



Consolidated Financial Statements for the Third Quarter of the Fiscal Year Ending March 31, 2015 <Under Japanese GAAP>

February 3, 2015

These financial statements have been prepared for reference only in accordance with accounting principles and practices generally accepted in Japan.

NAGASE & CO., LTD.

Stock exchange listing: Tokyo, (First Sections)

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Filing of quarterly report (scheduled): February 6, 2015

Start of distribution of dividends (scheduled): –

Supplementary documents of quarterly financial results: No

Quarterly investors' meeting: No

(Note: Amounts have been rounded down to the nearest million yen.)

1. Consolidated Results for the Third Quarter of the Fiscal Year Ending March 31, 2015

(April 1, 2014 to December 31, 2014)

(1) Consolidated Operating Results

(Percentages represent changes compared with same period of the previous fiscal year.)

	Net sales		Operating profit		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
For the third quarter ended								
December 31, 2014	572,199	5.4	14,229	12.8	16,324	12.2	11,088	(0.6)
December 31, 2013	543,112	8.0	12,613	2.9	14,547	5.1	11,150	(0.5)

(Note) Comprehensive income Third quarter ended December 31, 2014: ¥33,300 million (21.2%)

Third quarter ended December 31, 2013: ¥27,470 million (86.4%)

	Earnings per share		Earnings per share (diluted)	
	Yen		Yen	
For the third quarter ended				
December 31, 2014	87.29	–	–	–
December 31, 2013	87.84	–	–	–

(2) Consolidated Financial Position

	Total assets	Net assets	Net worth ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
December 31, 2014	561,279	280,348	48.9	2,159.98
March 31, 2014	498,141	251,892	49.5	1,942.20

(Reference) Equity capital As of December 31, 2014: ¥274,386 million

As of March 31, 2014: ¥246,723 million

2. Dividends

	Dividends per share				
	1Q	2Q	3Q	Fiscal year end	Annual
For the year ended (or ending)	Yen		Yen		Yen
March 31, 2014	–	14.00	–	14.00	28.00
March 31, 2015	–	15.00	–		
March 31, 2015 (estimate)			–	15.00	30.00

(Note) Revisions to the latest projected dividends: No

3. Projected Consolidated Results for the Fiscal Year Ending March 31, 2015
(April 1, 2014 to March 31, 2015)

(Percentages represent changes compared with the corresponding periods of the previous fiscal year.)

	Net sales		Operating profit		Ordinary income		Net income		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full fiscal year	760,000	5.1	16,800	6.4	18,700	4.4	12,800	9.7	100.76

(Note) Revisions to the latest projected consolidated results: No

* Notes

(1) Changes in major subsidiaries during the period (changes in specified subsidiaries accompanying changes in the scope of consolidation): No

New: — (Company name:) Excluded: — (Company name:)

(2) Application of Special Accounting Methods to the Preparation of Quarterly Financial Statements: No

(3) Changes of accounting principles, changes in accounting estimates, and restatement of prior period financial statements after error corrections

i. Changes in accordance with revisions to accounting and other standards: No

ii. Changes in items other than (i) above: Yes

iii. Changes in accounting estimates: No

iv. Restatement of prior period financial statements after error corrections: No

(4) Number of shares issued and outstanding (common stock)

i. Number of shares issued and outstanding as of the fiscal period end (including treasury stock)

December 31, 2014	138,408,285 shares	March 31, 2014	138,408,285 shares
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ii. Number of treasury stock as of the fiscal period end

December 31, 2014	11,376,142 shares	March 31, 2014	11,375,631 shares
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iii. Average number of shares during the period

December 31, 2014	127,032,445 shares	December 31, 2013	126,953,046 shares
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*** Quarterly Review Implementation Disclosure**

This quarterly report is exempt from the quarterly review procedure based upon the Financial Instruments and Exchange Act. Furthermore, quarterly consolidated financial statements were undergoing the review procedure process at the time of release.

