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[Zeal Cosmetics Inc.](#)

The beauty of unique ostrich antibody technology is more than skin deep

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Osamu Maeda, President of Zeal Cosmetics Inc.

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Pioneering a new approach to treating problem skin conditions and researching wider healthcare applications for its unique ostrich antibody technology, in just five years Zeal Cosmetics has fast risen to become a well respected and innovative member of the highly competitive world of skin care, with its own product line and a provider of OEM services for a wide client base. President Osamu Maeda explains how by using antibodies, Zeal and its partners can develop products in a way that has not been thought of before, giving it a unique competitive edge in the market, and how its unique technology could even help combat global infectious diseases.

What in your view have been the key factors that have contributed towards the company's success in its relatively short history?

I believe our success can be attributed to four primary factors. Firstly, the innovative new antibody ingredient developed in joint research with Kyoto Prefectural University's Professor Tsukamoto, which has allowed us to develop skincare products using a new approach.

Secondly, our products have extremely effective base formulations (beauty formula), in addition to our exclusive ostrich antibody ingredient.

Thirdly, as a company, we provide our targeted customers with effective products at a reasonable price. Many products, not just cosmetics, are not priced fairly in the Japanese market, and in many cases, when prices are far below fair levels to achieve effective products, it becomes difficult to continue viable business operations. This is not the case with our company as one of our priorities is to produce effective products at an optimal price.

Finally, our company has been actively seeking overseas collaboration opportunities from the beginning. Although many Japanese companies are said to be "talk only, no action" abroad, in the spirit of challenging ourselves, our company is always aggressively seeking new opportunities for collaborations abroad.

The Japanese cosmetic market is the world's second largest, behind the US. How would you evaluate the Japanese cosmetic industry today?

Japan's cosmetic market is entering a phase of maturity, and is unlikely to expand much further. In addition, the purchase of high-ticket items has decreased due to the influence of the domestic

economy, to the extent that nowadays, there is a need for demand from foreign tourists to cover the same market scale. Also, about half of the Japanese market is made up of skincare products.

Our activities differ from the mass consumer market that focuses on drugstores and department stores, because we are focusing on the professional market instead. We have developed products that have been created through consultation with therapists and beauticians to understand their needs and to understand the end-user demands. As a manufacturer, we work on creating the right products that are both reliable and effective for specific conditions.

Although there is a trend of targeting the mass market with a focus on drugstores and department stores, there is an ongoing shift towards business models focused on increasing profits from the sale of treatments and home care products in the professional market, including establishments like aesthetic and beauty clinics. The market itself is not growing, but there is a growing demand for cosmetics products that give effective results that are achievable at professional establishments. Thanks to this trend, our products have received extremely positive evaluations and our sales have grown significantly year-on-year since the company was founded.

How is Zeal positioned to continue fluid and profitable operations within what is an increasingly complicated domestic and international market?

Of course, it is undeniable that we have been affected by overall market trends. Mass-market brands in particular will have been affected more. Our company's main target is those with problem skin. With the economic downturn, there will be an increase in stress levels, and that will have an impact on the skin. On the other hand, the demand for our company's skincare products will increase.

Our products provide psychological satisfaction with one's image. For example, there are atopic dermatitis (eczema) sufferers with patchy skin on their face who are unwilling to go out in front of other people and hole themselves up at home, as such they are unable to socialize well with others because of their condition. We have received an abundance of thank you letters from some of these people who have said that by using our products they have been able to improve their skin condition, regain confidence and have a more cheerful personality. Especially in the face of an uncertain global economy, we believe we can contribute something to the world, and it is possible that our sales may even increase in these tough times.

How does Zeal keep itself competitive and attractive both in terms of performance but also image to its client base?

Up until now, we have spent almost no money on image branding and I do not think that this will change in the future. Instead of spending money on image branding strategies, our company is investing in research and development to develop better raw ingredients, technologies and formulations. Also, we have been aggressively pursuing the possibility of developing products with external research institutes like the Osaka University Graduate School of Medicine. As a maker of

products, it is a fundamental principle of ours to provide quality products to our customers by doing these things. I believe that it is for these reasons that our company continues to be supported by top doctors in the field of plastic surgery, aesthetic medicine, dermatology, dentistry and even hair restoration.

