



Daiichi-Sankyo

Reference Data

(1Q of FY2006) - July 31, 2006

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DAIICHISANKYO CO., LTD.

<http://www.daiichisankyo.co.jp/>

1.Summary of Financial Statement

million yen

| | FY2005 | | | | FY2006 | | | | | | |
|---|---------|--------------|----------|-----------|---------|--------------|-------------------|----------|---------------------------------|--------------------|-----------|
| | 1Q* | progress (%) | 1st half | Full year | 1Q | progress (%) | 1st half Estimate | 1st half | | Full year Estimate | Full year |
| | | | | | | | issued in May | Estimate | Difference from Estimate in May | | |
| Change | | | <0.6> | <1.0> | <17.0> | | <4.0> | <6.2> | | <-6.6> | <-5.5> |
| Net sales | 231,148 | 51.2% | 451,808 | 925,918 | 270,549 | 57.6% | 470,000 | 480,000 | 10,000 | 865,000 | 875,000 |
| Cost of sales | 72,511 | 51.3% | 141,296 | 290,735 | 73,589 | 55.2% | 133,400 | 136,800 | 3,400 | 234,200 | 237,600 |
| Cost of sales ratio | 31.4% | | 31.3% | 31.4% | 27.2% | | 28.4% | 28.5% | - | 27.1% | 27.2% |
| Selling,general and administrative expenses | 110,986 | 48.2% | 230,166 | 480,454 | 136,167 | 48.4% | 281,600 | 278,200 | -3,400 | 522,800 | 519,400 |
| SG&A ratio | 48.0% | | 50.9% | 51.9% | 50.3% | | 59.9% | 58.0% | - | 60.4% | 59.4% |
| Research and development expenses | 35,333 | 48.7% | 72,528 | 158,716 | 37,933 | 43.6% | 87,000 | 87,000 | 0 | 167,000 | 167,000 |
| R&D ratio | 15.3% | | 16.1% | 17.1% | 14.0% | | 18.5% | 18.1% | - | 19.3% | 19.1% |
| Change | | | <8.3> | <9.7> | <27.6> | | <-31.5> | <-19.1> | | <-30.2> | <-23.7> |
| Operating income | 47,650 | 59.3% | 80,345 | 154,728 | 60,792 | 110.5% | 55,000 | 65,000 | 10,000 | 108,000 | 118,000 |
| / Net sales | 20.6% | | 17.8% | 16.7% | 22.5% | | 11.7% | 13.5% | - | 12.5% | 13.5% |
| Change | | | <8.4> | <14.2> | <35.8> | | <-27.4> | <-12.9> | | <-28.0> | <-20.5> |
| Ordinary income | 49,952 | 60.4% | 82,642 | 159,714 | 67,842 | 113.1% | 60,000 | 72,000 | 12,000 | 115,000 | 127,000 |
| / Net sales | 21.6% | | 18.3% | 17.2% | 25.1% | | 12.8% | 15.0% | - | 13.3% | 14.5% |
| Change | | | <1.5> | <2.6> | <51.7> | | <-23.2> | <-7.0> | | <-46.4> | <-37.3> |
| Net income | 31,642 | 64.0% | 49,450 | 87,692 | 48,001 | 126.3% | 38,000 | 46,000 | 8,000 | 47,000 | 55,000 |
| / Net sales | 13.7% | | 10.9% | 9.5% | 17.7% | | 8.1% | 9.6% | | 5.4% | 6.3% |

* The amounts for the first quarter of fiscal 2005 are simple totals of the figures of the Sankyo Group and the Daiichi Pharmaceutical Group.

• The accounting period of DAIICHSANKYO INC. (DSI) and Luitpold Pharmaceuticals Inc. (LPI), both of which are overseas subsidiaries of the DAIICHI SANKYO Group, is 15 months from January 2006 to March 2007. This is due to an adjustment made to the accounting period. Therefore, for these two companies, the accounting period for the first quarter is from January to June 2006.

• For the first half of fiscal 2006, an earnings forecast was made equaling half of the annual sales/profit for non-pharmaceutical operations operating as independent businesses outside of the DAIICHI SANKYO Group.

• In fiscal 2006, Zepharmia Inc., Taiwan Sankyo Ltd. And Shanghai Sankyo Pharmaceuticals Ltd., were made consolidated subsidiaries of DAIICHI SANKYO CO., LTD. In the case of the share acquisition of Zepharmia Inc., intangible assets and goodwill be amortized over a period of 10 years.