*** Cautionary Statement with Respect to Forecasts of Consolidated Business Results**

The earnings forecasts presented in this document are based upon currently available information and assumptions deemed rational. A variety of factors could cause actual results to differ materially from forecasts.

Please refer to “1. Qualitative Information (3) Qualitative Information related to Earnings Forecasts” on page 4 of this document.

Attachments

1. Qualitative Information.....	2
(1) Business Performance.....	2
(2) Financial Position.....	4
(3) Qualitative Information related to Earnings Forecasts.....	4
2. Summary Information (Notes).....	5
(1) Changes of Classification of Specified Subsidiaries Accompanied by Changes in the Consolidation Scope.....	5
(2) Application of Special Accounting Methods to the Preparation of Quarterly Financial Statements.....	5
(3) Changes of Accounting Policies or Presentation Methods in the Consolidated Financial Statements.....	5
3. Quarterly Consolidated Financial Statements.....	6
(1) Quarterly Consolidated Balance Sheets.....	6
(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income	8
Quarterly Consolidated Statements of Income	
Cumulative Third Quarter	8
Quarterly Consolidated Statements of Comprehensive Income	
Cumulative Third Quarter	9
(3) Notes related to Quarterly Consolidated Financial Statements	10
(Assumption for Going Concern).....	10
(Segment Information, etc.)	10
(Significant Fluctuations in Shareholders' Equity).....	11
(Significant Subsequent Events)	11
4. Supplementary Information.....	12
(1) Overseas Sales	12

1. Qualitative Information

(1) Business Performance

a. General Summary of Results

During the fiscal third quarter, the Japanese yen continued to weaken on the global currency market. While this resulted in improved export profits, Japan's economy is still facing the aftereffects of increased consumer purchasing activity during the period prior to the increase in consumption tax rates. The result has been an overall weakness in spending over the past several months. On the global stage, the economy of North America continued to show strength; however, the EU remains weak, while China and other emerging economies have showed signs of economic deceleration. Overall, it remains difficult to predict the future of the global economy with any certainty.

In this environment, the Company recorded domestic sales for the cumulative consolidated third quarter of ¥280.62 billion, which represented 1.2% year-on-year growth. Overseas sales amounted to ¥291.57 billion (9.7% growth). In total, the Company recorded net sales of ¥572.19 billion, representing a 5.4% year-on-year increase.

The Company recorded gross profit in the amount of ¥68.86 billion (2.5% year-on-year increase), mainly the result of strong performance in our automobile-related business and office equipment and appliance business. Operating profit amounted to ¥14.22 billion, which was an increase of 12.8% year on year. This result was mainly due to higher gross profit and lower retirement benefit costs, which more than offset a specific allowance for doubtful accounts recorded for certain customers of the Company's Taiwanese subsidiary. Ordinary income amounted to ¥16.32 billion (12.2% increase), while the impact of lower gains on sale of investment securities and other factors resulted in net income for the cumulative consolidated third quarter coming in at ¥11.08 billion, which was a 0.6% decrease compared with the same period in the prior fiscal year.

b. Segment Summary

The following discusses Company earnings by segment.

Beginning with the consolidated first quarter of this fiscal year, the Company has reorganized certain of its reportable segments. For presentation purposes, the Company has calculated consolidated figures and ratios for the third quarter of the prior period according to these reorganized classifications.

Functional Materials

The Company's Functional Materials segment recorded slightly lower net sales overall for the period, due mainly to slow performance domestically, despite growth in business overseas.

The performance chemicals business experienced slight declines in net sales. While raw materials sales to the automotive and construction markets grew overall, sales of paints for construction and building materials were slow.

Our specialty chemicals business reported flat sales overall. Sales to metal working oil manufacturers in Japan were generally strong, but the Company experienced weaker performance in sales to Japanese fluorine makers. Exports of sealants were strong, while on the other hand, fluorine materials and epoxy compound products performed somewhat weakly.

