

## **Shiseido Co., Ltd. Acquires Joico Laboratories, Inc. Through Zotos International, Inc., Shiseido's U.S. Subsidiary**

On December 28, 2001, Shiseido Co., Ltd. reached an agreement to acquire Joico Laboratories, Inc. through a U.S. subsidiary, subject to customary closing conditions. The acquisition, which was mutually agreed, enhances Shiseido's professional business\* in the U.S. Joico, headquartered in California, will become wholly owned by Shiseido's subsidiary Zotos International, Inc.

In 1988, Shiseido purchased Zotos International. With this move, Shiseido entered the U.S. professional market, the world's largest. In November 1996, Shiseido acquired Helene Curtis' North American Professional Division. In July 1998, Shiseido acquired the professional salon products division of the Lamaur Corporation. Joico is Shiseido's fourth U.S. acquisition in the salon sector.

Recently, the U.S. professional market has been characterized by consolidation through mergers and acquisitions among the leading companies in the field. Companies are seeking scale in order to achieve future growth. As a result of its acquisition, Zotos is among the top three in the U.S.

Joico Laboratories, Inc. was established by Mr. Steve Stefano, until recently Joico's President and CEO. Joico supplies a full-line of haircare products, including shampoos, conditioners, styling-treatments, hair-coloring and others, targeted at the prestige salon market. Its main brands include *Joico*, *I.C.E. Hair*, *Vero* and *Triactive*.

Zotos and Joico have had a very good, long-term relationship. This acquisition is an excellent match. Both companies see the opportunity to enhance their international competitiveness and to respond positively to a changing market structure. The acquisition was thus based on mutual agreement and a shared outlook.

\*Note: The "professional business" encompasses the manufacture and sales of haircare and related products to hair salons. Salon products include perm treatments, hair coloring and haircare products. The U.S. professional market is estimated at approximately US\$2 billion annually on a shipment basis. The market is growing 4% per year.

## Reference

### Zotos

Name of Company: Zotos International, Inc.  
Address: Darien, Connecticut, U.S.  
Capital: US\$25 million  
President & CEO: Mr. Robert Seidl  
Business Lines: Production and sales of salon products

### Joico

Name of Company: Joico Laboratories, Inc.  
Address: City of Industry, California, U.S.  
Capital: US\$1.984 million  
President & CEO: Mr. Steve Stefano  
Business Lines: Production and sales of salon products  
Main Brands: *Joico* (basic, originally developed line)  
*I.C.E. Hair* (styling line targeted at Generation Y)  
*Vero* (hair-coloring)  
*Triactive* (perming products)