

# Billion dollar ambition

**K**yoichi Tanaka was 19 years old when the wife of a US Army officer came into the Tamamizuya optical store in Nagoya, Japan where he worked as a sales clerk and mentioned that she had contact lenses. It was this chance encounter that led him to establish the country's first contact lens manufacturer.

By the time he celebrated his 21st birthday, Tanaka had developed Japan's first corneal contact lens, tested on his own eyes, and, along with his brother Toyoyasu and ophthalmologist Dr Yutaka Mitzutani, founded the Nippon Contact Lens Research Centre. This was the forerunner of what was eventually to become Japan's largest contact lens company, Menicon.

Sixty years on, Menicon still has its headquarters in Nagoya. Kyoichi Tanaka remains its chairman and his son Hidenari is chief executive officer. But the company is now represented in over 40 countries and employs more than 1,000 people worldwide. And 2011 may well prove to be as significant a year for the company as the year it was founded.

## Global expansion

While Menicon is primarily known as a Japanese company, its focus this year in particular has been on global business expansion. In March, the company opened its first R&D centre in Asia outside Japan and its first manufacturing facility producing daily disposable lenses, both located in Singapore.

The new US\$97m facility will

This year marks contact lens manufacturer Menicon's 60th year in business and one of the most significant in its history, as **Alison Ewbank** reports



**Kyoichi Tanaka pictured with the woman who inspired him to see the potential of contact lenses**

supply daily disposables to its global markets and use technology developed locally in Singapore in this sector. It will also become the hub for developing new technologies, complementing research conducted in Japan.

In August Menicon went on to announce a major reorganisation of its international operations and the creation of a new global management team in Menicon Holdings BV (MHBV), based in The Netherlands. All companies outside Japan are now unified under the one entity, with headquarters in the north eastern town of Emmen.

MHBV will also build a new base and a new manufacturing plant in Emmen to produce custom lenses for the European market and house its

European R&D centre. The new plant will significantly expand its lathing as well as moulding capacity, for both gas permeable and disposable soft lenses.

Current president of Menicon America Jonathan Jacobson is chief executive of the new company, reporting to Menicon's executive officer Toshio Matsushima. Jacobson, who previously held global positions with Polymer Technology and Bausch+Lomb's GP businesses, last year participated in Menicon's acquisition of US materials manufacturer Lagado. The materials business was on show for the first time as a Menicon company at the EFCLIN Congress in Barcelona this May.

Matsushima says Menicon is 'at an important crossroads in its evolution as a global company'. 'We have accomplished a lot over the past 10 years to build the Menicon brand and business outside of Japan, but the company's centre of gravity has been primarily in Japan. We have set a new corporate objective to become a one billion dollar company globally by 2020.'

## New products

The new R&D team in Emmen will work with the company's global chief technology officer Steve Newman, based in Singapore, to bring newly developed technologies to market. One of the most eagerly awaited products has been flat pack technology for disposable soft lenses that



**Menicon's new Singapore facility**



Newman invented. It was launched in Japan this week under the brand name Magic (News, 21.10.11) and is produced at the Singapore facility.

Australian-born Newman has long experience in setting up new manufacturing processes, including 11 years in R&D with Hydron. The initial idea for flat pack technology arose during his time at Igel, and was eventually acquired by Menicon from the Clearlab group.

## Eye-catching design

The concept is a simple one but challenging to achieve. The soft lens is flattened and sealed in a peelable foil structure that reduces the thickness of the packaging to just 1mm, an eighth that of current blisters. Thin enough to be stored in a wallet like a credit card, the pack is also designed to yield a correctly oriented lens on opening and to minimise handling of the inside of the lens.

The lens sleeve is made of aluminium rather than plastic, which allows printing on both sides. A surprising feature revealed at the launch is the 15 different monochrome design variations on one side of the pack which distinguish it still further from traditional packaging. A novel method of packaging lenses and eye-catching design may well have the capability of exciting consumers and stimulating interest in contact lens wear.

The lens will initially be a single-fit, minus power range, HEMA-GMA daily disposable, with silicone hydrogel (SiH) lenses to follow. It is expected to be available outside Japan from next year under a different brand name.

But flat pack technology is not the only innovative product in the pipeline. Alongside the Rose K2 nipple lens for keratoconic fitting discussed at this year's BCLA conference was a new concept in gas-permeable lenses. 'Four Seasons' is a three-monthly replacement system using a fully moulded RGP lens which is due to be launched in 2013.

