

* For further details regarding each topic introduced below, refer to the following URL which contains the actual text of the reports released (PDF files) (Japanese only) :<u>http://www.kokusen.go.jp/news/news.html</u>

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* Major abbreviated names: ADR: Alternative Dispute Resolution NCAC: National Consumer Affairs Center of Japan PIO-NET: Practical Living Information Online Network System	



I. Injury/fatal accident

1. <u>Beware accidents involving spray cans: Even accidents involving the use of cold sprays</u> and the puncturing of spray cans have occurred

Product Testing Background

Spray cans (aerosol cannisters) are used in a wide range of everyday products, including paints, insecticides, hair sprays, and antiperspirants/deodorants.

In November 2006, NCAC issued information on "Safe ways to use spray can products." Even so, accidents involving ruptures/explosions, fire, and frostbite/freezing have continued to occur.

Since April 2009, PIO-NET (Practical Living Information Online Network System)¹⁾ has received 160 harm and hazard-related inquiries regarding spray can (data registered through the end of May 2014; excludes certain product categories). These include 105 reports of "harmful incidents", and 55 reports of "hazardous incidents". The Medical Facilities Network has also received 45 spray can-related inquiries since December 2010 (data received through the end of May, 2014).

Accordingly, NCAC decided to provide consumers with additional information by conducting new tests that were not conducted during our previous testing in order to reproduce accidents in which clothes catch fire when using cold sprays²⁾ and accidents in which the contents of a can escapes when the can is punctured.

Because the accidents were not limited to certain brands, our testing was conducted not on specific brands but rather on product categories that included cold sprays, insecticides, and mousse (cosmetic products).

- 1): The Practical Living Information Online Network System (PIO-NET) is a database of accumulated consumer-related information that connects organizations such as the NCAC and local consumer centers across Japan.
- 2): Cold sprays for use in sports and leisure.

Example Cases of Inquiries & Complaints

(1) Fire-related accidents

Case 1:

After using a cold spray to spray myself while wearing clothes, my clothes caught fire when I lit a cigarette, causing burns to my face and hands. My injuries lasted three weeks to a month. (Man in his 40s)

(2) Puncture-related accidents

Case 2:

I was standing next to my gas burner, which was lit, when I punctured a deodorant spray can that I was done using. The contents caught fire, causing burns to my right hand and chest area. I suffered blistering in two places on my right hand equivalent to second-degree burns over 1% of my body. I suffered edematous erythema (swelling and redness) across my chest and face equivalent to first-degree burns over 4% of my body. The extent of my injuries was minor. (Women in her 60s)

Test Results

- (1) Accidents in which clothes catch fire when using cold sprays (product category tested: cold sprays)
 - 1) When sprayed at a fire, the spray caught fire and created large flames.
 - 2) Immediately after it had been sprayed, the spray caught fire when brought in contact with a fire source.
- (2) Accidents in which the contents of a can escapes when the can is punctured When the spray can was punctured while some of its contents still remained, the contents escaped through the hole with force.
- (3) Survey of Disposal Methods

Methods of disposal were determined by local government.

Low-resolution video

http://www.kokusen.go.jp/douga/20140724_1_news/n-20140724_1_low.html High-resolution video http://www.kokusen.go.jp/douga/20140724_1_news/n-20140724_1_high.html

Advice for Consumers

(1) Purchase and Storage



When purchasing a product, purchase the right size for the amount you need to use. Also, do not store the product in a car, direct sunlight, or other areas subject to high temperatures, such as a heating element.

- (2) Usage
 - Keep away from fire during and immediately after spraying of the product.
- (3) Disposal
 - 1) After the contents of the spray are used up, use a degassing cap to completely empty the can of any remaining contents before disposing of the can in accordance with local government regulations.
 - 2) If you are ever uncertain about how to dispose of a spray can, contact the manufacturer listed on the can for advice.

2. Exercise caution when using free-standing one-push mosquito repellents

Product Testing Background

On the market there is a type of long-lasting mosquito repellent that releases repellent at the single push of a button without the use of electricity or fire (referred to below as "one-push mosquito repellent"). Unlike conventional mosquito repellents (mosquito repellent incense, mat-type mosquito repellent, liquid mosquito repellent, and fan-type mosquito repellent), which use heat and/or wind to gradually release repellent into the air, these products release a full days worth of repellent at just "one push" of a button.

