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SPECIALTY RAW MATERIALS FOR COSMETICS AND TOILETRIES JAPAN 2003



KLINE & COMPANY, INC.
OVERLOOK AT GREAT NOTCH
150 CLOVE ROAD, #410
LITTLE FALLS, NJ 07424-0410
+1-973-435-6262
www.klinegroup.com



The Kline Group is pleased to announce the publication of its new syndicated analysis titled ***SPECIALTY RAW MATERIALS FOR COSMETICS AND TOILETRIES JAPAN 2003***, which forms part of Kline's global assessment of this complex market. This report provides an authoritative and comprehensive analysis of this historically ill-defined market, valued at around \$400 million in 2003, including:

- Distinct and detailed analyses of eight major specialty raw material product categories
- Industry dynamics and key trends, including an assessment of the business implications of these issues
- A detailed assessment of customer purchasing considerations and their impact on raw material suppliers
- A comprehensive assessment of specialty raw material distribution channels
- Complete business profiles of 22 specialty raw material suppliers

TABLE OF CONTENTS

<p>1. EXECUTIVE SUMMARY</p> <p>2. INTRODUCTION</p> <p>3. INDUSTRY OVERVIEW</p> <p>4. ANTIMICROBIALS</p> <p> 4A. Preservatives</p> <p> 4B. Bacteriostats</p> <p> 4C. Antidandruff Agents</p> <p> 4D. Trends</p> <p> 4E. Outlook</p> <p>5. SKIN-WHITENING/ LIGHTENING ACTIVES</p> <p>6. EMOLLIENTS</p> <p> 6A. Natural Oils</p> <p> 6B. Emollient Esters</p> <p> 6C. Trends</p> <p> 6D. Outlook</p> <p>7. HAIR FIXATIVE POLYMERS</p> <p> 7A. Yuka Former</p> <p> 7B. Plascize</p> <p> 7C. PVP/VA Fixative Polymers</p> <p> 7D. PVP Styling and Fixative Polymer</p> <p> 7E. Amphomer Fixative Polymers</p> <p> 7F. Gantrez Fixative Polymers</p> <p> 7G. Resyn Fixative Polymers</p> <p> 7H. Trends</p> <p> 7I. Outlook</p>	<p>8. RHEOLOGY CONTROL AGENTS</p> <p> 8A. Cellulose Polymers</p> <p> 8B. Inorganics</p> <p> 8C. Natural Gums</p> <p> 8D. Synthetic Polymers</p> <p> 8E. Trends</p> <p> 8F. Outlook</p> <p>9. SPECIALTY CONDITIONING POLYMERS</p> <p> 9A. Silicones</p> <p> 9A. Polyquaternium Polymers</p> <p> 9A. Proteins</p> <p> 9A. Trends</p> <p> 9A. Outlook</p> <p>10. SPECIALTY SURFACTANTS</p> <p> 10A. Amphoterics</p> <p> 10B. Anionics</p> <p> 10C. Cationics</p> <p> 10D. Nonionics</p> <p> 10E. Trends</p> <p> 10F. Outlook</p> <p>11. UV ABSORBERS</p> <p> 10A. Organic UV Absorbers</p> <p> 10A. Inorganic UV Absorbers</p> <p> 10A. Trends</p> <p> 10A. Outlook</p> <p>12. PURCHASING CONSIDERATIONS</p>	<p>13. CHANNELS OF DISTRIBUTION</p> <p>14. SUPPLIERS</p> <ul style="list-style-type: none"> — Ajinomoto Co. — Croda Japan — Goo Chemical Co., Ltd. — Hakuto — Ichimaru Pharcos — Ishihara Sangyo Kaisha — Kao Corp. — Kawaken Fine Chemicals Co., Ltd. — Lion Corporation — Mitsubishi Chemical Corp. — Nihon Yushi Co. (NOF) — Nikko Chemicals Co. — Nisshin Oil (Nisshin Oillio) Ltd. — Osaka Organic Chemical Industry — Riken Vitamin Co. — Sansho Co. — Seiwa Kasei — Showa Denko — Takasago International Corp. (Takasago Koryo Co.) — Tayca — Toho Chemical Industry — Wacker Asahikasei Silicone Co., Ltd. <p>APPENDIX: List of Organizations Interviewed</p>
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THE BUSINESS

Specialty raw materials are defined by Kline as differentiated products that confer a distinct performance benefit to a formulated product. Compared with commodity products, specialty raw materials are sold in comparatively low volumes and at higher prices on a per-kilo basis. Such products are marketed for their performance characteristics and not by their chemical content or origin alone.

Japanese consumption of specialty raw materials for cosmetics and toiletries is estimated at around \$400 million in 2002. Conditioning polymers, rheology modifiers, and skin-whitening/lightening actives are the three leading product categories that together account for over 60% of consumption value, as shown in Figure 1.

