

9 September 2026

[REDACTED]
Director
Daikoku Corporation Limited T/A Daikoku Cosmetics
652 Great South Road
Manukau, 2104
Auckland

Via email: [REDACTED]

Dear [REDACTED],

Fair Trading Act 1986: Warning for supplying sunscreen products that do not comply with the applicable product safety standard

1. The Commerce Commission (**Commission**) has completed its investigation into Daikoku Corporation Limited T/A Daikoku Cosmetics (**Daikoku**) for potential breaches of the Fair Trading Act 1986 (the **Act**).
2. The investigation considered whether Daikoku has supplied, offered to supply or advertised to supply a range of sunscreen products (collectively, the **Sunscreens**) that do not comply with the Sunscreen (Product Safety Standard) Act 2022 (the **Sunscreen Act**), and may be in breach of section 30(1) of the Act.
3. During the investigation, the Commission collected and analysed information from Daikoku. Following the Commission's consideration of that information, it has reached the view that Daikoku may have breached section 30(1) of the Act, as it supplied approximately 1,984 units of the Sunscreens that failed to comply with '*AS/NZS 2604:2021 Sunscreen products – Evaluation and classification*' (the **Safety Standard**) as mandated by the **Sunscreen Act**.
4. Specifically, the Sunscreens fail to comply with the Safety Standard as they do not comply with mandatory labelling requirements, such as having an approved SPF value, did not include 'Broad Spectrum', and did not have clear and adequate directions for the use of the product. In addition, when advertising the Sunscreens online through its website (<https://www.daikokunz.com/>) (the **Daikoku Website**), Daikoku used the prohibited term 'Sunblock'.
5. Breaching section 30(1) is an offence (via section 40(1) of the Act) punishable on conviction of a body corporate to a maximum penalty of \$600,000 per charge.

6. Images of the Sunscreens are provided at **Attachment A**.
7. The Commission has decided in this instance to issue Daikoku with a warning in respect of the conduct. A warning is not a finding of non-compliance; only the courts can decide whether a breach of the law has occurred.¹ We have determined that at this time we will not be bringing legal action.
8. The purpose of this warning letter is to inform Daikoku of the key facts and concerns the Commission considered and the reasons for reaching its view that Daikoku may have breached the Act and that issuing a warning is appropriate. The purpose of a warning is also to prompt changes in behaviour and to encourage future compliance.

Details of the Commission's investigation

9. On 17 October 2025, the Commission carried out a product safety inspection at the Daikoku store located in the Auckland CBD. This inspection identified 36 Sunscreens with non-compliant labelling (discussed further below).
10. On 22 October 2025, the Commission reviewed Daikoku's website and identified a further 13 of the Sunscreens with non-compliant labelling online, and which were marketed with the prohibited term 'Sunblock'.
11. During the investigation, the Commission obtained and considered the following information supplied by Daikoku on a voluntary basis:
 - 11.1 it imported approximately 7,156 units of Japanese Sunscreens to be sold in New Zealand;
 - 11.2 it supplied approximately 1,984 units of the of the Sunscreens each with differing supply periods;²
 - 11.3 sunscreen product sales made up approximately 2.4% of total sales. Within the total sales of sunscreen products, approximately 96.7% were made in-store and 3.3% were made online;
 - 11.4 Daikoku imports sunscreen products from Japan through two suppliers/ordering agents. It does not deal directly with the manufacturer of the products;
 - 11.5 when products are ordered, the Director of Daikoku selects products listed in a catalogue to import based on profitability and popularity;
 - 11.6 prior to being notified of our investigation, Daikoku was unaware of the legal requirements that applied to Sunscreen Products in New Zealand and that it included labelling and testing requirements;

¹ <https://www.comcom.govt.nz/about-us/our-policies-and-guidelines/investigations-and-enforcement/enforcement-response-guidelines/>

² The longest supply period being December 2019 – December 2025 and the shortest supply period being November 2025 – December 2025.