2.Status in R&D Pipeline (Change from the announcement of May 2006)

Development Stage

| Development Code Number | Before Change | After Change | Remarks |
|-------------------------|-----------------------|--------------|---|
| DZ-697b | Japan:P-1 preparation | Japan:P-1 | anti-platelet agent |
| CS-866AZ | Japan:P-2 | Japan:P-3 | antihypertensive drug (olmesartan/azelnidipine combination) |
| CS-3030 | US/EU:P-1 preparation | US/EU:P-1 | oral factor Xa inhibitor |
| CS-1008 | US/EU:P-1 preparation | US/EU:P-1 | anti-cancer drug(anti-DR5 antibody) |

3.Main Prescription drug sales

million yen

| | | | FY2006 | | | | | | | | | |
|-----------|------------------------|-----------------------|--------|--------|----------|-------------------|--------|-------------------|--------|--------------------|--------|-----------|
| | | | 1Q | | | 1st half Estimate | | 1st half Estimate | | Full year Estimate | | Full year |
| | | | | Change | Progress | issued in May | Change | | Change | issued in May | Change | Estimate |
| Japan | Cardiovascular | Mevalotin | 17,800 | -10.5% | 51.7% | 34,500 | -10.4% | 33,500 | -1,000 | 68,200 | -9.3% | 67,200 |
| | | Panaldine | 7,200 | -11.2% | 67.9% | 10,600 | -27.9% | 10,600 | ±0.0 | 19,700 | -30.4% | 19,700 |
| | | Artist | 5,200 | 5.0% | 56.5% | 9,200 | 1.1% | 9,200 | ±0.0 | 18,800 | 3.3% | 18,800 |
| | | Sunrhythm | 3,200 | -3.5% | 57.1% | 5,600 | -6.7% | 5,600 | ±0.0 | 11,300 | -5.0% | 11,300 |
| | | Acecol | 2,200 | -12.4% | 61.1% | 3,600 | -25.0% | 3,600 | ±0.0 | 7,300 | -19.8% | 7,300 |
| | | Olmetec | 9,800 | 102.4% | 58.6% | 16,800 | 68.0% | 19,300 | 2,500 | 35,400 | 38.3% | 37,900 |
| | | Coversyl | 1,900 | -22.3% | 52.8% | 3,600 | -20.0% | 3,600 | ±0.0 | 7,100 | -15.5% | 7,100 |
| | | Hanp | 2,400 | 10.9% | 60.0% | 4,000 | 2.6% | 4,000 | ±0.0 | 9,200 | 7.0% | 9,200 |
| | | Calblock | 2,100 | 55.0% | 48.8% | 4,300 | 43.3% | 4,300 | ±0.0 | 9,200 | 43.8% | 9,200 |
| | | Livalo | 1,200 | 20.7% | 48.0% | 2,500 | 25.0% | 2,500 | ±0.0 | 5,600 | 36.6% | 5,600 |
| | Glucose metabolic | Fastic | 1,400 | -0.1% | 50.0% | 2,800 | 3.7% | 2,800 | ±0.0 | 5,700 | 7.5% | 5,700 |
| | Infection | Cravit | 11,600 | -13.2% | 53.0% | 21,900 | -7.2% | 21,900 | ±0.0 | 47,600 | -5.2% | 47,600 |
| | | Carbenin | 1,500 | -22.3% | 45.5% | 3,300 | -2.9% | 3,300 | ±0.0 | 6,400 | 1.6% | 6,400 |
| | | Banan | 1,100 | 1.6% | 52.4% | 2,100 | 5.0% | 2,100 | ±0.0 | 4,200 | -4.5% | 4,200 |
| | Cancer | Topotecin | 1,300 | 3.2% | 49.1% | 2,650 | 6.0% | 2,650 | ±0.0 | 5,550 | 15.6% | 5,550 |