Since April 2009, PIO-NET (Practical Living Information Online Network System) has received seven "harmful incidents" involving free-standing one-push mosquito repellents (data registered through the end of June 2014), including reports of people suffering reddened cheeks and burn-like pain after being sprayed in the face.

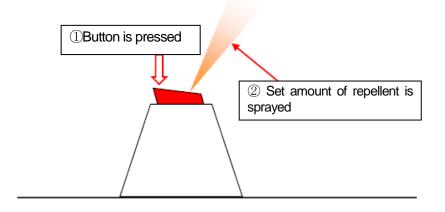
In its report on inhalation accidents, the FY 2012 " hospital monitors' report on household products-related health damages" by the Evaluation and Licensing Division, Pharmaceutical and Food Safety Bureau, the Ministry of Health, Labour and Welfare (MHLW) also reports that "the number of incidents involving long-lasting single-release 'barrier' aerosols (e.g. one-push mosquito repellents) has increased dramatically from 26 incidents in fiscal 2010 to 52 incidents in fiscal 2011 to 73 incidents in fiscal 2012." According to the public interest corporation Japan Poison Information Center (JPIC), which collected the report data on inhalation accidents, the figures for "one-push mosquito repellent"-related accidents alone include three incidents in fiscal 2008, nine incidents in fiscal 2009, 26 incidents in fiscal 2010, 51 incidents in fiscal 2011, and 73 incidents in fiscal 2012. Their report for 2012 also indicates that 52 incidents (71.2%), including 42 involving injuries, were the result of children playing with the device.

Accordingly, as we approach summer when the need for mosquito repellent grows, NCAC has decided to issue this consumer alert to prevent injuries from free-standing one-push mosquito repellents.

What are "one-push mosquito repellents"?

There are currently two types of device on the market, including a hand-held type that sprays forward and a free-standing type that releases the spray upward. Unlike conventional spray cans, which spray continuously as long as the button is depressed, both of these types of device release a set amount of repellent each time the button is pushed (diagram 1).

Diagram 1. How free-standing one-push mosquito repellents work





Example Cases of Inquiries & Complaints

Case 1:

My face was sprayed with household insect repellent. My cheeks turned red and I felt a burn-like pain. (Women in her 50s)

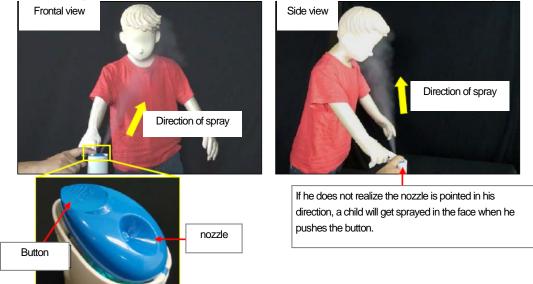
Case 2:

When I used a mosquito-killing insect repellent, I got some repellent on my face. My face became inflamed as a result. (Man in his 60s)

Survey Results

(1) All brands had their buttons and nozzles on the top of the device, and were designed to spray diagonally up. In some cases, the button had no "push" label; and none of the brands had labels at the nozzle warning about the direction of the spray (Photo 1).

<Photo 1> Being sprayed in the face (hypothetical example of child inadvertently spraying himself)



- (2) All brands were found to have a lateral spray range of 60-70cm and a vertical spray range of about 100-110cm.
- (3) All brands had a safety lock to prevent inadvertent spraying. When set to "lock," the safety lock on all brands prevented repellent from being sprayed when the button was pushed. Once set to the "open" position, however, the safety lock did not prevent the button from being pushed until the lock was again manually set to the "lock" position.

Low-resolution video <u>http://www.kokusen.go.jp/douga/20140807_1_news/n-20140807_1_low.html</u> High-resolution video http://www.kokusen.go.jp/douga/20140807_1_news/n-20140807_1_high.html

Advice for Consumers

- (1) Be sure to carefully check the direction of the spray before using it.
- (2) Warn children against using the spray by themselves. When not in use, be sure to set the safety lock to the "lock" position and store the device out of the reach of children.
- (3) If you or others experience any physical ailments, consult with a physician.



