

NEWS RELEASE

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KOSÉ and Seven-Eleven Japan to Launch JUNKISUI Moisture-Rich Skin Care Products

KOSÉ Corporation (Headquarters: Chuo-ku, Tokyo, Japan; President: Kazutoshi Kobayashi) and Seven-Eleven Japan Co., Ltd. (Headquarters: Chiyoda-ku, Tokyo; President and COO: Toshiro Yamaguchi) will start sales of JUNKISUI products on March 26 at 12,034 Seven-Eleven stores (as of February 29, 2008) throughout Japan. JUNKISUI is a line of moisture-rich skin care products that incorporate extracts of oriental plants. There will be five products in the JUNKISUI lineup that are priced from 525 yen to 1,470 yen.

JUNKISUI products feature beauty care ingredients from oriental plants, such as extracts of *Rabdosia japonica* and peach leaves. Moisture-retention properties are further enhanced by the inclusion of coenzyme Q-10, hyaluronic acid and collagen, which are widely used in nutritional supplements and other beauty-care products. With this selection of basic skin care products for daily use, women can achieve and retain a soft and luxuriant skin texture.



Actress Masami Nagasawa will be used to promote JUNKISUI skin care products. TV commercials will start in April to raise awareness of this new KOSÉ skin care product, which will be sold only at Seven-Eleven stores in Japan.



Reasons for introducing JUNKISUI

Women can purchase cosmetics at specialty cosmetics stores, department stores, drug stores, supermarkets and many other locations. Despite this large number of distribution channels, there has been an increase in cosmetics sales at convenience stores. These stores are easily accessible to working women with limited time for shopping and because of the convenient locations of the stores.

When selecting skin care products, women tend to repeatedly purchase the products of a manufacturer they have come to trust. As a result, there is significant demand for more convenient ways to buy skin care products. Moreover, many women want to choose products that target a specific skin care problem. Based on a 2006 Internet survey of 8,768 women who shop at convenience stores, the greatest problem is dry skin. Spots and freckles rank second.

KOSÉ and Seven-Eleven Japan have already joined forces to launch in April 2004 the SEKKISUI lineup of "brightening" skin care products for spots and freckles. Backed by outstanding technologies and quality, the SEKKISUI brand has been supported by many customers. With the introduction of the JUNKISUI lineup, KOSÉ and Seven-Eleven Japan have added skin care products with moisture-retention properties that target the substantial demand for a way to deal with dry skin. With JUNKISUI, the two companies plan to further increase the number of loyal customers who enjoy the benefits of "Kanji character series" skin care products incorporating oriental plant extracts.

Profile of JUNKISUI

Brand name: JUNKISUI

Target: Women in their late 20s and 30s who shop at Seven-Eleven

Women seeking a reliable skin care product for daily use that has outstanding moisture-retention properties

Products to be launched:

URUOI Cleansing Oil	100mL	1,260 yen
URUOI Facial Cleansing Cream	80g	5,525 yen
URUOI Lotion	80mL	1,470 yen
URUOI Emulsion	80mL	1,470 yen
URUOI Lotion Mist	50mL	735 yen

Summary of marketing activities

JUNKISUI TV commercials featuring Japanese actress Masami Nagasawa will start airing in April. These commercials and magazine advertisements will mainly introduce "URUOI Lotion" to promote JUNKISUI as a brand for "moisture-rich" cosmetics that can be used often and excel at retaining moisture in the skin. At stores, the new JUNKISUI lineup will be displayed alongside the existing lineup of SEKKISUI "brightening" skin care products. This will reinforce these brands as a means of selecting skin care products for specific requirements.

Both KOSÉ and Seven-Eleven Japan will conduct marketing activities for JUNKISUI. Information about these products will also be available on the KOSÉ Web site. Furthermore, Seven-Eleven Japan will distribute beauty care information to subscribers to its e-magazine for women.



URUOI Lotion



Example of JUNKISUI store display