

Implementation of the Japanese Product Safety Pledge (Summary)

- Annual Report 2024 -

May 2025

Consumer Affairs Agency

Product Safety Pledge Introduction



- 1. <u>Subject period</u> from January 1 to December 31, 2024
- Signatory online marketplace operators
 Amazon Japan G.K., eBay Japan G.K., au Commerce & Life, Inc., Mercari, Inc., Mobaoku Co., Ltd, LY Corporation, Rakuten Group, Inc., Mitsui Fudosan Co., Ltd. (note) Signatories include both BtoC and CtoC OM operators.

3. Regulatory authorities

Consumer Affairs Agency (Consumer Product Safety Act)

Fire and Disaster Management Agency of the Ministry of Internal Affairs and Communications (Fire Service Act) Ministry of Health, Labour and Welfare (Act on Control of Household Products Containing Harmful Substances, Narcotics and Psychotropics Control Act, Act on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices)

Ministry of Economy, Trade and Industry (Consumer Product Safety Act, Electrical Appliances and Materials Safety Act, Gas Business Act, Act on the Securing of Safety and the Optimization of Transaction of Liquefied Petroleum Gas, High Pressure Gas Safety Act)

Ministry of Land, Infrastructure, Transport and Tourism (Road Vehicle Act)

4. <u>Others</u>

The data is based on the results of the implementation submitted by signatory online marketplace (hereafter "OM") operators (hereafter "signatories") and materials published on the Consumer Affairs Agency (hereafter "CAA") website.

Product Safety Pledge

Key Performance Indicator (Quantitative KPI)



• Quantitative KPIs (overall domestic status)

Regarding quantitative KPIs, signatories <u>removed</u> recalled products, etc. (1) 7,407 listings voluntarily by referring to <u>designated websites</u>, and (2) 561 listings in response to regulatory authorities requests. All (100%) of the 7,968 listings (7,407 + 561) were removed within two business days of product identification.

Additionary, signatories <u>removed</u> recalled products, etc. (3) 2,711 listings based on voluntarily collected information from <u>manufacturers, etc.</u>, and (4) 125 listings based on consumer requests, in addition to listings of (1) and (2) above.

 1. Voluntary listing removals with reference to designated websites [Subject to quantitative KPI calcul Calculation: Number of recalled products, etc. listings identified on operating OM to be removed, by referring to relevant websites, etc. 7,407 (A) Number of listings removed within 2 business days starting from the business day following the date identified: 7,407 (B) Reference sites: Consumer Affairs Agency "Recall Information Site", Ministry of Health, Labour and Welfare "Information on Drug Abuse Prevention", Ministry of Economy, Trade and Industry "Recall Information" Signatories check the model number, lot number, etc. and the risk to life and/or health of relevant products whether they are not listed on their OM. 	<u>lation</u> <u>100%</u> <u>removal</u> (%): (B)/(A)
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2. Listing removal in response to regulatory authorities requests [Subject to quantitative KPI calculation] Calculation: Number of recalled products, etc. listings identified to be removed by regulatory authorities take-down requests: <u>561 (A)</u> Number of listings removed within 2 business days starting from the business day following the date identified: <u>561 (B)</u> Products breakdown: DC Power Supply Units (144), Pressure cookers for home use (132), Magnetic entertainment products (92), (%):

Lithium-ion batteries (45), Baby beds (29), Others (119)

•Others: The CAA publishes the status of listing removal in response to regulatory authorities take-down requests once a month.

3. Other listing removal status [Reference]

Signatories received information from manufactures, etc., and after confirming recalled products., etc., <u>2,711</u> listings were removed.
Signatories received inquiries from consumers regarding recalled products, etc. applicability, and after analyzing inquiries, those products confirmed as recalled products, etc., <u>125</u> listings were removed.