On a volume basis, skin care applications account for around 30% of total specialty raw material consumption, and hair care represents an additional 55%, as shown in Figure 2.

The supplier base for specialty raw materials for cosmetic and toiletry applications in Japan is complex and fragmented.

A wide variety of products is offered, and the supplier base is fragmented with upward of 35 companies participating. This competitive market is currently being impacted by a variety of external and internal factors, as illustrated in Figure 3, resulting in opportunities for current and new specialty raw material suppliers to this business.

Specialty raw material suppliers to the Japanese cosmetic and toiletry industry are considering the strategic implications of many of these trends and issues on their Japanese and other global businesses, raising such questions as:

- How can we compete successfully and profitably in the future market?
- How will customer expectations and purchasing criteria and practices change over the next five years?

Figure 1

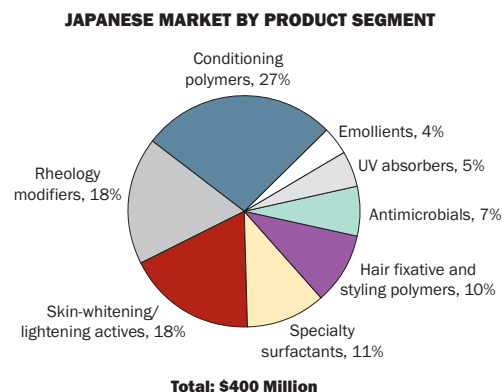
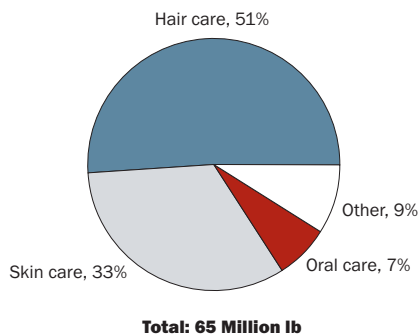


Figure 2
ESTIMATED JAPANESE CONSUMPTION OF SPECIALTY RAW MATERIALS
BY COSMETIC AND TOILETRY APPLICATION



This report is based on a series of interviews with more than 90 persons at approximately 70 organizations throughout Japan, including consumers, distributors, contract manufacturers, suppliers, trade associations, and government agencies.

All interviews were made during the period from August 2002 through May 2003. The report also draws on (1) suppliers' product literature; (2) a search of recent trade and technical literature; (3) an analysis of statistical data from government, trade association, and industry sources; and (4) non-confidential data from Kline's library and files.

SUBSCRIPTION TERMS AND PRIVILEGES

SPECIALTY RAW MATERIALS FOR COSMETICS AND TOILETRIES JAPAN 2003 is available only by subscription.

In order to maximize its usefulness to each subscriber, the following privileges and services will be made available:

- **One day of consultation** with members of the survey team at Kline's offices in Little Falls, NJ, or Brussels, Belgium, to be used at the client's discretion within three months of receipt of the report.

- How can we target our customers effectively? What information should we provide?
- What are the new growth opportunities for specialty raw materials?
- How can we ensure that this business remains a value-added one?
- Should we market a broader range of specialty raw materials? Why or why not?
- What can we learn from our competitors?
- Which channels of distribution should we use to market our raw materials effectively?

serves as a critical reference in answering the industry's most challenging questions.

This analysis provides the critical market and competitive intelligence needed to formulate effective strategic and business plans, for suppliers that are already participating in this market as well as those that are contemplating market entry.

This foundation of information and insight will help facilitate the efficient allocation of financial, marketing, and manufacturing resources required for future business development, as shown in Figure 4.

THE REPORT

Timely and accurate information is a key requirement for consideration of many of the above issues. Kline's authoritative analysis, **SPECIALTY RAW MATERIALS FOR COSMETICS AND TOILETRIES JAPAN 2003**, provides an in depth examination of this very complex market and

RESEARCH METHODOLOGY

Kline's research approach places the greatest emphasis on primary research to ensure that the foundation of business intelligence and insight is accurate and current.

