White Paper on Consumer Affairs
2014 Summary

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[Summary]

Consumer Affairs Agency,
Government of Japan
Introduction to the Consumer Affairs Agency and the White Paper on Consumer Affairs

The Consumer Affairs Agency (CAA) is celebrating its fifth anniversary this year. The CAA was established in September 2009 under the philosophy of “creating a new organization with strong authority for the unified and integrated promotion of consumer administration, which was vertically divided among different ministries and agencies,” and “gathering public opinions and complaints, reflecting them in government policies and steering the government toward consumer orientation.” Having started with 202 employees, the CAA has developed under the concept of “born small and grow big” to operate with 289 employees as of the end of FY 2013. Over these years, the CAA has been cooperating with related ministries and agencies, local governments, the National Consumer Affairs Center of Japan and consumer groups to set up the framework of consumer administration through efforts in various fields, including systematically developing government-wide consumer policies, creating fundamental systems associated with consumer life, ensuring consumer safety, taking action against dishonest businesses, eliminating inappropriate representations and advertisements, establishing food labeling rules, promoting consumer awareness and education, supporting local consumer administration efforts, and implementing price policies and policies to promote fair utility rates.

This document is the second issue of “White Paper on Consumer Affairs”; the first issue was created and published in FY 2013, following the revision of the Basic Consumer Act in 2012. Part 1 of this White Paper, entitled “Today’s Consumer Issues and Consumers’ Behavior/Attitude,” objectively summarizes and analyzes recently observed consumer harm and problems, based on consumer consultation data, awareness surveys and other information. Part 2, “Implementation of Consumer Policy,” shows efforts by the CAA and related ministries and agencies in different fields. Unlike previous years, in which the CAA compiled a separate “Report on the Results of Information Gathering and Analysis on Consumer Accidents” in accordance with the Consumer Safety Act, the CAA has decided to issue a single document combining the White Paper and the statutory report in order to provide reports more effectively.

Every issue of the White Paper on Consumer Affairs includes feature articles focusing on major up-to-date policy issues and providing their detailed analysis. The feature article in the previous issue was “Consumer Problems Faced by the Elderly,” reflecting that a growing number of the elderly are falling victims to fraudulent schemes targeting the elderly, such as “theatrical solicitation.” The latest issue contains two feature articles: the first is entitled “Food-Related Consumer Issues,” a topic chosen because food-related consumer problems attracted major public attention in FY 2013, and the second is about “Consumer Issues and Development of ICT,” which addresses the increase in consumer problems associated with information and communications technology (ICT), such as the Internet and mobile telephones, along with the advancement of information society.
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Summary and analysis of consumer accidents information and actions by the Consumer Affairs Agency under the Consumer Safety Act (omitted)
Food-related consumer issues occur repeatedly; in FY 2013, food labeling problems mainly at restaurants draw major public attention.

As the social environment, family structure and life style change, consumers are paying attention to food from broader perspectives, and they are becoming more eager to demand safe food. Even in the past, Japan occasionally experienced food-related consumer issues.

### Figure 1-1-2 Major food-related consumer issues since 2000

<table>
<thead>
<tr>
<th>Date</th>
<th>Issue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jun. 2000</td>
<td>Food poisoning caused by Snow Brand Milk Products Co., Ltd.</td>
</tr>
<tr>
<td>Sept. 2001</td>
<td>BSE-infected cow found in Japan</td>
</tr>
<tr>
<td>Oct. 2006</td>
<td>Expired ingredients used by Fujiya Co., Ltd.</td>
</tr>
<tr>
<td>Oct. 2007</td>
<td>False best before date labels used by Akafuku Co., Ltd.</td>
</tr>
<tr>
<td>Nov. 2007</td>
<td>False food labeling incidents, e.g., Meat Hope scandal, discovered</td>
</tr>
<tr>
<td>Jan. 2008</td>
<td>Poison found in frozen dumplings imported from China</td>
</tr>
<tr>
<td>Sep. 2008</td>
<td>Improper distribution of non-edible rice discovered</td>
</tr>
<tr>
<td>Jun. 2009</td>
<td>Food poisoning from processed meat served by Pepper Lunch</td>
</tr>
<tr>
<td>Mar. 2011</td>
<td>Anxiety spread about radioactive contamination of food after the Fukushima Daiichi Nuclear Power Plant Accident</td>
</tr>
<tr>
<td>Apr. 2011</td>
<td>Mass food poisoning from beef served to be eaten raw</td>
</tr>
<tr>
<td>Oct. 2013</td>
<td>Food labeling problems at Hankyu Hanshin Hotels Co., Ltd., Hanshin Hotel Systems Co., Ltd., Kintetsu Corp., etc.</td>
</tr>
<tr>
<td>Dec. 2013</td>
<td>Aqli Foods Corp.’s frozen foods tainted with pesticide</td>
</tr>
</tbody>
</table>
Misrepresentation of food ingredients in menus was discovered at one place after another among hotels and restaurants.

In 2013, misrepresentation of food ingredients in menus was discovered at one place after another among major hotel chains, department stores and restaurants.

Related ministries and agencies collaborated in taking measures, such as requesting actions to prevent recurrence, strengthening the structure for supervision and guidance (enacted Act to partially amend the Act against Unjustifiable Premiums and Misleading Representations, etc.), and improving the predictability of businesses (release of “Principles of Food Labeling in Menus and Dishes under the Act against Unjustifiable Premiums and Misleading Representations”).

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oct. 22, 2013</td>
<td>Hankyu Hanshin Hotels Co., Ltd. announced misrepresentation of food ingredients in menus served at its restaurants. Similar announcements were subsequently made by others, including Hanshin Hotel Systems Co., Ltd. (Oct. 25) and Kintetsu Corp. (Oct. 31).</td>
</tr>
<tr>
<td>Nov. 6, 2013</td>
<td>CAA requested industry organizations associated with hotel restaurant menu labeling to ensure that their member businesses are aware of the “Principles and Examples of the Implementation of the Act against Unjustifiable Premiums and Misleading Representations.”</td>
</tr>
<tr>
<td>Nov. 8, 2013</td>
<td>Minister of State for consumer affairs requested hotel industry associations and the Japan Department Stores Association to take action to prevent any recurrence.</td>
</tr>
<tr>
<td>Nov. 11, 2013</td>
<td>First meeting of ministries and agencies related to food labeling problems was held. Related ministries and agencies adopted policy on future actions (ensuring awareness of Principles and Examples of the Implementation of the Act against Unjustifiable Premiums and Misleading Representations, identifying the situation of false labeling and mislabeling of food, etc.).</td>
</tr>
<tr>
<td>Nov. 18, 2013</td>
<td>CAA opened a special page for food labeling problems within its website.</td>
</tr>
<tr>
<td>Nov. 22, 2013</td>
<td>CAA established an office to discuss legislation to strengthen the structure for consumer administration.</td>
</tr>
<tr>
<td>Dec. 9, 2013</td>
<td>The second meeting of ministries and agencies related to food labeling problems was held. They adopted as the next action “Promoting Proper Food Labeling” (including strict measures against individual cases, promotion of proper labeling and adherence to rules in related industries, and urgent discussion to revise the Act against Unjustifiable Premiums and Misleading Representations).</td>
</tr>
<tr>
<td>Dec. 9, 2013</td>
<td>The Prime Minister consulted the Consumer Commission about measures to be taken against violations of the Act against Unjustifiable Premiums and Misleading Representations, such as introduction of a surcharge system.</td>
</tr>
<tr>
<td>Feb. 26, 2014</td>
<td>Agents of the Ministry of Agriculture, Forestry and Fisheries supervising food labeling (“Food Label G-Men”) were concurrently appointed to serve at the Consumer Affairs Agency.</td>
</tr>
<tr>
<td>Mar. 11, 2014</td>
<td>Draft bill to partially amend the Act against Unjustifiable Premiums and Misleading Representations, etc. was submitted to the Diet.</td>
</tr>
<tr>
<td>Mar. 28, 2014</td>
<td>CAA released “Principles of Food Labeling in Menus and Dishes under the Act against Unjustifiable Premiums and Misleading Representations,” and patrol by Food Label G-Men started.</td>
</tr>
<tr>
<td>Jun. 6, 2014</td>
<td>Act to partially amend the Act against Unjustifiable Premiums and Misleading Representations, etc. was enacted.</td>
</tr>
</tbody>
</table>
Section 1  Promotion of proper food labeling (3)

Many consumers want food labeling problems to be prevented from recurring

When asked about their thoughts about food labeling problems, the largest part (40.7%) of consumers said “Food fraud is a problem, but preventing recurrence of similar problems is more important than punishing the businesses involved.”