II. Property damage

1. <u>Once it's gone, it's too late! Protecting against loss/theft of mobile phones: Inquiries about costly fraudulent charges and fears of data theft are on the rise!</u>

Overview of Inquiries

Local consumer centers across Japan receive many inquiries about the loss or theft of mobile phones. In fiscal 2013, the number of these inquiries rose.

The inquiries are of several kinds, including those related to financial damages (e.g. "I received a costly bill for fraudulent charges made with a mobile phone I had lost"), misunderstandings about expected services (e.g. "I thought I would be compensated in the event of loss or theft, but I wasn't"), and security concerns (e.g. "I'm worried that the data on my mobile phone may be stolen"). The risk of such troubles can be minimized if you prepare yourself ahead of time by understanding the terms of your contract and what to do when something happens.

Accordingly, NCAC has decided to introduce the details of cases we have recently received so consumers can be ready and better prepared in the event a mobile phone is lost or stolen.

Example Cases of Inquiries & Complaints

Case 1: "I received a costly bill for fraudulent charges made with a mobile phone I had lost"

I was traveling overseas when my mobile phone was stolen. I immediately reported the theft to the police and was compensated through travel insurance for the cost of the mobile phone device. Five days later I returned to Japan and reported the theft to my mobile phone company, but I was subsequently billed 350,000 yen in usage charges. I'm a student so it's very hard for me to pay. (Contract signatory: a man in his 20s)

Advice for Consumers

(1) What to do in the event of loss or theft

Know ahead of time who to contact, how to contact them, and the like, so you can act quickly to access available services when your mobile phone has been lost or stolen.

- (2) Everyday precautions
 - 1) Always use user-configurable functions on your mobile phone device such as locking feature.
 - 2) Understand the services and features, as well as any device compensation plans that are available in the event your mobile phone is lost. Enroll/register for such services, as needed.
 - 3) Perform regular backups of data stored on your mobile phone device.
 - 4) When newly purchasing a mobile phone, confirm that it has not been reported to the mobile phone company, etc.
- (3) In case of trouble or concern, consult your nearest local consumer center immediately.

2. <u>The importance of "watchful" and "attentive" family members and acquaintances:</u> <u>Trouble for elderly consumers with dementia or dementia-like condition has reached a</u> <u>new historic high!</u>

Overview of Inquiries

Trouble for elderly consumers continues to increase year after year. This is especially true for elderly consumers who suffer from diminished judgment as a result of dementia or dementia-like condition (referred to as "elderly consumers with dementia or dementia-like condition" below). Indeed, with over 10,000 reported cases in fiscal 2013, trouble for elderly consumers with dementia or dementia-like condition reached a new historic high.

The key to preventing trouble for elderly consumers with dementia or dementia-like condition is "watchful" and "attentive" family members and acquaintances. Accordingly, NCAC has decided to introduce examples of trouble to which elderly consumers with dementia or dementia-like condition are susceptible and provide information on the keys to being "watchful" and "attentive."



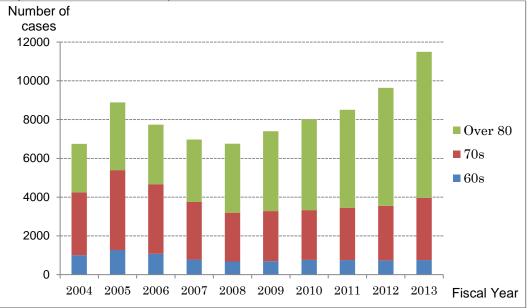
Number of inquiries and related information

Inquiries received by local consumer centers across Japan regarding elderly consumers 60 years or older with dementia or dementia-like condition³⁾ had been declining until 2008. In 2009, however, incidents began to increase and have now reached a new historic high with more than 10,000 incidents in 2013.

A review of such inquiries by fiscal year and age group shows a sharp increase in incidents involving persons 80 years or older, underscoring the speed with which trouble involving elderly consumers with dementia or dementia-like condition is growing among higher age groups.

A closer look at the persons making inquiries also reveals that roughly 80 percent of such inquiries are made not by the elderly consumers with dementia or dementia-like condition themselves but instead by family members, home helpers, or other such people. As this suggests, without support from the people around these elderly consumers, it is highly likely that such incidents would be underreported.

