

Consolidated Financial Statements for the Third Quarter of the Fiscal Year Ending March 31, 2019 <Under Japanese GAAP>

February 5, 2019

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 Section)

Code number: 8012 URL (<https://www.nagase.co.jp/english/>)

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Filing of quarterly report (scheduled): February 8, 2019

Start of distribution of dividends (scheduled): -

Supplementary documents of quarterly financial results: Yes

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, 2019

(April 1, 2018 to December 31, 2018)

(1) Consolidated Operating Results

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

| | Net sales | | Operating income | | Ordinary income | | Profit attributable to owners of the parent | |
|---|-----------------|------|------------------|------|-----------------|------|---|------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| For the third quarter ended December 31, 2018 | 616,466 | 3.9 | 20,928 | 3.0 | 22,214 | 0.4 | 16,103 | 10.0 |
| December 31, 2017 | 593,564 | 10.5 | 20,319 | 74.2 | 22,119 | 73.6 | 14,637 | 65.3 |

(Notes) Comprehensive income Third quarter ended December 31, 2018: ¥ 6,869 million (74.7% decrease)

Third quarter ended December 31, 2017: ¥ 27,104 million (39.5%)

| | Earnings per share | Earnings per share (diluted) |
|---|--------------------|------------------------------|
| | Yen | Yen |
| For the third quarter ended December 31, 2018 | 128.73 | - |
| December 31, 2017 | 116.06 | - |

(2) Consolidated Financial Position

| | Total assets | Net assets | Shareholders' equity ratio | Net assets per share |
|-------------------|-----------------|-----------------|----------------------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| December 31, 2018 | 581,011 | 307,686 | 52.1 | 2,442.31 |
| March 31, 2018 | 569,456 | 308,804 | 53.3 | 2,424.97 |

(Reference) Equity capital As of December 31, 2018: ¥ 302,875 million

As of March 31, 2018: ¥ 303,636 million

2. Dividends

| | Annual Dividends per Share | | | | |
|--------------------------------|----------------------------|-------|-----|-----------------|--------|
| | 1Q | 2Q | 3Q | Fiscal year end | Annual |
| For the year ended (or ending) | Yen | Yen | Yen | Yen | Yen |
| March 2018 | - | 17.00 | - | 23.00 | 40.00 |
| March 2019 | - | 18.00 | - | | |
| March 2019 (estimate) | | | - | 22.00 | 40.00 |

(Note) Revisions to the latest projected dividends: Yes

See Notice Concerning Revision of Dividend Forecast for the Fiscal Year Ending March 2019 announced today (February 5, 2019) for more about the revision to dividend forecasts.

**3. Projected Consolidated Results for the Fiscal Year Ending March 31, 2019
(April 1, 2018 to March 31, 2019)**

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

| | Net sales | | Operating income | | Ordinary income | | Profit attributable to owners of the parent | | Earnings per share |
|------------------|-----------------|-----|------------------|-----|-----------------|-----|---|-----|--------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Full fiscal year | 828,000 | 5.6 | 25,500 | 5.7 | 27,500 | 5.8 | 18,600 | 8.3 | 149.99 |

(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: No

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, 2018 | 127,408,285 shares | March 31, 2018 | 127,408,285 shares |
|-------------------|--------------------|----------------|--------------------|

ii. Number of treasury stock as of the fiscal period end

| | | | |
|-------------------|------------------|----------------|------------------|
| December 31, 2018 | 3,396,314 shares | March 31, 2018 | 2,195,966 shares |
|-------------------|------------------|----------------|------------------|

iii. Average number of shares during the period

| | | | |
|-------------------|--------------------|-------------------|--------------------|
| December 31, 2018 | 125,092,087 shares | December 31, 2017 | 126,116,626 shares |
|-------------------|--------------------|-------------------|--------------------|

* Quarterly financial statements are not subject to quarterly review.