Figure 1-1-6 Regarding food labeling problems, 40.7% of consumers consider preventing recurrence as important

(N=3,000)
- Food fraud is a problem, but preventing recurrence of similar problems is more important than punishing the businesses involved. 40.7%
- Responsible businesses should be punished severely. 22.6%
- Businesses should be required to indicate information on foods used (e.g., type, place of origin). 12.3%
- Such practice is rampant and it is unfair to criticize only the businesses that honestly disclosed facts. 11.0%
- This is too big a fuss over cases involving no health problems. 7.3%
- I am not interested. 6.1%

2. Answers to the question, “What are your thoughts about the food labeling problems? Choose the one that best describes your thoughts.”

Figure 1-1-4 Consumer consultations on food labeling problems surged in October to November

(Note) Consumer affairs consultation information on “food labeling problems” in FY 2013 registered with PIO-NET (registration by April 30, 2014).
Moving toward food labeling easy to understand, with the Food Labeling Act established

Japan’s food labeling system is specified by three separate Acts: the Food Sanitation Act, the Act on Standardization and Proper Quality Labeling of Agricultural and Forest Products (JAS Act), and the Health Promotion Act. This has made the system difficult to understand for both consumers and businesses. To resolve this problem, the provisions for food labeling in these Acts were integrated into a single Act, the Food Labeling Act, which was established in June 2013 to create a unified, comprehensive system for food labeling. The new Act is slated to enter into effect by June 2015.

Figure 1-1-8 Food labeling system

(Food label sample under current Acts)

* [39] is a unique number of the manufacturing plant.
Section 2 Ensuring food safety (1)

A case where frozen foods were deliberately tainted with pesticide occurred

A case was discovered in December 2013 in which a factory worker is suspected to have deliberately tainted frozen foods with pesticide. The business operating the factory voluntarily recalled all the suspicious products, while related ministries and agencies collaborated in raising awareness of consumers, requesting retailers and wholesalers’ to cooperate on the matter, and conducting other activities.

Figure 1-2-4 Major developments of the case involving Aqli Foods Corp.’s frozen foods tainted with pesticide

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nov. 13, 2013</td>
<td>Consumers reported strange smell (like petroleum or machine oil) to Aqli Foods.</td>
</tr>
<tr>
<td>Dec. 29, 2013</td>
<td>Aqli Foods reported to Gunma Prefecture’s public health center and announced a voluntarily recall. About 5.36 million packages were recovered by March 31, 2014, according to Maruha Nichiro Corp., Aqli Foods’ parent company.</td>
</tr>
<tr>
<td>Dec. 30, 2013</td>
<td>CAA conducted awareness raising to ask consumers to return recalled food without eating (1st notification).</td>
</tr>
<tr>
<td>Jan. 5, 2014</td>
<td>CAA released a list of products on the market and announced a “consumer hotline” was available.</td>
</tr>
<tr>
<td>Jan. 8, 2014</td>
<td>Aqli Foods executives reported to the Minister of State for consumer affairs the developments reaching voluntary recall announcement.</td>
</tr>
<tr>
<td>Jan. 14, 2014</td>
<td>Conference of Deputy Director-Generals for Consumer Safety Information was held (for information sharing among related ministries and agencies).</td>
</tr>
<tr>
<td>Jan. 25, 2014</td>
<td>Contract worker at Aqli Foods Gunna factory was arrested as a suspect.</td>
</tr>
<tr>
<td>Mar. 14, 2014</td>
<td>Conference of Deputy Director-General for Consumer Safety Information was held (for information sharing among related ministries and agencies).</td>
</tr>
<tr>
<td>Apr. 30, 2014</td>
<td>Aqli Foods’ third party investigative committee on pesticide contamination case released its interim report.</td>
</tr>
<tr>
<td>May 29, 2014</td>
<td>Aqli Foods’ third party investigative committee on pesticide contamination case released its final report.</td>
</tr>
</tbody>
</table>

Figure 1-2-1 Consultations on “prepared frozen foods” of “Aqli Foods” received by local consumer affairs centers decreased as operations at Aqli Foods’ call center improved

2. The number of call center lines is based on the interim report released by Aqli Foods’ third party investigative committee on pesticide contamination case.
Fewer people are concerned about radioactive material in food

In response to concerns over radioactive material in food after the accident at Tokyo Electric Power Company’s Fukushima Daiichi Nuclear Power Plant in March 2011, related ministries and agencies have been striving to prevent groundless rumors by improving inspection systems, providing consumers with relevant information, and engaging in risk communication.

The percentage of those who hesitate to buy food produced in Fukushima among those concerned about radioactive material in food declined from 19.4% in February 2013 to 15.3% in February 2014.

Figure 1-2-6  Fewer people hesitate to buy food produced in Fukushima and elsewhere in eastern Japan

2. The breakdown of the answers to the question, “In which of the following places do you hesitate to buy food produced?”
   The question was asked to those who answered they are either “conscious of” or “somewhat conscious of” where the food is produced because they “want to buy foods not contaminated with radioactive material.”
Section 3  Situation of food loss and efforts to reduce it

Large amounts of food is wasted at each stage of production, distribution and consumption, making food loss reduction a major challenge.

When food that can still be eaten is discarded, it is considered as “food loss.” The annual food loss in Japan amounts to 5 to 8 million tons. This is equivalent to rice production in Japan (about 8 million tons). The combined percentage of those who “know well” and those who “somewhat know” about food loss is 64.5%. Survey results show that these people are more eager to reduce food loss than those who do not know about the issue.
E-commerce and the information and communications industry play increasingly important roles in the economy.

The e-commerce market grew more than 2.5-fold from about ¥3.5 trillion in 2005 to about ¥9.5 trillion in 2012. The information and communications industry accounts for an increasing part of Japan’s gross domestic product (GDP).

Figure 2-1-5  E-commerce market grew more than 2.5 times in size over seven years

Figure 2-1-6  Information and communications industry accounts for an increasing part of Japan’s GDP
A shift to smartphones is driving the growth of the smartphone and mobile commerce market

As more consumers have replaced their traditional mobile phones with smartphones in recent years, the mobile content market for smartphones and other mobile terminals is rapidly growing. The market expanded about 4.6-fold in a year, from ¥80.6 billion in 2011 to ¥371.7 billion in 2012.

