

Ajinomoto Co., Inc.

Consolidated Results IFRS

Three Months Ended June 30, 2023

This document has been translated from the original Japanese as a guide for non-Japanese investors. It contains forward-looking statements based on a number of assumptions and judgements made by management considering information currently available. Actual financial results may differ depending on a number of factors, including changing economic conditions, legislative and regulatory developments, delay in new product launches, and pricing and product initiatives of competitors.



SUMMARY OF FINANCIAL STATEMENTS [IFRS] (Consolidated)

The three-month results for the fiscal year ending March 31, 2024

Ajinomoto Co., Inc. August 4, 2023 Tokyo Stock Exchange

Stock exchange listing: Stock Code: URL: https://www.ajinomoto.co.jp/company/

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Representative Executive Officer & President

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Corporate Executive & General Manager

Global Finance Department

Scheduled date of submission of statutory quarterly financial report: August 8, 2023

Scheduled date of starting payment of dividend:

Preparation of supplementary materials: Yes Yes Results briefing:

1. Consolidated Financial Results for the Three Months Ended June 30, 2023

(1) Consolidated Operating Results

(Millions of yen)

		nths ended 30, 2023	Three month June 30,	
		Change %		Change %
Sales	339,521	5.6	321,619	16.4
Business profit	42,852	5.7	40,524	4.1
Profit before income taxes	39,596	3.8	38,147	9.2
Profit	29,632	1.3	29,248	22.3
Profit attributable to owners of the parent company	27,220	(1.9)	27,738	25.7
Basic earnings per share (yen)	¥51.77	_	¥51.71	_
Diluted earnings per share (yen)	¥51.75	_	¥51.71	_

[&]quot;Change %" indicates the percentage change compared to the same period of the previous fiscal year.

Note: Upon the adoption of IFRS, the Ajinomoto Group has introduced "business profit" as a new profit level that will better enable investors, the Board of Directors, and the Management Committee to grasp the core business results and future outlook of each business while also facilitating continual evaluation of the Group's business portfolio by the Board of Directors and the Management Committee. "Business profit" is defined as sales and share of profit of associates and joint ventures minus cost of sales, selling expenses, research and development expenses, and general and administrative expenses. Business profit does not include other operating income or other operating expenses.

(2) Consolidated Financial Position

(Millions of ven)

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	As of June 30, 2023	As of March 31, 2023
Total assets	1,650,527	1,511,734
Total equity	849,479	822,968
Equity attributable to owners of the parent company	791,072	768,676
Ownership ratio attributable to owners of the parent		
company (%)	47.9%	50.8%

2. Dividends

	Fiscal year ended March 31, 2023	Fiscal year ending March 31, 2024	Fiscal year ending March 31, 2024 (forecast)
Dividend per share			
Interim (yen)	¥31.00		¥37.00
Year-end (yen)	¥37.00		¥37.00
Annual (yen)	¥68.00		¥74.00

Note: Revisions from the last forecast released: None



3. Forecast for the Fiscal Year Ending March 31, 2024

(Millions of yen)

	1 04 0004
Fiscal year ending March 31,	
	Change %
1,465,000	7.8
150,000	10.8
95,000	1.0
¥182.10	_
percentage change compare	ed to the previous fiscal
	1,465,000 150,000 95,000 ¥182.10



Notes:

(1) Changes in significant subsidiaries during the period (Changes in specified subsidiaries resulting in a change in consolidation scope): None

(2) Changes in accounting policies and accounting estimates

- 1) Changes in accounting policies as required by IFRS: None
- 2) Other changes in accounting policies: None
- 3) Changes in accounting estimates: None

(3) Number of shares outstanding (ordinary shares)

Shares

	As of June 30, 2023	As of March 31, 2023
Number of shares outstanding at end of period (including treasury stock)	529,798,154	529,798,154
Number of shares in treasury stock at end of period	8,411,140	495,714
	April 1, 2023 to June 30, 2023	April 1, 2022 to June 30, 2022
Average number of shares during period	525,780,448	536,435,145

Note: The number of shares in treasury stock at the end of the period includes the Company's shares held by the director's remuneration BIP trust (As of June 30, 2023: 373,400 shares. As of March 31, 2023: 373,400 shares), which was adopted along with the introduction of stock-based remuneration of executive officers based on the Company's medium-term earnings performance for the directors and others. In addition, these Company's shares are included in the treasury stock which is deducted from the number of shares outstanding at the end of the period when calculating the average number of shares during the period.

