

[Key Q&A]

Q. What is the EV/EBITDA multiple for this acquisition?

A. Our estimate for the annual operating profit of the vending machine operator business is approx. 4 billion yen. By adding depreciation amount of 8 billion yen, EBITDA will be 12 billion yen. Considering the synergies in costs of several billion yen, we estimate that the multiple will be 10 to 11 times.

Q. What is the impact on SBF in terms of operating profit from this acquisition?

A. We are currently investigating the amount and are unable to comment at this stage. While the operating profit of the acquired vending machine operator business may be approx. 4 billion yen, there may be factors such as amortization of goodwill to be recorded, and therefore the impact amount on SBF is not confirmed yet.

Q. What kind of initiatives can be expected by acquiring the Japan Beverage (JB) Group?

A. We think there will be more business opportunities in locations such as offices, by combining the strengths of SBF with JB Group's strengths in the business model of providing full-line beverage service at locations that are closer to consumers.

Q. What kind of synergy effect in terms of costs can be expected?

A. By realizing this acquisition, the number of vending machines which we operate will increase, and then we can expect to decrease the costs for new vending machines, maintenance, equipment procurement and by carrying out cooperative distribution. We expect a cost reduction synergy of several billion yen by including these factors.

Q. SBF will become the parent company of JB. Will you continue the business relationship with other beverage companies which JB currently has?

A. We believe the business relationship between JB and other beverage companies will remain the same. We would like to sincerely request other companies to continue the business with JB.

Q. Will this acquisition deteriorate the balance sheet of SBF?

A. Although the net debt-to-equity ratio will temporarily be above 0.5 times with this acquisition, we expect that it will be less than 0.5 times by the end of 2016. We think the level of interest bearing debt will be adequate.