

BUSHU PHARMACEUTICALS RECEIVES THE 2023 CUSTOMER VALUE LEADERSHIP AWARD

*Identified as best in class in the Japan
contract development and manufacturing 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 Pharma excels in many of the criteria in the contract development and manufacturing organization 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

Proven Expertise and Customer-Centric Approach Leading the Way

Established in 1998, Bushu Pharma is a leading independent contract manufacturing organization in Japan. The company specializes in comprehensive pharmaceutical development, manufacturing, and supply chain management (SCM) solutions. As Japan has witnessed a surge in groundbreaking specialty pharmaceuticals like biologics and regenerative medicines, strict controls on temperature, inventory, and security have become imperative.

Many pharmaceutical manufacturers seeking to introduce innovative drugs in Japan lack the essential assets, such as manufacturing plants, distribution centers, and supply networks, and expertise in navigating stringent regulatory requirements. Consequently, drug sponsors outsource these critical functions to trusted partners like Bushu Pharma.

With more than two decades of experience in the industry, Bushu Pharma has firmly established itself in the Japanese pharmaceutical contract services market. The company boasts an impressive track record of exporting drugs to over 56 countries and holds globally recognized Good Manufacturing Practice (GMP) certifications. Following current GMP (cGMP) practices and standards, Bushu Pharma carries out pharmaceutical drug product contract manufacturing, conducts clinical trials, and provides commercial goods packaging services with utmost professionalism and efficiency.

In 2022, Frost & Sullivan recognized Bushu Pharma for its customer-centric and proactive presence in the pharmaceutical SCM space and remains impressed with its unwavering customer commitment, continuous innovation, and sustained leadership in the contract development and manufacturing organization (CDMO) space.

Roadmap to Success: Customer-centric, Continuous, Proactive

Bushu Pharma's CDMO solutions extend beyond its exceptional expertise and industry-leading capabilities, driven by a steadfast commitment to delivering customer value as a paramount strategic goal. Over time, the company has cultivated a solid reputation through unwavering customer support, helping them achieve their goals.

In contrast to competitors, Bushu Pharma takes a distinctive approach to developing its technology, products, and services. The company fosters close collaborations with diverse stakeholders and partners, allowing it to evolve alongside dynamic market needs and trends. Its agile approach has successfully created innovative solutions that address looming challenges and capture emerging opportunities in the pharmaceutical industry. Collaboration highlights include:

Collaborative Drug Development

Bushu Pharma collaborates with prominent pharmaceutical companies to develop novel drug formulations and regulatory compliance. It brought several cutting-edge drugs to market through these partnerships, benefiting patients and contributing to medical advancements.

Supply Chain Optimization

The company works closely with logistics and distribution partners to optimize its supply chain operations. By streamlining the movement of pharmaceutical products, Bushu Pharma reduces lead times and enhances the delivery of critical medications to patients worldwide.

Innovation in Biologics

Recognizing the growing importance of biologics in the healthcare landscape, the company collaborates with biotechnology firms to advance biologics development and production. Joint efforts have improved processes and technologies, producing high-quality biologics with greater efficacy and safety profiles.

Bushu Pharma's steadfast commitment to delivering high-quality products has fostered over 50 successful commercial partnerships. Its core offerings include pharmaceutical manufacturing, ensuring top-notch production, and quality analysis and management services, recognized globally for its expertise and adherence to Japanese quality standards.

Gateway to Asia

With extensive experience as a CDMO, Bushu Pharma serves as a gateway to Asian markets. With a remarkable track record of 25 years as a CDMO and an impressive clientele of 90 commercial customers, the company has obtained GMP certifications in more than 40 countries.

Bushu Pharma's dedicated team of nearly 200 professionals ensures top-notch quality assurance and control, effectively managing technical transfers from leading pharmaceutical companies worldwide. Frequent client and regulatory audits, numbering over 40 per year, have provided valuable insights enabling it to offer flawless technological product development and optimize formulation concepts.¹

Recognizing the need for a well-organized pharmaceutical supply chain in the Asian region, independent of direct imports from Europe to individual Asia-Pacific countries, the company introduced its novel "GATEWAY to ASIA®" (GTA) solution in 2021. This service positions Bushu Pharma as a central hub in Asia, receiving bulk products in Japan for final packaging and timely shipment to various regional countries as required. The GTA solution ensures various client benefits, such as enhanced product quality, prompt deliveries, shorter lead times, meticulous temperature and humidity controls, and a reduced burden of handling urgent orders.

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- Azza Fazar
Best Practices Research Analyst

The company's global reach is evident in its international sales, constituting nearly 50% of its total commercial clients. Its subject matter experts are proficient in multiple languages and effortlessly collaborate across diverse cultures and time zones to serve clients worldwide.²

Bushu Pharma's transparent, non-adversarial, and seamless approach, coupled with its emphasis on fostering close relationships, positions it as a preferred partner for pharmaceutical businesses.