The summary of quarterly financial statements is not subject to quarterly review by certified public accountants or an audit firm.

Appropriate use of forecasts and other notes

Disclaimer regarding forward-looking statements and other information

Forward-looking statements, such as business forecasts, included in this document are based on management's estimates, assumptions, and projections at the time of release. These statements do not promise nor represent a commitment by the Company to achieve these forecasts. Actual operating results may differ significantly due to various factors. For more information regarding earnings forecasts, see page 6, "1. Qualitative Information on the Three-month Consolidated Results, (1) Overview of Operating Results."

Where to obtain supplementary materials

Supplementary materials will be posted on the Company's website on Friday, August 4, 2023.



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1. Qualitative Information on the Three-month Consolidated Results

Upon the adoption of IFRS, the Ajinomoto Group has introduced "business profit" as a new profit level that will better enable investors, the Board of Directors, and the Management Committee to grasp the core business results and future outlook of each business while also facilitating continual evaluation of the Group's business portfolio by the Board of Directors and the Management Committee. "Business profit" is defined as sales and share of profit of associates and joint ventures minus cost of sales, selling expenses, research and development expenses, and general and administrative expenses. Business profit does not include other operating income or other operating expenses.

(1) Overview of Operating Results

In the three months ended June 30, 2023, the Company's consolidated sales increased 5.6% year-on-year, or ¥17.9 billion, to ¥339.5 billion. This was due to increases in sales in the Seasonings and Foods segment and the Frozen Foods segment due to increases in unit sales prices, the effect of currency translation, and other factors, despite a decrease in sales in the Healthcare and Others segment owing to the impact of lower sales of electronic materials and other factors. Business profit increased 5.7% year-on-year, or ¥2.3 billion, to ¥42.8 billion primarily due to the increases in sales in the Seasonings and Foods segment and the Frozen Foods segment, despite the impact of lower sales in the Healthcare and Others segment, cost increases in raw materials, and other factors. Profit attributable to owners of the parent company totaled ¥27.2 billion, down 1.9% year-on-year, or ¥0.5 billion, as a result of lower other operating income recorded compared with the same period of the previous fiscal year and other factors.

The Company has not revised the financial results forecast announced on May 11, 2023.

Overview by segment

Sales and business profit by segment are summarized below.

Versus previous year results

(Billions of yen)

	Sales		Business profit			
	FY2023 Three Months	YoY change	% change	FY2023 Three Months	YoY change	% change
Seasonings and Foods	200.1	15.7	8.6 %	30.9	6.7	27.7 %
Frozen Foods	63.8	2.9	4.9 %	3.9	2.8	254.3 %
Healthcare and Others	72.1	(1.4)	(2.0)%	6.9	(7.2)	(51.1)%
Other	3.4	0.6	22.2 %	1.0	(0.0)	(3.1)%
Total	339.5	17.9	5.6 %	42.8	2.3	5.7 %

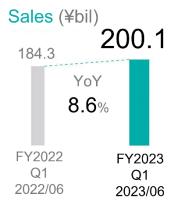
Versus the forecast (Billions of yen)

	Sales		E	Business profit		
	FY2023 Three Months	Forecast for the year	YTD progress	FY2023 Three Months	Forecast for the year	YTD progress
Seasonings and Foods	200.1	823.8	24.3%	30.9	92.9	33.3%
Frozen Foods	63.8	292.3	21.8%	3.9	3.7	105.4%
Healthcare and Others	72.1	330.1	21.9%	6.9	54.1	12.8%
Other	3.4	18.6	18.3%	6 1.0	(8.0)	_
Total	339.5	1,465.0	23.2%	6 42.8	150.0	28.6%



1) Seasonings and Foods

In the Seasonings and Foods segment, sales increased 8.6% year-on-year, or ¥15.7 billion, to ¥200.1 billion, mainly because of increases in unit sales prices and the effect of currency translation. Segment business profit increased 27.7% year-on-year, or ¥6.7 billion, to ¥30.9 billion, due primarily to the effect of increased revenue, despite the effect of cost increases for raw materials and other factors.