(B)/(A)

Product Safety Pledge

Key Performance Indicator (Qualitative KPI)



Qualitative KPIs (activity reports)

Regarding qualitative KPI (activity reports), signatories have established workflows, such as <u>formulating a procedural documents</u> <u>and setting a department in charge</u>, and have <u>built systems necessary</u> to implement all 12 commitments stipulated in the pledge. They also implement <u>creative measures based on their scale and characteristics</u>. The regulatory authorities have also implemented the required measures, such as providing explanatory materials for sellers, etc

1. Product safety measures conducted based on information from regulatory authorities (Commitments 1 – 5)

•All signatories have established workflows, such as formulating a procedural documents and setting a department in charge, have conducted voluntary listing removal with reference to designated websites and listing removal in response to regulatory authorities requests, and have set up communication system with regulatory authorities. Some signatories implement measures to enhance their internal management systems for listing removal, such as **regular information sharing with relevant departments**, **establishing a department to centralize data related to Japanese Product Safety Pledge**, and **performance report to management**.

2. Product safety measures conducted based on information from consumers (Commitment 6)

•All signatories have prepared means (tools), such as e-mail and chat, to receive information from consumers about recalled products, etc., have established workflows that determine response, including listing removal, within 5 business days after receiving the information. In addition, some signatories <u>collaborate with the National Institute of Technology and Evaluation (NITE) on information received</u>, implement measures to conduct <u>safety analysis by aggregating the reasons for returns</u> and to <u>introduce machine leaning models to build information collection</u> <u>systems</u>.

3. Measures to provide information on product safety to sellers and consumers (Commitments 7 & 8)

•All signatories provide sellers with explanations of product listing rules, including banned products, and information on recalled products, etc., as well as providing consumers with information on recalled products, etc., and how to use products, etc. In addition, some signatories **provide information** to sellers **via multiple channels**, **hold study sessions for sellers on product safety laws and regulations**, **hold information sessions for sellers living overseas**, **provide information** to consumers (identifying the purchaser) **in collaboration with multiple companies**, and **provide information on the National Consumer Affairs Center of Japan's warnings**.

4. Measures to prevent detriment and technological innovation on product safety (Commitments 9 – 12)

•All signatories have implemented processes to review listings and prevent re-listing of recalled products, etc., based on the terms and conditions, measures to take actions against malicious sellers, conduct pre-sales screening for 4 products, such as lithium-ion batteries, based on the request from the Ministry of Economy, Trade and Industry, and consider introduction of new technologies. In addition, some signatories are conducting warning pop-ups when listing products, considering business improvements using generative AI, and improving keyword filtering systems to extract recalled products, etc.

[Reference] Japanese Product Safety Pledge Overview



- The Japanese Product Safety Pledge is a response to (1) the OECD's "Communiqué on Product Safety Pledges" and (2) the changing environment where the market size of BtoC and CtoC product sales on online marketplaces (hereafter "OM") is increasing, while the ratio of serious product accidents is also increasing. It is a "public-private collaborative voluntary initiative" by the Consumer Affairs Agency (hereafter "CAA") and other relevant ministries and agencies for consumer products and OM operators that goes beyond the legal framework for product safety, and key performance indicators (KPI) have been calculated.
- Signatory OM operators (hereafter "signatories") declare 12 commitments, such as removing recalled or unsafe products (hereafter "recalled products, etc.") from the market, either voluntarily or in response to regulatory authorities requests.
- Signatories establish and maintain systems to prevent the re-listing of recalled products, etc., and regulatory authorities provide explanatory materials for sellers, etc.
- The discipline of signatories is based on both (1) unified discipline (e.g., signatories are requested to remove recalled products, etc. listings within 2 business days) and (2) autonomous discipline based on their scale and characteristics.