Figure 2-1-9 A shift to smartphones is driving the growth of the smartphone and mobile commerce market

Figure 2-1-10 Mobile content market for smartphones expanded 4.6-fold in a year

(Notes) 1. Prepared by the Consumer Affairs Agency based on data from the Ministry of Internal Affairs and Communications, “Survey Results concerning Actual Industrial Structure of Mobile Content” (2012).
2. The above survey defines the mobile content market as a market for selling digital content associated with businesses run on the mobile Internet platform and divides it into the feature phone market and the smartphone market.
3. The above survey defines the feature phone as a traditional mobile phone that can access IP-based services (e.g., i-mode) designed for mobile phones, and the feature phone market as a market for selling music, games and the types of digital content through official online sites designed for feature phones, mainly based on a business model depending on direct carrier billing.
4. The above survey defines the smartphone as a terminal that provides versatile functions through applications, browsers and other programs running on an open operating system with access to the Internet, and the smartphone market as a market for selling digital content, including applications and other content designed for smartphones. This market includes neither laptop PCs nor those game consoles that can access the Internet but only for downloading game software.
5. The above survey defines the mobile commerce market as a market for selling goods and services on the mobile Internet platform.
A wider variety of payment methods are used, including online payment by credit card

As to the payment method used for Internet shopping, more than half of consumers said they have used credit card payments in the past year, and the percentage of such consumers increased from the level at the end of 2011. Payment methods are diversifying with a wide variety of options available, including cash on delivery, as well as payment at convenience stores, at teller windows/ATMs at banks or post offices, and through online banking.

Figure 2-1-15: Payment by credit card is the most common payment method for Internet shopping, chosen by 52.6%

(Notes) 1. Ministry of Internal Affairs and Communications, “Communications Usage Trend Survey in 2012”.
2. Payment methods for Internet shopping (multiple answers accepted) answered by people aged 15 years and over who have engaged in purchase/transaction of goods or services, financial transaction, or purchase of digital content over the Internet in the past year.
Driven by the recent advancement of information and communications technology, communications services are more widely used and increasing in sophistication and complexity. This has resulted in the continued increase in consultations on these services. The number of consumer affairs consultations on telecommunication services received by local consumer affairs centers across Japan increased about 1.7-fold, from about 24,000 in FY 2009 to about 40,000 in FY 2013.

A marked increase has been seen in the number of consultations on “Internet connection lines,” especially for the elderly. Another common source of problems is optional services offered when consumers sign up for smartphones.
The elderly account for a growing part of consultations on problems with “Internet connection lines”

The age breakdown of consultations on “Internet connection lines” received by local consumer affairs centers shows that the percentage of those aged 65 years and over increased from about 15% in FY 2009 to more than 26% in FY 2013, suggesting that elderly people are more often involved in such problems.

The breakdown by sales/purchase method indicates that “telemarketing sales” and “door-to-door sales” are increasing in percentage, implicating changes in the sales/purchase method. In some cases, annoying solicitation by telephone or through door-to-door sales is repeated; in other cases, no documents specifying the contractor and contract details are provided, letting consumers conclude an oral contract without sufficient understanding of it. Even when purchasing at stores, some consumers misunderstand what they are buying due to abrupt solicitation, lack of explanation or misleading advertisement.

Figure 2-2-4 The elderly account for a growing part of consultations on “Internet connection lines”

(Notes) 1. Consumer affairs consultation information on “Internet connection lines” registered with PIO-NET (registration by April 30, 2014).
2. “Internet connection lines” refer to consultations on charges and services associated with fiber-optic lines, ADSL or similar lines.
Many consumers are annoyed by optional services (*) added to smartphone contracts

About 40% of consumers who have signed up for mobile-phone, PHS or smartphone services have experienced contracts accompanied by optional services that they could cancel later by themselves. About 60% of them do not want such optional services to be added. A little more than 60% of these consumers have experienced trouble with such optional services because of, for example, complicated cancellation procedures or charges incurred when they forget to cancel them.

(*) For example, when a consumer purchases a mobile terminal (e.g., a smartphone), he/she is requested to contract for additional services at the same time, such as a video distribution service and a security service. By signing up for such optional services, consumers may be awarded a discount on the terminal, a rebate or other benefits.
Section 2 Changes in consumer awareness along with the development of ICT, and the situation of consumer harm and problems (3)

Consultations on “online stores” increased sharply

Growing problems identified from consumer affairs consultation on “online stores” are delivery of products dissimilar to those displayed on shopping websites and problems associated with returns and cancellations. Although the number of consultations has been increasing steadily over years, a notable trend in FY 2013 is the rise of consultations on foreign online stores, along with conventional problems. By the type of product, “clothing items” (e.g., “wallets,” “handbags” and “shoes”) account for 40% of the consultations in FY 2013, followed by “educational and leisure goods” (e.g. “wristwatches”), representing 25.5%.

Figure 2-2-17 Consultations on “online stores” increase sharply in FY 2013

Figure 2-2-18 “Clothing items” accounted for more than 40% of FY 2013 consultations on “online stores”
Consumer problems with cross-border trade involving “e-commerce” surged, especially those arising from “suspected fraud” and “imitation product delivered”

Among consultations on cross-border trade problems received in FY 2013 by the Cross-Border Consumer Center Japan (CCJ), the number of those related to “e-commerce” increased significantly from FY 2012. The breakdown of consultations in FY 2013 by the type of problem indicates major growth in the percentages of “suspected fraud,” “imitation product delivered” and “contract terminationed.” Regarding “suspected fraud” and “imitation product delivered,” which are two major categories indicating a pronounced increase in the number of consultations in FY 2013, Chinese businesses were identified as the predominant source of problems through the breakdown by the home country/region of the businesses involved.

Figure 2-2-26 Consultations on “imitation product delivered” and “suspected fraud” significantly increased from FY 2012, with many of them originating in China

(Note) Consultations on “e-commerce” accepted by the Cross-Border Consumer Center Japan (CCJ) in FYs 2012-2013.
Consumer problems with “online games” involving minors are surging

Consumer affairs consultations on “online games” have been increasing in recent years, reaching a total of 5,827 cases in FY 2013. In particular, the number of those involving minors has been growing about two-fold every year since FY 2010, reaching 2,439 in FY 2013 to account for about 40% of the total.

The contract/purchase value for minors is rising as well, and the number of consultations on credit card payment is increasing.

Figure 2–28  Consumer problems with online games involving minors are surging

(Note) Consumer affairs consultation information on “online games” registered with PIO-NET (registration by April 30, 2014).
Consultations on “adult websites” still account for a major part, with access via smartphones having increased to about one-third of it recently.

“Adult websites” still account for a major part of consumer affairs consultations, based on their breakdown by the type of product. A notable recent trend is the increase in the number of cases where consumers access such websites via their smartphones become involved in problems, with these cases accounting for 35.2% of the total relevant consultations in FY 2013. Most of male consumers consulting on adult website problems in general are in their forties to sixties, while a majority of those having ended up with such problems through access via their smartphones are minors and people in their thirties to forties.

Figure 2-2-41: Consultations on “adult websites” accessed via smartphones are increasing

(Notes) 1. Consumer affairs consultation information on “adult websites” and “adult websites accessed via smartphones” registered with PIO-NET (registration by April 30, 2014).
2. The number of consultations registered on “adult websites accessed via smartphones” was relatively small in FYs 2009 and 2010 possibly because the term “smartphone” was not yet common at the time.
Section 2  Changes in consumer awareness along with the development of ICT, and the situation of consumer harm and problems (7)

As the use of the Internet becomes widespread in consumer life, consumer affairs consultations on “social networking services (SNS)” are on the rise. The list of top SNS-related products cited in consultations in FY 2013 shows that the most common subject of consultation in this category was “dating websites,” to which victims were mainly invited by people they met via SNS, followed by digital content issues (e.g., use of SNS, fictitious bills), regular purchasing of health food advertised on SNS, and “online games,” suggesting the diversity of SNS-related consultations.

**Figure 2-2-45** Consultations on “SNS” in FY 2013 were double the number in FY 2009

![Graph showing increase in SNS consultations from FY 2009 to FY 2013](image)

(Note) Consumer affairs consultation information on “SNS” registered with PIO-NET (registration by April 30, 2014).