< Diagram 2>Inquiries involving elderly consumers age 60 or older with dementia or dementia-like condition (for inquiries received since 2004)



3): Figures derive from inquiries regarding trouble over "contracts involving persons with diminished judgment" (i.e. contracts involving consumers who are unable to exercise due judgment for reasons of mental or cognitive disability or as a result of an age-related condition such as dementia, etc.) in which parties to the contract are 60 years or older. Data registered through the end of July 2014.

Recent Example Cases of Inquiries & Complaints

Case 1: I discovered health foods, agreements, etc. at the house

My father and mother, who has dementia, live alone together. After discovering health foods as well as agreements and receipts for them in their home, I learned that my mother had purchased around 50,000 yen-worth of health food products from a telemarketer. Payments were being made in installments, and the first payment of 14,000 yen had already been paid cash-on-delivery.

My mother has previously purchased such health foods from various businesses via telemarketing, but she never remembers anything about it once the phone call ends. Are we obligated to pay the remaining money? (Contract signatory: woman in her 70s)

Case 2: I found a large stack of quilts (futon) in the living room that were bought from a door-to-door salesman

My mother, who has dementia, lives alone. I was cleaning her house when I found a large stack of feather quilts (futon) and related items in the room. She had been led into more than 10 purchase agreements, one after the next, by door-to-door salesmen for a total of about 3.4 million yen (about 3.2 million of which has already been paid). I want to cancel the agreements and get a refund. (Contract signatory: woman in her 70s)



Issues raised by troubles involving elderly consumers with dementia or dementia-like condition

- (1) Such persons are not only more likely to encounter trouble and suffer damages, but they also tend not even to recognize the fact they are experiencing trouble. As a result, such problems tend to go unreported.
- (2) Elderly persons living alone are especially vulnerable to trouble and damages, and their situation is less likely to be noticed by the people around them.
- (3) Damages are compounded by repeated sales calls that result in costly payments.
- (4) It can be difficult not only to prove the events prior to the signing of an agreement but also to prove that a person's ability to make judgments is impaired.
- (5) Unscrupulous businesses know how to make easy targets of elderly consumers with dementia or dementia-like condition.

Advice to family members and acquaintances of elderly persons

- (1) Being watchful and submitting complaints
 - 1) On a day-to-day basis, be attentive to changes or oddities in the appearance of an elderly person's room/home, behavior, or attitude.
 - 2) If you notice even a slight change, talk with the elderly person about it to understand what happened, etc.
 - 3) If you learn that someone has suffered troubles or damages, consult your local consumer center or other related agency immediately.
- (2) Everyday steps to avoid trouble
 - 1) Investigate local watch-keeping programs and the use of the adult guardianship system.
 - 2) New "crime prevention products," such as call recording devices, can also be used.
 - 3) When dementia or dementia-like symptoms appear, be sure to obtain a diagnosis by a physician.

Keys to being "watchful" and "attentive" (checklist)

Appearance of the room/home

- Are there any unusual agreements, bills, or other documents, or attempted-delivery notices from delivery companies?
- Are there any unusual health foods or crabs?
- Are there large quantities of a similar products, such as new quilts (futon)?
- Is there evidence of unusual construction work on the roof, outside walls, phone lines, etc.?
- Are there large numbers of mail order catalogs and direct mailers?
- Have multiple companies delivered news papers and promotional items?
- Is there evidence of unusual visits from businesses at the house?

Elderly person's behavior and attitude

- Have there been unusual exchanges on the phone or signs of trouble during calls?
- Are there signs of financial difficulty, e.g. not enough money to live on?
- Are there any unusual withdrawals recorded in their bank book, etc.?

III. Other

1. Fiscal 2013 Summary of Consumer Issues Received Through PIO-NET

Overview

The following is an overview of consumer inquiries received at consumer centers nationwide and registered with PIO-NET in fiscal 2013 (registered with PIO-NET through the end of May 2014).

Main Characteristics

- (1) About 935,000 inquiries received, marking the first increase in nine years since the 2004 peak
 - Diagram 3 shows the total number of consumer inquiries by fiscal year. A total of 935,224 consumer inquiries were received at consumer centers nationwide and registered with PIO-NET in 2013 (in the previous year the



total was roughly 860,000), marking the first increase in inquiries since the 2004 peak.

