

March 6, 2013

KOSÉ and Elder Pharmaceuticals of India Reach Agreement to Establish a Joint Venture

KOSÉ Corporation (Headquarters: Chuo-ku, Tokyo, Japan; President: Kazutoshi Kobayashi) and Elder Pharmaceuticals Limited (Headquarters: Mumbai, India; Chairman and Managing Director: Jagdish Saxena), an Indian pharmaceuticals manufacturer, have agreed to establish a joint venture company (JVC) with the provisional name of KOSÉ Elder (India) Private Limited. On March 6, 2013 both the companies have subject to the fulfillment of certain terms and conditions finalized terms and conditions of a contract to establish the JVC. The agreement stipulates that KOSÉ will focus on the Indian market, and arrange to manufacture and sell cosmetics in India.

India is developing a consumer market with growth potential. Its population stands at 1.2 billion, second only to China's, and forms a pyramid structure with young people at the base. Half of all Indians are aged 25 or under. Women's fashion is also diversifying, and tastes in cosmetics are changing dramatically. KOSÉ's key means of advancing into overseas markets up to now has been to export from Japan only those of its existing brand products that matched the requirements of the target country's market. But in India, where culture and tastes are very different, we consider it essential to undertake strategic and business planning tailored to the region, and are proceeding with our investigations through agreements with local enterprises that are familiar with the local markets.

On this occasion, KOSÉ sees the potential for steady development with Elder Pharmaceuticals, a listed Indian company with a strong reputation for reliable quality and a track record for manufacturing medical products and producing and selling quality health products, cosmetics, and other items. We aim to capture synergies by combining our company's strengths of technological prowess and creation of high-value-added cosmetics with Elder Pharmaceuticals' thorough knowledge of local markets and strong sales networks within India. The aim is to develop new products assimilating Japan's refined, advanced technology with the universal aesthetic demanded by the Indian woman, and to expand in the Indian market. Once the joint venture is established, we will consider the details of how to share tasks between the two companies and specifics such as sales channels, products, and brands.

KOSÉ plans to continue aggressively entering markets in new countries with high growth rates in which we can exploit our strengths, and to expand our global presence still further.

[About KOSÉ Elder (India) Private Limited (provisional)] (As of March 6, 2013)

Location:	Mumbai, India (provisional)
Founding:	September 2013 (planned)
Business:	Manufacture, import and wholesale sales of cosmetics
Controlling share:	KOSÉ Corporation 60%; Elder Pharmaceuticals Limited 40%

[About Elder Pharmaceuticals Limited] (Consolidated, as of the end of March 2012)

Chairman & MD: Jagdish Saxena
Joint MD: Alok Saxena
Head office: C-9, Dalia Industrial Estate, Off Veera Desai Road,
Andheri(W), Mumbai, India
Founding: 1983
Business: Manufacture and sales of pharmaceuticals
Employees: 3,550
Capital: INR 205 million (Consolidated, as of the end of September 2012)



Overseas development:

Countries with overseas affiliates: U.A.E, U.K., Bulgaria

Production bases:

India Paonta Sahib (H.P.), Selaqui & Langa Road (Uttarakhand), Pawane, Nerul,
Patalganga (Maharashtra)
UK Birmingham
Bulgaria

Listed on the Bombay Stock Exchange Limited (BSE)
and the National Stock Exchange of India Ltd. (NSE)

[About KOSÉ Corporation] (Consolidated, as of the end of March 2012)

President: Kazutoshi Kobayashi
Head office: 3-6-2 Nihonbashi, Chuo-ku, Tokyo, Japan
Founding: March 1946
Business: Manufacture and sales of cosmetics
Employees: 5,520
Capital: 4,848 million yen
Overseas development: 18 countries and regions (as of the end of December 2012)

Countries with overseas affiliates: China, Hong Kong, Taiwan, Korea, Singapore,
Thailand, Malaysia, USA

Production bases:

Japan Sayama (Saitama prefecture), Isesaki (Gunma prefecture),
Oosato (Saitama prefecture)
China Hangzhou (Zhejiang province)
Taiwan Hsinchu