As a result, net sales for the Functional Materials segment for the cumulative consolidated third quarter amounted to ¥126.85 billion, which was a year-on-year decrease of ¥560 million (0.4%). Operating profit was ¥3.15 billion, a decline of ¥170 million (5.1%) year on year, reflecting cost pressure on imported raw materials during the third-quarter due to the weak yen and lower profits on sales to domestic manufacturers.

Advanced Materials & Processing

The Advanced Materials & Processing segment reported higher overall net sales for the period, driven by stronger performance in Northeastern Asia and slightly improved results in Japan and Southeastern Asia. These gains offset lower revenue performance in the U.S. and Europe.

The colors and imaging business recorded an overall year-on-year decline for net sales through the third quarter. Although the dyes and additives business reported strong sales, the information printing materials business experienced weaker sales performance.

The Company's office equipment and appliance business reported higher net sales as a whole. This result was mainly due to higher plastic materials revenues in Northeastern Asia, as well as slightly improved performance in Japan and Southeastern Asia.

The functional films and sheets and plastic molding products business experienced strong sales of plastic materials, materials for LCD TV reflectors, and conductive polymer materials, driving performance higher overall.

As a result, the Company recorded net sales of ¥191.16 billion for the Advanced Materials & Processing Segment for the cumulative consolidated third quarter, representing a ¥10.07 billion (5.6%) increase year on year. Operating profit increased ¥840 million (29.8%) year on year to ¥3.67 billion, due mainly to higher revenues and gross profits, as well as improved profits at the Company's manufacturing subsidiaries.

Electronics

The Electronics segment reported higher overall net sales, driven mainly by revenue growth in Japan, Southeastern Asia, and Northeastern Asia. This performance in Asia offset weakness in the U.S. and Europe.

The Company's electronic chemicals business reported net sales level with the same period in the prior fiscal year. This result was mainly due to slightly lower sales of formulated epoxy resin for the heavy and light electrical machinery markets and flat sales of chemicals used in semiconductor and LCD panel manufacturing.

The electronics materials business reported overall revenue gains, with stronger performance in sales of LED-related products, thin-glass processing, and touch-panel materials.

As a result, the Electronics segment recorded net sales for the cumulative consolidated third quarter in the amount of ¥116.64 billion, representing a ¥12.8 billion (12.3%) increase compared to the same period in the prior fiscal year. Operating profit amounted to ¥4.43 billion, which was a ¥1.0 billion (18.4%) decrease year on year, mainly due to lower profitability among Japanese businesses and an allowance for doubtful accounts recorded at the Company's subsidiary in Taiwan.

Automotive & Energy

The automobile-related business recorded overall growth for the period under review. This result was mainly due to the fact that the Company strengthened its sales structure in North America, where sales of automobiles continues to be strong. At the same time, the Company expanded product lines and generated stronger inter-regional sales in Japan, China, North America, and Southeast Asia. These performance improvements outweighed the impact of front-loaded consumer purchases in advance of Japan's consumption tax increases, as well as production adjustments on the part of auto makers in China.

Despite signs of deceleration during the fiscal third quarter, the energy business experienced overall growth, with sales gains in industrial solar power systems and products for lithium ion batteries. Domestic manufacturing subsidiary sales of storage battery systems also contributed to growth.

As a result, segment net sales for the cumulative consolidated third quarter amounted to ¥80.77 billion,

representing a ¥6.79 billion (9.2%) increase year on year. Operating profit increased by ¥760 million (75.7%), reaching ¥1.77 billion, owing mainly to improved profitability among domestic manufacturing businesses and higher profits in China.

Life & Healthcare

The Company's Life & Healthcare segment reported higher net sales as a whole. In the food materials industry, the segment recorded strong sales of our proprietary TREHA™ (trehalose) and other products overseas, while sales of enzyme products remained level with the same period in the prior fiscal year. In the skin care business, our proprietary AA2G™ product experienced poor sales throughout the summer months; however, AA2G sales have picked up since. In the toiletries business, sales of raw materials remained strong. In the pharmaceuticals and medical business, sales of pharmaceutical raw materials and intermediates to brand-name drug makers were slow, while sales of pharmaceutical raw materials and intermediates and medical materials to generic pharmaceutical makers were strong.