Japanese Product Safety Pledge Highlights

(1. Annual performance confirmation by signatories)

Quality control by annual follow-up using Key Performance Indicator (KPI) <New>

(2. Expansion and enhancement of existing approach)

Educational material for sellers and exhibitors < Expansion and enhancement>

Extensive and exhaustive removal of recalled/unsafe product listings < Expansion and enhancement>

System improvement against re-listing recalled/unsafe products and malicious sellers < Expansion and enhancement>

(3. Japan original approach *new measures)

Added "actual workflow" and other items related to consumers to KPI <Japan original>

CAA analyzes listing removal status in cooperation with regulatory authorities <Japan original>

CAA publishes listing removal in its website as breaking news <Japan original>

[Reference] Japanese Product Safety Pledge Overview



O Regulatory authorities participating the Japanese Product Safety Pledge * as of April 18, 2025

Name of ministry and agency	Laws and regulations
Consumer Affairs Agency (CAA)	Consumer Product Safety Act
Fire and Disaster Management Agency (FDMA) Ministry of Internal Affairs and Communications (MIC)	Fire Service Act
Ministry of Health, Labour and Welfare (MHLW)	Act on Control of Household Products Containing Harmful Substances Narcotics and Psychotropics Control Act Act on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices
Ministry of Economy, Trade and Industry (METI)	Consumer Product Safety Act Electrical Appliances and Materials Safety Act Gus Business Act Act on the Securing of Safety and the Optimization of Transaction of Liquefied Petroleum Gas High Pressure Gas Safety Act
Ministry of Land, Infrastructure, Transport and Tourism (MLIT)	Road Vehicle Act

O OM operators who signed the Japanese Product Safety Pledge *as of April 18, 2025

Date of Signature	OM Operators	Online Marketplace
	Amazon Japan G.K.	Amazon.co.jp
	eBay Japan G.K.	Q0010
	au Commerce & Life, Inc.	au PAY Market
	Mercari, Inc.	Mercari (CtoC) Mercari Shops
June 29, 2023	Mobaoku Co., Ltd.	Mobaoku (CtoC)
	LY Corporation	Yahoo! JAPAN Shopping Yahoo! JAPAN Auction (CtoC) Yahoo! JAPAN Flea Market (CtoC) LINE Gift
	Rakuten Group, Inc.	Rakuten Ichiba Rakuten Rakuma (CtoC)
September 20, 2024	Mitsui Fudosan Co., Ltd.	Mitsui Shopping Park &mall MITSUI OUTLET PARK ONLINE

[Reference] Japanese Product Safety Pledge 12 Commitments



- > The Japanese Product Safety Pledge (text) consists of <u>12 commitments in total</u>.
- In addition, it consists of <u>a</u> "Guidance for Businesses" that serves as a reference for signatories to understand 12 commitments, and <u>a</u> "Guidance for Regulatory Staff" that summarizes the thinking of the relevant ministries and agencies in charge of consumer products regarding "unsafe products" and other issues, as well as specific measures.
- 1. <u>Regularly consult regulatory authorities' and other relevant websites</u> for information on recalled/unsafe products and <u>take</u> <u>appropriate actions</u> on these products <u>once they are identified</u>.
- 2. Provide a <u>dedicated contact point</u> for regulatory authorities to notify information on recalled/unsafe products and/or request takedowns of these products.
- Remove requested recalled/unsafe product listings within two business days of receiving a take-down request from the regulatory authorities. Inform the regulatory authorities on the action that has been taken and any relevant outcomes.
- 4. When requested by regulatory authorities to provide information, <u>make reasonable efforts to identify, the supply chain</u> of recalled/unsafe products <u>and respond</u> to the take-down request.
- 5. <u>Establish and/or maintain an internal control system</u> to respond to information requests from regulatory authorities and to implement the removal of recalled/unsafe product listings.
- 6. <u>Provide a means for consumers to notify the pledge signatories directly</u> of recalled/unsafe product listings. Upon notification, <u>take appropriate actions within five business days</u> based on the signatories' established process.
- In order for sellers to implement measures to comply with Japanese product safety-related laws and regulations, <u>provide</u> them reasonable opportunities to acquire knowledge pertaining to such laws and regulations by sharing information related to product safety provided by regulatory authorities and others.
- 8. Cooperate with regulatory authorities and sellers to **inform consumers about actions taken by concerned business operators and regulatory authorities** related to recalled/unsafe products.
- 9. Establish and/or maintain systems aimed at preventing or restricting the sale of prohibited, recalled/unsafe products, as appropriate.
- 10. Work with regulatory authorities to **take appropriate actions against malicious sellers**, such as those who intentionally repeat selling recalled/unsafe products.
- 11. Take appropriate measures aimed at preventing the reappearance of recalled/unsafe product listings already removed.
- 12. **Proactively consider the use of new technologies and innovation** to improve the detection and removal of recalled/unsafe product listings.

