

Leading provider of commercial inkjet printing services

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【7804 B&P Sector : Other Products】

Fiscal Year	Net sales	YoY	Operating profit	YoY	Ordinary profit	YoY	Profit	YoY	EPS	BPS	DPS
	(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)	(yen)	(yen)	(yen)
Oct. 2020	2,441	-18.9	207	-51.3	211	-50.3	140	-54.9	61.1	1,136.5	22.0
Oct. 2021	2,549	4.4	222	6.9	271	28.2	189	35.0	82.4	1,197.0	31.0
Oct. 2022 CE	2,750	7.9	302	36.0	302	11.3	206	8.9	89.7	-	34.0
Oct. 2022 E	2,766	8.5	305	37.4	305	12.7	194	2.8	84.5	1,249.4	34.0
Oct. 2023 E	3,094	11.9	361	18.5	361	18.3	246	26.7	107.2	1,323.0	45.0
Oct. 2024 E	3,465	12.0	436	20.8	437	20.8	298	20.8	129.9	1,407.9	60.0

Note: CE(company expectations),E(Stock Research Center expectations)
Source: Stock Research Center

1. Corporate Overview

B&P offers inkjet output services utilizing professional-use large-format inkjet printers.

2. Financial Analysis

Revenue and profits continued to increase through fiscal year ended October 2018 along with the growth of the inkjet printing market, but declined in fiscal year ended October 2019 on lower demand and higher costs and kept falling in fiscal year ended October 2020 due to the pandemic. Performance has been trending upward, however, since fiscal year ended October 2021.

Compared with industry competitors, the company is well positioned in terms of financial stability and its profitability indicators are relatively good. Meanwhile, the growth potential indicator, a comparison with performance three fiscal years ago, shows decreases in net sales and profit. Although there are special circumstances of a change in the accounting periods, there are significant swings when performance worsens.

3. Non-Financial Analysis

B&P's source of intellectual capital is a system that makes it possible to provide small-volume services with short delivery times. The company succeeded in differentiating itself by creating a system for handling projects with short delivery times for indoor use, which industry competitors regard as a challenge. This has resulted in the creation of a virtuous cycle in which the accumulated know-how is then utilized to reinforce the system.

4. Corporate Strategy Analysis

Challenges faced by B&P include the continued strengthening of sales and production systems, the securing and training of human resources and the improvement of market recognition.

B&P's growth strategy is based on evolution into a company that can provide comprehensive support for client company with sales promotion and marketing, starting from the inkjet printing business, and to cultivate digital signage and digital promotion as new businesses.

5. Analyst Evaluation

We recognize the strategy typical of a latecomer of narrowing down client industries, regions and products/services, and gaining a certain market share in one area before moving onto the next, and forecast continued growth for the company's existing businesses. Meanwhile, we believe that revenue growth for new businesses is uncertain due to difference in business models and number of competitors. We keep our eyes on the extent to which the company invests in new businesses, including M&A.

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