Main factors affecting segment sales

Sauce & Seasonings: Overall increase in revenue.

Japan: Increase in revenue primarily due to increased unit sales prices.

Overseas: Increase in revenue primarily due to increased unit sales prices and the impact of currency translation.

Quick Nourishment: Overall increase in revenue.

Japan: Increase in revenue primarily due to increased unit sales prices of coffee products and soup.

Overseas: Increase in revenue primarily due to increased sales of instant noodles and the impact of currency translation.

Solution & Ingredients: Overall, revenue was level with the previous year, primarily due to decreased sales of umami seasonings for processed food manufacturers, despite increased sales of food service products, etc.

Business Profit (¥bil) YoY 27.7% 30.9 FY2022 FY2022 Q1 2022/06 FY2023 Q1 2023/06

Main factors affecting segment profits

Sauce & Seasonings: Overall large increase in profit.

Japan: Decrease in profit primarily due to the impact of cost increases, such as for raw materials, despite increased revenue.

Overseas: Large increase in profit primarily due to the impact of increased revenue, despite the impact of cost increases, such as for raw materials.

Quick Nourishment: Overall decrease in profit.

Japan: Decrease in profit due to the impact of cost increases, such as for raw materials, despite increased revenue.

Overseas: Profit was level with the previous year due to the impact of cost increases, and despite increased revenue.

Solution & Ingredients: Overall large increase in profit, mainly from umami seasonings for processed food manufacturers, despite revenue being overall level with the previous year.



2) Frozen Foods

Frozen Foods segment sales increased 4.9% year-on-year, or ¥2.9 billion, to ¥63.8 billion, owing to the increase of unit sales prices, the effect of currency translation, and other factors. Segment business profit increased 254.3% year-on-year, or ¥2.8 billion, to ¥3.9 billion, because of the increase in unit sales prices, the effects of structural reforms, and other factors.

Sales (¥bil) 63.8 60.8 YoY 4.9% FY2022 FY2023 Q1 Q1 2022/06 2023/06

Main factors affecting segment profits

Overall increase in revenue.

Japan: Decrease in revenue due to decline in sales volume despite the effect of increased unit sales prices.

Overseas: Increase in revenue primarily due to the impact of currency translation and increased unit sales prices.

Business Profit (¥bil) Main factors affecting segment profits



Overall large increase in profit.

Japan: Increase in profit primarily due to the impact of increased unit sales prices and improved costs despite decreased revenue.

Overseas: Large increase in profit primarily due to the impact of increased revenue and structural reform despite the impact of cost increases, such as for raw materials



3) Healthcare and Others

Healthcare and Others segment sales decreased 2.0% year-on-year, or ¥1.4 billion, to ¥72.1 billion, owing to a decrease in sales of electronic materials and other factors despite increased sales of Bio-Pharma Services & Ingredients. Segment business profit decreased 51.1% year-on-year, or ¥7.2 billion, to ¥6.9 billion due to the effect of lower revenue for electronic materials and other factors.

Sales (¥bil)



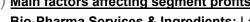
Main factors affecting segment sales

Bio-Pharma Services & Ingredients: Increase in revenue due to the impact of currency translation and increased sales of Bio-Pharma Services (CDMO services).

Functional Materials (electronic materials and others): Large decrease in revenue primarily due to decreased sales of electronic materials.

Others: Overall, revenue was level with the previous year.

Business Profit (¥bil) Main factors affecting segment profits





Bio-Pharma Services & Ingredients: Large decrease in profit, primarily due to the impact of decreased revenue from amino acids for pharmaceuticals and foods.

Functional Materials (electronic materials and others): Large decrease in profit accompanying large decrease in revenue.

Others: Overall decrease in profit primarily due to strategic expenses.

4) Other

In the Other segment, sales increased 22.2% year-on-year, or ¥0.6 billion, to ¥3.4 billion. Segment business profit totaled ¥1.0 billion, down 3.1% year-on-year.



(2) Overview of Financial Position

As of June 30, 2023, the Company's consolidated total assets stood at ¥1,650.5 billion, an increase of ¥138.7 billion from ¥1,511.7 billion at the end of the previous fiscal year on March 31, 2023. The main reasons for this were an increase in assets owing to the effect of currency translation and increases in cash and cash equivalents and inventories.