**Figure 2-2-46** Wide-ranging SNS-related consultations received in FY 2013

<table>
<thead>
<tr>
<th>Rank</th>
<th>Product/service type</th>
<th>Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Dating websites</td>
<td>1,301</td>
</tr>
<tr>
<td>2</td>
<td>Other digital content</td>
<td>802</td>
</tr>
<tr>
<td>3</td>
<td>Digital content (general)</td>
<td>241</td>
</tr>
<tr>
<td>4</td>
<td>Other health food</td>
<td>232</td>
</tr>
<tr>
<td>5</td>
<td>Online games</td>
<td>228</td>
</tr>
<tr>
<td>6</td>
<td>Adult websites</td>
<td>205</td>
</tr>
<tr>
<td>7</td>
<td>Computer software</td>
<td>167</td>
</tr>
<tr>
<td>8</td>
<td>Health food (general)</td>
<td>164</td>
</tr>
<tr>
<td>9</td>
<td>Concerts</td>
<td>109</td>
</tr>
<tr>
<td>10</td>
<td>Other consultations (general)</td>
<td>85</td>
</tr>
<tr>
<td></td>
<td>Other lessons and lectures</td>
<td></td>
</tr>
</tbody>
</table>

(Note) 1. Consumer affairs consultation information on “SNS” in FY 2013 registered with PIO-NET (registration by April 30, 2014).
2. The item names refer to product keywords (lower level).
3. “Other digital content” refers to problems associated with the use of SNS as well as harassment, identity theft, and other problems via SNS.
4. “Digital content (general)” refers mainly to fictitious bills.
5. “Other health food” and “health food (general)” refer mainly to regular purchasing of dietary supplements.
6. “Other consultations (general)” refer mainly to problems with people met via SNS.
The number of personal information leakage cases announced by businesses is declining, and “inappropriate acquisition” accounts for about 40% of consultations on consumer complaints.

The number of personal information leakage cases announced to the public by businesses in FY 2012 was 319, and it has been steadily declining since the enforcement of the Act on the Protection of Personal Information. In FY 2012, local governments and the National Consumer Affairs Center of Japan received 5,623 consultations on consumer complaints about personal information. Complaints about “inappropriate acquisition” of personal information accounted for about 40% of the total, followed by “provision without consent,” “leakage/loss” and “use for unintended purposes.”

### Figure 2-2-49
The number of personal information leakage cases announced by businesses is declining.

### Figure 2-2-51
“Inappropriate acquisition” accounts for about 40% of consumer complaints.

<table>
<thead>
<tr>
<th>Subject of complaint</th>
<th>Cases</th>
<th>(Share)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inappropriate acquisition</td>
<td>2,282</td>
<td>(40.6%)</td>
</tr>
<tr>
<td>Provision without consent</td>
<td>1,167</td>
<td>(20.8%)</td>
</tr>
<tr>
<td>Leakage/loss</td>
<td>1,138</td>
<td>(20.2%)</td>
</tr>
<tr>
<td>Use for unintended purposes</td>
<td>863</td>
<td>(15.3%)</td>
</tr>
<tr>
<td>Disclosure, etc.</td>
<td>211</td>
<td>(3.8%)</td>
</tr>
<tr>
<td>Response to complaints</td>
<td>191</td>
<td>(3.4%)</td>
</tr>
<tr>
<td>Incorrect information</td>
<td>68</td>
<td>(1.2%)</td>
</tr>
<tr>
<td>Violation of opt-out rules</td>
<td>64</td>
<td>(1.1%)</td>
</tr>
<tr>
<td>Supervision of subcontractors, etc.</td>
<td>39</td>
<td>(0.7%)</td>
</tr>
<tr>
<td>Others</td>
<td>996</td>
<td>(17.2%)</td>
</tr>
<tr>
<td>Total (excluding redundant cases)</td>
<td>5,623</td>
<td>(100.0%)</td>
</tr>
</tbody>
</table>

When providing businesses with their personal information, consumers are concerned about the leakage of their personal information and its use for unintended purposes.

About 90% of consumers are concerned about the leakage of their personal information and its use for unintended purposes, when they provide businesses with their personal information.

However, more than half the consumers have positive thoughts about providing personal information, recognizing its advantages, such as access to support services and economic benefits.

**Figure 2-2-52**

When providing businesses with their personal information, consumers are concerned about the leakage of their personal information and its use for unintended purposes

(N = 6,528)

<table>
<thead>
<tr>
<th>Expect better convenience, e.g., smooth transactions, recommendations on products/services I need</th>
<th>Agree (total)</th>
<th>Disagree (total)</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.0</td>
<td>37.6</td>
<td>29.9</td>
</tr>
<tr>
<td>15.8</td>
<td>46.0</td>
<td>23.0</td>
</tr>
<tr>
<td>13.6</td>
<td>42.6</td>
<td>26.4</td>
</tr>
<tr>
<td>8.4</td>
<td>37.1</td>
<td>35.4</td>
</tr>
<tr>
<td>56.7</td>
<td>31.1</td>
<td>8.3</td>
</tr>
<tr>
<td>59.9</td>
<td>28.7</td>
<td>7.4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expect to receive support for purchased products, e.g., contact from the manufacturer/retailer in the event of defect discovered in the product</th>
<th>Agree (total)</th>
<th>Disagree (total)</th>
</tr>
</thead>
<tbody>
<tr>
<td>15.8</td>
<td>46.0</td>
<td>23.0</td>
</tr>
<tr>
<td>13.9</td>
<td>61.8</td>
<td>36.9</td>
</tr>
<tr>
<td>14</td>
<td>56.2</td>
<td>42.4</td>
</tr>
<tr>
<td>8.4</td>
<td>37.1</td>
<td>35.4</td>
</tr>
<tr>
<td>56.7</td>
<td>31.1</td>
<td>8.3</td>
</tr>
<tr>
<td>59.9</td>
<td>28.7</td>
<td>7.4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expect to receive economic benefits, e.g., discount coupons and customer loyalty points</th>
<th>Agree (total)</th>
<th>Disagree (total)</th>
</tr>
</thead>
<tbody>
<tr>
<td>13.6</td>
<td>42.6</td>
<td>26.4</td>
</tr>
<tr>
<td>16.0</td>
<td>14</td>
<td>56.2</td>
</tr>
<tr>
<td>55.4</td>
<td>31.1</td>
<td>8.3</td>
</tr>
<tr>
<td>56.7</td>
<td>31.1</td>
<td>8.3</td>
</tr>
<tr>
<td>59.9</td>
<td>28.7</td>
<td>7.4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expect that accumulation of information of purchasers/users (including myself) will lead to provision of better products/services</th>
<th>Agree (total)</th>
<th>Disagree (total)</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.4</td>
<td>37.1</td>
<td>35.4</td>
</tr>
<tr>
<td>17.4</td>
<td>17</td>
<td>54.5</td>
</tr>
<tr>
<td>87.8</td>
<td>11.4</td>
<td></td>
</tr>
<tr>
<td>88.6</td>
<td>10.5</td>
<td></td>
</tr>
</tbody>
</table>

2. Answers to the question, "How much do you agree or disagree with the following statements regarding providing businesses with your personal information?"
‘Big data’ is recognized only by about 30% of men and about 10% of women, and the less people know about big data, the more negative they are toward its use.

Among ordinary consumers, only about 30% of men and about 10% of women recognize big data. Among those who answered that they “know” or “somewhat know” big data, about 70% were positive toward its use. By contrast, among those who said they “do not know well” or “do not know” big data, about 70% were negative toward its use, suggesting that the less people know about big data, the more anxious they are about the use of big data.

2. Answers to the question, “Do you know ‘big data’? Note: ‘Big data’ is a set of data that is too big to record, store or analyze with conventional database management systems. Although such data sets have been overlooked because they are too difficult to manage, the ability to record, store and instantly analyze them is believed to increase the potential to create knowledge beneficial to businesses and society or produce unconventional new mechanisms and systems.”
3. Answers to the question, “Businesses are expanding the use of big data, for example, gathering diverse information on yourself for use for marketing or converting information into an unidentified form for provision for a third party. What do you think about the use of big data by businesses?”