- 11.7 Daikoku placed reliance on its manufacturer and assumed it met the standards required in New Zealand;
 - 11.8 after being notified of the Commission's investigation, it initially placed stickers on the sunscreens to ensure compliance with labelling requirements. However, as of 12 December 2025, it decided that it would no longer supply sunscreen products at all as it was unable to obtain any test reports from the Japanese manufacturer; and
 - 11.9 Daikoku has initiated a voluntary product recall with MBIE.
12. We note that Daikoku was provided the opportunity to comment on the Commission's provisional view that its conduct may have breached the Act. The Commission has not received a response despite multiple attempts to contact Daikoku.

Details of the relevant law

The Fair Trading Act 1986

- 13. The Fair Trading Act 1986 prohibits the supply, offer to supply, or advertising of goods which do not comply with product safety standards or unsafe goods notices that apply to those goods.
- 14. Section 30(1) of the Act states:
 - 14.1 If a product safety standard in respect of goods relates to a matter specified in section 29(1), a person must not supply, or offer to supply, or advertise to supply those goods unless that product safety standard is complied with in respect of those goods.

The Sunscreen (Product Safety Standard) Act 2022

- 15. The Sunscreen Act mandates the Safety Standard as the product safety standard for sunscreen products for the purpose of section 29 of the Act.
- 16. The Safety Standard includes detailed mandatory testing and labelling procedures, including:
 - 16.1 procedures for determining sunscreen product performance and classification: this includes procedures for determining the Sun Protection Factor (the **SPF**), broad spectrum performance and water resistance; and
 - 16.2 labelling requirements: this includes specific labelling instructions for the SPF, broad spectrum performance, water resistance and instructions for application of the sunscreen.
- 17. Details on the labelling requirements are set out in **Attachment B**.

The Commission's view

- 18. The Commission's view is that there is sufficient evidence to establish that Daikoku may have breached section 30(1) of the Act. The reasons for the Commission's view are as follows:

- 18.1 The Sunscreens are captured under the Safety Standard as primary sunscreen products because:
 - 18.1.1 they were represented as containing components able to absorb, reflect or scatter UV rays, or scatter ultraviolet rays; and
 - 18.1.2 the product was intended to be on the surface of human skin with the purpose of protecting against reddening of the skin caused by ultraviolet radiation and other ultraviolet-induced damage.
- 18.2 The sunscreens were offered for supply to customers in New Zealand in-store and online through the Daikoku website; and
- 18.3 Daikoku supplied approximately 1,984 units of the of the Sunscreens each with differing supply periods.³
19. The Sunscreens fail to comply with the Safety Standard because they do not comply with one or more of the following requirements:
 - 19.1 All primary sunscreen products must be labelled 'broad spectrum' (which indicates the product has been tested for protection against UVA and UBA rays). However, because these Sunscreens were manufactured in Japan, they have the PA+ mark on their labelling which relates to Japanese requirements for sunscreen products;⁴
 - 19.2 All primary sunscreen product labels must include the instruction to 'apply generously to the skin 20 minutes before skin exposure, then reapply frequently, and after swimming or towelling' or words to this effect. The Sunscreens do not have any of this information in English;
 - 19.3 Although the sunscreens included SPF values, several of the products do not have a permitted SPF value on the labelling (for example they used 34 and 35 SPF values);⁵ and
 - 19.4 When advertised online, a number of the Sunscreens were marketed under the prohibited term 'Sunblock'. The term 'sunblock' is misleading and not permitted because it may be interpreted to mean that 100% of the sunburning radiation is blocked by the sunscreen.⁶
20. The Commission therefore considers that Daikoku may have breached section 30(1) of the Act, for supplying and offering to supply sunscreens which did not comply with the Safety Standard labelling requirements.

³ The longest supply period being December 2019 – December 2025 and the shortest supply period being November 2025 – December 2025.

⁴ Broad spectrum indicates protections against UVA and UVB, and the PA+ system relates to UVA protection.