(Configuration)	Product Safety Pledg	Text (12 commitments)		
(<u>Guidance</u>		Guidance	
(for online marketplace operators)			(for regulatory authorities)	
	/			

[Reference] Products subject to Japanese Product Safety Pledge



- The CAA and other regulatory authorities for consumer products formulated "the Japanese Product Safety Pledge a Guidance for Relevant Government Ministries and Agencies Staff –" for each law, which defines "unsafe products" based on the products and standards under their jurisdiction, had consultation with signatories and participated the pledge.
- > Products subject to the pledge are **products specified by a total of ten laws**, including four product safety acts.
- If any of those products sold on OM are recalled or unsafe products, signatories remove such listings voluntarily or in response to regulatory authorities requests.

List of products subject to Japanese Product Safety Pledge

Four Product Safety Acts (METI)

- 1. Specified products regulated by the Consumer Product Safety Act •baby beds, oil heaters/stoves, etc. required to affix PSC mark
- 2. Electrical Appliances regulated by the Electrical Appliances and Materials Safety Act
 - lithium-ion batteries (including mobile batteries), AC/DC power supply units (AC adaptors), etc. required to affix PSE mark
- 3. Gas Equipment regulated by the Gas Business Act
 - •Instantaneous gas water heater, gas cooking stoves, etc. required to affix PSTG mark
- 4. LPG products regulated by the Act on the Securing of Safety and the Optimization of Transaction of Liquefied Petroleum Gas
 - $\cdot\,\text{LP}$ gas cooking stoves, instantaneous LP gas water heater, etc. required to affix PSLPG mark

High Pressure Gas Safety Act (METI)

Containers (accessories) for filling with high pressure gas in Japan that have been inspected, stamped, notified, etc. as required by the High Pressure Gas Safety Act

 \cdot scuba diving tanks, carbon dioxide cylinder, etc.

Fire Service Act (FDMA, MIC)

- Flame retardant goods

 curtains, blinds using cloth, carpets, etc. (limited to goods sold as flame retardant)
- Machine or tool, etc. subject to inspection
 fire extzinguishers, residential fire alarms, etc.
- Machine or tool, etc. subject to self-labeling
 •aerosol type disposable fire extinguishers, etc.

	Act on Control of Household Products Containing Harmful			
Substances (MHLW)				

Household products with the standards of harmful substances in accordance with the Act

•diaper, textile products such as underwear (specified with the content of formaldehyde, etc.), household aerosol products (specified with the content of trichlorethylene), etc.

Narcotics and Psychotropics Control Act Act on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices (MHLW)

- 1. Products that contain (including those suspected of containing) "narcotic" ingredients as stipulated in the Narcotics and Psychotropics Control Act
- 2. Products that contain (including those suspected of containing) "Shitei Yakubutsu (designated substances)" components as stipulated in the Act on Securing Quality, Efficacy and Safety of Products including Pharmaceuticals and Medical Devices
- 3. Products that contain (including those suspected of containing) components that are likely to be promptly designated as "Shitei Yakubutsu (designated substances)" as stipulated in the Act on Securing Quality, Efficacy and Safety of Products including Pharmaceuticals and Medical Devices (products before official gazette of designation as a broadly prohibited item and products after official gazette of designation as a broadly prohibited item)

Road Vehicle Act (MLIT)

- 1. Child restraint systems child seats
- 2. Specified small motorized bicycles electric scooters, etc.

● As of December 31, 2024, six (ten laws) "Guidance for Relevant Government Ministries and Agencies Staff" have been formulated.