

Breaking into the Cosmetics Market in India through KOSÉ's Local Subsidiary

KOSÉ Corporation (HQ: Chuo-ku, Tokyo, President: Kazutoshi Kobayashi) announced a decision to break into the cosmetics market in India in the future through a wholly-owned subsidiary established on-site.

India has the world's second largest population (1.2 billion) after China, with a pyramid-type population structure consisting largely of younger people. Half of the population is 25 or below, and great expectations are held for the future growth of this consumer market. Women's fashion is diversifying and preferences in cosmetics are also changing drastically, and the market for them is expected to expand dramatically in the future, becoming the third largest in Asia within the next few years, following Japan and China.

The company initially had plans to establish a joint venture with the pharmaceutical manufacturer, Elder Pharmaceuticals Limited, in order to break into the market in India. A deadline was set for the end of 2013 for specific discussions to be held on this matter (*), which upon consideration ended in a mutual agreement to cancel the basic agreement to establish the joint venture. A decision was made for KOSÉ to break into the market in India through the company's local subsidiary.

The company will continue proactive cultivation of new overseas markets with great potential for growth by making use of advanced technology used in the development of highly effective cosmetics and in the field of skin research, as well as knowhow accumulated through involvement in numerous brand businesses and counseling sales over the years. The aim will be to boost the company's presence in the global market.

(*) News Release on March 6, 2013

http://www.kose.co.jp/jp/ja/ir/common_ir/pdf/news/20130306.pdf

<Overview of Local Subsidiary> * as of March 20, 2014

Name of company: KOSÉ Corporation India Pvt. Ltd.

Address: Mumbai, India

Established: October 2013

Details of operations: Manufacturing, importing and wholesaling of cosmetics

Representative: Takashi Nomura