



Press Release

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Daiichi Sankyo Revises Fiscal 2016 Consolidated Forecasts and Announces Fiscal 2017 Consolidated Forecasts

Tokyo, Japan (April 28, 2017) – Daiichi Sankyo Company, Limited (hereafter, Daiichi Sankyo) has revised its forecasts of consolidated financial results for fiscal 2016, announced on January 31, 2017. Daiichi Sankyo also announced its forecasts of consolidated financial results for fiscal 2017. Details are as follows.

1. Revisions to the forecasts of consolidated financial results for fiscal 2016 (from April 1, 2016 to March 31, 2017)

	Revenue	Operating profit	Profit before tax	Profit attributable to owners of the Company	Basic earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecasts (A)*	950,000	110,000	110,000	70,000	105.56
Revised forecasts (B)	950,000	89,000	88,000	53,000	78.94
Change (B-A)	0	-21,000	-22,000	-17,000	
Percentage of change (%)	0.0	-19.1	-20.0	-24.3	
(Reference) Results of previous fiscal year (FY2015)	986,446	130,412	122,388	82,282	119.37

*announced on January 31, 2017

Reason for the revision

We revise down our forecasts for operating profit by ¥21 billion to ¥89 billion due to an expected impairment loss of ¥21.9 billion on tangible fixed assets and intangible assets owned by consolidated subsidiary Kitasato Daiichi Sankyo Vaccine Co., Ltd. and an expected decrease in Olmesartan revenue in the U.S.

Reflecting the downward revision to operating profit, we also forecast profit before tax of ¥88 billion, a reduction of ¥22 billion, and profit attributable to owners of the Company of ¥53 billion, a reduction of ¥17 billion.

2. Forecasts of consolidated financial results for fiscal 2017 (from April 1, 2017 to March 31, 2018)

The fourth mid-term management plan announced on March 31, 2016 (five years from April, 2016 to March, 2021), includes revenue of ¥940 billion and operating profit of ¥100 billion for fiscal 2017, and revenue of ¥1,100 billion and operating profit of ¥165 billion for fiscal 2020, as financial targets.

The downward revision for fiscal 2016 caused by the transitory factor does not affect future financial targets in the fourth mid-term management plan.

Therefore we announce forecasts of consolidated financial results for fiscal 2017 as follows.

	Revenue	Operating profit	Profit before tax	Profit attributable to owners of the Company	Basic earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Full year	930,000	100,000	100,000	66,000	99.51

Revenue is forecast of ¥930 billion. This is due to the effect of expiration of Olmesartan's patent period becoming serious despite the Company working toward rapid growth of Edoxaban both in Japan and overseas, sustainable growth of mainstay products in Japan, and expansion of Injetafer, a product of Luitpold Pharmaceuticals in the U.S.

Operating profit is forecast of ¥100 billion as a result of the positive outcome of enhancing profit generation through the restructuring and ongoing cost reductions as well as the transitory factor in fiscal 2016.

Forecasts are based on assumption of foreign exchange rates at ¥110 against U.S. dollar and ¥120 against euro. (In the fourth mid-term management plan announced on March 31, 2016, forecasts are based on assumption of foreign exchange rates at ¥120 against U.S. dollar and ¥130 against euro.)