⁵ See **Attachment A** for permitted SPF values.

⁶ It is not permitted under clause 7.1 of AS/NZS 2604:2012, and the rationale is set out within the 'Foreword'.

Defences

20. The Commission considered whether any of the defences under section 44 of the Act would potentially be available to you in the facts and circumstances of this case but formed the view that none had a reasonable prospect of succeeding.

Enforcement action for breaching the Act

21. Where the Commission considers that a person or business may have breached the Act, there are a range of potential enforcement responses available.

Warning

22. Following the investigation and considering all the available information, the Commission has decided to issue a warning to Daikoku. In our view:
 - 22.1 the evidence that has been gathered is sufficiently strong to establish a prima facie case;
 - 22.2 Daikoku may have breached section 30(1) of the Act for the reasons set out above; and
 - 22.3 the matter can be satisfactorily resolved without legal proceedings.
23. In deciding on the appropriate enforcement response in this case, the Commission has considered the extent of the harm, the seriousness of the conduct, and the public interest.

Consequences of this warning and publication

24. The Commission reiterates that the Commission's view is based on the information collected during the investigation, and that only a court can determine whether there has been a breach of the Act. A court can impose penalties where it finds the law has been broken. A company that breaches the Act can be fined up to \$600,000 and an individual up to \$200,000, per offence. Where a company is a repeat offender, directors and those involved in the management of the company can be banned from involvement in the management of any company carrying on business in New Zealand for a period of up to 10 years.
25. Legal action remains available to the Commission in the future if the conduct continues or is repeated. We may also draw the warning letter to the attention of the Court in the event of any subsequent proceedings brought by the Commission against Daikoku.
26. Daikoku should be aware that our decision to issue this warning letter does not prevent any other person or entity from taking private action through the courts.
27. Warning letters are usually made public on the case register on the Commission's website. The Commission may also issue a media release or make public comment about this investigation and our conclusions.
28. Further detail on our approach to making enforcement decisions, the content of a warning, and the Commission's publication approach is contained in the Commission's 'Enforcement Response Guidelines', available on the Commission's website (www.comcom.govt.nz).

The Commission's role

29. The Commission is responsible for enforcing and promoting compliance with a number of laws that promote competition in New Zealand, including the Act. Regulations setting mandatory safety standards for certain products are enforced by the Commission under the Act.
30. We have published a series of fact sheets and other resources to help businesses comply with the Act and the other legislation we enforce, including the product safety standard for sunscreen products. These are all available on our website at www.comcom.govt.nz.
31. We encourage you to visit our website to better understand your obligations and the Commission's role in enforcing the Act.
32. You can view the Act and other legislation at www.legislation.co.nz.
33. Thank you for your assistance with this investigation. Please contact [REDACTED] by email at [REDACTED] if you have any questions in relation to this letter.

Yours sincerely,



Head of Fair Trading and Product Safety Investigations

Attachment A

Products supplied in-store	Name of product	Product supplied online	Name of product
1. 	Fujifilm Astalift D-UV Clear White Solution SPF50+PA++++ 30g	37. 	Rohto Skin Aqua Tone Up UV Essence (Limited Mint Green) - 80g
2. 	Biore UV Perfect Milk SPF50+/PA++++ 40ml	38. 	ROHTO SKIN AQUA moisturizing sunscreen Gel 110g
3. 	Biore UV Kids Pure Milk SPF50 PA+++ 70ml	39. 	POLAB.A Light Selector
4. 	Kao Biore UV Aqua Rich Watery Gel SPF 50+ PA++++ 70ml	40. 	Parasola Essence UV Cut Spray SPF50+PA++++ 90g