* Figure 2-2-53 is based only on answers to the question in Note 2, and Figure 2-2-54 on answers to the questions in Notes 2 and 3.
Many consumers are aware that Internet access rules for children and youths should be established between them and their custodians.

With respect to Internet access by children and youths, many consumers think that “rules should be established between children/youths and their custodians,” or that “businesses should impose certain restrictions on access to their products/services.” Older consumers are more likely to be affirmative of these ideas.

Section 3  Efforts to build a safe and comfortable Internet society

Many consumers are aware that Internet access rules for children and youths should be established between them and their custodians.

With respect to Internet access by children and youths, many consumers think that “rules should be established between children/youths and their custodians,” or that “businesses should impose certain restrictions on access to their products/services.” Older consumers are more likely to be affirmative of these ideas.

Figure 2-3-1  Many consumers are aware that Internet access rules for children and youths should be established between them and their custodians

<table>
<thead>
<tr>
<th>(N=3,000)</th>
<th>&lt;Men&gt;</th>
<th>&lt;Women&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>20s</td>
<td></td>
<td></td>
</tr>
<tr>
<td>30s</td>
<td></td>
<td></td>
</tr>
<tr>
<td>40s</td>
<td></td>
<td></td>
</tr>
<tr>
<td>50s</td>
<td></td>
<td></td>
</tr>
<tr>
<td>60s</td>
<td></td>
<td></td>
</tr>
<tr>
<td>70s</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Businesses should impose certain restrictions on access to their products/services. The government should impose restrictions with laws, regulations and systems. Children and youths themselves should receive relevant education. Custodians should receive relevant education. Rules should be established between children/youths and their custodians. No action is needed.)

2. Answers to the question, “As mobile phones, smartphones and online services (e.g., SNS and online games) become widely available, children and youths are more often involved in problems. What kind of action do you think is needed to address these problems (e.g., Internet addiction, unreasonably high charges, dating website problems, offensive or defaming messages, bullying)?” (multiple answers accepted)
Chapter 3  Consumer-related socioeconomic situation and consumers’ behavior/attitude
Section 1  Consumer-related socioeconomic situation

Consumer activities as a major part of socioeconomic activities

The total consumer spending in 2013 was about ¥286 trillion, accounting for about 60% of the Japanese economy (Japan’s gross domestic product [GDP] of about ¥478 trillion). This percentage is similar to comparable figures in other countries, as consumer spending accounts for over 50% of the national economy in developed countries in general.

![Figure 3-1-1 Household consumption accounts for about 60% of Japan’s GDP](image)

![Figure 3-1-2 Consumption expenditure accounts for over 50% of the national economy in developed countries](image)
Consumers choose sales channels from online stores, catalogs, etc. according to their lifestyles and pace of consumption.

The sales channel (excluding physical stores) most commonly used by consumers in the past year for purchasing products/services was “online stores” (43.9%), followed by “catalogs” (37.3%) and “TV shopping channels” (12.7%).

Figure 3-2-2 Online stores were used by 43.9% in the past year

<table>
<thead>
<tr>
<th>Sales Channel</th>
<th>Used</th>
<th>Not used</th>
<th>No answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online stores</td>
<td>43.9</td>
<td>55.7</td>
<td>0.4</td>
</tr>
<tr>
<td>Catalogs</td>
<td>37.3</td>
<td>62.4</td>
<td>0.3</td>
</tr>
<tr>
<td>TV shopping channels</td>
<td>12.7</td>
<td>86.9</td>
<td>0.4</td>
</tr>
<tr>
<td>Door-to-door sales (20%)</td>
<td>1.7</td>
<td>98.0</td>
<td>0.3</td>
</tr>
<tr>
<td>Telemarketing sales (12%)</td>
<td>1.7</td>
<td>98.0</td>
<td>0.3</td>
</tr>
</tbody>
</table>

2. Answers to the question, “Have you used any of the following sales channels when purchasing products/services in the past year?”
Consumers are keenly interested in food safety and labeling issues

Among consumer issues having occurred in the past year or two, consumers showed the biggest interest in “food safety, such as food poisoning and additive problems” (81.7%), followed by “false labeling and other fictitious information on products/services provided by businesses” (66.8%).

2. Answers to the question, “Which kinds of consumer issues are you interested in? Choose any number from the following.”
   The question was asked to those who answered “Yes” to the question, “Are you interested in any consumer issues that have occurred in the past year or two?”
In many fields, the activities of the Consumer Affairs Agency have become more recognized than they were a year ago. In particular, the recognition markedly increased regarding “regulating inappropriate labeling of products, etc.” (14.8 percentage points) and “providing information on property damage to consumers” (12.4 percentage points).

Figure 3-2-9  Public recognition of CAA activities increased overall

2. Answers to the question, “Do you know that the Consumer Affairs Agency conducts the following activities? Choose all that apply.”
The number of consumer affairs consultations increased for the first time in nine years in FY 2013

Information on consumer affairs consultations received by local consumer affairs centers across Japan is registered with PIO-NET. Trends in registered information indicates that the annual number of consultations has been declining in recent years after peaking at about 1.92 million in FY 2004 driven by the prevalence of fictitious bills but increased year on year in FY 2013 for the first time in nine years, reaching about 925,000. This is higher than any level recorded in four years since FY 2009. The rise by more than 60,000 cases from the previous fiscal year is attributable primarily to the increase in consumer problems related to the “negative option marketing of health food” and “online stores.”

Figure 4-1-1 The number of consumer affairs consultations increased for the first time in nine years in FY 2013

(Notes) 1. Consumer affairs consultation information registered with PIO-NET (registration by April 30, 2014).
2. The data in and before FY 2003 are based on the National Consumer Affairs Center of Japan, “Annual Report on Consumer Affairs 2013.”
“Transport & communications services” account for the largest part of the consumer affairs consultations in number, while “financial & insurance services” represent the biggest share in value.

The breakdown of the FY 2013 consumer affairs consultations by the type of product shows that “transport & communications services” was by far the dominant category, with over 200,000 consultations received, which is more than double the number for the second largest product category, “financial & insurance services.” Some categories, including “foodstuffs” and “clothing items,” ranked higher than the previous fiscal year.

The average payments made per case was particularly high for “financial & insurance services” among top products in the number of consultations.

Figure 4-1-5 Following on from FY 2012, “transport & communications services” accounted for an overwhelming part of the consumer affairs consultations in number in FY 2013, while “financial & insurance services” represented a major share in both the number of consultations and average payments made.
Consumer problems faced by the elderly are further increasing

The number of consumer affairs consultations for elderly people in FY 2013 was 62.8% larger than that in FY 2008, or five years ago, and the year-on-year increase was also substantial in FY 2013. The five-year increase is well above the growth in the elderly population over the same period (13.0%), indicating the sharp rise in the number of consumer problems involving the elderly in FY 2013.

This growth is attributable to the increase in consultations on “telemarketing sales,” especially “negative option marketing of health food.”

Figure 4-1-15 Consumer affairs consultation for the elderly further increased in FY 2013

(Notes) 1. Data from consumer affairs consultation information registered with PIO-NET (registration by April 30, 2014) and “Population Estimates” (data as of October 1 each year) by the Ministry of Internal Affairs and Communications.
2. Indices when FY (CY) 2008 = 100.
“Telemarketing sales” account for an increasing part of elderly consumer problems

The breakdown of the FY 2013 consumer affairs consultation by sales/purchase method indicates that “mail order sales” and “purchase at stores” account for about 30% of the total, respectively. However, trends over time for the elderly show that “door-to-door sales” are declining, while “telemarketing sales” are increasing, reaching 23.9% in FY 2013. The factors behind this include the increase in the victims of “negative option marketing of health food” through telemarketing and the continued prevalence of problems caused by “theatrical solicitation.”

