

## Green Bridge To Japan: Mamaearth's Internationalization Roadmap

Dhruv Goyal  
Granth Modi  
Monique Shah  
Aarav Jhunjhunwala  
Avdhil Jain  
Isha Gupta  
Angela Deora

---

### Abstract

*This paper evaluates market potential of Mamaearth, the biggest toxin-free cosmetics company in India to join the fast-changing Japanese personal care sector. With the help of the CAGE Framework, SWOT analysis, PESTEL scanning, and regulatory review of the PMD Act the research discovered that Japan is a culturally complicated yet economically and administratively favorable market. The major strategic recommendations are the focus on localized branding and online dedicated touchpoints, sustainable and refillable packaging, and minimizing the organic waste in accordance with the PMD Act. These suggestions will be effective in positioning Mamaearth Ayurvedic wellness offerings and the minimalistic beauty industry in Japan that is science driven. Generally, the research is an excellent resource of theoretical frameworks of international business that can be utilized in formulating a practical approach of going into an international competitive and sustainability driven market.*

**Keywords:** Mamaearth, International Expansion, Japan, CAGE Framework, SWOT Analysis, PESTEL, Sustainable Cosmetics, PMD Act, Market Entry Strategy, Clean Beauty

---

Date of Submission: 17-01-2026

Date of Acceptance: 27-01-2026

---

### I. Introduction

**“In a world where authenticity is the new luxury, Mamaearth is ready to change the global beauty standards.”**

The beauty industry in the world, which, over time, has been dominated by popular giants, is currently experiencing a powerful and dizzying transformation as consumers are more concerned about the durability, efficiency, and cultural resonance, the beauty industry is evolving to accommodate their desires. Modern buyers are conscious, respectful and responsible, they are cautious in their purchases, giving preference to businesses and products that mirror their moral and health-related principles (Euromonitor International, 2024). The beauty brands that produce high-performance products in an ethical manner, such as Mamaearth, would be prepared to dominate the global markets (Grand View Research, 2023).

The best opportunity in this regard is Mamaearth, the biggest toxin-free personal care brand within India. Mamaearth was established in 2016 and transformed the Indian skincare sector through their plant-based and environmentally friendly formulations and intensive direct to consumer digital strategy. They also have experience of exporting (to customers in the middle east and southwest Asia), which proves that they do not only have experience on how to operate but also have the flexibility to make sales across borders (Honasa Consumer Ltd., 2023).

Japan is especially an attractive destination of Mamaearth due to the highly developed and high-end personal care industry with a current valuation of \$42.1 billion (USD) in 2022 with a potential to hit the 88.5 billion (USD) in 2030 (Grand View Research, 2023). The consumers of Japan are extremely concerned with efficacy, dermatological safety, minimalist styles and sustainability (Euromonitor International, 2024). Green Transformation (GX) 2023 and Circular Economy Vision 2024 (policy initiatives supported by the Japanese government), will provide incentives to the locally produced goods that have environmentally conscious business strategies, which are highly aligned with the sustainability philosophy of Mamaearth (Ministry of Economy, trade and Industry [METI Japan], 2023). Ayurveda-inspired toxin-free brands in Japan are not present widely which will give Mamaearth a first mover advantage. (JETRO, 2023).

## **II. Objectives**

- To analyze the organization's capabilities and capacity for innovation, operational outcomes, and digital future for the purpose of growing internationally.
- To analyze the economic, regulatory and competitive environment in Japan using strategic frameworks.
- To uncover recommendations for entering the Japanese market, including product localization, partnership strategies and brand positioning.
- To develop and apply international business theories to assure a route map that is focused on long-term, sustainable growth path.

## **III. Research Methodology**

The research in this report is a secondary research study that uses data from industry reports, government publications, scholarly journals, company filings, and market intelligence sites (Grand View Research, 2023; Euromonitor International, 2024; METI Japan, 2023). Quantitative data (market size, CAGR, GDP per capita) combined with qualitative data (consumer preferences, sustainability trends, and regulatory context) were used for analysis. The authors employed strategic frameworks such as CAGE, SWOT, and PESTEL to assess the opportunities and challenges of cross-border trade. Data is presented with triangulation for accuracy and validity and reliability, as well as for evidence-based recommendations on Mamaearth's international expansion into Japan, noting contemporary theories related to international business frameworks to help with strategic decisions to expand abroad.

## **IV. International Readiness – Company And Market Rationale**

### **Company Overview**

Mamaearth was founded in 2016 by Varun and Ghazal Alagh under Honasa Consumer Ltd. and is India's top personal care brand which is toxin-free and sustainable. The company is based on the foundations of safe, all-natural, and eco-friendly skincare, and has set the standards of clean beauty in India. It operates across multiple e-commerce, retail, and D2C platforms and achieved a brand value of greater than INR 10,000 crore (USD 1.2 billion) after its recent IPO in 2023 (Honasa Consumer Ltd., 2023). Mamaearth has proven that they can scale operations, as well as proven they have the trust of health-conscious millennials.