*** 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 Consolidated Earnings Forecasts” on page 4 of this document.

Attachments

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1. Qualitative Information

(1) Business Performance

a. General Summary of Results

The Japanese economy remained strong throughout the cumulative consolidated third quarter, supported by corporate earnings. However, signs have indicated an impact of growing uncertainty on the global economy. Although corporate earnings in the United States and other indicators have underpinned a strong global economy, U.S.-China trade friction, national fiscal policies, exchange rate trends, and other emerging risk factors have given rise to concerns about the future direction of the world economy.

In this environment, the Company recorded domestic sales of ¥313.07 billion (+5.4% year on year) for the cumulative consolidated third quarter. Overseas sales amounted to ¥303.39 billion (+2.3%). In total, the Company recorded ¥616.46 billion (+3.9%) in net sales for the nine months ended December 2018.

The Company recorded gross profit of ¥80.89 billion (+3.8%) in conjunction with higher global sales and improved profitability among manufacturing subsidiaries. Operating income amounted to ¥20.92 billion (+3.0%), while ordinary income amounted to ¥22.21 billion (+0.4%) and profit attributable to owners of the parent amounted to ¥16.1 billion (+10.0%).

b. Segment Summary

The following section describes segment earnings for the period.

The Company reclassified certain reportable segments in the first quarter of the current consolidated fiscal year. The Company has reclassified reportable segment classifications for the cumulative consolidated third quarter of the prior fiscal year for comparative purposes.

Functional Materials

The Functional Materials segment recorded higher sales in both domestic and overseas markets.

The Performance Chemicals business recorded higher sales year on year, mainly due to improved sales of coating raw materials and urethane materials, spurred by strong automotive production in Japan and overseas, as well as naphtha price increases. Another contributing factor was the additional sales of the U.S. distributor acquired in the second quarter of the prior fiscal year, reflected for an entire cumulative consolidated third quarter in the current fiscal year.

The Specialty Chemicals business recorded higher sales overall. Despite a slight decline in sales overseas, sales of electronics chemicals and plastic materials/plastic additives for the semiconductor and other related electronics industries in Japan.

As a result, the Functional Materials segment recorded sales of ¥136.44 billion for the first nine months of the fiscal year, a ¥6.93 billion (+5.4%) increase year on year. Operating income for the segment was ¥4.22 billion, an increase of ¥240 million (+6.2%).

Advanced Materials & Processing

The Advanced Materials & Processing segment recorded higher sales in both domestic and overseas markets.

The Colors & Advanced Processing business recorded higher sales as a whole, driven by growth in Japan for plastic resins for industrial and packaging applications and dyes/additives, as well as growth in digital print processing materials in both Japan and overseas.

The Polymer Global Account business mainly sells plastics to the office equipment, appliance, and video game device markets. The sales of those business were higher overall, driven by growth in Japan, Greater China, and ASEAN.

As a result, the Advanced Materials & Processing segment recorded sales of ¥211.63 billion for the cumulative consolidated third quarter, a ¥10.42 billion (+5.2%) increase year on year. Operating income grew ¥1.22 billion (+21.8%), reaching ¥6.8 billion. This increase was mainly due to profitability improvements at domestic and overseas manufacturing subsidiaries.

Electronics

The Electronics segment recorded lower sales in both domestic and overseas markets.

Despite ongoing strength in formulated epoxy resins sales to the semiconductor industry, lower photolithography material and equipment-related sales resulted in a decline in sales for the Electronic Chemicals business.

The Electronic Materials business recorded lower sales due to decreases in display-related products, despite strong performance in our business for abrasives used in interim processing in semiconductors.

As a result, sales for the segment amounted to ¥94.68 billion, which was a ¥6.04 billion (-6.0%) decrease. Segment operating income fell ¥1.08 billion (-14.9%) to ¥6.19 billion for the cumulative consolidated third quarter.

Automotive & Energy

The Automotive Solutions business recorded higher sales, driven by strong performance in our resins business in Japan, Greater China, and ASEAN. Sales growth for car electronics-related products was another positive factor.

As a result, sales for the segment amounted to ¥105.5 billion, which was a ¥9.02 billion (+9.4%) increase year on year. Segment operating income grew ¥340 million (+16.4%), reaching ¥2.46 billion for the cumulative consolidated third quarter.