Our beauty care products business includes the sale of cosmetics and health foods. Here, overall sales were lower due to front-loaded demand in anticipation of the consumption tax rate increase in Japan, as well as the fact that the Company did not record strong sales of new products.

As a result, segment net sales amounted to ¥56.26 billion for the cumulative consolidated third quarter, which marked a ¥40 million (0.1%) increase year on year. Operating profit fell to ¥2.37 billion, which was ¥130 million (5.4%) lower year on year, primarily due to higher general and administrative expenses.

Other

No special matters to disclose.

(2) Financial Position

As of the end of the consolidated third quarter, current assets amounted to ¥351.14 billion. This represents an increase of ¥44.78 billion compared to the end of the prior consolidated fiscal year, mainly due to increases in accounts receivable and inventories. Non-current assets amounted to ¥210.13 billion, an increase of ¥18.35 billion compared to the end of the prior consolidated fiscal year. This increase in non-current assets was mainly due to higher valuations in the Company's investments in securities, driven by higher market prices. As a result, total assets increased by ¥63.13 billion, reaching ¥561.27 billion as of the end of the consolidated fiscal third quarter.

Liabilities amounted to ¥280.93 billion, which was an increase of ¥34.68 billion compared to the end of the prior consolidated fiscal year. This increase was mainly due to increased accounts payable and short-term loans.

Net assets amounted to ¥280.34 billion at the end of the consolidated fiscal third quarter, up ¥28.45 billion compared to the end of the prior consolidated fiscal year. This increase was mainly due to ¥11.08 billion in recorded net income, as well as increases in unrealized holding gains on securities.

As a result of the preceding, the Company's shareholders' equity ratio fell 0.6 points compared to the end of the prior consolidated fiscal year, down to 48.9%.

(3) Qualitative Information related to Earnings Forecasts

The Company has not made any revisions to forecasts of full-year consolidated earnings as published on November 4, 2014.

2. Summary Information (Notes)

(1) Changes of Classification of Specified Subsidiaries Accompanied by Changes in the Consolidation Scope

No matters to report.

(2) Application of Special Accounting Methods to the Preparation of Quarterly Financial Statements

No matters to report.

(3) Changes of Accounting Policies or Presentation Methods in the Consolidated Financial Statements

(Changes in Accounting Policies)

Companies have the option to adopt “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, September 13, 2013) and “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013) and “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013) for consolidated fiscal years beginning April 1, 2014. Accordingly, the Company has adopted these accounting standards (with the exception of the provisions of paragraph 39 of the Accounting Standard for Consolidated Financial Statements). Under these accounting changes, the Company now records equity changes in subsidiaries subject to ongoing control to capital surplus. In addition, the Company now records acquisition-related costs as costs in the consolidated fiscal year in which they occurred. With respect to business combinations occurring after the beginning of the consolidated first quarter, the Company will now revise acquisition cost allocation based on provisional accounting estimates, reflecting these costs in the quarterly consolidated financial statements of the date on which the business combination occurred.

In accordance with the transitional treatment based on the provisions of section 58-2(3) of the Accounting Standard for Business Combinations, section 44-5(3) of the Accounting Standard for Consolidated Financial Statements and section 57-4(3) of the Accounting Standard for Business Divestitures, the cumulative effects of the retrospective application of these accounting changes have been adjusted to capital surplus and retained earnings as of the beginning of the consolidated third quarter.