- (2) Percentage of inquiries from people 70 and older grew as the age of contract signatories continued to rise
 - A look at the age of contract signatories by percentage shows that the percentage of inquiries by people 70 and older, now at 22.3%, has continued to grow.
 - In 2013, the total percentage of people 60 and older was roughly 37% of all inquiries, or nearly four in ten people. This is 2.7 times the year 2004 total (roughly 14%) of inquiries by people 60 and older.
 - Along with the progress of the aging society, inquiries from older people have been increasing.

(3) Inquiries by Products and Services

1) Products and services with notable increases in inquiries

1 Health foods

In 2013, health foods showed the greatest increase in inquiries. As in the previous year, there continued to be many inquiries regarding health foods forcibly delivered to the homes of elderly persons, despite their having no recollection of placing the order.

2 Adult websites

The vast majority of inquiries involved users who were unintentionally registered and billed when they visited the site without realizing it was a for-pay site. Given the increase in smartphones, the number of inquiries involving the use of smartphones to access adult sites also grew.

③ General products

Although the number of inquiries regarding fictitious billings fell in 2013, there were still many inquiries regarding bills received by postcard, etc. for products not recognized by the consumer (fictitious billings), as well as many unusual telephone solicitations.

④ Prepared foods

Inquiries increased as a result of cases of frozen foods containing agricultural chemicals (Malathion). These inquiries were from consumers wanting to know if their product was subject to voluntary recall or wanting to contact the business operator.

<u>(5) Shoes/exercise shoes; handbags; other personal accessories; timepieces and accessories with timepieces; women's clothing; men's clothing</u>

Many inquiries dealt with products that were paid for online but never arrived, products that arrived but were different from what was ordered, and products that arrived from overseas but appeared to be counterfeits. Inquiries also pertained to businesses that could not be reached. With respect to other personal accessories, there was a conspicuous number of inquiries regarding wallets and sunglasses.

6 Internet connections and mobile data service

With regard to internet connections, inquiries about providers were prominent, in addition to inquiries about optical fiber and other forms of internet connection. There was an increase in provider-related inquiries about cases in which consumers' were remotely switched over to a new provider immediately following a sales call. With regard to mobile data services, there were inquiries about smartphones and mobile data communications.

⑦ Cosmetics

Following the voluntary recall of medicated cosmetics as a result of products that were causing white spots, inquiries were received in response by consumers wanting to know if the product they used were affected. There were also inquiries from consumers who had intended only to order a product sample over the internet but were signed up for regular deliveries instead.

8 Computer software

Inquiries were received about anti-virus and other security-related software. There were inquiries from consumers wanting to cancel their purchases because they had anxiously downloaded the security software over the internet after a warning message appeared on the computer screen telling them that their computer was at risk.

9 Fund-type investment products

There were many victims of "theatrical sales schemes" over the phone in which multiple businesses approached consumers from different angles to get them to buy a dubious fund or other questionable financial product/right by offering to buy it back from them at a higher price. There was also trouble involving the sale of funds meant for professional traders to people (mainly elderly persons) with very little trading experience.

10 Other inquiries

Inquiries were received about unusual phone calls from persons claiming to represent public agencies.



1 Beautician services

There were inquiries from consumers who had entered costly long-term agreements that they now wanted to terminate. Inquiries were also received from consumers who could not received treatment because the contracting business had gone bankrupt and could no longer be reached.

① Other kitchen items

There was an increase in inquiries regarding pickle containers that were in violation of the Premiums and Representations Act. Inquiries were received from consumers wanting to contact the business operators.