Life & Healthcare

The Life & Healthcare segment recorded higher sales in both domestic and overseas markets.

Sales of TREHA™ and other products in the food ingredients field in the Life & Healthcare Products business rose overseas and were slightly higher in Japan. Sales of AA2G™ to customers in the skin care and toiletries sectors were higher both in Japan and overseas. In the medical and pharmaceutical fields, sales of pharmaceutical raw materials and intermediates and medical materials were higher. As a result, the business recorded higher sales compared to the prior year.

The Beauty Care Products business, which includes sales of cosmetics and health foods, recorded lower sales, driven down due to weak performance across all product categories.

As a result, sales for the segment amounted to ¥67.74 billion, which was a 2.55 billion (+3.9%) increase year on year. Operating income rose ¥160 million (+4.8%) to ¥3.7 billion for the period.

Other

No special matters to disclose.

(2) Financial Position

As of the end of the consolidated third quarter, current assets amounted to ¥377.08 billion. This represents an increase of ¥23.76 billion compared to the end of the prior consolidated fiscal year, mainly due to an increase in accounts receivable and inventories. Non-current assets amounted to ¥203.92 billion, down ¥12.2 billion. This decrease was mainly due to decreases in the fair value of shares retained. As a result, total assets increased ¥11.55 billion to ¥581.01 billion as of the end of the consolidated third quarter.

Liabilities amounted to ¥273.32 billion, a ¥12.67 billion increase compared to the end of the prior consolidated fiscal year. This increase was mainly due to increases in accounts payable and loans.

Net assets amounted to ¥307.68 billion, down ¥1.11 billion. While the Company recorded ¥16.1 billion in profit attributable to owners of the parent, a decrease in net unrealized holding gain on securities contributed to this result.

As a result, the Company recorded a shareholders' equity ratio of 52.1%, down 1.2 points compared to the end of the prior consolidated fiscal year.

(3) Qualitative Information Related to Consolidated Earnings Forecasts

The Company has made no changes to the full-year consolidated earnings forecasts announced on May 7, 2018.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

| | Prior Consolidated Fiscal Year (March 31, 2018) | Third Quarter, Current Consolidated Fiscal Year (December 31, 2018) |
|--------------------------------------|--|---|
| ASSETS | | |
| Current assets | | |
| Cash and time deposits | 43,303 | 43,037 |
| Notes and accounts receivable | 225,999 | 240,614 |
| Merchandise and finished goods | 67,681 | 75,101 |
| Work in process | 1,883 | 2,393 |
| Raw materials and supplies | 4,106 | 5,041 |
| Other | 10,953 | 11,260 |
| Less allowance for doubtful accounts | (602) | (359) |
| Total current assets | 353,325 | 377,089 |
| Non-current assets | | |
| Property, plant and equipment | 67,225 | 68,936 |
| Intangible fixed assets | | |
| Goodwill | 25,478 | 24,323 |
| Technology-based assets | 12,215 | 11,033 |
| Other | 3,396 | 2,877 |
| Total intangible fixed assets | 41,090 | 38,233 |
| Investments and other assets | | |
| Investments in securities | 100,403 | 89,643 |
| Long-term loans receivable | 109 | 256 |
| Deferred tax assets | 2,409 | 2,133 |
| Other | 4,992 | 4,808 |
| Less allowance for doubtful accounts | (101) | (89) |
| Total investments and other assets | 107,813 | 96,751 |
| Total non-current assets | 216,130 | 203,921 |
| Total assets | 569,456 | 581,011 |