As a result, goodwill, retained earnings, and translation adjustments decreased by ¥857 million, ¥2,791 million, and ¥64 million as of the beginning of the consolidated third quarter. At the same time, capital surplus increased by ¥1,998 million. The effect of these accounting changes on operating profit, ordinary income, and income before income taxes and minority interests during the cumulative consolidated third quarter is minimal.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	Prior Consolidated Fiscal Year (March 31, 2014)	Third Quarter, Current Consolidated Fiscal Year (December 31, 2014)
ASSETS		
Current assets		
Cash and time deposits	34,980	36,007
Notes and accounts receivable	202,996	234,593
Merchandise and finished goods	53,075	62,773
Work in process	1,344	1,733
Raw materials and supplies	3,039	3,687
Deferred tax assets	4,537	4,320
Other	7,324	8,886
Less allowance for doubtful accounts	(936)	(853)
Total current assets	306,362	351,148
Non-current assets		
Property, plant and equipment	63,914	64,484
Intangible fixed assets		
Goodwill	29,780	28,042
Technology-based assets	18,517	17,336
Other	4,731	4,374
Total intangible fixed assets	53,030	49,753
Investments and other assets		
Investments in securities	66,275	86,020
Long-term loans receivable	1,168	1,147
Deferred tax assets	2,702	3,362
Other	4,906	6,483
Less allowance for doubtful accounts	(218)	(1,120)
Total investments and other assets	74,832	95,893
Total non-current assets	191,778	210,130
Total assets	498,141	561,279

(Millions of yen)

	Prior Consolidated Fiscal Year (March 31, 2014)	Third Quarter, Current Consolidated Fiscal Year (December 31, 2014)
LIABILITIES		
Current liabilities		
Notes and accounts payable	105,014	125,118
Short-term loans	28,818	36,194
Current portion of long-term loans	6,596	6,673
Current portion of bonds	-	10,000
Accrued income taxes	3,720	1,983
Deferred tax liabilities	24	22
Accrued bonuses for employees	4,045	2,574
Accrued bonuses for directors	232	180
Other	15,195	17,842
Total current liabilities	163,646	200,589
Long-term liabilities		
Bonds	30,000	20,000
Long-term loans	27,140	27,575
Deferred tax liabilities	12,506	19,500
Net defined benefit liability	11,875	12,134
Other	1,080	1,130
Total long-term liabilities	82,603	80,341
Total liabilities	246,249	280,930
NET ASSETS		
Shareholders' equity		
Common stock	9,699	9,699
Capital surplus	10,242	12,262
Retained earnings	206,351	211,054
Less treasury stock, at cost	(6,916)	(6,917)
Total shareholders' equity	219,377	226,099
Accumulated other comprehensive income (loss)		
Net unrealized holding gain on securities	24,725	38,109
Deferred (loss) gain on hedges	(0)	(10)
Translation adjustments	2,239	10,019
Remeasurements of defined benefit plans	380	169
Total accumulated other comprehensive income	27,346	48,287
Minority interests	5,168	5,961
Total net assets	251,892	280,348
Total liabilities and net assets	498,141	561,279

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income

(Quarterly Consolidated Statement of Income)
(Cumulative Third Quarter)

(Millions of yen)

	Cumulative Third Quarter, Prior Consolidated Fiscal Year (April 1, 2013 - December 31, 2013)	Cumulative Third Quarter, Current Consolidated Fiscal Year (April 1, 2014 - December 31, 2014)
Net sales	543,112	572,199
Cost of sales	475,928	503,330
Gross profit	67,183	68,868
Selling, general and administrative expenses	54,569	54,638
Operating profit	12,613	14,229
Non-operating income		
Interest income	154	152
Dividend income	1,045	1,173
Rent income	213	192
Equity in earnings of affiliates	487	540
Foreign exchange gain	725	708
Other	477	449
Total non-operating income	3,104	3,215
Non-operating expenses		
Interest expenses	818	776
Other	352	344
Total non-operating expenses	1,171	1,120
Ordinary income	14,547	16,324
Extraordinary gains		
Gain on sale of non-current assets	511	385
Gain on sale of investment securities	856	3
Other receivables	118	-
Gain on negative goodwill	404	-
Other	11	-
Total extraordinary gains	1,902	389
Extraordinary losses		
Loss on sale of non-current assets	43	69
Loss on disposal of non-current assets	113	52
Impairment loss	53	73
Loss on sale of investments securities	3	0
Loss on valuation of investments securities	19	72
Loss on sales of investments in capital	-	20
Loss on sales of investments in capital of subsidiaries and affiliates	-	171
Loss on withdrawal from employees' pension funds	-	166
Total extraordinary losses	233	627
Income before income taxes and minority interests	16,216	16,086
Income taxes – current	5,687	5,018
Income taxes - deferred	(1,067)	(491)
Total income taxes	4,620	4,527
Income before minority interests	11,596	11,559
Minority interests	445	470
Net income	11,150	11,088