Total liabilities came to ¥801.0 billion, ¥112.2 billion more than the ¥688.7 billion at the end of the previous fiscal year, mainly due to an increase in interest-bearing debt. Interest-bearing debt totaled ¥459.0 billion, an increase of ¥122.5 billion from the end of the previous fiscal year, due to commercial papers, the issuance of sustainability-linked bonds, and other factors.

Total equity as of June 30, 2023 was ¥26.5 billion more than at the end of the previous fiscal year, mainly due to an increase in exchange differences on translation of foreign operations in conjunction with the depreciation of the yen, despite a decrease due to purchase of treasury stock. Equity attributable to owners of the parent company, which is total equity minus non-controlling interests, totaled ¥791.0 billion, and the equity ratio attributable to owners of the parent company was 47.9%.



2. Condensed Consolidated Financial Statements and Notes

(1) Condensed Consolidated Statements of Financial Position

		(Millions of yen)
	As of June 30, 2023	As of March 31, 2023
Assets		
Current assets		
Cash and cash equivalents	192,043	132,777
Trade and other receivables	166,528	163,714
Other financial assets	14,015	12,312
Inventories	300,225	269,822
Income taxes receivable	24,269	12,674
Others	24,834	24,235
Subtotal	721,916	615,537
Assets of disposal groups classified as held for		
sale		
Total current assets	721,916	615,537
Non-current assets		
Property, plant and equipment	551,217	536,565
Intangible assets	66,556	65,916
Goodwill	97,253	92,114
Investments in associates and joint ventures	123,793	119,825
Long-term financial assets	56,595	53,749
Deferred tax assets	8,130	8,969
Others	25,062	19,056
Total non-current assets	928,610	896,197
Total assets	1,650,527	1,511,734



(Millions of yen)

	As of June 30, 2023	As of March 31, 2023
Liabilities		
Current liabilities		
Trade and other payables	187,076	197,981
Short-term borrowings	10,794	12,599
Commercial papers	98,000	
Current portion of bonds payable	19,991	19,988
Current portion of long-term borrowings	17,207	16,733
Other financial liabilities	11,469	11,084
Short-term employee benefits	38,703	42,141
Provisions	1,875	7,723
Income taxes payable	12,641	15,990
Others	22,739	15,402
Subtotal	420,499	339,644
Liabilities of disposal groups classified as held for sale	_	_
Total current liabilities	420,499	339,644
Non-current liabilities		
Corporate bonds	149,583	119,696
Long-term borrowings	115,324	119,548
Other financial liabilities	54,740	54,984
Long-term employee benefits	28,435	26,568
Provisions	3,678	3,499
Deferred tax liabilities	25,681	22,361
Others	3,105	2,461
Total non-current liabilities	380,547	349,120
Total liabilities	801,047	688,765
Equity		
Common stock	79,863	79,863
Capital surplus	52	<u> </u>
Treasury stock	(41,466)	(1,342)
Retained earnings	660,862	652,307
Other components of equity	91,759	37,848
Other components of equity related to		_
disposal groups classified as held for sale		
Equity attributable to owners of the parent company	791,072	768,676
Non-controlling interests	58,407	54,292
Total equity	849,479	822,968
Total liabilities and equity	1,650,527	1,511,734



(2) Condensed Consolidated Statements of Income

For the Three Months		(Millions of yen)
	Three months ended	Three months ended
	June 30, 2023	June 30, 2022
Sales	339,521	321,619
Cost of sales	(215,434)	(204,057)
Gross profit	124,087	117,561
Share of profit of associates and joint ventures	747	2,169
Selling expenses	(43,522)	(43,314)
Research and development expenses	(7,274)	(6,534)
General and administrative expenses	(31,186)	(29,357)
Business profit	42,852	40,524
Other operating income	1,277	2,980
Other operating expenses	(3,535)	(1,895)
Operating profit	40,593	41,610
Financial income	2,294	2,623
Financial expenses	(3,291)	(6,085)
Profit before income taxes	39,596	38,147
Income taxes	(9,964)	(8,898)
Profit	29,632	29,248
Attributable to:		
Owners of the parent company	27,220	27,738
Non-controlling interests	2,412	1,510
Earnings per share (yen):		
Basic	¥51.77	¥51.71
Diluted	¥51.75	¥51.71



(3) Notes to Condensed Consolidated Financial Statements

Going Concern Assumption

Not applicable

Material Accounting Policies

The material accounting policies used to prepare these condensed consolidated financial statements for the three months are unchanged from the policies applied to the consolidated financial statements in the previous fiscal year. Income taxes for this three-month period are calculated based on an estimation of the effective tax rate for the fiscal year.