(Millions of yen)

| | Prior Consolidated Fiscal Year (March 31, 2018) | Third Quarter, Current Consolidated Fiscal Year (December 31, 2018) |
|--|--|---|
| LIABILITIES | | |
| Current liabilities | | |
| Notes and accounts payable | 118,028 | 123,784 |
| Short-term loans | 31,934 | 40,215 |
| Current portion of long-term loans | 11,067 | 10,187 |
| Commercial paper | 5,000 | 10,000 |
| Current portion of bonds | - | 10,000 |
| Accrued income taxes | 1,738 | 1,976 |
| Accrued bonuses for employees | 5,451 | 3,180 |
| Accrued bonuses for directors | 274 | 212 |
| Other | 19,500 | 19,393 |
| Total current liabilities | 192,996 | 218,949 |
| Long-term liabilities | | |
| Bonds | 20,000 | 10,000 |
| Long-term loans | 17,906 | 18,409 |
| Deferred tax liabilities | 14,420 | 11,676 |
| Net defined benefit liability | 14,518 | 13,482 |
| Other | 809 | 807 |
| Total long-term liabilities | 67,655 | 54,375 |
| Total liabilities | 260,651 | 273,325 |
| NET ASSETS | | |
| Shareholders' equity | | |
| Common stock | 9,699 | 9,699 |
| Capital surplus | 11,158 | 10,658 |
| Retained earnings | 232,534 | 243,504 |
| Less treasury stock, at cost | (3,114) | (5,070) |
| Total shareholders' equity | 250,278 | 258,791 |
| Accumulated other comprehensive income | | |
| Net unrealized holding gain on securities | 50,773 | 41,368 |
| Deferred (loss) gain on hedges | (15) | 2 |
| Translation adjustments | 2,917 | 2,855 |
| Remeasurements of defined benefit plans | (317) | (142) |
| Total accumulated other comprehensive income | 53,358 | 44,084 |
| Non-controlling interests | 5,168 | 4,810 |
| Total net assets | 308,804 | 307,686 |
| Total liabilities and net assets | 569,456 | 581,011 |

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

(Quarterly Consolidated Statements of Income)

Nine-month periods ended December 31, 2018 and 2017

(Millions of yen)

| | Nine-month period ended December 31, 2017 (April 1, 2017 - December 31, 2017) | Nine-month period ended December 31, 2018 (April 1, 2018 - December 31, 2018) |
|--|---|---|
| Net sales | 593,564 | 616,466 |
| Cost of sales | 515,654 | 535,568 |
| Gross profit | 77,909 | 80,898 |
| Selling, general and administrative expenses | 57,590 | 59,970 |
| Operating income | 20,319 | 20,928 |
| Non-operating income | | |
| Interest income | 152 | 145 |
| Dividend income | 1,479 | 1,624 |
| Rent income | 203 | 199 |
| Equity in earnings of affiliates | 690 | 618 |
| Foreign exchange gain | 114 | - |
| Other | 311 | 475 |
| Total non-operating income | 2,951 | 3,063 |
| Non-operating expenses | | |
| Interest expenses | 900 | 1,249 |
| Foreign exchange losses | - | 235 |
| Other | 250 | 291 |
| Total non-operating expenses | 1,151 | 1,777 |
| Ordinary income | 22,119 | 22,214 |
| Extraordinary gains | | |
| Gain on sales of non-current assets | 28 | 136 |
| Gain on sales of investment securities | 8 | 321 |
| Gain on sales of shares of subsidiaries and affiliates | - | 6 |
| Gain on negative goodwill | 229 | - |
| Total extraordinary gains | 267 | 464 |
| Extraordinary losses | | |
| Loss on sales of non-current assets | 24 | 70 |
| Loss on disposal of non-current assets | 66 | 155 |
| Impairment loss | 259 | 17 |
| Loss on sales of investments securities | - | 2 |
| Loss on valuation of investments securities | 3 | 202 |
| Loss on sales of shares of subsidiaries and affiliates | 0 | - |
| Loss on business withdrawal | 457 | 187 |
| Loss on step acquisitions | 294 | - |
| Total extraordinary losses | 1,105 | 635 |
| Income before income taxes and non-controlling interests | 21,280 | 22,043 |
| Income taxes - current | 4,748 | 4,321 |
| Income taxes - deferred | 1,588 | 1,402 |
| Total income taxes | 6,336 | 5,723 |
| Profit for the period | 14,944 | 16,319 |
| Profit attributable to non-controlling interests | 307 | 215 |
| Profit attributable to owners of the parent | 14,637 | 16,103 |