| | Immunological allergic | Zyrtec | 2,900 | -16.7% | 56.3% | 5,150 | -8.0% | 5,150 | ±0.0 | 11,250 | -10.7% | 11,250 |
| | Bone/Joint | Loxonin | 8,000 | 6.9% | 56.7% | 14,100 | -1.4% | 14,100 | ±0.0 | 28,500 | -1.7% | 28,500 |
| | | Mobic | 2,900 | -0.9% | 52.7% | 5,500 | 1.9% | 5,500 | ±0.0 | 11,100 | 4.7% | 11,100 |
| | | Miltax | 1,400 | -9.2% | 48.3% | 2,900 | -6.5% | 2,900 | ±0.0 | 5,500 | -8.3% | 5,500 |
| | Others | Omnipaque | 8,400 | -12.2% | 54.2% | 15,500 | -13.9% | 15,500 | ±0.0 | 29,600 | -14.7% | 29,600 |
| Kremezin | | 3,100 | -7.3% | 50.8% | 6,100 | -7.6% | 6,100 | ±0.0 | 12,400 | -4.6% | 12,400 | |
| Zantac | | 1,700 | -15.4% | 50.0% | 3,400 | -12.8% | 3,400 | ±0.0 | 6,600 | -10.8% | 6,600 | |
| Omniscan | | 1,400 | -4.7% | 53.8% | 2,600 | -7.1% | 2,600 | ±0.0 | 5,100 | -5.6% | 5,100 | |
| Evoxac | | 300 | 2.2% | 42.9% | 700 | ±0.0% | 700 | ±0.0 | 1,450 | 11.5% | 1,450 | |
| Exports | Pravastatin | 6,900 | -62.9% | 68.1% | 10,200 | -73.6% | 12,000 | 1,800 | 19,200 | -70.2% | 21,000 | |
| | Levofloxacin | 7,600 | -6.3% | 49.7% | 15,300 | 2.7% | 15,300 | ±0.0 | 30,300 | 2.7% | 30,300 | |
| *Overseas | DSI* | Benicar/Benicar HCT** | 35,600 | - | 70.7% | 50,400 | 121.1% | 51,300 | 900 | 87,000 | 73.0% | 87,900 |
| | | (mil \$) | (307) | - | 70.3% | (438) | 103.7% | (446) | (8) | (757) | 66.0% | (765) |
| | WelChol** | WelChol** | 8,700 | - | 71.0% | 12,300 | 66.2% | 12,300 | ±0.0 | 20,700 | 39.9% | 20,700 |
| | | (mil \$) | (75) | - | 70.6% | (107) | 55.1% | (107) | ±0.0 | (180) | 34.3% | (180) |
| | Floxin Otic | Floxin Otic | 1,700 | 39.3% | 43.0% | 4,000 | 25.4% | 4,000 | ±0.0 | 7,800 | 26.5% | 7,800 |
| | | (mil \$) | (14) | 29.6% | 43.7% | (34) | 17.2% | (34) | ±0.0 | (67) | 24.1% | (67) |
| | Evoxac | Evoxac | 400 | 15.7% | 34.1% | 1,300 | 34.0% | 1,300 | ±0.0 | 2,700 | 12.3% | 2,700 |
| | | (mil \$) | (3) | 7.7% | 34.9% | (11) | 25.0% | (11) | ±0.0 | (23) | 9.5% | (23) |
| | LPI* | Venofor** | 13,700 | - | 72.4% | 19,000 | 84.5% | 20,800 | 1,800 | 27,200 | 20.4% | 29,000 |
| | | (mil \$) | (118) | - | 71.6% | (166) | 71.1% | (181) | (15) | (236) | 15.1% | (251) |
| DSE* | Olmetec | 5,200 | 44.8% | 55.1% | 9,500 | 31.9% | 9,500 | ±0.0 | 20,600 | 40.1% | 20,600 | |
| | (mil EURO) | (37) | 40.9% | 53.1% | (70) | 32.1% | (70) | ±0.0 | (152) | 42.1% | (152) | |
| | Mevalotin | 1,500 | 100.1% | 63.8% | 2,500 | 4.2% | 2,500 | ±0.0 | 5,200 | -5.5% | 5,200 | |
| | | (mil EURO) | (11) | 94.7% | 63.0% | (18) | ±0.0% | (18) | ±0.0 | (40) | ±0.0% | (40) |