5. 	Kao Biore UV Aqua Rich Watery Essence 70g	41. 	Kose Suncut R Tone Up UV Essence Colourless Spf50+Pa++++8 0g
6. 	Biore UV Aqua-Rich Light-Up Essence	42. 	Kose Suncut Protect UV Spray SPF50+PA++++ 60g
7. 	Pigeon UV Baby Milk Waterproof SPF35 PA+++30g	43. 	Kose Suncut Prodefense Light Up UV Sunscreen Stick SPF 50+ PA+++
8. 	Pigeon UV Baby Milk Waterproof Sunscreen SPF50+PA++++ 50g	44. 	Kose Suncut Perfect UV Spray Super Water Proof SPF50+PA++++ 60g

9. 	Darya Sunscreen Milk Gel SPF35 100g	45. 	Ishizawa UV Forecast UV Protects Makeup Spray 60g SPF50+PA++++
10. 	Anessa Perfect UV Sunscreen sensitive skin 60ml	46. 	Biore Aqua UV Protect Moisturizing Spray SPF50+PA++++ 60ml
11. 	Anessa Perfect UV Sunscreen Gel	47. 	AXXZIA - Beauty Force UV Sunscreen SPF 50+ PA++++
12. 	Shiseido Anessa Brightening UV Sunscreen Gel SPF50+PA++++	48. 	Anessa Perfect UV Sunscreen Milk 60ml SPF50+ PA++++ 2024

13.



Shiseido Anessa
Perfect UV
Sunscreen Spray
60g SPF50+
PA++++

49.



Ajuste UV
Protect Mist
Spray 200g

14.



Shiseido Anessa
Mineral UV
Sunscreen Mild
Gel SPF35 PA+++
90g

15.



ANESSA
sunscreen 60ml
SPF50+ PA++++
Pikachu

16. 	ANESSA sunscreen 60ml SFP50+ PA++++ Pokemon
17. 	ANESSA sunscreen 60ml SFP50+ PA++++ Piplup
18. 	Shiseido Anessa Sun Dual Care Sunscreen Day Serum SPF50+PA++++ 30ml
19. 	Kose Suncut Prodefense Light Up Moisture UV Mousse SPF 50+ PA+++

20.



Kose Suncut
Gold UV Perfect
Essence
Sunscreen
SPF50+PA++++
80g

21.



Kose Suncut R
Tone Up UV
Essence Mint
Green
Spf50+Pa++++8
0g

22.



Kose Suncut R
Tone Up UV
Essence Rose
Pink
Spf50+Pa++++8
0g

23.



Kose Suncut
Light Up UV
Spray 60g
Spf50+Pa++++

24.



Kose Suncut R
Tone Up UV
Essence Lemon
Yellow
Spf50+Pa++++8
0g

25.



Kanebo Allie
Chrono Beauty
Gel UV EX SPF
50+ PA++++ 90g

26.



Omi sun bear
sunscreen spf
35

27.



Transino
Medicinal
Whitening UV
Protector
SPF50+PA+++++3
0ml

28.



Mentholatum
Sunplay Super
Block Sunscreen
SPF50+PA++++
30g

29.



Rohto SUNPLAY
Blue Sunscreen
SPF50+/PA++++
- 30g

30.



Mentholatum
Sunplay Baby
Milk Sunscreen
SPF34+ PA++++
30g

31.



ROHTO SKIN
AQUA
moisturizing
sunscreen Gel
110g

32.



Rohto Skin Aqua
Tone Up UV
Essence
Sunscreen 80g
SPF50+ PA++++

33.



Rohto Skin
AQUA UV Super
Moisture Gel
SPF50+PA++++1
10g

34.



Rohto Skin Aqua
UV Super
Moisture
Essence 80g
SPF50+PA++++

35.



Ishizawa UV
Forecast
Shigaisen Yohou
Cool UV Stick
60g
SPF50+/PA++++

36.



Kose Suncut R
Tone Up UV
Essence
Lavender
Spf50+Pa++++8
0g

Attachment B

Fair Trading Act 1986

34. The Fair Trading Act 1986 (**the Act**) prohibits the supply, offer to supply, or advertising of goods which do not comply with product safety standards or unsafe goods notices that apply to those goods.
35. Section 30(1) of the Act states:
 - 35.1 If a product safety standard in respect of goods relates to a matter specified in section 29(1), a person must not supply, or offer to supply, or advertise to supply those goods unless that product safety standard is complied with in respect of those goods.

