

F R O S T & S U L L I V A N



2022 CUSTOMER VALUE LEADER

*JAPAN
PHARMACEUTICALS SUPPLY CHAIN
CONTRACT SERVICES INDUSTRY*

Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. Bushu Pharmaceuticals excels in many of the criteria in the pharmaceuticals supply chain contract services space.

AWARD CRITERIA	
<i>Business Impact</i>	<i>Customer Impact</i>
Financial Performance	Price/Performance Value
Customer Acquisition	Customer Purchase Experience
Operational Efficiency	Customer Ownership Experience
Growth Potential	Customer Service Experience
Human Capital	Brand Equity

Bushu Pharma: Improving Access to Specialty Drugs

Founded in 1998 and headquartered in Kawagoe, Saitama, Japan’s top independent contract manufacturing organization Bushu Pharma offers pharmaceutical manufacturing and supply chain management (SCM) solutions. In recent years, Japan has seen an increase in innovative specialty pharmaceuticals, such as biologics and regenerative medicines, requiring strict temperature, inventory, and security controls. Unfortunately, pharmaceutical manufacturers aiming to introduce such specialty drugs lack the necessary assets (manufacturing plants, distribution centers, and supply networks) to enter Japan and overcome regulatory challenges. Hence, they need to outsource these functions to trusted partners.

With over 20 years of expertise, Bushu Pharma has made its mark in the Japanese pharmaceutical supply chain contract services market. With a track record of exporting drugs to more than 56 countries, the company holds global Good Manufacturing Practice (GMP) certifications. It executes pharmaceutical drug product contract manufacturing, clinical trials, and commercial goods packaging according to current GMP practices and standards.

Roadmap to Success: Customer-centric, Continuous, Proactive

Bushu Pharma operates on the central tenet that its success depends on customer satisfaction with its customer-centric corporate philosophy. This philosophy permeates the company’s daily practices.

Bushu Pharma has made its SCM capability its core business, which supplements its conventional contract manufacturing formulation and packaging processes. Besides expanding its SCM division, it also established a flexible operational structure capable of handling all SCM functions from import/export to manufacturing on a 24-hour basis. The company mainly offers its services to pharmaceutical organizations that focus on emerging rare diseases within the Asian market, especially those that do not have a Japanese subsidiary or have limited resources in Japan. Bushu Pharma works closely with its partners to help such

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Best Practices Research Analyst**

organizations succeed in launching their products even with minimal resources.

The company’s recent partnership with Suzuken, a Japan-grown firm specializing in specialty pharmaceutical distribution, bolsters comprehensive support for new product launches of specialty pharmaceutical manufacturers who aim to enter Japan’s market. The partnership establishes a one-stop logistics center in Soka City, Saitama Prefecture, for manufacturing operations and general logistics.

Additionally, using Suzuken’s drug traceability system Cubixx, Bushu Pharma provides efficient and high-

quality product delivery to patients. Cubixx strictly monitors and controls the temperature for specialty drugs, thus providing an environment where medical professionals can offer medicines safely and securely without compromising their quality and risking the patient.

Moreover, the partnership sets Bushu Pharma’s Kazo Packaging Center within Suzuken’s Chuo Unyu Co., Ltd. subsidiary as Kazo Pharmaceutical Joint Logistics Center. It utilizes Kazo Pharmaceutical Joint Distribution Center’s cold storage area, over a thousand square meters, for contract manufacturing focused on secondary packaging services, such as inspection and labeling. The company has gained substantial industry knowledge and operation know-how through its offerings and track record, making it highly sought-after by potential clients and recognized as the business’s essential differentiators, resulting in considerable growth.

Bushu Pharma takes client feedback at three stages: quotation, technical transfer, and commercial product manufacturing. Influenced by client evaluations, the company develops its account management strategy and proposes improvement initiatives to ensure clients receive high-standard services. It also organizes project teams through the project management office, including subject matter experts from technology, production, quality checking, quality assurance, and other areas, allowing each project member to listen to clients personally. This foundational approach establishes ongoing trust with customers for long-lasting relationships.

Superior Client Satisfaction: Growth Strategy Central Pillar

Bushu Pharma attentively observes the industry’s pain points and leverages insights to identify and explore growth opportunities. For example, the Asia-Pacific (APAC) pharmaceutical market relies on each country’s regulations. The region lacks supply chain contract services comparable to Europe, thus limiting

the number of reliable manufacturers. This situation results in long lead times to supply pharmaceuticals from Europe to APAC, making it difficult to respond to an urgent demand.

The company addressed this unmet need head-on. Bushu Pharma recognized the need to establish a systematic pharmaceutical supply chain within Asia that does not rely on direct imports from Europe to each APAC country and enable flexible operations, responding to demand with shorter lead times. As a result, it launched a new supply chain solution called “Gateway to Asia” (GTA) in 2021. The service features Bushu Pharma as a hub in Asia to receive bulk products in Japan with final packaging and shipment to the respective regional countries when needed. The client maximizes high quality and delivery without delays, shorter lead times, temperature and humidity controls, and reduced burden of complicated urgent order processing.