(Quarterly Consolidated Statements of Comprehensive Income)

Nine-month periods ended December 31, 2018 and 2017

(Millions of yen)

| | Nine-month period ended December 31, 2017 (April 1, 2017 - December 31, 2017) | Nine-month period ended December 31, 2018 (April 1, 2018 - December 31, 2018) |
|---|---|---|
| Profit for the period | 14,944 | 16,319 |
| Other comprehensive income | | |
| Net unrealized holding gain (loss) on securities | 9,333 | (9,394) |
| Deferred (loss) gain on hedges | (8) | 18 |
| Translation adjustments | 2,494 | (179) |
| Remeasurements of defined benefit plans | 162 | 172 |
| Share of other comprehensive income of affiliates accounted for by the equity method | 177 | (66) |
| Total other comprehensive income | 12,160 | (9,449) |
| Comprehensive income | 27,104 | 6,869 |
| Comprehensive income attributable to: | | |
| Shareholders of the parent | 26,531 | 6,829 |
| Non-controlling interests | 572 | 39 |

(3) Notes Related to Quarterly Consolidated Financial Statements

(Assumption for Going Concern)

No matters to report.

(Significant Fluctuations in Shareholders' Equity)

At a meeting held November 28, 2018, the Company's board of directors resolved to purchase outstanding Company shares according to Article 156 of the Companies Act applied mutatis mutandis from the provisions of Article 165.3 of the same act. Pursuant to this resolution, the Company acquired 1,200,000 shares of outstanding Company stock.

As a result, treasury stock increased ¥1,956 million during the cumulative consolidated third quarter, amounting to ¥5,070 million as of the end of the consolidated third quarter.

The Company concluded purchases of treasury stock pursuant to this resolution on November 29, 2018.

(Additional Information)

At the beginning of the consolidated first quarter, the Company adopted the *Partial Amendment to the Accounting Standard for Tax Effect Accounting* (ASBJ Statement No.28, February 16, 2018). Under this standard, the Company now classifies deferred tax assets under investments and other assets, while deferred tax liabilities are classified under long-term liabilities for presentation.

(Segment Information, etc.)

Segment Information

I Nine-month period ended December 31, 2017 (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 Financial Statements (Note) 4 |
|------------------------------|-------------------------|---------------------------------------|-------------|------------------------|----------------------|---------|-------------------|---------|-----------------------|-------------------------|---|
| | Functional Materials | Advanced Materials & Processing | Electronics | Automotive & Energy | Life & Healthcare | Total | | | | | |
| Net sales | | | | | | | | | | | |
| Sales to customers | 129,506 | 201,210 | 100,732 | 96,479 | 65,193 | 593,121 | 442 | 593,564 | - | - | 593,564 |
| Intersegment sales/transfers | 1,819 | 1,698 | 1,557 | 2,094 | 360 | 7,530 | 3,512 | 11,043 | - | (11,043) | - |
| Total | 131,326 | 202,909 | 102,289 | 98,573 | 65,554 | 600,652 | 3,954 | 604,607 | - | (11,043) | 593,564 |
| Segment income (loss) | 3,978 | 5,587 | 7,283 | 2,122 | 3,538 | 22,510 | 255 | 22,766 | (2,775) | 328 | 20,319 |

(Note) 1. Other is a business segment consisting of businesses not included in reportable segments, and includes logistics services, information processing services, and professional services.

2. Corporate segment income (loss) represents expenses not allocated to reportable segments or Other.

3. Adjustments are eliminations of intersegment transactions.

4. The sum of Segment income (loss), Corporate, and Adjustments is equivalent to operating profit as presented in the consolidated statements of income.