Impact of Applying New Accounting Policies: No material impact



Segment Information

(1) Overview of reportable segments

The Group's reportable segments are categorized primarily by product lines. There are three reportable segments: Seasonings and Foods, Frozen Foods, and Healthcare and Others.

Each reportable segment is a component of the Group for which separate financial information is available and evaluated regularly by the Management Committee in determining the allocation of management resources and in assessing performance.

The product categories belonging to each reportable segment are as follows:

Reportable	general botonigning to odon	reportable segment are as follows.
Segments	Details	Main Products
Seasonings	Sauce and	Umami seasoning <i>AJI-NO-MOTO</i> ®, <i>HON-DASHI</i> ®, <i>Cook Do</i> ®,
and Foods	Seasonings	Ajinomoto KK Consommé, Pure Select® Mayonnaise,
		Ros Dee® (flavor seasoning), Masako® (flavor seasoning), Aji-
		ngon® (flavor seasoning), Sazón® (flavor seasoning),
		Sajiku® (menu-specific seasoning), CRISPY FRY® (menu-specific
		seasoning), etc.
	Quick Nourishment	Knorr® Cup Soup, YumYum® (instant noodles), Birdy® (coffee
		beverage), <i>Birdy</i> ® <i>3in1</i> (powdered drink), <i>Blendy</i> ® brand products
		(CAFÉ LATORY®, stick coffee, etc.), MAXIM® brand products,
		Chotto Zeitakuna Kohiten® brand products, various gift sets, office
		supplies (coffee vending machines, tea servers), etc.
	Solution and	Umami seasoning <i>AJI-NO-MOTO</i> ® for foodservice and processed
	Ingredients	food manufacturers in Japan,
		Seasonings and processed foods for foodservice,
		Seasonings for processed foods (savory seasonings, enzyme
		ACTIVA®),
		Drinks supplied to restaurants, Ingredients for industrial use,
		Delicatessen products, Bakery products, Nucleotides,
		Sweeteners (aspartame for industrial use, <i>PAL SWEET</i> ® for retail
		use, etc.), and others
Frozen Foods	Frozen Foods	Chinese dumplings (<i>Gyoza, Shoga Gyoza, POT STICKERS</i> , etc.), Cooked rice (<i>THE CHA-HAN, CHICKEN FRIED RICE, YAKITORI CHICKEN FRIED RICE</i> , etc.),
		Noodles (YAKISOBA, RAMEN, etc.),
		Desserts (cakes for restaurant and industrial-use, MACARON, etc.),
		Shumai (<i>THE SHUMAI</i> , etc.),
		Processed chicken (Yawaraka Wakadori Kara-Age (fried chicken),
		THE KARAAGE, etc.), and others
Healthcare and	Amino Acids for	
Others	Pharmaceuticals and	Amino acids, culture media
	Foods	
	Bio-Pharma Services	Contract development and manufacturing services of
	(CDMO services)	pharmaceutical intermediates and active ingredients, aseptic fill
		finish services, etc.
	Functional Materials	Electronic materials (<i>Ajinomoto Build-up Film</i> ® (ABF) interlayer
	(electronic materials	insulating material for semiconductor packages, etc.),
	and others)	Functional materials (adhesive <i>PLENSET</i> ®,
		magnetic materials AFTINNOVA® Magnetic Film, etc.),
		activated carbon, release paper, etc.



Othe	ers	Feed-use amino acids,
		Direct marketing (Fundamental Foods (Glyna®, Amino Aile®), etc.),
		Sports nutrition (Supplement (amino VITAL®), etc.),
		Personal care ingredients (amino acid-based mild surfactants
		Amisoft®, Amilite®, amino acid-based alternatives to plastic
		microbeads, the <i>Amihope</i> ® SB series, etc.),
		Medical foods, Crop services, etc.