Customer-focused Growth Strategy

With its customer-focused strategy, Bushu Pharma consistently brings to market best-in-class solutions.

Packaging Design and Engineering

Bushu Pharma provides a comprehensive range of packaging services for various products, covering primary and secondary packaging options for solid-form drug products like granules, tablets, capsules, dry syrup, and injectable drug products, including liquids and lyophilization. Its expertise extends to medical device secondary packaging, catering to drug-device combinations and individual medical devices. The company offers personalized solutions to meet market requirements, prioritizing product protection and integrity throughout the shelf life.

Bushu Pharma's proactive approach to packaging engineering ensures compliance with Japanese requirements, security against counterfeiting, and a focus on environmental sustainability.

Medical Devices

Bushu Pharma's Medical Device Centre oversees the inspection and packaging processes for medical device combination products, drug delivery systems, and medical-grade materials with devices. Regarding

¹ Bushu Pharma Interview with Frost & Sullivan, July 2023.

² Ibid.

drug and device combination products, the company proficiently manages medical device assembly for pre-filled syringes and packaging for medical devices and combination products.

Manufacturing and Packaging Facilities

Bushu Pharma excels in providing global drug innovators with top-tier manufacturing expertise and capacity. Specializing in contract manufacturing of pharmaceutical products and clinical samples, it offers seamless integration for solid dosages and injectables, meeting current cGMP standards at clinical and commercial scales.

With 56 exported countries, Bushu Pharma is a trusted choice for global distribution. Its formidable production capacity includes 8 billion solid dosage forms and 20 million injectable vials filled, accompanied by various contract services and optimal packaging solutions to ensure product quality and compliance.

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Open communication and customer-centric practices further ensure Bushu Pharma’s reputation as a reliable partner for pharmaceutical companies seeking excellence in their drug manufacturing and distribution endeavors. The company manages contract manufacturing for pharmaceutical products and clinical trial supplies within a backup system established among four factories: Kawagoe (Head Office), Misato, Aizu, and Kazo Packaging Center.

Frost & Sullivan recognizes Bushu Pharma as a leading contract manufacturer with top-tier expertise, delivering high-quality healthcare products to global markets.

Positioned for Growth

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In December 2022, KKR, a prominent global investment firm, and Bushu Pharma entered into definitive agreements, with KKR set to acquire all shares in Bushu Pharma from BPEA EQT.

KKR aims to accelerate the company’s growth post-transaction and solidify its position as a leading CDMO in the pharmaceutical market in Japan and globally. It will work with Bushu Pharma's management team to enter emerging segments like injectables, invest in expanding capacity and improving quality control, and explore growth opportunities to provide more healthcare solutions to patients.

³ Bushu Pharma Interview with Frost & Sullivan, July 2023.

“We are proud to invest in the growth and success of Bushu Pharma, a premier manufacturer for pharmaceutical businesses. We see significant demand for strategic and reliable solutions to address various global healthcare industry challenges. By leveraging KKR’s deep experience in healthcare, tech, and supply chain solutions, we aim to help Bushu Pharma to scale its best-in-class business further and to drive growth and technical innovation that will ultimately benefit patients in Japan and around the world.”

– Hiro Hirano, Co-Head of Private Equity for KKR Asia Pacific and Chief Executive Officer of KKR Japan⁴

Frost & Sullivan believes the company is well-positioned to drive the Japan CDMO space into its next growth phase, capturing market share and sustaining its leadership in the coming years.

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 contract development and manufacturing solutions prioritize customer value, cultivating an impeccable reputation for providing unwavering support to clients.

The company’s distinctive approach includes collaborative drug development, supply chain optimization, and innovation in biologics. With over 25 years of experience, Bushu Pharma is a leading contract manufacturer of pharmaceuticals, medical devices, and drug-device combinations, earning global recognition for its expertise and establishing over 50 successful commercial partnerships.

The company’s “GATEWAY to ASIA[®]” solution optimizes the pharmaceutical supply chain in the region, offering enhanced product quality, prompt deliveries, and streamlined operations. With international sales accounting for constituting nearly 50% of its commercial clients, Bushu Pharma's transparent and seamless approach has positioned it as a preferred partner for pharmaceutical businesses worldwide.

The company’s overall customer-first approach offers immense value to existing and new customers and solidifies its market reputation. With its strong overall performance, Bushu Pharma earns Frost & Sullivan’s 2023 Japan Customer Value Leadership Award in the contract development and manufacturing organization industry.

⁴ <https://www.businesswire.com/news/home/20221219005856/en/KKR-to-Acquire-Bushu-Pharmaceuticals>

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