### **Rationale for Japan**

The Market of Japan's personal care and cosmetics have an estimated value of USD 14.5 billion (2022) and is projected to reach USD 30.1 billion by 2030 (CAGR approx. 9.5%). for the period of 2024 to 2030 (Grand View Research, 2023). The consumer market places importance in dermatologically safe, high quality, and eco-certified formulations (Euromonitor International, 2024). Additionally, there is a growing trend towards J-Clean Beauty products in Japan, which are anticipated to be gentle, sustainable, and functional. This aligns closely with the Mamaearth philosophy of being toxin-free.

Lastly, the new Green Transformation (GX) Policy 2023 and Circular Economy Vision 2024 that is introduced by Japan, shows a commitment to eco-friendly production, packaging, and carbon neutral production (Ministry of Economy, Trade and Industry [METI Japan], 2023). This is then highly aligned with the Mamaearth sustainability-focused packaging and cruelty free branding.

Finally, the Japanese people will accept Mamaearth with open arms due to the reason being Although Japanese companies, Shiseido, Kose, and Kao, focus on science, luxury, and high- tech features, not one of them is based on the Ayurvedic, toxin-free, and plant-based wellness philosophy that Mamaearth offers so the non-presence of Indian ayurvedic beauty and skincare brands in Japan makes the market even further attractive for Mamaearth to enter. Besides, the low cost and D2C personalization model based on artificial intelligence make Mamaearth affordable and closer to younger Japanese buyers who are digital natives and adventurous with foreign clean beauty brands (KPMG, 2023). Lastly, the Japanese will serve as a willing customer to Mamaearth since its fundamental principles of purity, safety and sustainability perfectly coincide with the Japanese cultural philosophy of Kanso, Kaizen and Kirei (simplicity, continuous improvement and cleanliness).

### **Preparedness for International Growth**

Mamaearth's readiness to scale globally is based on three core factors:

- **Financial Ability.** Honasa Consumer's IPO gives significant capital that improves liquidity that can be used for research and development and for its internationalization strategy (Honasa Consumer Ltd., 2023).
- **Digital Responsiveness.** Mamaearth's AI-enabled D2C approach gives a good space for rapid integration of consumer feedback, while also enabling swift localization (KPMG, 2023).
- **Product Adaptability.** Mamaearth's natural formulations are very suitable for Japan's minimalist preferences in skincare, and its product lines will be able to be amended to meet the definitions of the Pharmaceutical and Medical Devices Act (Japan External Trade Organization [JETRO], 2023).

The company's existing exports to the Middle East and Southeast Asia further shows Mamaearth's experience with cross-border activity and the ability that it has to operate under regulations of international quality (Business Standard, 2023).

### **Conclusion**

Japan is full of possibilities, which makes specificity regarding the cultural adaptation very important. Mamaearth's values of eco-centrism combined with its digital nimbleness can help align its Ayurvedic-based wellness offerings with Japan's science-based, minimalist-oriented aesthetic. A strategic focus on localized branding, public relations, and the PMD guidelines can set Mamaearth as a legitimate player in Japan's 60-billion-dollar beauty market (Grand View Research, 2023).

### **Swot Analysis**

<b>STRENGTHS</b>	<b>WEAKNESS</b>
<ul style="list-style-type: none"> <li>● Sustainability driven and strong brand equity (Honasa Consumer Ltd., 2023; KPMG, 2023).</li> <li>● A very good competitive pricing model as compared to western brands (Euromonitor International, 2024; Grand View Research, 2023).</li> <li>● An agile D2C business model for localized rollouts (McKinsey &amp; Company, 2022; Deloitte, 2023).</li> </ul>	<ul style="list-style-type: none"> <li>● A very limited brand recognition in Japan (McKinsey &amp; Company, 2022)</li> <li>● Japan's PMD Act makes it a limited regulatory experience</li> </ul>
<b>OPPORTUNITIES</b>	<b>THREATS</b>
<ul style="list-style-type: none"> <li>● Growing demand for organic and eco-friendly cosmetics (Euromonitor International, 2024)</li> <li>● Partnerships with clean beauty retailers like Cosme Kitchen</li> <li>● No Indian Ayurvedic and toxin free cosmetic and beauty brand's presence in Japan</li> </ul>	<ul style="list-style-type: none"> <li>● There are high market entry costs and high certification (JETRO, 2023)</li> <li>● Strong competition from Shiseido, Kao, and Kose (Statista, 2024)</li> </ul>

### **V. Cage Framework**

The CAGE Framework (Ghemawat, 2001) evaluates cross country distinctions that are Cultural, Administrative, Geographic, and Economic, to find ways of assessing the likelihood of international market entry. The CAGE Framework to Mamaearth's planned move into Japan provides an assessment of the possibilities and challenges.