Frost & Sullivan opines that Bushu Pharma strengthens its position as a true strategic partner with its continued efforts to cater to its customers’ satisfaction.

“To realize our mission of ‘Supporting the global healthcare industry to create a healthier tomorrow,’ this new business alliance with Suzuken and facility is a great milestone. Additionally, it will become a significant asset to enable specialty drugs to launch in Japan and across the APAC region by optimizing their supply chain through our advanced Gateway to Asia (GTA) services. Bushu Pharma’s GTA services offering lets international pharmaceutical companies effectively import bulk products into Japan for quality inspection, labeling, packaging, and distribution throughout Japan and APAC.”¹

-Tadao Takano, President and Chief Operational Officer, Bushu Pharma

Earning Clients’ Trust and Loyalty through Customer-centric Practices

Serving as a testament to its high client satisfaction rate, Bushu Pharma acquires many of its customers through word-of-mouth accolades, fueled by its exceptional quality maintenance and continuous improvement.

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In 2021, the company experienced revenue growth of 10% from the previous year. It consistently holds quarterly quality management review meetings, ensuring sustained long-term growth. Bushu Pharma performs corrective and preventive action initiatives based on the observations and remarks shared during client and authority audits and inspections. Based on a client survey, the company received a 4.6 over five average score for the question, “Do you want to work with Bushu Pharma in your next project?” Its customer-centric approach, revolutionary contract services offerings, and exceptional supply chain

strategies underpin its impressive growth momentum and trajectory, earning its clients' trust and loyalty and enabling it to capture more market share.

¹ <https://www.prnewswire.com/news-releases/bushu-pharmas-collaboration-with-suzuken-group-expands-services-for-specialty-pharmaceuticals-301277374.html>

Conclusion

Customer-centric strategies help companies safeguard leading positions in markets, but only if the approach is authentic and the implementation is seamless. Bushu Pharma incorporates client-focused strategies and exemplifies best practice implementation. Its core business is its supply chain management (SCM) capability, which supplements its conventional contract manufacturing formulation and packaging processes. The company has expanded its SCM division and established a flexible operational structure capable of handling all SCM functions from import/export to manufacturing on a 24-hour basis. Moreover, Bushu Pharma launched “Gateway to Asia” (GTA) in 2021 as an initiative for international pharmaceutical companies to import bulk products into Japan for quality inspection, labeling, packaging, and distribution throughout Japan and the Asia-Pacific region. GTA removes hindrances such as delivery delays, compromised drug environment, and longer lead times. This overall customer-first approach offers immense value to existing and new customers and solidifies Bushu Pharma’s reputation in the market.

With its strong overall performance, Bushu Pharma earns Frost & Sullivan’s 2022 Japan Customer Value Leadership Award in the pharmaceuticals supply chain contract services industry.

What You Need to Know about the Customer Value Leadership Recognition

Frost & Sullivan's Customer Value Leadership Award recognizes the company that offers products or services customers find superior for the overall price, performance, and quality.

Best Practices Award Analysis

For the Customer Value Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Business Impact

Financial Performance: Strong overall financial performance is achieved in terms of revenues, revenue growth, operating margin, and other key financial metrics

Customer Acquisition: Customer-facing processes support efficient and consistent new customer acquisition while enhancing customer retention

Operational Efficiency: Company staff performs assigned tasks productively, quickly, and to a high-quality standard

Growth Potential: Growth is fostered by a strong customer focus that strengthens the brand and reinforces customer loyalty

Human Capital: Commitment to quality and to customers characterize the company culture, which in turn enhances employee morale and retention

Customer Impact

Price/Performance Value: Products or services provide the best value for the price compared to similar market offerings

Customer Purchase Experience: Quality of the purchase experience assures customers that they are buying the optimal solution for addressing their unique needs and constraints

Customer Ownership Experience: Customers proudly own the company's product or service and have a positive experience throughout the life of the product or service

Customer Service Experience: Customer service is accessible, fast, stress-free, and high quality

Brand Equity: Customers perceive the brand positively and exhibit high brand loyalty

About Frost & Sullivan

Frost & Sullivan is the Growth Pipeline Company™. We power our clients to a future shaped by growth. Our Growth Pipeline as a Service™ provides the CEO and the CEO's growth team with a continuous and rigorous platform of growth opportunities, ensuring long-term success. To achieve positive outcomes, our team leverages over 60 years of experience, coaching organizations of all types and sizes across 6 continents with our proven best practices. To power your Growth Pipeline future, visit Frost & Sullivan at <http://www.frost.com>.

The Growth Pipeline Engine™

Frost & Sullivan’s proprietary model to systematically create ongoing growth opportunities and strategies for our clients is fuelled by the Innovation Generator™.

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Key Impacts:

- Growth Pipeline: Continuous Flow of Growth Opportunities
- Growth Strategies: Proven Best Practices
- Innovation Culture: Optimized Customer Experience
- ROI & Margin: Implementation Excellence
- Transformational Growth: Industry Leadership



The Innovation Generator™

Our 6 analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.

Analytical Perspectives:

- Mega Trend (MT)
- Business Model (BM)
- Technology (TE)
- Industries (IN)
- Customer (CU)
- Geographies (GE)