The Sunscreen Act

36. The Sunscreen Act mandates '*AS/NZS 2604:2012 Sunscreen products—Evaluation and classification*' (the **Safety Standard**) as the product safety standard for sunscreen products for the purpose of section 29 of the Act.
37. The Safety Standard includes detailed mandatory testing and labelling procedures, including:
 - 37.1 Procedures for determining sunscreen product performance and classification: this includes procedures for determining the Sun Protection Factor (the **SPF**), broad spectrum performance and water resistance; and
 - 37.2 Labelling requirements: this includes specific labelling instructions for the SPF, broad spectrum performance, water resistance and instructions for application of the sunscreen.

Procedures for determining SPF

1. The SPF informs consumers of the efficacy of the sunscreen against sunburn and helps them select a sunscreen product appropriate to their skin sensitivity and exposure to sunlight. The labelled SPF and maximum length of time claimed for water resistance shall be proven by a test report that complies with the Safety Standard.
2. Where there is no claim for water resistance, the method for determination of the SPF is set out at Appendix A of the Safety Standard and ISO 24444.⁷
3. Where a claim for water resistance is made, the method for determination of water resistance is set out at Appendix B of the Safety Standard and ISO 24444.⁸

Procedures for determining broad spectrum

4. All primary sunscreen products, and some secondary sunscreen products, must also be 'broad spectrum' sunscreens.

⁷ ISO2444 is International Standard - Cosmetics - Sun protection test methods - In vivo determination of the sun protection factor (SPF).

⁸ ISO2443 is International Standard - Cosmetics - Determination of sunscreen UVA photoprotection in vitro

5. The requirements and method for determination of broad spectrum performance are set out in Clause 6.3 and Appendix C of the Safety Standard, and in ISO 24443.

Labelling requirements

6. SPF can only be labelled as one of the following: 4, 6, 8, 10, 15, 20, 25, 30, 40, 50 or 50+.⁹
7. If the label describes the level of protection it should align with the following:¹⁰
 - 7.1. Low protection descriptions relate to SPF 4, 6, 8, 10;
 - 7.2. Medium or moderate protection descriptions relate to SPF 15, 20, 25;
 - 7.3. High protection descriptions relate to 30, 40, 50; and
 - 7.4. Very high protection descriptions relate to 50+ SPF (which is for products with an SPF of 60 or higher).
8. The package is not allowed to suggest that the SPF provides an increase in protection time.¹¹
9. The words 'sunblock', 'waterproof' and 'sweat proof' are not permitted.¹²
10. Water resistance must be qualified by a statement of the time for which the water resistance has been tested, which must not be greater than 4 hours.¹³
11. All primary sunscreen products must also be broad spectrum products, and the label must say 'broad spectrum'.¹⁴
12. All secondary sunscreen products, aside from colour or lip products with an SPF below 30, must also be broad spectrum products, and the label must say 'broad spectrum'.¹⁵
13. If it is a broad spectrum product, the label must not include a numerical claim of UVAPF (Ultraviolet A Protection Factor).¹⁶
14. For primary sunscreen products, the label must include the instruction to 'apply generously to the skin 20 minutes before skin exposure, then reapply frequently, and after swimming or towelling' or words to this effect.

⁹ AS/NZS 2604:2012, Table 1

¹⁰ AS/NZS 2604:2012, Table 1

¹¹ AS/NZS 2604:2012, Clause 7.1(a)

¹² AS/NZS 2604:2012, Clause 7.1(c).

¹³ AS/NZS 2604:2012, Table 2 and Clause 7.2.2.3.

¹⁴ AS/NZS 2604:2012, Table 1.

¹⁵ AS/NZS 2604:2012, Table 1.

¹⁶ AS/NZS 2604:2012, Clause 7.1(b)