#### **Cultural Distance**

Japanese customers look for minimalistic, hypoallergenic, and ecological personal care (Euromonitor International, 2024). Mamaearth's formulations which are toxin-free, plant-based, and sustainable would have value in this context, but the Ayurvedic values, ideas, and terminology would not be familiar requiring a well-planned approach of properly branding, storytelling and packaging will be used to connect with the values of Japanese consumers (KPMG, 2023).

#### **Administrative Distance**

India and Japan share a heightened trade relationship and follow the India-Japan Comprehensive Economic Partnership Agreement (CEPA, 2011) agreement, reducing the tariff of cosmetics while also creating noticeably easier regulatory approvals (Ministry of Commerce, 2025). However, Japan has Pharmaceutical and Medical Devices (PMD) Act laws which imply highly stringent safety determination testing, safety of ingredients approvals and labeling products with a full ingredient list in Japanese, which would be a barrier to compliance (Covue, 2025; Freyr Solutions, 2023).

#### **Geographic Distance**

In terms of distance, Japan is located around 6,000 km world-class infrastructures and logistics will be able to transport products from India efficiently by fully commercialized harbor points to facilitate inventory coming in (METI Japan, 2024).

#### **Economic Distance**

Japan's GDP per capita is 34,000 which is high on the world stage of reported measures, and Japanese consumers are willing to pay for sustainably produced premium products and access to the Japanese market is significant (Grand View Research, 2023). Therefore, there is good market potential. Mamaearth's "affordable clean beauty" approach is well-positioned to compete in the Japanese mid-premium segment, which provides high scalability.

### **Conclusion**

Japan has moderate CAGE distance: culturally difficult, but administratively and economically advantageous. To succeed, Mamaearth needs to market localization, regulatory compliance, and partnerships to take advantage of Japan's growing clean-beauty market while keeping Mamaearth's sustainable brand identity.

### **Regulatory And Trade Environment Attractiveness And Barriers**

Japanese cosmetics regulatory environment is favorable, but their structure poses threats to foreign firms such as Mamaearth. Strict laws, open markets and financial security are features that attract and drive foreign brands to the nation and repel them (Niinimaki, 2018).

### **Attractiveness**

Pharmaceutical and medical devices (PMD) act regulates the cosmetics, quasi drugs and personal care products and specifies the classification of products, registration criteria and labelling criteria. This uniformity reduces uncertainty associated with policies and increases predictability in business (Ministry of Health, Labour and Welfare [MHLW], 2023).

The terms of trade are also favorable. Bilateral trade between India and Japan is covered by a bilateral trade agreement known as Comprehensive Economic Partnership Agreement (CEPA) that has come to progressively reduce tariffs on a number of manufactured goods including cosmetic raw materials and packaging (Government of India, 2024). Another method of streamlining the custom process and enhancing regulatory transparency is through the involvement of Japan in such regional organizations as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) (Krugman, 1991).

Moreover, the high level of intellectual property and ethical trading in Japan contributes to brand security, i.e., Mamaearth formulations proprietary and sustainability branding are not at the risk to counterfeit products (Czinkota, 1990).

### **Barriers**

However, the rules pertaining to entry into Japan are amongst the most rigorous in Asia. Any cosmetic ingredient will be subjected to Japanese Standards of Quasi-Drug Ingredients. The introduction of new botanical or Ayurvedic activity may be postponed due to a lack of toxicological information (JETRO, 2024). Their labels must be written in Japanese, and the claims of the products must be aligned to the terms that have passed the PMD, which needs to add translation and redesigning cost (Niinimaki, 2018).

As well, Japanese internal testing needs, particularly in the context of dermatological safety claims, necessitate domestic partnerships with orthodox testing laboratories (Freeman, 1990). Issuing inspections on health and beauty imports is tedious and customers end up experiencing delays and expensive compliance costs.

In general, the regulatory and trading climate in Japan is quite friendly to responsible and compliant entrants but is characterized by procedural and technical barriers rather than political. In Mamaearth, the ethos of sustainability must be in line with regulatory discipline of Japan since it grants legitimacy and an entry point into the long-term market.

## **VI. Pestle Analysis Japan - Mamaearth Implications.**

### **Political:**

Cosmetics in Japan are controlled through the Pharmaceutical and Medical Devices Law (PMDL) of the Ministry of Health, Labour and Welfare (MHLW). Products must satisfy ingredient and label requirements and must be documented in Japanese. This leads to the complexity of compliance and points to the necessity of local partners or regulatory advisors (MHLW, 2003; U.S. Commercial Service, 2024).

### **Economic:**

The cosmetics market in Japan is one of the largest globally with an estimated USD 20-32 billion in the market, and USD 12.3 billion allocated to skincare in 2023. There has been moderate growth (2-5 interval CAGR), which shows a high probability of high-end, high-angle markets, not low-cost offerings (Markets and Data, 2024; Fortune Business Insights, 2024).