(Quarterly Consolidated Statements of Comprehensive Income)
(Cumulative Third Quarter)

(Millions of yen)

	Cumulative Third Quarter, Prior Consolidated Fiscal Year (April 1, 2013 - December 31, 2013)	Cumulative Third Quarter, Current Consolidated Fiscal Year (April 1, 2014 - December 31, 2014)
Income before minority interests	11,596	11,559
Other comprehensive income		
Net unrealized holding gain on securities	9,732	13,377
Deferred (loss) gain on hedges	(12)	(10)
Translation adjustments	5,086	7,870
Remeasurements of defined benefit plans	756	(211)
Share of other comprehensive income of affiliates accounted for by the equity method	310	715
Total other comprehensive income	15,874	21,741
Comprehensive income	27,470	33,300
Comprehensive income attributable to:		
Comprehensive income attributable to shareholders of the Company	26,395	32,073
Comprehensive income attributable to minority interests	1,075	1,227

(3) Notes related to Quarterly Consolidated Financial Statements

(Assumption for Going Concern)

No matters to report.

(Segment Information, etc.)

I Nine months ended December 31, 2013 (consolidated)

1. Information related to net sales and income (loss) by reportable segment

(Millions of yen)

	Reportable Segments						Other (Note) 1	Total	Corporate (Note) 2	Adjustments (Note) 3	To Quarterly Consolidated Statements of Income (Note) 4
	Functional Materials	Advanced Materials & Processing	Electronics	Automotive & Energy	Life & Healthcare	Total					
Net sales											
Sales to customers	127,416	181,096	103,839	73,978	56,221	542,552	559	543,112	—	—	543,112
Intersegment sales and transfers	2,269	1,626	587	1,385	367	6,236	4,208	10,444	—	(10,444)	—
Total	129,686	182,722	104,426	75,363	56,589	548,789	4,767	553,557	—	(10,444)	543,112
Segment income (loss)	3,322	2,832	5,435	1,010	2,509	15,110	261	15,372	(3,013)	255	12,613

(Notes)

1. Other is a business segment consisting of businesses not included in reportable segments, and includes distribution services, information processing services, and professional services.
2. Corporate segment income represents expenses not allocated to reportable segments or Other.
3. Adjustments are eliminations of intersegment translations.
4. The sum of segment income totals, Corporate and Adjustments is equivalent to operating profit as presented in the consolidated statements of income.

II Nine months ended December 31, 2014 (consolidated)

1. Information related to net sales and income (loss) by reportable segment

(Millions of yen)

	Reportable Segments						Other (Note) 1	Total	Corporate (Note) 2	Adjustments (Note) 3	To Quarterly Consolidated Statements of Income (Note) 4
	Functional Materials	Advanced Materials & Processing	Electronics	Automotive & Energy	Life & Healthcare	Total					
Net sales											
Sales to customers	126,850	191,166	116,642	80,777	56,268	571,706	493	572,199	—	—	572,199
Intersegment sales and transfers	1,851	1,697	580	2,114	225	6,469	3,987	10,457	—	(10,457)	—
Total	128,701	192,864	117,223	82,891	56,494	578,176	4,480	582,656	—	(10,457)	572,199
Segment income (loss)	3,151	3,676	4,432	1,776	2,372	15,409	220	15,629	(1,716)	316	14,229

(Notes)

1. Other is a business segment consisting of businesses not included in reportable segments, and includes distribution services, information processing services, and professional services.
2. Corporate segment income represents expenses not allocated to reportable segments or Other.
3. Adjustments are eliminations of intersegment translations.
4. The sum of segment income totals, Corporate and Adjustments is equivalent to operating profit as presented in the consolidated statements of income.