II Nine-month period ended December 31, 2018 (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 Financial Statements (Note) 4 |
|------------------------------|-------------------------|---------------------------------------|-------------|------------------------|----------------------|---------|-------------------|---------|-----------------------|-------------------------|---|
| | Functional Materials | Advanced Materials & Processing | Electronics | Automotive & Energy | Life & Healthcare | Total | | | | | |
| Net sales | | | | | | | | | | | |
| Sales to customers | 136,441 | 211,638 | 94,686 | 105,507 | 67,747 | 616,022 | 444 | 616,466 | - | - | 616,466 |
| Intersegment sales/transfers | 2,329 | 1,843 | 1,269 | 2,118 | 301 | 7,863 | 4,118 | 11,982 | - | (11,982) | - |
| Total | 138,770 | 213,482 | 95,956 | 107,626 | 68,048 | 623,885 | 4,563 | 628,448 | - | (11,982) | 616,466 |
| Segment income (loss) | 4,224 | 6,807 | 6,198 | 2,469 | 3,707 | 23,407 | 286 | 23,694 | (3,151) | 385 | 20,928 |

(Note) 1. Other is a business segment consisting of businesses not included in reportable segments, and includes logistics services, information processing services, and professional services.

2. Corporate segment income (loss) represents expenses not allocated to reportable segments or Other.

3. Adjustments are eliminations of intersegment transactions.

4. The sum of Segment income (loss), 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 in the consolidated first quarter, the Company reclassified Fitz Chem LLC under the Functional Materials and the Life & Healthcare segments. In the prior consolidated fiscal year, Fitz Chem LLC was classified under the Functional Materials segment. This change is in response to a change in business unit management.

Segment information for the prior cumulative consolidated third quarter has been prepared under this new classification method, reported under *1. Information related to net sales and income (loss) by reportable segment*.

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, auxiliaries, plastic materials, plastic additives, industrial oil solutions, surfactants, fluorochemicals, encapsulant materials, silicone materials, and more for the paints/inks, resins, urethane foam, organic synthesis, surfactants, and semiconductor industries.

The Advanced Materials & Processing segment is engaged in sales of dyestuffs, dyes, functional dyes, digital print processing materials, thermoplastic resins, thermosetting resins, automobile refinish paints, conductive coatings, synthetic rubber, inorganic materials, plastics products, and resins molding tools/dies for the dye/additive, digital print processing material, fiber processing, raw resin material, resin molding, functional film and sheet, construction, and other industries.

The Electronics segment is engaged in the sales of pre-processing materials and devices for LCD/semiconductors, materials for display 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, semiconductor, hard disk drive, electronic components, and heavy electrical industries.

The Automotive & Energy segment is engaged in the sales of plastic products, thermoplastic resins, thermosetting resins, silicone products, resin molding tools/dies, high-function car electronics materials and components, battery materials, solar cell/secondary battery 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, 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.

3. Supplementary Information

(1) Overseas Sales

I Nine-month period ended December 31, 2017 (consolidated)

| | Greater China | ASEAN | Americas | Europe | Other | Total |
|--|---------------|--------|----------|--------|--------|---------|
| I Overseas sales (Millions of yen) | 160,727 | 81,901 | 26,820 | 10,967 | 16,086 | 296,503 |
| II Consolidated sales (Millions of yen) | | | | | | 593,564 |
| III Ratio of overseas sales to consolidated sales (%) | 27.2 | 13.8 | 4.5 | 1.8 | 2.7 | 50.0 |

II Nine-month period ended December 31, 2018 (consolidated)

| | Greater China | ASEAN | Americas | Europe | Other | Total |
|--|---------------|--------|----------|--------|--------|---------|
| I Overseas sales (Millions of yen) | 160,734 | 89,637 | 28,660 | 11,404 | 12,953 | 303,391 |
| II Consolidated sales (Millions of yen) | | | | | | 616,466 |
| III Ratio of overseas sales to consolidated sales (%) | 26.1 | 14.5 | 4.6 | 1.9 | 2.1 | 49.2 |

(Note)

1. Overseas sales 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) Greater China.....China, Hong Kong, Taiwan
 - (2) ASEAN.....Thailand, Singapore
 - (3) Americas.....U.S., Mexico
 - (4) Europe.....Germany
 - (5) Other.....Korea