* The accounting period of DAIICHI SANKYO INC. (DSI) and Luitpold Pharmaceuticals Inc. (LPI), both of which are overseas subsidiaries of the DAIICHI SANKYO Group, is 15 months from January 2006 to March 2007. This is due to an adjustment made to the accounting period.

Therefore, for these two companies, the accounting period for the first quarter is from January to June 2006.

The accounting period of DAIICHI SANKYO EUROPE GmbH (DSE) is from January to March 2006.

** Sales of Benicar, WelChol and Venofor for 1Q shows 6 months sales .

Reference(from January to March) : Benicar 15,600million yen (\$135mil), WelChol 3,900million yen(\$33mil), Venofor 6,800million yen(\$59mil)

*** Sales of Floxin Otic and Evoxac shows 3 months sales.

◇Exchange rate

| | | | | |
|----------|-------|-----|-----|-----|
| 1 \$ = | 115.7 | 115 | 115 | 115 |
| 1 EURO = | 140.7 | 135 | 135 | 135 |

4.Consolidated sales of Global Products

million yen

| | FY2006 | | | | | | | | | |
|------------------|---------|--------|----------|-------------------|--------|----------|--------------------|--------|--------------------|--------|
| | 1Q | | | 1st half Estimate | | 1st half | Full year Estimate | | Full year Estimate | |
| | | Change | Progress | issued in May | Change | Estimate | issued in May | Change | | |
| Olmesartan | 51,200 | — | 65.8% | 77,900 | 89.5% | 81,300 | 145,300 | 57.3% | 148,700 | 60.9% |
| Japan : Olmetec | 9,800 | 102.4% | 58.6% | 16,800 | 68.0% | 19,300 | 35,400 | 38.3% | 37,900 | 48.0% |
| U.S.A: Benicar | 35,600* | — | 70.7% | 50,400 | 121.1% | 51,300 | 87,000 | 73.0% | 87,900 | 74.8% |
| Europe: Olmetec | 5,200 | 44.8% | 55.1% | 9,500 | 31.9% | 9,500 | 20,600 | 40.1% | 20,600 | 40.1% |
| Others | 600 | 152.1% | 43.9% | 1,200 | 9.1% | 1,200 | 2,300 | 27.8% | 2,300 | 27.8% |
| Levofloxin | 23,500 | -7.9% | 51.8% | 45,600 | -2.1% | 45,800 | 95,900 | -1.7% | 95,900 | -1.7% |
| Japan : Cravit | 11,600 | -13.2% | 53.3% | 21,900 | -7.2% | 21,900 | 47,600 | -5.2% | 47,600 | -5.2% |
| Exports | 7,600 | -6.3% | 50.0% | 15,300 | 2.7% | 15,300 | 30,300 | 2.7% | 30,300 | 2.7% |
| Royalty | 4,300 | 6.8% | 51.1% | 8,400 | 3.7% | 8,400 | 18,000 | 0.6% | 18,000 | 0.6% |
| Pravastatin | 25,800 | -34.0% | 55.0% | 47,000 | -40.7% | 47,900 | 92,000 | -35.8% | 92,900 | -35.1% |
| Japan: Mevalotin | 17,800 | -10.5% | 51.7% | 34,500 | -10.4% | 33,500 | 68,200 | -9.3% | 67,200 | -10.6% |
| Europe | 1,500 | 100.1% | 63.8% | 2,500 | 4.2% | 2,500 | 5,200 | -5.5% | 5,200 | -5.5% |
| Exports | 6,500 | -65.1% | 64.6% | 10,000 | -73.9% | 11,900 | 18,600 | -70.2% | 20,500 | -67.2% |

* 6 months sales (from Jan. to Jun. 2006).

5.OTC drug sales

million yen

| | FY2006 | | | | | | |
|-----------------------------|--------|--------|----------|---------------|--------|---------------|--------|
| | 1Q | | | 1st half | | Full year | |
| | | Change | Progress | issued in May | Change | issued in May | Change |
| Total | 11,200 | — | +45.1% | 26,000 | 176.9% | 54,200 | 94.3% |
| LuLu series | 1,300 | 19.9% | 25.7% | 5,100 | 8.5% | 10,200 | 8.5% |
| Shin-sankyo Ichoyaku series | 700 | 3.2% | 48.7% | 1,500 | -6.3% | 3,000 | -9.1% |
| Karoyan series | 600 | 14.4% | 51.2% | 1,200 | 9.1% | 2,400 | 14.3% |
| Regain series | 500 | -18.1% | 37.2% | 1,500 | 7.1% | 2,500 | 4.6% |
| Patecs series | 600 | 21.3% | 59.5% | 1,000 | -9.1% | 2,300 | 15.0% |
| Lamisil AT | 800 | -14.1% | 57.1% | 1,400 | 27.3% | 2,500 | -3.8% |
| Gaster 10 | 1,000 | 4.7% | 48.4% | 2,000 | - | 4,200 | - |
| Precol | 300 | -3.5% | 25.6% | 1,000 | - | 2,500 | - |
| Cakonal | 200 | 20.4% | 27.5% | 800 | - | 2,000 | - |
| Makiron | 600 | -8.2% | 49.0% | 1,200 | - | 1,800 | - |