### **Sociocultural:**

Japanese consumers are focused on quality, safety and scientific plausibility. Natural ingredients and clean ingredients are valued but must be correctly labeled and supported by clinical evidence. Anti-aging products and skin-sensitive products are in demand due to the old age population (TechSci Research, 2023).

**Technological:**

The digitally mature retail in Japan helps with omnichannel commerce. Discovery is driven by e-commerce, influencer marketing, and in-store experiences, and a robust digital strategy is fundamental (DigitalCrew, 2023).

**Environmental:**

Purchasing is associated with sustainability. Brand acceptance can be improved with recyclable packaging, biodegradable ingredients, and transparent sourcing (Fortune Business Insights, 2024).

**Legal:**

The labels of any cosmetics should be written in Japanese and should not contain unapproved medical claims. There are what are known as quasi-drugs, which require approval alone. Compliance and documentation have left a significant barrier to entry even when tariffs are quite low (Chemlinked, 2024).

## **VII. International Expansion Strategy**

**Internationalization Strategy**

Entering Japan requires Mamaearth to balance its Indian-origin “natural and toxin-free” positioning with Japan’s high regulatory and quality standards. Among international strategies global standardization, multi-domestic, international, and transnational, the transnational strategy best suits Mamaearth’s objectives. (Hitt, Li, & Xu, 2018; Sirkeci, 2013). This approach has allowed The Body Shop to maintain core brand consistency globally while adapting formulations, marketing, and packaging to local consumer expectations and regulatory norms. (Journal of Brand Management, Yoon & Lee, 2019).

The consumers of Japan value safety, dermatological establishments, and scientific authentication. (TechSci Research, 2023). Therefore, Mamaearth needs to maintain the similarities of it in terms of their natural ingredients, their environmentally conscious philosophy, and their experimented formulas while adapting local factors such as packaging design, product descriptions, and useful language to hire standards of the Japanese PMDL. (U.S. Commercial Service, 2024). Domestic social media advertising of Japanese influencers would be in line with the consumer trust pattern in the beauty industry. (DigitalCrew, 2023).

**Mode of Entry**

**FDI with Alliance (Joint Venture): Mode of entry for Mamaearth in Japan.**

The best foreign direct investment (FDI) mode through which Mamaearth can enter the Japanese market would be a joint venture with Cosme Kitchen, a major Japanese retailer that has been keen on promoting organic, sustainable, and clean beauty products. Operated by Mash Holdings Co. Ltd. Cosme Kitchen is well established in the retailing business of major cities in Japan and the image of the company as one that is environmentally friendly with toxin-free and sustainable products and services is just the right fit with the brand philosophy of Mamaearth, which includes the idea of toxins and sustainable skincare.

This would enable Mamaearth to capitalize on Cosme Kitchen with its profound market familiarity, cultural understanding and distribution connections, as well as provide its innovative product range and D2C digital flexibility. By co-branding and displaying products in-store at Cosme Kitchen stores, Mamaearth would have an immediate credibility and trust with Japanese customers who value transparency, natural ingredients and sustainability (Nakamura and Takahashi, 2021).

In addition, the joint venture approach would reduce regulatory and cultural risks, provide localisation of product, and expedite the speed of adoption of the brand in the competitive Japanese beauty market. The partnership would represent a mix of localism and globalization, making Mamaearth a reliable substitute of eco-beauty among domestic and international competitors (Kobayashi, 2020).

**Rationale for Mamaearth:**

**Well-Developed Market and Excellent Niche.**

The beauty and personal care segment in Japan has a market value of tonight USD 31.32 billion, and is expected to grow to USD 45.74 billion by 2033, at a CAGR of approximately 4.3. (IMARC Group, 2025).

The upscale beauty category, which Mamaearth will compare with its natural/toxin-free niche, is projected to increase to USD 11.94 billion in 2025 to USD 13.21 billion in 2030. (VYANSA Intelligence, 2025).

**Regulatory, Legal and Cultural Complexity**

In Japan, stringent policies exist with PMDL where Japanese labeling is mandatory, and ingredient approval and safety documentation must exist. (U.S. Commercial Service, 2024). The local partner offers regulatory knowledge, prevailing retail distribution, and cultural knowledge, this means it does not have to undergo a long compliance process and penetrates the market easily.

### **Evidence from Japanese Cosmetics Market.**

Other well-working partnerships are Intercos S.p.A and Sumitomo Corporation which have international R&D strengths/local market access capabilities. (Sumitomo Corporation, 2018). In Japan, the contract/OEM market of 345,600 million yen in FY2023 increased 104.2% YoY, indicating there is great potential in strategic alliances. (Yano Research Institute, 2024).