One development that is little known outside Japan and is unlikely to translate to international markets is Menicon's direct sales outlets. The Magic lens is initially available through a Magic Store in the fashionable Omotesando area of Tokyo, with plans to sell the lens throughout Japan by April 2012. Menicon Japan derives around 20 per cent of its revenue from retail sales but says it has no plans to export the concept to the UK.

With its strong tradition of rigid lens manufacturing, prescribing habits in Japan have traditionally differed from other major markets worldwide. Data for 2010 show that one in five lenses fitted there was an RGP lens compared to 9 per cent for all countries surveyed and only 4 per cent in the UK. Japan also has a higher prescribing rate for high Dk RGP materials than the UK.

Nearly a third of soft lenses prescribed in Japan last year were daily disposables, close to the overall rate worldwide but lower than in the UK. Similarly, prescribing of SiH lenses is lower in Japan and is yet to overtake traditional hydrogels.

Soft torics and multifocals are also less commonly prescribed there than either the UK or global markets, and Japanese practitioners are more conservative in their prescribing of soft lenses for extended wear.

With a new European base and management structure overseeing all its international business, and increased investment in Singapore, Menicon hopes to improve its position as an emerging global player. Manufacturing soft disposable lenses and introducing R&D at both facilities is no doubt designed not only to strengthen the company's competitiveness outside Japan but also to meet the needs of local markets.

## UK presence

Menicon has already taken an important step into the UK market with the acquisition in 2009 of Northampton-based manufacturer David Thomas Contact Lenses (DTCL). At that time, Menicon acknowledged that although it was active in the RGP and lens care markets elsewhere in Europe it had no presence in the UK. Its products were previously available through a distributor in Devon until the arrangement ended in 2004.

The acquisition of DTCL was a natural fit. Alongside its RGP and soft ranges the family-owned company supplies a portfolio of specialist lenses, including the Rose K brand, and is one of the largest independent manufacturers of custom lenses in the UK. 'The quality of its products and the business model fits very well into our own company culture,' said Menicon president Dr Hidenari Tanaka.

Since the acquisition, DTCL has supplied Menicon's RGP, hydrogel and SiH lenses and lens care products to UK practitioners alongside its own products. So what effect will the

## MILESTONES IN MENICON'S 60-YEAR HISTORY

- 1951** Corneal contact lens introduced to Japan
- 1952** Nippon Contact Lens Research Institute founded
- 1957** Nippon Contact Lens Co founded
- 1965** Company renamed Toyo Contact Lens Co
- 1967** Menicon registered as trademark
- 1973** Introduces Menicon soft
- 1975** Intraocular lenses developed
- 1977** Menicon Europe founded in France
- 1979** Introduces Menicon O<sub>2</sub> RGP
- 1986** Launches Menicon EX, the first rigid lens approved for extended wear
- 1993** Menicon Pharma plant for lens care products established in France
- 1997** Launches Menicon Z
- 2000** Hidenari Tanaka becomes president
- 2001** Menicon America founded
- 2006** Menicon acquires NKL Contactlinsen
- 2008** Launches Premio SiH, founds Menicon Singapore and acquires Rose K
- 2009** Introduces Premio Toric and DTCL becomes a subsidiary
- 2010** Tomey (lens care products) and Lagado become subsidiaries
- Mar 2011** Menicon operations in Japan continue despite the March earthquake, tsunami and nuclear crisis. New R&D and manufacturing facility opens in Singapore
- Aug 2011** Menicon Holdings BV created, based in Emmen, The Netherlands
- Nov 2011** Menicon launches flat-pack technology in Japan under the brand name Magic

creation of Menicon Holdings and its new headquarters in The Netherlands have on the company's presence in the UK?

DTCL will remain in the UK, primarily as an RGP lens manufacturing site and in particular focusing on Rose K lens production. Menicon intends to expand DTCL's UK facility so that it can continue as the centre of excellence for Rose K production, supplying the range to countries throughout the world.

The MHBV site in the Netherlands will become the main manufacturing centre and distribution hub for Menicon RGP and soft lenses outside of Japan. DTCL views this as a positive step on the way to Menicon expanding its global business.

'Concentrating most production in one manufacturing location has obvious benefits from a logistical and financial point of view,' says MD William Thomas. 'Our UK customers will notice no real change and we hope to be able to offer a range of new product launches in the next two to three years, with the goal to contribute to Menicon becoming a one billion dollar global company by 2020.' ●