We intend to continue making even better products in the future. Our company's greatest strength is being the only company in the world that makes products containing antibody ingredients targeting specific symptoms for a variety of skin conditions. By using antibodies, we can develop products using an entirely new approach that has not been thought of before, and this gives us a unique competitive edge in the market.

How did you find out about ostrich antibodies?

As an entrepreneur, I started many businesses in my 20s. In particular, I set up many new businesses related to projects where we collaborated with scientists and businessmen holding patents in fields where Japan had been conducting world-leading research. In one of those, a food company's industrial waste (bean sprouts) was used as ostrich feed, and that project led to my fateful meeting with Professor Tsukamoto, who was conducting research on ostriches. As I learned more about his research, we saw potential in commercializing his work and embarked on joint research together.

And how effective are the antibodies?

The basic idea of antibodies is that the immune system creates antibodies in response when foreign pathogens invade the organism. What has been found is that the antibodies extracted from ostriches are extremely strong and that the extractable amount is almost 1,000 times greater than the yield of traditional methods. Antibodies are generally very expensive, because you can only extract them in small amounts from animals. Since we extract ostrich antibodies from the ostrich egg yolk, we are able to obtain them in large volumes, dramatically lowering the cost and thus making commercial applications possible. Skin care is all about the balance of good bacteria. Basically, our skin is protected from external harm by good bacteria. Acne and inflammation are the result of an imbalance of bacteria on the skin surface, and antibodies are able to regulate this balance. Previously, only fungicides were used in the skin treatment process, but by killing all the bacteria on your face, you end up eliminating all the good bacteria as well, and as a result, you lose your skin's natural shield and expose yourself to potential problems.

When foreign particles like pathogens enter the body, your immune system produces antibodies to stop their activity. Our concept is to use ostriches to produce antibodies like these and use them to prevent or improve various problems. Normally, antibodies are extracted from the blood of small animals like rabbits, but the yield is small, so the cost is several million dollars per gram, thus it is only used in limited parts of the medical field. There was also the problem of small animals being

killed during the extraction process. By extracting antibodies from one unfertilized egg of an ostrich, we can manufacture a quantity of antibodies equal to what would be obtained from 800 rabbits, and we are able to preserve the animal's life, also dramatically reducing costs. This allows for commercial applications, such as cosmetic products. Also, ostrich antibodies possess special properties that other antibodies do not, for example, they are highly heat-resistant and resistant to pH changes; these are extremely important factors in commercialization.

A primary cause of troubled skin is a disturbance in the bacteria levels of the skin. Internal and external factors cause the abnormal growth of particular bacteria, and the toxins that are produced by the additional bacteria cause skin problems. However, it is bacteria that protect your skin originally. By using antibodies, we control and treat only the problem-causing bacteria, without affecting the good bacteria. This world-first approach of restoring the original levels of bacteria on your skin has produced great results, and we are receiving wide support from the medical and beauty industries in Japan. So, antibodies are effective!

What are some of the benefits that can be seen from the joint ventures with universities and the life & environmental science laboratory?

After Professor Tsukamoto developed the ostrich antibody extraction technology, the potential for commercialization greatly increased. Initially, Professor Tsukamoto considered using ostrich antibodies as protection against avian influenza, but after that we proceeded to commercialize this technology in the realms of beauty and healthcare, including skincare, healthcare, oral care products etc. In order to expand these possibilities, we were able to conduct extremely important basic research, doing joint research with the Graduate School of Life and Environmental Sciences. In addition, our company's independent laboratory developed what was necessary for practical applications, including product formulations, and in order to measure the effectiveness of the completed products, we collaborated with the research study group at Osaka University Graduate School of Medicine.

Furthermore, we are aggressively expanding our collaborations with overseas research institutes. That is because ostrich antibodies can be used as solutions to problems caused by various infectious diseases and allergens overseas. We have started collaborative research with IMCB, a subsidiary of Singaporean research institute A*Star, on producing a skincare cream to prevent dengue fever. Dengue fever is an infectious disease that has become an important topic in Southeast Asia in general. The effectiveness of our ostrich antibodies will be studied using the extensive dengue virus database that they have provided, and after that, we are thinking of proceeding with product development with the Singaporean government if it is possible. Our company is able to treat not only the skin troubles of the general public, but we are also able to develop general healthcare solutions to other types of problems as well.