6.Consolidated Segment information - Business

million yen

| | | FY2005 | | |
|-------------------------------|-----------------|---------|----------|-----------|
| | | 1Q | 1st half | Full year |
| | Domestic | 112,796 | 208,266 | 431,401 |
| | Overseas | 70,471 | 145,253 | 289,530 |
| | OTC drugs | 6,462 | 14,794 | 27,900 |
| | Pharmaceuticals | 198,498 | 385,415 | 784,666 |
| | Other | 32,649 | 66,393 | 141,251 |
| Consolidated Sales | | 231,148 | 451,808 | 925,918 |
| | Pharmaceuticals | 48,860 | 77,651 | 148,114 |
| | Other | 484 | 2,321 | 6,146 |
| Consolidated Operating income | | 47,650 | 80,345 | 154,728 |

| FY2006 | |
|---------|--|
| 1Q | |
| 117,172 | |
| 110,358 | |
| 11,221 | |
| 247,567 | |
| 22,982 | |
| 270,549 | |
| 59,410 | |
| 1,267 | |
| 60,792 | |

7.Consolidated Segment information - Area

million yen

| | | FY2005 | | | |
|-------------------------------|---------------|---------|--------|----------|-----------|
| | | 1Q | % | 1st half | Full year |
| | Japan | 192,637 | 83.3% | 371,239 | 752,793 |
| | North America | 25,093 | 10.9% | 53,741 | 116,061 |
| | Europe | 10,705 | 4.6% | 21,345 | 45,473 |
| | Other | 2,712 | 1.2% | 5,481 | 11,589 |
| Consolidated Sales | | 231,148 | 100.0% | 451,808 | 925,918 |
| | Japan | 42,008 | | 69,124 | 130,249 |
| | North America | 5,806 | | 11,916 | 25,457 |
| | Europe | -55 | | -1,924 | -685 |
| | Other | 252 | | 472 | 863 |
| Consolidated Operating income | | 47,650 | | 80,345 | 154,728 |

| FY2006 | |
|---------|--------|
| 1Q | % |
| 179,214 | 66.2% |
| 71,068 | 26.3% |
| 16,301 | 6.0% |
| 3,965 | 1.5% |
| 270,549 | 100.0% |
| 51,057 | |
| 23,481 | |
| 4,773 | |
| 176 | |
| 60,792 | |

• The accounting period of DAIICHSANKYO INC. (DSI) and Luitpold Pharmaceuticals Inc. (LPI), both of which are overseas subsidiaries of the DAIICHI SANKYO Group, is 15 months from January 2006 to March 2007. This is due to an adjustment made to the accounting period. Therefore, for these two companies, the accounting period for the first quarter is from January to June 2006.

• In fiscal 2006, Zepharmia Inc., Taiwan Sankyo Ltd. And Shanghai Sankyo Pharmaceuticals Ltd., were made consolidated subsidiaries of DAIICHI SANKYO CO., LTD.

Segment Information (Reference)

million yen

| | | FY2006 | | | | | |
|---|---|---------|------------------------------------|----------------------|-------------------------------------|-----------------------|---------|
| | | 1Q | 1st half Estimate issued in May | 1st half Estimate | Full year Estimate issued in May | Full year Estimate | |
| P h a r m a c e u t i c a l s | Domestic (Sankyo, Daiichi Pharmaceuticals non-consolidated) | 117,172 | 202,400 | 203,900 | 414,500 | 416,000 | |
| | US | Exports | 8,868 | 21,000 | 22,000 | 43,800 | 44,800 |
| | | DSI* | 47,265 | 69,700 | 70,600 | 121,700 | 122,600 |
| | | LPI** | 23,808 | 30,600 | 35,500 | 46,900 | 51,800 |
| | Europe | Exports | 9,589 | 12,900 | 14,000 | 22,900 | 24,000 |
| | | DSE*** | 15,878 | 25,800 | 25,800 | 49,600 | 49,600 |
| | DAIICHI SANKYO HEALTHCARE CO., LTD. ZEPHARMA | | 11,221 | 26,000 | 26,000 | 54,200 | 54,200 |
| | Other Company(Total) | | 13,766 | 25,600 | 26,200 | 53,400 | 54,000 |
| | Other | | 22,982 | 56,000 | 56,000 | 58,000 | 58,000 |
| Consolidated Sales | | 270,549 | 470,000 | 480,000 | 865,000 | 875,000 | |

* Sales of Sales&Marketing Division. Accounting period is 15-month fiscal year (Jan. 2006 to Mar.2007).

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*** Sales of Sales & Marketing Division.