2. Changes in Reportable Segments

(Changes in Business Classifications)

Beginning with the consolidated first quarter, the low-power semiconductor design development business, which had been categorized under the Electronics segment, is now categorized under the Automotive & Energy segment. We believe this will promote technological development with businesses more closely related to environment/energy-related technologies.

Segment information for the consolidated third quarter of the prior period reflects these segment changes.

The following describes the major products and services handled by each reportable segment.

The Functional Materials segment is engaged in the sales of materials for paints/inks, urethane materials, plastic materials, plastic additives, industrial oil solutions, surfactants, fluorochemicals, encapsulant materials, and silicone materials and more for the paints/inks, resins, urethane foam, organic synthesis, surfactants, semiconductor industries.

The Advanced Materials & Processing segment is engaged in the sales of dyestuffs, dyes, functional dyes, information printing products, thermoplastic resins, thermosetting resins, synthetic rubber, inorganic materials, plastics products, resins molding tools/dies, external inspection equipment for the dye/additive, information printing, fiber processing, raw resin material, resin molding, functional film and sheet and other industries.

The Electronics segment is engaged in the sales of pre-processing materials and devices for LCD/semiconductors, materials for LCD panels, materials and devices for semiconductor assembly, low-temperature/vacuum equipment, high-function epoxy resins, precision electronics abrasives, and more for the display, touch panel, LCD, semiconductor, hard disk drive, electronic components, and heavy electrical industries.

The Automotive & Energy segment is engaged in sales of plastic products, thermoplastic resins, thermosetting resins, resins molding tools/dies, battery materials, solar cell/secondary battery-related materials and more for the automotive, automotive component, and energy industries.

The Life & Healthcare segment is engaged in the sales of pharmaceutical/agricultural chemicals and materials, research products, in vitro diagnostics, enzymes, food additives, additives for cosmetics, feeds/fertilizers, and surfactants for the pharmaceutical, food, and cosmetics industries. The segment offers radiation measurement as one of its main services. In addition, this segment sells cosmetics, health foods, and beauty foods directly to consumers.

(Significant Fluctuations in Shareholders' Equity)

No matters to report.

(Significant Subsequent Events)

No matters to report.

4. Supplementary Information

(1) Overseas Sales

Nine months ended December 31, 2013 (consolidated)

	Northeast Asia	Southeast Asia	North America	Europe & Others	Total
I Overseas sales (Millions of yen)	151,323	80,804	19,482	14,209	265,820
II Consolidated sales (Millions of yen)					543,112
III Ratio of overseas sales to consolidated sales (%)	27.9	14.9	3.6	2.6	48.9

Nine months ended December 31, 2014 (consolidated)

	Northeast Asia	Southeast Asia	North America	Europe & Others	Total
I Overseas sales (Millions of yen)	167,562	90,945	21,092	11,969	291,570
II Consolidated sales (Millions of yen)					572,199
III Ratio of overseas sales to consolidated sales (%)	29.3	15.9	3.7	2.1	51.0

(Notes)

1. Sales in overseas markets consist of net sales of the Company and consolidated subsidiaries in other countries or regions.
2. Countries/regions are determined by geographical proximity.
3. Major countries in each region
 - (1) Northeast Asia.....Taiwan, China
 - (2) Southeast Asia.....Singapore, Thailand
 - (3) North America.....U.S.
 - (4) Europe & Others.....Germany