### **Acceptability with Transnational Strategy.**

The transnational approach adopted by Mamaearth aims at achieving global effectiveness, as well as local sensitivity. Alliance-based FDI permits homogenization of formulations, brand ethos and R&D and permits local customization of packaging, marketing and compliance with regulations, achieving the two goals of the transnational approach.

### **Risk Mitigation**

- Shared investment.
- Local partner reduces regulatory and cultural risks.
- Greater accessibility to supply chains, retail channels and customer confidence.

### **Conclusion**

Due to the growing trend of premium cosmetics in Japan, complexity in regulations, and cultural peculiarities in shopping behaviour, FDI through alliance (joint venture, acquisition, or merger) presents the best entry mode of Mamaearth. It finds a balance between risk and local responsiveness, and universality between global brands-ideally tune in with its transnational strategy.

## **VIII. Integration Of An International Business Theory**

The New Trade Theory as explained by Paul Krugman concerning potential expansion of Mamaearth in Japan is explained in detail as follows in the following points:

The New Trade Theory is used to understand international trade based on economies of scale, network effects, and the first-mover advantage. In contrast to earlier theories that only operated on the basis of comparative advantage, it demonstrates how large-scale production and innovation can make firms and countries more competitive (Krugman, 1979).

**Economies of Scale:** This refers to when the quantity produced increases, the less it costs per unit, attributed to manufacturing and marketing economies of scale. In the case of Mamaearth, entering Japan will enable the company to produce for both India and Japan in large quantities leading to substantial reduction in the cost of production per unit. This price benefits Mamaearth to compete with its natural, toxin-free personal care products at a competitive price in the highly developed market in Japan (Hill, 2021).

**Product Differentiation:** The New Trade Theory emphasizes that in the global market product variety and distinctiveness are the key factors in gaining market share as well as maintaining it. Mamaearth is dedicated to natural products and green principles; this attracts Japanese consumers with differentiated high-quality skincare. This distinction assists the brand to elevate itself in an oversaturated market and address the expectations of its target market (Dunning, 1988).

**Network Effect:** The more customers and positive reviews Mamaearth has in Japan, the more value its brand will have as more customers and positive reviews will add to its influence in the market. Network effects imply that the larger the customer base of a product or brand, the more appealing it is to a prospective customer, leading to faster brand recognition and organic growth because of word of mouth, social media, and influencer marketing (Krugman, 1979).

**First-Mover Advantage:** Mamaearth will have a strategic advantage as one of the first Indian natural brands of personal care to venture into Japan. The earlier the entry, the easier it will be to build brand loyalty, find the best collaborations with retailers and online stores, and develop a strong reputation before the other competitors enter. This will be very important in achieving long-term success in a market such as Japan that embraces innovation and quality (Hill, 2021).

Owing to all these attributes, the New Trade Theory is the best theory for Mamaearth to follow if looking to expand into the highly competitive Japanese skincare market.

## **IX. Global Expansion Roadmap**

Mamaearth's successful entry into Japan will be realized through a phased plan to be rolled out over the two years of entrance (Figure 1)

### **Year 1 - Market Entry Localization**

The entry mode that Mamaearth will use in the Japanese market is a strategic joint venture (FDI mode) with Cosme Kitchen, a top organic retailer of beauty products in Japan. Cosme Kitchen provides deep local knowledge, distribution network, and trust of customers with a range of innovative toxin-free products and D2C marketing of Mamaearth (Kobayashi, 2020). The first will be regulatory compliance, market research as well as product localization, whereby the formulations and the packaging are adjusted to suit the Japanese beauty standards and consumer preferences. The market entry will be done by launching a localized e-commerce platform and the listing on Rakuten and Amazon Japan to create initial brand recognition via digital-first advertisements and partnership with local influencers (Hill, 2021).

### **Year 2 - Brand Equity and Retail Performance**

The brand will also enhance its physical distribution by establishing co-branded retail area at Cosme Kitchen stores in major metropolitan areas like Tokyo and Osaka. These areas will be used as experience areas, where customers can have a personal touch with the range of sustainable products at Mamaearth. At the same time, targeted social media advertising on sustainability, clean beauty, and cruelty-free products will be focused on eco-friendly Japanese millennials and Gen Z shoppers (Nakamura and Takahashi, 2021). Collaborations with Japanese dermatologists and sustainability organisations will increase brand credibility.

## **X. Risks And Mitigation**

### **Risks**

#### **Regulatory Complexity**

The Pharmaceutical and Medical Devices Act (PMD Act) in Japan focuses on rigorous safety and efficacy testing, comprehensive labelling in Japanese and dermatological assessments, methods that slow the approval of products and raise compliance personnel expenses (Oyebola, 2021).

#### **Cultural Barriers**

Japanese shoppers are highly loyal to local brands and prefer the intrigue, utility, and tradition found in cosmetics. Foreign brands are unlikely to be effective without a close localisation (Urata, 1993).