Figure 3

KEY INDUSTRY TRENDS AFFECTING CURRENT AND FUTURE CONSUMPTION OF SPECIALTY RAW MATERIALS FOR COSMETIC AND TOILETRIES

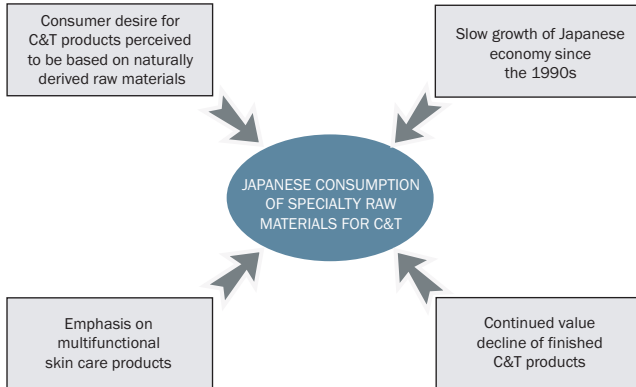
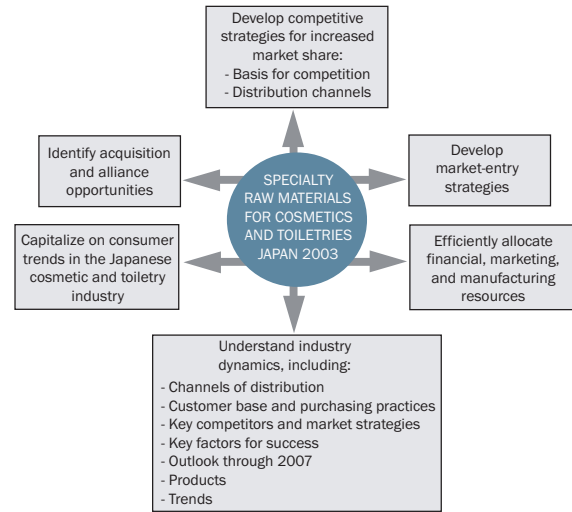


Figure 4

STUDY VALE TO SUBSCRIBERS



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Gillian Morris, Industry Manager - Chemicals, at 973-435-3432 or gillian_morris@klinegroup.com.

KLINE'S CREDENTIALS

Established in 1959, Kline & Company is recognized around the world as one of the leading business consulting firms specializing in the chemical industry. The firm helps management solve practical problems in marketing strategies, acquisition and divestiture programs, and the appraisal of new technology. Kline provides clients with facts, forecasts, and recommended solutions to business problems, based solidly on the realities of the market as well as modern strategic principles.

Kline is unique in its ability to leverage the skills and synergies of its global Chemicals and Consumer Products practices to conduct this assignment. The company has developed in-depth expertise in specialty raw materials for cosmetic and toiletry applications as well as “downstream” formulated products by tracking and analyzing the business for more than 15 years.

SPECIALTY RAW MATERIALS FOR COSMETICS AND TOILETRIES JAPAN 2003 is part of Kline’s continuing global service analyzing the markets for specialty raw materials for cosmetic and toiletry applications. Other companion reports cover Korea, China, Taiwan, Southeast Asia, Western Europe, and the United States.

SPECIALTY RAW MATERIALS FOR COSMETICS AND TOILETRIES JAPAN 2003

Please enter our subscription to your comprehensive study **SPECIALTY RAW MATERIALS FOR COSMETICS AND TOILETRIES JAPAN 2003**. The standard subscription includes three copies of the finished report and one day of consultation time within the scope of the study. A subscription to the online version of the study includes unlimited online access to the report contents and one day of consultation time, plus one hard copy of the report. Additional copies of the report will be available for a nominal fee.

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10	Specialty surfactants	5,000	<input type="checkbox"/>
11	UV absorbers	4,500	<input type="checkbox"/>
		1,500 (each)	
	Total	_____	

SUPPLIER PROFILES

- | | |
|--|---|
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<input type="checkbox"/> Showa Denko
<input type="checkbox"/> Takasago International Corp. (Takasago Koryo Co.)
<input type="checkbox"/> Tayca
<input type="checkbox"/> Toho Chemical Industry
<input type="checkbox"/> Wacker Asahikasei Silicone Co., Ltd. |
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THE KLINE GROUP

USA

KLINE & COMPANY, INC.
OVERLOOK AT GREAT NOTCH
150 CLOVE ROAD, #410
LITTLE FALLS, NJ 07424-0410
TEL: +1-973-435-6262
FAX: +1-973-435-6291
E-mail: consult@klinegroup.com

EUROPE

KLINE EUROPE, S.A.
1 AVENUE GRIBAUMONT
B-1150 BRUSSELS
BELGIUM
TEL: +32-2 770-4740
FAX: +32-2 770-9440
E-mail: consult@kline-europe.com

JAPAN

KLINE JAPAN LIMITED
HIBIYA CENTRAL BUILDING 14F
1-2-9 NISHI-SHINBASHI, MINATO-KU
TOKYO 105-0003
JAPAN
TEL: +81-3 5532-7279
FAX: +81-3 5532-7373
E-mail: hiroshi_emisawa@klinejapan.com

SINGAPORE

ETONWOOD PTE. LTD.
19B DUXTON HILL
SINGAPORE 089602
TEL: +65 6221-3922
FAX: +65 6221-2205
E-mail: info@etonwood.com

BRAZIL

FACTOR DE SOLUÇÃO
AV. SÃO GABRIEL, 333 - CJ. 112
ITAIM BIBI - SÃO PAULO - SP
01435-001 BRAZIL
TEL: +55-11 30797843
+55-11 30790792
FAX: +55-11 30796197
E-mail: srebello@factordesolucao.com.br

