Q. Is the EBITDA multiple in this case 13.5?
A. Yes. With a purchase price of 1.35 billion pounds, we expect the FY2014 EBITDA to be 100 million pounds (not including some temporary costs associated with the transfer). However, under the British tax system, cash-based tax breaks for asset acquisition are at around 10 million pounds annually. In addition, we are expecting to see 7 to 8 million pounds a year in synergistic effects over the mid-term due to cost reductions such as joint purchasing of packaging and materials, combining our logistics and administrative divisions, and so on.

Q. What is the ROI on this deal? And what is the impact of the ROE on SBF's consolidated settlement of accounts?
A. The ROI (with NOPAT used for the return) should be in the mid–single digits—towards the high end in the mid-term, and then aiming for 10% over the long term. In terms of the effect of the ROE on SBF's consolidated settlement(profit in the current term before amortization of goodwill), we are expecting a rise of around one point from its current value if we add in the profits we are expecting from this deal.

Q. Which method is used for amortization and how much goodwill is involved?
A. We are still looking more closely at the goodwill cost, but since we are considering profit before amortization of goodwill in terms of the payout ratio, we believe that the deal will still contribute to boosting dividend resources regardless of the goodwill cost.

Q. What have sales and profit looked like over the past three years in the business?
A. Both sales and profit have been pretty much flat over the past three years.

Q. How do you see sales growth trends unfolding in the next three to five years?
A. We're expecting a growth rate of 2% in developed countries and 10% in emerging economies. Overall that should come out to an increased top line of about 4% annually.

Q. Since this is a brand purchase, no president is now assigned—what are your future plans for managing your operations?
A. We are planning to set up a new company within the year and transfer about 700 employees and management involved in the brand. So, we will definitely assign people to take charge of these brands. In terms of transferring indirect departments, we are going to receive shared services from GSK for a certain period of time.

Q. In your contract with GSK, it seems that they have the rights to manufacture and sell in Nigeria. Could you say more about this situation?
A. There's a public corporation in Nigeria called GSK Nigeria. It is a listed company in which GSK holds a 46% share. The company has a global franchise contract with GSK, which is a profit distribution contract. What we are doing now is entering a franchise contract with GSK Nigeria and having them commission their manufacturing and sales operations to us. The profits will then be split between the two companies.

Q. In which areas will you be selling under license and in which areas will you be selling directly?
A. Our franchise will be in Nigeria. Everywhere else is direct sales—the UK, Ireland, Malaysia, South Africa, Ghana, Kenya, etc.

Q. In what areas do you plan to carry out mergers and acquisitions in the future?
A. We have not changed our M&A strategy, and we are actively looking into opportunities that will contribute to expand our business platform and boost profitability.
In terms of Asia, since we already begun projects with business partners in Indonesia and Vietnam, and are now looking to start business in Malaysia, our priority is growing our business operations in these regions for the time being.