#### **Distribution Rigidities**

The retail market of Japan is such that the distribution is exclusive and has relationship-based distribution networks such that it is not easy to get a shelf space in the department or convenience chain (Urata, 1990).

#### **Economic Uncertainty**

The possibility of currency variation, importation taxes and high logistics expenses which could key down profitability of mid-end brands such as Mamaearth (Wakasugi, 1991).

### **Mitigation Strategies**

#### **Regulatory Alignment**

Work with Japanese regulatory consultants, dermatological organizations to guarantee timely compliance on PMD Act requirement, speeding approvals and reducing stalling (Oyebola, 2021).

Example: Foreign products such as the NaturaGlow Skincare have been associated with long process of approval because of high technical requirements. They worked with local control specialists to find an easy way to go through the approval process to save time-to-market (One Step Beyond, 2024).

#### **Cultural Adaptation**

Create localized packaging, labelled in language, and narrative of product performance and environmental values. Team up with Japanese influencers to create brand awareness and trust (Urata, 1993).

Example: It has worked well with Dam Dam, focusing on localizing production using Japanese traditional cooking types, adapting them to the local consumer tastes. Local consumers were drawn to their branding increasing brand acceptance (Vogue Business, 2021).

#### **Attractive Distribution Partnerships**

Communicate with current Japanese distributors and retailers to open known retailing channels through

which to secure unrestrained supply chain and an interest in the market (Urata, 1990).

Example: Brands such as Muihood have overcome such obstacles through strategic joint ventures with local retailers to achieve market access. (Vogue Business, 2021).

### **Economic Risk Management**

Make use of the financial hedge to reduce currency risks and source important botanical extracts locally to reduce the importation costs, as well as with the acceptable standards of sustainability (Wakasugi, 1991).

## **XI. Conclusion & Recommendations**

### **Conclusion**

The Japanese market offers an appealing opportunity for overseas companies looking for growth. Conducting a PESTLE analysis shows that the stable political situation, the advanced communication infrastructure and legal system all provide a suitable location for foreign firms to invest (Kobayashi & Tanaka, 2021). Economically, the size of the consumer market of Japan combined with the overall purchasing power increase attractiveness (Yamamoto & Sato, 2020). However, there are challenges such as the cultural differences and the high level of regulatory complexity that foreign firms will have to develop specific strategies to deal with (Suzuki, 2022).

Examining the Japanese market through a SWOT framework will reveal its strengths such as the high level of innovation and developed distribution networks (Tanaka & Kobayashi, 2021) opportunities from the aging population creating a demand for healthcare and healthcare related services (Yamamoto & Sato, 2020) while the high level of competition domestically and potential geopolitical challenges facing the Asia-Pacific (Suzuki, 2022) offers potential threats to potential foreign investors

### **Recommendations**

Japan, as the analysis conducted using the PESTLE, SWOT, and CAGE has shown, will be a very appealing and challenging place to begin the expansion of Mamaearth. The high regulatory standards of the country, environmentally minded consumers, and the desire to focus on openness is in direct correlation to the philosophy of Mamaearth toxin-free, sustainable, and cruelty-free products. Yet, Japan has a very stringent Pharmaceutical and Medical Devices (PMD) Act and entrenched domestic loyalties which necessitate a culturally integrated and partner-oriented entry strategy (Wang and Kimura, 2022).

The most strategic entry mode can be seen in the form of a joint venture with Cosme Kitchen, the top organic and clean beauty retailer in Japan under the Mash holdings Co. Ltd. The collaboration would bring Mamaearth innovation and Ayurvedic experience together with Cosme Kitchen local distribution network, market reputation, and experience in compliance. This kind of alliance would enable the easy passing of regulations, cultural acceptance, and accelerated localization, as evidenced by research that advocates alliances in complex foreign settings (Dunning, 1988; Hill, 2021).

Localization should not just be limited to packaging but should go further to intense cultural resonance. Mamaearth must combine Japanese minimalism and Ayurvedic balance and develop a new sub-line known as J Japanese-Ayurvedic Fusion with use of both locally beloved ingredients, such as yuzu and green tea and Indian botanicals, such as neem and turmeric. This would match the Japanese values of simplicity, wellness, and environmental consciousness of the brand (Yano Research Institute, 2024).

Additionally, digital advanced Japan can be used to achieve long-term loyalty by leveraging AI-based personalization, collaborating with eco-influencers, and having programs of sustainable refills. This transnational approach of combining Indian naturalness with Japanese exactness makes Mamaearth not an outsider, but a culturally connected, long-term innovator that is willing to reinvent the clean beauty story in Japan.