Figure 4-1-6  Telemarketing sales show a notable increase as the source of problems for the elderly

(Notes) 1. Consumer affairs consultation information registered with PIO-NET (registration by April 30, 2014).
2. “Door-to-door purchase” was added as a new category on February 21, 2013 due to a revision to the Act on Specified Commercial Transactions.
Section 1 Overview of consumer issues (5)

Elderly people’s consultation cases involve larger amounts of money on average

In FY 2013, the average contract/purchase value per consultation case was about ¥1.28 million, and the average payments made per case were about ¥540,000, both showing a downward trend. Meanwhile, an analysis by generation indicates that these amounts are generally larger in cases involving elderly people than those involving people aged under 65 years: in FY 2013, the contract/purchase value was about ¥1.68 million and the payments made were about ¥870,000 among the elderly. The average amounts declined in FY 2013 mainly because of the surge in the number of consultations on “negative option marketing of health food,” which usually involve relatively inexpensive products, as well as the decrease in the number of consultations on expensive products, such as financial products.
Consultations on “secondary damage” from “telemarketing sales” are increasing among the elderly

“Secondary damage” refers to damage resulting from solicitation tactics targeting victims of past consumer frauds (e.g., real estate frauds for selling waste land, fraudulent investment solicitation) and offering them to help recover their damages. The number of consultations for the elderly has sharply increased since FY 2010, with about 7,800 consultations received in FY 2013. A characteristic trend of late identified through analysis by sales/purchase method is the growth in the percentage of “telemarketing sales.” “Mail order sales” are increasing as well. By contrast, “door-to-door sales” have been flat over the long term.

Figure 4-1-20  Consultations on “secondary damage” from “telemarketing sales” are increasing among the elderly

(Note) 1. Consumer affairs consultation information registered with PIO-NET on cases concerning “secondary damage” that involve contracting persons aged 65 years and over (registration by April 30, 2014).
2. “Door-to-door purchase” was added as a new category on February 21, 2013 due to a revision to the Act on Specified Commercial Transactions.
The number of consumer accidents notified under the Consumer Safety Act has declined, but that of serious injuries has not.

Since the establishment in September 2009, the Consumer Affairs Agency has received information on consumer accidents and other incidents from relevant administrative organizations and local governments under the Consumer Safety Act and other relevant laws. The collected information has been consolidated and analyzed.

In FY 2013, the Consumer Affairs Agency was notified of 12,627 case of consumer accidents (down 0.8% from 12,729 cases in the previous fiscal year) under the Consumer Safety Act. These consisted of 3,511 cases of “life or health-related accidents” (up 24.8% from 2,813 cases in the previous fiscal year) and 9,116 cases of “property-related cases” (down 8.1% from 9,916 cases in the previous fiscal year). There were 2,194 cases of “life or health-related accidents, except serious injuries” (up 47.1% from 1,491 cases in the previous fiscal year), and this increase is attributable mainly to cases associated with Aqli Foods Corp.’s frozen foods tainted with pesticide and with the deformation of water heater casings.
In the past year, 8.0% of consumers experienced harm or problem

Among consumers surveyed, 8.0% said they have experienced some kind of harm or problem with products/services purchased in the past year. Those who have experienced such harm or problem were asked whether they consulted or told anyone about it. The results revealed that 50.0% of women among them consulted no one, and the percentage was higher for men, at 57.4%.

Figure 4-1-27  In the past year, 8.0% of consumers experienced harm or problem

Figure 4-1-28  Male victims are more likely to consult no one than females

Figure 4-1-29  Female victims tend to consult someone close
Victims’ major reason for consulting no one was that they “thought it would be no use consulting someone” (55.8%).

Victims consulted someone because they “expected resolution through consultation” (42.7%) or “did not know what to do” (25.2%). The most common reason for consulting no one was that victims “thought it would be no use consulting someone,” an answer given by 55.8%.
The losses from harm and problems to consumers (total expenditures on products and services associated with consumer harm and problems) in 2013 amounted to an estimated ¥6.0 trillion. This is equivalent to about 1.2% of Japan’s GDP and about 2.1% of the final consumption expenditure of Japanese households.

One out of every 13 Japanese has experienced some kind of consumer harm or problem in the past year.

On average, a victim spent (paid) about ¥590,000.

A per capita expenditure was about ¥47,000.

The percentage of cases brought to local consumer affairs centers was about 2.5%.

In terms of the financial value involved, cases related to financial products, construction and real estate seem to account for a major part (based on PIO-NET information).
When a serious consumer accident, such as a fatal accident occurs, it is essential to prevent the increase of damage and the recurrence of identical/similar accidents. The Consumer Safety Act addresses this by requiring relevant administrative organizations and local governments that have been informed of the occurrence of serious injuries to immediately report to the Consumer Affairs Agency. They must also report to the CAA consumer accidents that do not involve serious injuries but hold the risk of the increase of damage and the recurrence of identical/similar consumer accidents.

Figure 4-2-9  Collection of information on accidents related to life and health

**Occurrence of life/health-related accidents**

- Related ministries & agencies, Local governments:
  - Report serious injuries (1,317 cases)
  - Register life/health-related accidents

- National Consumer Affairs Center of Japan:
  - Report life/health-related accidents, except serious injuries (2,194 cases)

- Local government consumer affairs centers:
  - PIO-NET information (20,226 cases)
  - Register life/health-related consultations

- Businesses:
  - Report serious product accidents reported

- Reports from Accident Information Databank member institutions, except CAA and National Consumer Affairs Center of Japan:
  - Report serious product accidents (941 cases)

- Accident information is also provided to the Consumer Affairs Agency by members of its medical institution network.

* The number of life and health-related accidents (including serious injuries) and the number of serious product accidents indicated above are totals of cases reported in FY 2013, while PIO-NET data refer to the total consultation cases accepted in FY 2013 and registered with PIO-NET by April 30, 2014. Therefore, the cumulative and registration figures do not equal the sum of different categories because of duplicate cases included in reports from multiple institutions and a certain time lag before registration with the Accident Information Databank.

- The Accident Information Databank received 144,162 visits in FY 2013.
- Accidents related to “consumer products,” which are defined as products to be supplied mainly for use by general consumers for their routine everyday activities (except for those provided for by Cabinet Order such as accidents where the occurrence and increase of danger may be considered to be prevented by the provisions of other laws [e.g., food, drugs/medicines, passenger vehicles]).
- Accident information is also provided to the Consumer Affairs Agency by members of its medical institution network.

**Accident Information Databank**

Cumulative total as of March 31, 2014: 112,314 cases*  
(Registration in FY 2013: 29,801 cases)
Consultations on damage/risk information increased in FY 2013

The number of both consumer affairs consultations on “damage information” and those on “risk information” significantly increased in FY 2013 from the previous fiscal year.

The factors behind this include the growth of consultations on white blotches on the skin of users of cosmetics of Kanebo Cosmetics Inc. and other businesses as well as the sharp increase in consultations on frozen foods in the wake of the case in which Aqli Foods Corp.’s products were tainted with pesticide.

Figure 4-2-4 Consultations on both damage and risk increased in FY 2013

(Cases)
25,000
20,000
15,000
10,000
5,000
0
(FY)

(Damage)
(Risk)

(Notes) 1. Consumer affairs consultation information (damage/risk information) registered with PIO-NET (registration by April 30, 2014).
2. Consultations handled by way of the National Consumer Affairs Center of Japan are excluded.
Consultations on damage/risk from “prepared frozen foods” suddenly surged

In the wake of the case in which Aqli Foods Corp.’s frozen foods were tainted with pesticide, which was discovered in December 2013, consumer affairs consultation on “prepared frozen foods” suddenly surged about 24-fold in FY 2013 from the previous fiscal year, reaching 4,477 cases. Among them, about 1,000 cases were concerning damage, and about 2,300 cases concerning risk. These numbers are far above the comparable figures recorded in FY 2007, when the case involving frozen dumplings imported from China occurred.

