

# News Release



## **New survey of Japan retailers shows claims on food labels need to be simpler**

- **65 retailers nationwide interviewed by BASF, to assess awareness gap between retailers and food companies**
- **Retailers find foods with functional claims attractive as a sales item, but 80% say better information is needed**

**May 23, 2017 – Tokyo, Japan** – Better customer education is needed to promote the sales of foods with function claims (FFC), according to a new survey of retailers conducted by BASF.

The survey of 65 retailers nationwide reveals that nearly 80 percent of retailers require their products to be easily understood at a glance by customers. Additionally, around 50 percent see that growing sales depends on introducing store brand goods, improving their product line-up, and improving the product knowledge level of buyers and store employees.

Since FFC labeling was introduced in Japan in 2015 under the Food Labeling Act, the number of registrations of such claims has already reached 847. “In view of the expanding demand and market of FFC, we decided to conduct a survey to better understand the awareness gap between retailers and food companies,” said Daisuke Fujiki, Senior Manager, Human Nutrition, Nutrition & Health, BASF Japan. “BASF will analyze the findings to understand how the company can further support the food industry in making scientific claims easier for retailers and consumers to understand.”

The key findings of the survey are as below.

**FFCs are attractive to retailers, but information and solutions from food companies are not satisfactory**

Approximately 50 percent of retailers answered that they find FFC attractive as a sales item, but are dissatisfied with the quality of the information and solutions presented by food companies.

**Simplified information and increased consumer awareness help retailers differentiate and improve sales**

Around 80 percent of retailers say that better advertising is needed to improve sales of FFC. Statistical data, such as information from food companies and wholesalers, and point-of-sale data, was named the most important type of information to understand the needs of consumers.

**Business opportunities are arising in categories that involve lifestyle-related diseases, such as cholesterol and body fat**

Of the current FFC that involve health benefits, over half are in the category of lifestyle-related diseases. The survey included questions about the type of the products retailers want to introduce in the category of cholesterol. Around half of the products are expected to carry a healthy image and to be consumed every day. Moreover, nearly 30 percent of retailers answered that they also intend to introduce luxury chocolates, in addition to products that are considered healthy, as a product of interest in the category of cholesterol.

Foods with Function Claims, a new type of Foods with Health Claims was introduced in Japan on April 1, 2015 under the Food Labeling Act. It is used to make more products available clearly labeled with certain nutritional or health functions and to enable consumers to make more informed choices.

## **About BASF in Japan**

BASF has been a committed partner to Japan since 1888. Activities cover four business segments including chemicals, performance products, functional materials & solutions and agricultural solutions. The main production sites are in Totsuka (coatings), Chigasaki (admixtures for concrete, construction materials), Kitatone (personal care ingredients), and Yokkaichi (thermoplastic polyurethanes and polymer dispersions). Admixture plants for the Construction Chemicals division are also located nationwide. BASF maintains a strong research and development presence in Japan including the BASF Asia Composite Center, established in the Yokohama Innovation Center (engineering plastics), and the Research and Development Laboratory and Application Technology Center for Battery Materials in Amagasaki, as well as Chigasaki Technical Development Center in Kanagawa. As of the end of 2016, BASF employed 1,167 employees in Japan, and achieved sales of about €1.6 billion to customers in Japan. For further information, please visit: [www.basf.com/jp](http://www.basf.com/jp).

## **About BASF**

At BASF, we create chemistry for a sustainable future. We combine economic success with environmental protection and social responsibility. The approximately 114,000 employees in the BASF Group work on contributing to the success of our customers in nearly all sectors and almost every country in the world. Our portfolio is organized into five segments: Chemicals, Performance Products, Functional Materials & Solutions, Agricultural Solutions and Oil & Gas. BASF generated sales of about €58 billion in 2016. BASF shares are traded on the stock exchanges in Frankfurt (BAS), London (BFA) and Zurich (BAS). Further information at [www.basf.com](http://www.basf.com).