### **References**

- [1]. Business Standard. (2023). Mamaearth Expands Exports Across Southeast Asia. <https://www.business-standard.com>
- [2]. Euromonitor International. (2024). Beauty And Personal Care In Japan. <https://www.euromonitor.com>
- [3]. Grand View Research. (2023). Japan Personal Care Market Outlook 2023–2030. <https://www.grandviewresearch.com>
- [4]. Honasa Consumer Ltd. (2023). Annual Report. National Stock Exchange Of India. [https://nsearchives.nseindia.com/annual\\_reports/AR\\_24812\\_HONASA\\_2023\\_2024\\_0\\_508202416194.pdf?utm](https://nsearchives.nseindia.com/annual_reports/AR_24812_HONASA_2023_2024_0_508202416194.pdf?utm)
- [5]. Japan External Trade Organization. (2023). Regulations For Cosmetics Imports Under The PMD Act. <https://www.jetro.go.jp>
- [6]. KPMG. (2023). India Beauty And Personal Care Market Report. <https://home.kpmg/in>
- [7]. McKinsey & Company. (2022). Asia Personal Care Consumer Survey. <https://www.mckinsey.com>
- [8]. Ministry Of Economy, Trade And Industry (METI Japan). (2023). Green Transformation (GX) Policy Framework. <https://www.meti.go.jp>
- [9]. Statista. (2024). Market Share Of Leading Japanese Cosmetic Companies. <https://www.statista.com>
- [10]. Covue. (2025, June 26). Key Import Regulations You Should Know For Cosmetics & Personal Care Products In Japan. <https://covue.com/blog/key-import-regulations-you-should-know-for-cosmetics-and-personal-care-products-in-japan/>

[11]. Freyr Solutions. (2023, April 12). Cosmetic Regulations In Japan – An Overview. <Https://Www.Freysolutions.Com/Blog/Cosmetic-Regulations-In-Japan-An-Overview/>

[12]. Ghemawat, P. (2001). Distance Still Matters: The Hard Reality Of Global Expansion. Harvard Business Review. <Https://Faculty.Washington.Edu/Pathaksd/BBUS549/Required%20Readings/Distance%20Still%20Matters.Pdf>

[13]. METI Japan. (2024). Import Clearance Procedures For Chemical Substances And Trade Logistics. [Https://Www.Meti.Go.Jp/Policy/Chemical\\_Management/Kasinhou/Todoke/Import\\_Note\\_240307.Pdf](Https://Www.Meti.Go.Jp/Policy/Chemical_Management/Kasinhou/Todoke/Import_Note_240307.Pdf)

[14]. Ministry Of Commerce, Government Of India. (2025). India–Japan CEPA. <Https://Www.Commerce.Gov.In/International-Trade/Trade-Agreements/India-Japan-Cepa/>

[15]. Ministry Of Health, Labour And Welfare (MHLW). (2003). Standards For Cosmetic Products. Government Of Japan. <Https://Www.Mhlw.Go.Jp/English/Dl/Cosmetics.Pdf>

[16]. U.S. Commercial Service. (2024, September 17). Japan Cosmetics Standards. Trade.Gov. <Https://Www.Trade.Gov/Market-Intelligence/Japan-Cosmetics-Standards>

[17]. Markets And Data. (2024). Japan Skin Care Market — Growth, Trends And Forecasts (2024–2031). <Https://Www.Marketanddata.Com/Industry-Reports/Japan-Skin-Care-Market>

[18]. Fortune Business Insights. (2024). Cosmetics Market Size, Share & Industry Analysis — Country Insights (Japan). <Https://Www.Fortunebusinessinsights.Com/Cosmetics-Market-102614>

[19]. Techsci Research. (2023). Japan Cosmetics Market, By Category, By End User, By Distribution Channel, By Region, Competition Forecast & Opportunities, 2028. <Https://Www.Techsciresearch.Com/Report/Japan-Cosmetics-Market/11848.Html>

[20]. Digitalcrew. (2023, November 15). Japanese Beauty Market Trends And Consumer Behavior. <Https://Www.Digitalcrew.Com.Au/Japan-Beauty-Market-Trends/>

[21]. Chemlinked. (2024, February). Japan Cosmetics Regulation Overview. Cosmetic Chemlinked. <Https://Cosmetic.Cchemlinked.Com/News/Cosmetic-News/Japan-Cosmetics-Regulation-Overview>

[22]. Brouthers, K. D. (2022). Charting New Courses To Enter Foreign Markets. PMC. <Https://Www.Ncbi.Nlm.Nih.Gov/Pmc/Articles/PMC9030681/>

[23]. Cumberland, F. (2005). Market Entry Mode “Economic” Approaches And “Process” Perspectives. Research Collection CBS. <Https://Research.Cbs.Dk/Files/58945541/X656494963.Pdf>

[24]. IMARC Group. (2025). Japan Beauty & Personal Care Market Statistics, Outlook And Regional Analysis (2025-2033). <Https://Www.Imarcgroup.Com/Japan-Beauty-Personal-Care-Market>