(2) Sales and profits by segment

The Group's sales and profits by reportable segment are as follows.

Inter-segment sales and transfers are primarily based on transaction prices with third parties.

Three months ended June 30, 2023 (April 1, 2023 to June 30, 2023)

(Millions of yen)

	Reportable segment						As included in consolidated
	Seasonings and Foods	Frozen Foods	Healthcare and Others	Other ¹	Total	Adjustments ²	statements of income
Sales							
Sales to third parties	200,108	63,833	72,171	3,407	339,521	_	339,521
Inter-segment sales and transfers	1,779	19	776	5,503	8,078	(8,078)	_
Total sales	201,887	63,853	72,948	8,911	347,600	(8,078)	339,521
Share of profit of associates and joint ventures	(394)		(15)	1,157	747	_	747
Segment profit or loss (Business profit or loss)	30,921	3,999	6,911	1,019	42,852	_	42,852
Other operating income						1,277	
Other operating expense							(3,535)
Operating profit						40,593	
Financial income						2,294	
Financial expense Profit before income taxes						(3,291)	
						39,596	

^{1.} Other includes the tie-up and other service-related businesses.

Three months ended June 30, 2022 (April 1, 2022 to June 30, 2022)

(Millions of yen)

	Reportable segment						As included in consolidated
	Seasonings and Foods	Frozen Foods	Healthcare and Others	Other ¹	Total	Adjustments ²	statements of income
Sales							
Sales to third parties	184,343	60,848	73,639	2,788	321,619	_	321,619
Inter-segment sales and transfers	1,797	37	839	6,722	9,397	(9,397)	_
Total sales	186,140	60,886	74,479	9,511	331,016	(9,397)	321,619
Share of profit of associates and joint ventures	741	_	28	1,399	2,169	_	2,169
Segment profit or loss (Business profit or loss)	24,205	1,128	14,138	1,051	40,524	_	40,524
				Other operating	income		2,980
				Other operating	expense		(1,895)
				Operating profit			41,610
				Financial incom	e		2,623
Financial expense					(6,085)		
Profit before inco					Profit before income taxes		

^{1.} Other includes the tie-up and other service-related businesses.

Note: In the current fiscal year, the method for allocating shared expenses such as R&D expenses has been changed in order to better evaluate the business performance of each reportable segment, and the segment profit for the fiscal year ended March 31, 2023 was changed retrospectively.

^{2.} Corporate expenses are not attributable to specific reportable segments and are allocated to each reportable segment based on reasonable criteria. Corporate expenses mainly relate to the parent company's administrative divisions.

^{2.} Corporate expenses are not attributable to specific reportable segments and are allocated to each reportable segment based on reasonable criteria. Corporate expenses mainly relate to the parent company's administrative divisions.



Significant Subsequent Events

Transfer of significant non-current assets

Ajinomoto (Malaysia) Berhad, a consolidated subsidiary of the Company, concluded a sale contract for the transfer of its former plant's land and other assets on July 20, 2023.

(1) Reason for the transfer

To increase asset efficiency through effective utilization of management resources, the following assets will be transferred along with the relocation of Ajinomoto (Malaysia) Berhad's plant.

(2) Details of transferred assets

	Transfer	Gain on	Current
Type and location of assets	rransier	Gain on	Current
Type and location of assets	price	transfer	status
Land (105,137m²), buildings and structures			
LOT/PT NO. 6269, 22968, 49366, 22910, 47088 & 4508	A == == :	A ====================================	
IN MUKIM OF KUALA LUMPUR, DISTRICT OF KUALA	Approx. ¥12.6 billion	Approx. ¥11.8 billion	Idle assets
LUMPUR, WILAYAH PERSEKUTUAN KUALA LUMPUR,	#12.0 DIIIIOH	#11.0 DIIIIO11	
MALASIA			

Note: Gain on transfer is an estimate calculated based on the difference between the transfer price and the book value of the assets and the estimated transfer costs.

(3) Overview of transferee

The transferee is Paragon TSL Sdn Bhd. The Company or the Ajinomoto Group has no particular relationships with the transferee regarding capital, personnel, and business relationships and related parties.

(4) Impact on consolidated income

The assets are planned to be transferred within the current fiscal year, and approximately ¥11.8 billion will be recorded in other operating income in the current fiscal year.