Figure 4-2-13 Consultations on damage/risk from “prepared frozen foods” suddenly surged in FY 2013

(Note) Consumer affairs consultation information on “prepared frozen foods” registered with PIO-NET (registration by April 30, 2014).
Consultations on “negative option marketing of health food” peaked in the first half of FY 2013

Consultations on “negative option marketing of health food” sharply increased in FYs 2012 and 2013. On a monthly basis, the number of these consultations peaked in May 2013 and then gradually declined thereafter.

Figure 4-3-10 Consultations on “negative option marketing of health food” (mainly involving the elderly) in FY 2013 were double the number in the previous fiscal year

(Note) The total number of cases concerning (1) “negative-option marketing” and (2) “telemarketing sales” using any problematic “sales method,” included in consumer affairs consultation information on “health food” registered with PIO-NET (registration by April 30, 2014).

Figure 4-3-11 Consultations on “negative option marketing of health food” peaked in the first half of FY 2013

(Note) The total number of cases concerning (1) “negative-option marketing” and (2) “telemarketing sales” using any problematic “sales method,” included in consumer affairs consultation information on “health food” registered with PIO-NET (registration by April 30, 2014).
Damage from “theatrical solicitation” remains serious

The number of consultations on “theatrical solicitation” is still large, with an average more than 1,500 of them received in a month. The category accounting for the largest percentage is financial products by the type of product, women by gender, the elderly by age group, and “telemarketing sales” by sales/purchase method. A notable recent trend is the increase in the number of cases in which false identity is used for solicitation; for example, solicitors pretend to be representing public organizations or famous companies, such as major securities firms and leading manufacturers.

Figure 4-3-1 The number of consultations on “theatrical solicitation” is still large, especially for financial products

Figure 4-3-2 The elderly and women are more likely to receive telephone calls for “theatrical solicitation”
College students having just turned 20 or looking for jobs are targeted in some consumer problems

College students are sometimes involved in consumer problems. A marked increase was observed in FY 2013 in the number of consultations on “investment DVDs” targeting college students who have just turned 20. In some other cases, students looking for jobs are aggressively solicited to self-development or other seminars claimed to be helpful for successful job hunting.

Figure 4-3-12  Consultations on “investment DVDs” for college students soared in FY 2013

(Note) Consumer affairs consultation information on “investment DVDs” for college students registered with PIO-NET (registration by April 30, 2014).
Increase in problems is expected regarding fraudulent investment solicitation in connection with the upcoming Tokyo Olympics

In fraudulent investment solicitation using tactics such as “theatrical solicitation,” timely topics for the social situation come into fashion, including those widely covered in news reports.

Since Tokyo’s nomination as the host city for the 2020 Olympic and Paralympic Games in September 2013, problems with associated fraudulent investment solicitation have been increasing, with 168 consultations received by local consumer affairs centers since September 2013. This trend should be carefully monitored because similar problems are likely to grow.

Figure 4-3-14 Increase in problems is expected in connection with the Tokyo Olympics

(Note) Consumer affairs consultation information on "Olympics-related fraudulent problems" registered with PIO-NET (registration by April 30, 2014).
Consultations on the consumption tax hike increased

After the government decided to raise the consumption tax in April 2014, consumer affairs consultations on the consumption tax began to increase gradually in the second half of FY 2013. Then the monthly number reached 2,070 in March 2014, just before the tax hike, and climbed further to 2,313 in April, immediately after the tax hike.

The breakdown of consultations by the type of product shows that many consumers consulted about, aside from the consumption tax hike in general, services incurring monthly payments (e.g., “rented apartments,” “monthly parking lots”) in March, just before the tax hike. In April, when the tax was raised, the number of consultations on food (e.g., “food services,” “foodstuffs in general,” “box meals”) indicated notable growth.

Figure 4-3-15  Consultations on the consumption tax soared just before and after the consumption tax hike

(Note) Consumer affairs consultation information on “consumption tax” registered with PIO-NET (registration by May 20, 2014).

Figure 4-3-16  Top products/services on the list of consultation issues changed after the consumption tax was raised

(Note) 1. Consumer affairs consultation information on “consumption tax” registered with PIO-NET (registration by May 20, 2014).
2. The item names refer to product keywords (lower levels).
3. “Goods in general” refer mainly to consultations on the consumption tax hike in general.
4. “Foodstuffs in general (overall)” refer to items that are obviously foodstuffs but cannot be, or do not have to be, identified by any specific food name.
Major recent developments in consumer policy

The framework for consumer administration has been expanded since the establishment of the Consumer Affairs Agency. Under the framework, the Consumer Affairs Agency and related ministries and agencies have been implementing various consumer policies. Since individual policies are explained in Part 2, this section summarizes the recent major development of consumer policy, mainly in FY 2013.

Promotion of consumer policy
- “Consumer Assurance Strategy” established (August 2013)

Management of consumer accidents affecting the life and health of consumers
- Survey and evaluation of life or health-related accidents conducted by the Consumer Safety Investigation Commission (established in October 2012)

Response to financial losses caused by dishonest businesses
- Consumer Safety Act revised (August 2012) to provide for administrative measures for the “niche area cases” that cannot be addressed by any other law (implemented in April 2013)
- Discussions conducted for the implementation of the Act on Special Measures Concerning Civil Court Proceedings for the Collective Redress for Property Damage Incurred by Consumers (enacted in December 2013)
- Act to partially amend the Act against Unjustifiable Premiums and Misleading Representations, etc. enacted (June 2014)
- Model project conducted to combat fraudulent telephone calls to elderly consumers (since September 2013)
- Surcharge system discussed under the Act against Unjustifiable Premiums and Misleading Representations

Enhancement and reinforcement of local consumer administration
- Local Consumer Administration Vitalization Funds used to support establishment of local consumer affairs centers, employment and development of consumer affairs consultants, and consumer education and awareness raising
- The above funds increased by ¥3.7 billion with appropriations from the FY 2013 initial budget
- Legal position of qualification as consultants clarified (by the Consumer Safety Act revised under the Act to partially amend the Act against Unjustifiable Premiums and Misleading Representations, etc.)

Promotion of consumer education
- Consumer Education Promotion Council formed and “Basic Policy on Promotion of Consumer Education” established in accordance with the Act on Promotion of Consumer Education enacted in August 2012 (June 2013)

Policies to promote fair utility rates
- Opinion exchange meetings held on applications for approval of electricity rate increases

Response to the consumption tax hike
- Trends in the prices of daily necessities surveyed to discourage attempts to raise prices taking advantage of the tax hike
- Measures implemented to ensure that the tax increase is appropriately passed along in accordance with the Act on Special Measures Concerning Proper Transfer of Consumption Tax (enacted in June 2013)

* Measures to address food-related problems (integrated food labeling, food and radiation, etc.) implemented as well (see Chapter 1 for details)
Consultations on “the elderly” are increasing

The number of consumer affairs consultations involving the elderly and persons with disabilities and other problems has been increasing recently, with about 267,000 consultations on the elderly and about 22,000 on persons with disabilities and other problems (elderly people with dementia, persons with disabilities, etc.) received in FY 2013. More closely watching over the elderly and persons with disabilities and other problems is essential in order to prevent them from being harmed in consumer problems.

