

July 9, 2001

Seven-Eleven Japan Co., Ltd.
Aderans Co., Ltd.

- Seven-Eleven Japan Ties Up With Aderans - Seven-Eleven Japan Launches Original Hair Care Products Sole Distributorship of "9696 Series"*

(Note)

- *. "9696" pronounced "kuro-guro" in Japanese alluding to the beauty of youthful, lustrous dark (Japanese) hair color.
- *. for pharmaceutical applications

Seven-Eleven Japan Co., Ltd. (hereinafter referred to as "Seven-Eleven." Address: Minato-ku, Tokyo. Representative Director and President: Ken Kudo) and Aderans Co., Ltd. (hereinafter referred to as "Aderans." Address: Shinjuku-ku, Tokyo. Representative Director and President: Takayoshi Okamoto) have entered a business tie-up agreement.

It authorizes Seven-Eleven to market the "9696 series" Seven-Eleven original hair care products on an exclusive basis from July 17, 2001 (Tuesday) through about 4,600 shops it operates in Shizuoka and Kanto regions (encompassing Tokyo metropolis and six prefectures).

The "9696 series hair care products" have been developed for use by the youth in their 20's and 30's who care about hair growth or damaged hair (not quite to the extent of requiring professional treatments). The target is those who may prefer to have a hair care product(s) "readily available" and "come in handy" when the need is felt. The "9696 series" is a composite of a variety of ingredients prescribed for pharmaceutical applications. Five items of the "9696 series" will be introduced initially: shampoo and conditioner (the most popular hair care products), hair lotion (help hair growth - a basic hair care product), and a test set (availability is limited).

Seven-Eleven Japan and Aderans will be closely collaborating in the development and marketing of new products of better quality and greater value to consumers who care for their hair conditions. Both companies are committed to continue joint market research to deepen their understanding of consumer needs, establish a point of differentiation for their products, create new markets, and increase shop level sales.

1. Background

1. (1) As the times keep changing ever faster, an increasing number of people seem to have a feeling that they are under mounting stresses. This seems one of the reasons why many people find their hair thinning. Hair fashion continues to generate new appeals. This seems also adding to damaged hair across all ages. Many people today are concerned about their hair conditions than any other times, and they look for some sort of relieving measures. Seven-Eleven had plans to improve its hair care line in assortment and in terms of differentiation, and picked up Aderans as a partner to work with.
2. (2) Aderans is well established as a provider of comprehensive hair care services. Aderans, having the largest share in the industry, has 197 operations throughout Japan. It has the

"Hair Check System," which allows customers to access its consulting service by telephone and over Internet. Aderans' excellent follow up service has a reputation for reliability.

3. (3)Aderans was pursuing the strategy to build on its customer base and increase its share through development of a group of hair care products available at affordable prices and with quality acceptable to consumers at large. For Aderans these objectives would be best achieved by joining forces with the number one retailer in Japan. Seven-Eleven was interested in entering the rapidly growing hair care market with products that can be identified as being different from the existing ones.

With such products, Seven-Eleven believes it can create a new demand in the men's cosmetics market. Thus, the two companies have found their interests being identical, and decided to enter a joint product development and marketing agreement.

2.Summary

1. (1)Product name: "9696 (kuro-guro) Series for pharmaceutical applications"
2. (2)Number of items to be launched initially: 5 items
3. (3)Product Characteristics
 1. 1)"9696 (kuro-guro) Series" is a scalp and hair care product series developed for daily use. The series is identified as "for pharmaceutical applications".
 2. 2)Ingredients include natural temperature keeping functions, which, while keeping a proper moisture balance, create a scalp condition fit for hair growth.
 3. 3)Extracts from natural plants contained help reduce dandruff and relieve itches, and, while preventing hair from coming off, serve the purpose of assisting in hair growth.
4. (4)Channels: Seven-Eleven shops, men's cosmetics corners
An exclusive rack dedicated to "9696 Series" will be set up.
5. (5)Launch Date: July 17 (Tuesday), 2001
6. (6)Seven-Eleven Shops: about 4,600 shops in Shizuoka Prefecture and Kanto District (including Tokyo Metropolis, and Kanagawa, Chiba, Saitama, Gumma, Tochigi, and Ibaragi Prefectures)