used since ancient times to prevent dementia. Did you know that 65% of the nutrition in tea is still in the leaves you throw away? Tea leaves are originally edible. Tea is used as a food in Myanmar. We are now thinking of making used tea leaves into food, rather than discarding them, and of making the powder of the Greek mountain tea into a condiment to sprinkle on rice.



Q: What's your vision for the future?

I want to carry Japan GreenTea to new heights, under the slogan of “Bringing the herbs and teas of the world to you!” Since I founded this company, I have realized countless dreams by accumulating one event after another. In future, we will go on providing teas, herbs, salts, oils, syrups (tree sap), and other high-quality foods that are rooted in the culinary cultures of the world and are the most important for our customers' lives. We will also contribute to real diplomacy between peoples, by helping to build good relationships between Japan and other countries around the world. I want to strive diligently in my everyday work, to make everyone's lives more abundant.

(End)