Figure 5-2-1 Consultations on “the elderly” are increasing

Figure 5-2-3 Consultations on “persons with disabilities and other problems” are increasing
Section 2  Watching over the elderly and persons with disabilities (2)

Model project to protect the elderly consumers from malicious phone calls

The Consumer Affairs Agency conducted a model project that aims to prevent the elderly from being harmed in consumer problems in FY 2013 by regularly calling elderly households for watching and recording calls for malicious phone calls. The results were compiled into a handbook for local governments on effective implementation of measures. A questionnaire survey of the elderly targeted by this project shows that (1) about 95% of them felt peace of mind when being watched over with telephone calls; (2) households which installed a recorder that ran a warning message, “Your call is recorded,” was installed experienced a significant reduction in malicious phone calls.
Section 3  Promotion of consumer education

Discussions on issues to be addressed were held to further promote consumer education, following the decision of “Basic Policy on Promotion of Consumer Education”

The Cabinet decided the “Basic Policy on Promotion of Consumer Education” on June 28, 2013, which was established in accordance with Article 9 of the Act on Promotion of Consumer Education. The “issues to be addressed” set forth in the annex of the Basic Policy have been discussed by three subcommittees formed under the Consumer Education Promotion Council: the Consumer Citizenship Development Subcommittee, the Information Utilization Enhancement Subcommittee, and the Regional Collaboration Promotion Subcommittee. The results of discussions on all the issues are expected to be summarized by February 2015.

The Consumer Citizenship Development Subcommittee, for example, is discussing ways to collect/organize practical examples of consumer education and to effectively use them, with the goal of establishing and spreading consumer education programs helpful for consumers to independently resolve their problems by themselves. The Regional Collaboration Promotion Subcommittee is specifically considering how local consumer affairs centers can be turned into local bases for consumer education.

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**Practical example of consumer education**

- Recycling-based eco-friendly activities using Eco-Tickets (environmental currency) -
  Kawaguchi City Totsuka-Minami Elementary School, Saitama Prefecture

In this project, a mechanism was created through which pupils can obtain Eco-Tickets by participating in eco-friendly activities. The pupils take the initiative in planning and organizing Eco-Markets, which were initially called for by teachers to provide opportunity to use Eco-Tickets.

While independently acting and resolving problems, pupils are learning the different roles that consumers and businesses should play in environmental protection.

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**Example of a local consumer affairs center serving as the base for consumer education**

Kobe Consumer Education Center

The Kobe Consumer Education Center, established on July 23, 2012 within the Kobe City Life Information Center, provides information on fraudulent schemes and product accidents, as well as materials for consumer education.

Designed to serve as a hands-on learning center for consumers, this facility allows visitors to watch the latest information on consumer life on a large screen and digital signage, along with wide-ranging displays focusing on specific themes. Guided tours and small lectures are available as well.
Consumer policy regimes in other countries can mainly be classified into three types

Consumer policy regimes in other countries have different characteristics, reflecting dissimilarity in consumer issues handled, food safety incidents experienced, and other country-specific factors. These can mainly be classified into three types.

**Figure 5-4-1 Consumer policy regimes in other countries**

- **France type**
  - Specific central government is responsible for planning consumer policies and enforcing relevant laws.
  - Central government (Planning)
  - (Law enforcement)
  - Businesses

- **UK and US type**
  - Central government or independent commission is responsible for consumer policy and competition policy.
  - Central government etc. - Product safety
  - Central government etc. - Food safety
  - Central government etc. - Competition policy

- **Northern Europe type**
  - Central government/independent commission responsible for consumer policy is separate from central government/independent commission responsible for competition policy.
  - Central government etc. - Product safety
  - Central government etc. - Food safety
  - Central government etc. - Competition policy

*No common patterns are found with the responsibility for food labeling policy since the organization widely varies between countries: for example, a consumer policy department is responsible in one country, and a food safety department is in another.*

(Note) Data obtained and compiled by the Consumer Affairs Agency from websites and officials of relevant countries in April to May in 2014, based on materials for the fifth meeting of the Consumer Administration Promotion Council* (April 2008).
Part 2  Implementation of consumer policy

Part 2 focuses on the results of policies implemented in FY 2013, including those carried out by related ministries.

Chapter 1  Respecting consumer rights and supporting consumer independence

Section 1  Ensuring consumers safety and reliability
  1. Structure for quick collection and provision of accurate information
  2. Analysis and cause investigation of accidents
  3. Ensuring food safety
  4. Other policies to ensure consumers safety and reliability

Section 2  Giving consumers opportunity to make a voluntary and rational choice
  1. Policies to ensure legitimate transactions with consumers
  2. Policies to ensure appropriate labeling, standards and measurement
  3. Policies to promote fair prices and utility rates

Section 3  Fostering consumer awareness campaigns and enhancing consumer education
  1. Systematic and comprehensive promotion of consumer education
  2. Promoting and supporting consumer education at school
  3. Promoting and supporting consumer education in communities
  4. Awareness raising and information provision for consumers

Section 4  Incorporating consumer opinions into consumer policies and making them transparent

Section 5  Helping consumers and facilitating the resolution of consumer complaints and disputes
  1. Establishment of a consumer redress system
  2. Cooperation with institutions engaged in alternative dispute resolution (ADR)

Chapter 2  Cooperating/collaborating with local governments and consumer groups and ensuring/improving effectiveness of consumer policy

Section 1  Supporting and collaborating with local governments
Section 2  Collaborating with consumer groups
Section 3  Facilitating voluntary efforts by businesses and their associations
Section 4  Expanding and enhancing administrative organization

Chapter 3  Adapting to socioeconomic development and other changes in the situation

Section 1  Promoting environmentally conscious consumption behavior and business activities
Section 2  Meeting the development of an advanced information and communication society
Section 3  Addressing the development of internationalization
Section 4  Efforts to help consumers after the Great East Japan Earthquake

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Activities as Tohoku Future “Gambappe” Ambassador

The Consumer Affairs Agency appointed actress Kumiko Akiyoshi “Tohoku Future ‘Gambappe’ Ambassador,” on September 12, 2013. Her mission is to prevent negative impacts of groundless rumors on food arising from the accident at Tokyo Electric Power Company’s Fukushima Daiichi Nuclear Power Station by disseminating to consumers information on producers’ efforts to ensure food safety and to revive their businesses. Growing up in Iwaki City, Fukushima Prefecture, Ms. Akiyoshi is Japan’s leading actress and has been supporting reconstruction activities in disaster-hit areas after the Great East Japan Earthquake through frequent visits to these places.

After appointment as the Ambassador, Ms. Akiyoshi attended the “Fukushima Organic Festa 2013 in Koriyama” held in November 2013 as a special guest and exchanged opinions with organic farmers and restaurant operators there. In December in the same year, she visited strawberry farms in Watari Town, Miyagi Prefecture, an area hit by the great tsunami, to see how strawberries are grown in farms rebuilt after two years of efforts and spoke with farmers. In January this year, she participated in a women’s networking event organized to foster recovery of confidence in organic agricultural products grown in Miyagi Prefecture, and communicated with both farmers and consumers.

Here is a message from Ms. Akiyoshi, who plans to continue her earnest activities throughout the Tohoku region in FY 2014.

Producers are making great efforts to restore consumer confidence they lost after the nuclear accident. I accepted the role of the Ambassador not because I am from Fukushima but because I wanted to communicate what is going on in the disaster-stricken area to people all across Japan to support them. As I have met and spoke face-to-face with local people through my activities to date, I have realized anew that producers are still struggling. I want to properly understand what is in the minds of these forward-looking and committed producers and hope to get their messages across to many people at every possible opportunity.

The agricultural, forestry and fishery products from the disaster-hit areas are subject to radiation inspection so that only those below the limits are shipped. Although I know consumers have the right to choose what they buy, I would really like them to be aware of producers’ efforts and choose products based not only on the place of production but also on the figures (inspection results). Toward this goal, every consumer, including myself, should gather information and learn things every day to stay abreast of these products.

Wherever you live in Japan, let us together support farmers in Tohoku.  

Ms. Kumiko Akiyoshi
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