

MENICON IN THE NEWS

Menicon and David Thomas Contact Lenses Join Forces in the UK

Synergies and shared philosophy to drive relationship.

With strong operations in France, Germany and the Netherlands, and a desire to expand its presence in Europe, Menicon recently completed the acquisition of David Thomas Contact Lenses (DTCL), headquartered in Northampton, UK.

“Menicon has been looking to expand into other European markets for its molded soft lenses, hyper-Dk rigid lenses and lens care products,” said Toshio Matsushima, Senior Executive Officer, Menicon Company, Ltd. “Topping the list was the desire to enter the UK market in a strong and meaningful way.”

Menicon spent several years assessing potential partners in the UK. After successful negotiations between the parties, Menicon completed the acquisition of DTCL in November 2009.

“After discussions in early 2009, it became clear that David Thomas Contact Lenses would make an ideal partner for Menicon in the UK,” Mr. Matsushima said. “DTCL is a well-known and respected custom lens manufacturer, and as a privately owned company with excellent management and

a stable work force, it represents an ideal company for Menicon to work with.”

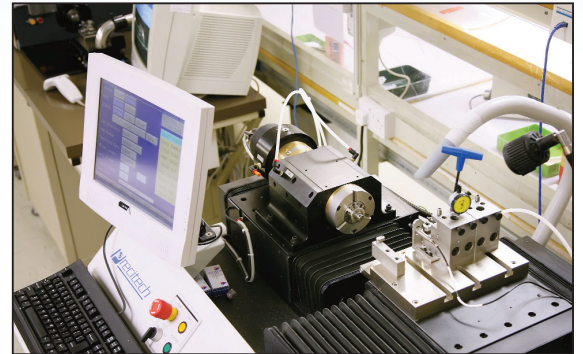
Menicon is the world's largest manufacturer of GP lenses, accounting for approximately 25% of all GP lenses sold worldwide. What is less well known, Mr. Matsushima says, is that Menicon was an early innovator in the development of hyper-Dk silicone hydrogel lenses. In fact, Menicon has some of the earliest patents in the field.

Menicon also has a strong presence in the important 2-week replacement segment in Japan and will soon be launching its own one-day lens in Japan, utilizing a new and novel packaging system for hydrogel lenses. Through the DTCL acquisition, Menicon expands the reach of its dynamic product portfolio into the UK.

Strategic focus: specialty lenses

David Thomas Contact Lenses is the second largest producer of Rose K lenses, the most widely prescribed contact lens globally for the treatment of keratoconus. Nearly half of its production is exported to the Middle East, Europe and South Asia. With the 2004 acquisition of Nova Contact Lenses, a local UK manufacturer, DTCL refocused on the production of specialty lenses and has continued down this path. This was a particularly important strategic decision given the general decline of the traditional GP lens business. Today, the majority of GP lenses produced at DTCL are prescribed for specialty applications, including keratoconus, presbyopia, postsurgical fitting, irregular corneas, ortho-k and high astigmatism.

The change to specialty lens manufacturing required DTCL to invest in state-of-the-art lathes and process control equipment. In the years since retooling its



Optoform 40 lathe dedicated to front-surface cutting of Rose K2 lenses.

focus and manufacturing, the DTCL laboratory has undergone a complete makeover. Virtually any complicated lens geometry can now be produced on computerized lathes that provide micron level precision and excellent reproducibility. The custom lenses coming off the production line today are vastly superior to their antecedents of just a few years ago.

Sharing proprietary technology

Over the years, Menicon has developed unique manufacturing technology that it has installed at its subsidiary facilities in Europe. This technology enables Menicon to produce highly precise lenses of virtually any geometry with high manufacturing yields. Menicon's proprietary processes allow lenses to be manufactured free of organic solvents and sticky wax compounds that are sometimes difficult to remove from lens surfaces after manufacturing.

“Menicon will be working with DTCL to bring these advanced production features to Northampton to complement the already considerable investments made by DTCL in the past 3 years to substantially modernize their production processes,” Mr. Matsushima said.

Launch point for new offerings

What makes this merger significant for Menicon as well as practitioners and



William Thomas, Managing Director of David Thomas Contact Lenses, and Toshio Matsushima, Senior Executive Officer, Menicon Company, Ltd., join colleagues in front of DTCL headquarters.



patients in the UK, Mr. Matsushima said, is that through DTCL, Menicon will now have a strong base of operations from which to introduce new products and technologies into the UK. Besides contact lenses, Menicon is a pioneer in the development of lens care solutions for GP and soft lenses. Some of these products are available today in the UK, with new ones planned for introduction in the near future. Menicon is also expanding into new business areas, such as anti-aging supplements, veterinary care and specialty enzymes.

Service and innovation continue

Menicon and DTCL are committed to ensuring that DTCL's current customers continue to receive the good service and innovative products they expect, and that any changes will only be for the better. The company will continue to operate as David Thomas Contact Lenses, and the management team of DTCL will remain in place and continue to be led by Mr. William Thomas, Managing Director.

"David Thomas Contact Lenses has built up a well-deserved reputation for quality and service over many years," Mr.

Thomas said. "Our policy of being 100 percent customer-focused has allowed us to continually expand and become the leading specialty lens manufacturer in the UK. We realize, however, that to continue our development we need the advantage of being part of a much larger group. Menicon is the ideal partner for us to do this, as there is tremendous synergy between the two organizations, and we have a shared philosophy when it comes to quality and service. All of us at DTCL are proud to now be part of the Menicon group and look forward to the opportunities this will bring."