2) Products and services with notable decreases in inquiries

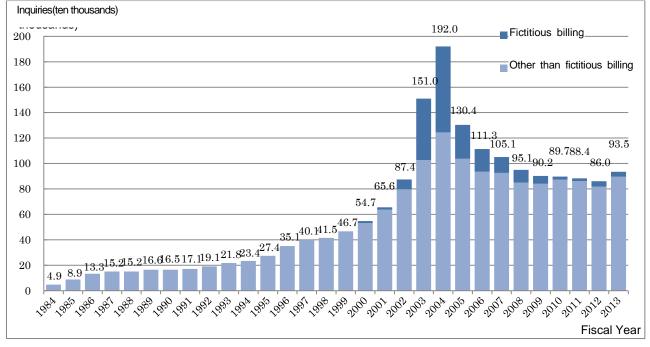
Due to reforms in the Money Lending Business Act and Investment Act, the number of inquiries about "consumer finance and interest-free loans" continued its decline from fiscal 2012.

The reduction in the number of inquiries regarding "digital contents and other" is because there was a reduction in the number of inquiries regarding use charges (fictitious billings) sites that consumers had no recollection of ever using. At the same time, however, there was a noticeable number of inquiries about online games with regard to underage children using their parents' credit cards without their knowledge to purchase game items.

There were also fewer inquiries regarding "online dating agencies," though the percentage of such inquiries prompted by social networking sites is growing.

With respect to "lotteries," there were fewer inquiries about overseas lotteries with regard to direct mailings from overseas that made it seem as if the recipient had won the lottery in order to get them to pay a processing fee or other charge to claim a big lottery prize.

While trouble from "theatrical sales schemes" involving stocks and bonds is abundant, the number of inquiries has fallen. At the same, however, trouble from such "theatrical sales schemes" involving fund-type investment products has grown, reflecting a shift in the kinds of financial products causing trouble.



< Diagram 3> Graph showing total number of inquiries by year

Note: Totals for fictitious billing reflect figures since the year 2000

2. Fiscal 2013 Summary of Harmful and Hazardous Incident Information Through PIO-NET

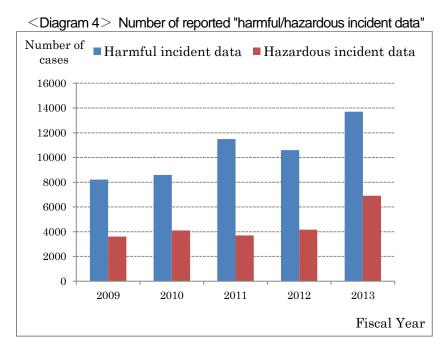
Overview

This provides an overview of "harmful/hazardous incident data^{v4} collected by PIO-NET in 2013 (registered through the end of May 2014).



Main Characteristics

- (1) The number of reported "harmful/hazardous incident data" reached an historical high at 20,603 incidents, a 39.5% increase over the previous year.
- (2) There was a total of 13,700 reported "harmful incident data", with "cosmetics," "prepared foods," and "medical services" the top three products/services. There was a total of 6,903 reported "hazardous incident data", with "prepared foods," "four-wheel cycles," and "snacks" the top three products/services.
- (3) The approximate increase of 3,100 reported "harmful incident data" reflects the significant increase of approximately 900 incidents in "cosmetics," the top category again this year, including the trouble over white spots resulting from medicated cosmetics that were voluntary recalled (437 incidents).⁵⁾ Additionally, the number eight category last year, "prepared foods," saw an increase of approximately 1,100 incidents, including those reported in connection with frozen foods containing agricultural chemicals (Malathion)(965 incidents).⁶⁾
- (4) The approximate increase of 2,700 reported "hazardous incident data" reflects the significant increase of approximately 2,300 incidents in "prepared foods," last year's number-two category, including incidents related to cases of frozen foods containing agricultural chemicals (Malathion)(2,211 incidents).
 - 4): "Harmful/hazardous incident data" combines "harmful incident data" on cases in which a product, service, or facility has caused harm (i.e. bodily injury, sickness or other disease, etc.) and "hazardous incident data" on cases in which there was a risk of harm, even though no actual harm was suffered.
 - 5): Data compiled by Consumer Affairs Agency.
 - 6): Malathion is an organophosphate insecticide. Symptoms of poisoning can include nausea, vomiting, excess salivation, excess sweating, diarrhea, stomach aches, and mild miosis. (Source: Ministry of Health, Labour and Welfare (MHLW) website, "Voluntary recall of frozen food from which agricultural chemical (Malathion) was detected," http://www.mhlw.go.jp/stf/seisakunitsuite/bunya/0000034127.html)



Note: Data registered through the end of May 2014.