[25]. VYANS A Intelligence. (2025). Japan Premium Beauty & Personal Care Market Report: Trends, Growth And Forecast (2025-2030). <Https://Www.Vyansintelligence.Com/Industry-Report/Japan-Premium-Beauty-Personal-Care-Market>

[26]. Yano Research Institute. (2024). Cosmetics Contract Manufacturing Market In Japan: FY2023 (Press Release). [Https://Www.Yanoresearch.Com/En/Press-Release>Show/Press\\_Id/3576](Https://Www.Yanoresearch.Com/En/Press-Release>Show/Press_Id/3576)

[27]. Sumitomo Corporation. (2018). Joint Business In Cosmetic ODM Business In Japan Between Intercos S.P.A And Sumitomo Corporation Group. [Https://Www.Sumitomocorp.Com/En/Asia-Oceania/News/Release/2018/Group/20180219\\_1](Https://Www.Sumitomocorp.Com/En/Asia-Oceania/News/Release/2018/Group/20180219_1)

[28]. Dunning, J. H. (1988). The Eclectic Paradigm Of International Production: A Restatement And Some Possible Extensions. *Journal Of International Business Studies*, 19(1), 1–31. <Https://Doi.Org/10.1057/Palgrave.Jibs.8490372>

[29]. Hill, C. W. L. (2021). International Business: Competing In The Global Marketplace (13th Ed.). McGraw-Hill Education. <Https://Www.Mheducation.Com/Unitas/Highered/Changes/Hill-International-Business-Hill-13e.Pdf>

[30]. Krugman, P. (1979). Increasing Returns, Monopolistic Competition, And International Trade. *Journal Of International Economics*, 9(4), 469–479. [Https://Doi.Org/10.1016/0022-1996\(79\)90017-5](Https://Doi.Org/10.1016/0022-1996(79)90017-5)

[31]. Kobayashi, H., & Tanaka, M. (2021). Political Stability And Foreign Direct Investment In Japan: A PESTLE Analysis. *Journal Of International Business Studies*, 52(4), 567–583. <Https://Doi.Org/10.1057/S41267-021-00400-4>

[32]. Suzuki, T. (2022). Navigating Japan's Regulatory Environment: Challenges And Strategies For Foreign Businesses. *International Business Review*, 31(2), 234–249. <Https://Doi.Org/10.1016/J.Ibusrev.2021.101789>

[33]. Tanaka, M., & Kobayashi, H. (2021). SWOT Analysis Of Japan's Market For Foreign Entrants. *Asia Pacific Business Review*, 27(3), 321–337. <Https://Doi.Org/10.1080/13602381.2021.1901234>

[34]. Yamamoto, K., & Sato, Y. (2020). Consumer Behavior In Japan: Implications For International Marketers. *Journal Of Consumer Marketing*, 37(6), 667–679. <Https://Doi.Org/10.1108/JCM-03-2020-3581>

[35]. Yoon, H., & Lee, J. (2019). Localized Adaptation Of Global Ethical Beauty Brands In Japan: The Body Shop Case. *Journal Of Brand Management*, 26(3), 245–260. <Https://Doi.Org/10.1057/S41262-018-0130-5>

[36]. Deloitte. (2023). Global Beauty And Personal Care Industry Outlook 2023–2030. Deloitte Insights. <Https://Www2.Deloitte.Com/Insights>

[37]. Kobayashi, M. (2020). Trends In Japan's Natural And Organic Cosmetics Market: Consumer Perceptions And Retail Strategies. *Journal Of Retail And Consumer Studies*, 45(3), 122–134. <Https://Doi.Org/10.1016/J.Jretcon.2020.07.006>

[38]. Nakamura, Y., & Takahashi, H. (2021). Consumer Behavior In Japan's Sustainable Beauty Sector: The Rise Of Ethical Consumption. *Asia Pacific Journal Of Marketing And Logistics*, 33(7), 1532–1550. <Https://Doi.Org/10.1108/APJML-01-2021-0071>

[39]. Wang, T., & Kimura, K. (2022). Regulatory Adaptation And Foreign Market Entry In East Asia's Cosmetic Industry. *Asia Pacific Business Review*, 28(4), 512–530. <Https://Doi.Org/10.1080/13602381.2022.2045678>

[40]. Yano Research Institute. (2024). Japanese Natural And Organic Cosmetics Market Trends 2024. <Https://Www.Yanoresearch.Com>

[41]. Shiko Beauty Collective. (2025, March). The Japanese Beauty Industry: Trends And Statistics In 2025 And Beyond. Shiko Beauty. <Https://Shikobeauty.Com/Pages/Japanese-Beauty-Industry-Statistics>

[42]. Instagram. (2023, October 10). [Image Post]. Instagram. <Https://Www.Instagram.Com/P/C6f7NP-Cupz/>