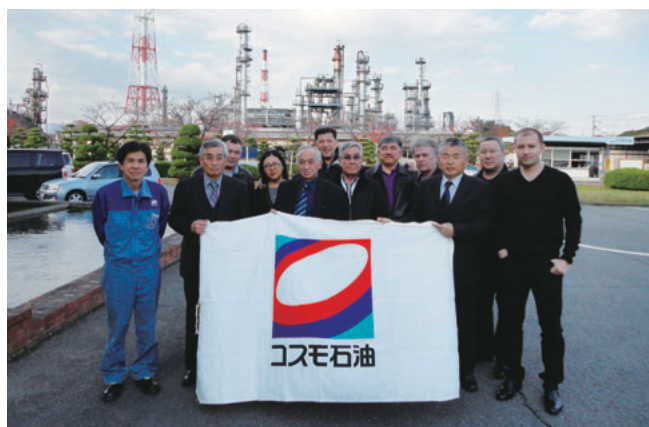


CPJ Seminar on “Total Quality Management” for KazMunayGas



At Cosmo Oil's Sakai Refinery

1. Background

This course was implemented in response to a request from KazMunayGas (KMG), Kazakhstan's state-run oil and gas company that is recently garnering worldwide attention for its oil and uranium resources.

KMG and its group companies have introduced international standards for quality management (ISO 9000) and environmental management (ISO 14000) in 2006, and are promoting a unified management system that includes industrial safety standards (OHSAS 18000), but the effectiveness of this initiative still needs to be examined. For this reason, a group composed of CEO-class managers from across KMG and its group companies was organized to take part in a CPJ to learn about the total quality management (TQM) initiatives of Japanese companies, and to acquire information on actual situations concerning TQM and its operational know-how.

2. Seminar Content

The training program was roughly divided into two parts. The first part was composed of lectures at JCCP Headquarters, including those conducted by JCCP lecturers and those conducted by outside lecturers. The second part was composed of offsite training programs that were designed to provide practical field training in relevant technologies and activities at two refineries and one instrumentation device manufacturer.

2.1 Training at JCCP

First, a lecture was given on the current situation of Japan's oil industry. Then, over the next two days, a series of lectures covered the following topics in detail to provide a comprehensive understanding of TQM in Japan: the quality improvement cycle; establishment of a system for continuous improvement; the background, necessity and effects of quality management; the TQM concept; strategies and specific policies concerning customer satisfaction; and the 5S activities. By examining TQM systematically and specifically introducing practical TQM procedures, the lectures at JCCP Headquarters seemed to measure up to the expectations of the Kazakh group. All participants focused strong attention on the lectures until the very end.



Lecture at JCCP Headquarters

2.2 Offsite Training

• Cosmo Oil Co., Ltd., Sakai Refinery

After introducing the refinery and giving an overview of its operations, staff members of the Sakai Refinery talked about quality management, improvement activities, and campaigns related to quality management that are implemented by the refinery. In the afternoon, the focus of the program was placed on the profit improvement project that the refinery is implementing under the consultancy of KBC, and explanations were given of the improvements that have been achieved to date and the effectiveness of the project in terms of profit amount. As there were some participants who have experienced a similar type of project, the group raised many questions and engaged in extremely active discussions.



At the Negishi Refinery of JX Nippon Oil & Energy Corporation



At the Mitaka Head Office and Plant of Yokogawa Electric Corporation

- **JX Nippon Oil & Energy Corporation, Negishi Refinery**

The staff of the Negishi Refinery gave an overview of the refinery, introduced the equipment composition and flow of oil in the refinery, its heavy oil cracking units such as RDS and RFCC, and the refinery's responses to the latest trends toward clean fuels. They then provided a tour of the test analysis laboratory, which serves as the center of quality management in the refinery, and explained its functions. In the afternoon, detailed explanations were given of the actual state of quality management in the refinery and the profit improvement program, which the refinery has pursued to date.

The Negishi Refinery has large numbers of various types of secondary units, and the tour of its test analysis laboratory impressed the participants with its extensive array of facilities. The extremely detailed explanations of the profit improvement program seemed to also satisfy the participants' interest and provoked further thoughts among them.

- **Yokogawa Electric Corporation, Mitaka Head Office and Plant**

The training program at Yokogawa Electric began with a welcome address by the director of the Global Engineering Business Headquarters, and included an introduction of the company's most recent operations and the functions of the latest DCS system, by their respective managers. It also included a tour of the company's Kofu Factory. To provide greater understanding of the company's management of product quality and management systems, the participants visited the Kofu Factory by chartered bus and observed in detail the production lines and quality management systems of various products. The extremely meticulous and

hospitable attention of all staff members was greatly appreciated by all participants.

3. Evaluation and Impressions

Notwithstanding the course's short duration of just nine days, it included visits to two refineries and one instrumentation device manufacturer, and provided deep knowledge of the TQM situation in Japan's industries. The efficient course coordination and arrangement efforts of JCCP were highly appreciated by the Kazakh group. Because the group was composed of CEO-class managers from across KMG and its group companies, the participants had extremely sharp and incisive questions about important points that pertained to their respective fields. This seemed to indicate their strong desire to learn about the TQM initiatives of Japanese companies and the actual status of TQM in Japan, as well as to acquire operational know-how about TQM activities.

The Kazakh Ambassador to Japan lent his presence to the closing ceremony, and affirmed Kazakhstan's wishes to strengthen relations between the two countries and its expectations of JCCP activities.

<by Yoshiaki Ueno, Training Dept.>



Closing ceremony