And what are your plans for diversification?

As the only company in the world with antibody technology and the technology to develop special formulations that will make the most of its benefits, although our company originally started as a skincare manufacturer, we are aware that this technology has various uses in the area of healthcare. Although we are already developing products like health supplements and oral care products, from here on we hope to use antibodies to diversify as a total beauty and healthcare company. At the same time, we plan to expand our business overseas.

Back on the topic of partnership with universities, which seems very central to your business, expansion, market strength – to what extent are you also trying to diversify these partnerships and collaborate with international universities? Specifically, American universities are very active in terms of development.

As I said earlier, we are proceeding with our business expansion as a consolidated beauty and healthcare company. As such, to solve various healthcare problems, we would like to collaborate aggressively with research institutes, especially overseas university laboratories. Not only does America, a global center for R&D, have a lot of research institutes, but they have advantages in terms of commercializing their findings. Currently we are starting collaborations with American medical R&D institutes, but we would like to pursue a wide range of collaboration opportunities in the future. Interested parties reading this, please contact me. (Laughs)

We recently talked to the Brazilian government about the Zika virus. When there was an outbreak of MERS in Korea, we developed a spray solution to neutralize it. We have technology that can protect people from the global social problems of infectious diseases, and would like to contribute to the world at large through various collaborations with American research institutes.

Heading a very promising company, expanding from cosmetics to biotechnologies potentially contributing to global challenges, what is your vision for Zeal for the next five years?

In the five years since our company was founded, we have elevated ourselves to a leading position in the Japanese beauty professional market. We aim to become one of the world's top skincare companies within the next five years. We are already beginning operations in Asia and Europe, but would like to begin operations in America, which, after all, is the largest market in the world.

First, we are currently looking for influential partners. In addition, as a consolidated healthcare maker, we intend to expand our business beyond skincare to oral and hair care. While we develop countermeasures against various infectious diseases, we would also like to branch out into the pharmaceutical field in the next five years.

Also, since consuming good food is essential to health, we will continue to expand our operations in the agriculture industry, which started last year. In particular, when the TPP is implemented, Japan's agricultural sector must continue to expand abroad, and with our company's overseas network, we will be able to expand our business operations in the agriculture industry.

Furthermore, we would like to expand our collaboration with the Better Future Foundation as our corporate social responsibility (CSR) project that we started at the end of last year. Some 4,000 children under the age of five die every day of diarrhea caused by infectious environmental diseases in underprivileged parts of the world. By giving these children candy and other foods that contains ostrich antibodies against these diseases, we can boost their immunity and protect them from infection; we hope to expand this further in the future.

What does the US market represent to you?

America is a diverse market with a wide variety of cultures and ethnic groups. Success in the American market is a major milestone in cementing our reputation as a global player. Our product tests in America have already received positive evaluations. To pursue market expansion there, it is important that we find a strategic partner, and going forward we will be aggressively seeking such opportunities.

In this regard, what are your plans in order to raise the profile of your company?

As our company is one that does not focus on image branding, we do not spend on advertising, and instead, we will focus on research and development going forward. Instead of targeting massive growth, I believe that we should continue to build up our company's reputation in the global market at a steady pace. Also, as ostrich antibodies are an entirely new concept, many people do not yet understand their benefits. As such, we believe that raising the profile of our company, which is commercializing the ostrich antibody technology, will be closely linked to educating the public at large about ostrich antibodies.

Considering the wide audience that you'll be able to reach, can you share some final remarks for our readers?

Japan and America are saturated with health-related information, and it is a fact that a lot of that information is inaccurate or misleading. Our company aims to disseminate information and products based on correct data, and we are the only ones in the world using this antibody technology. As we take this mission and responsibility very seriously, we would like to use this technology to benefit the people of the world. We hope to contribute to the health and wellbeing of our readers by using Made-in-Japan, state-of-the-art technology in collaboration with our American corporate partners.