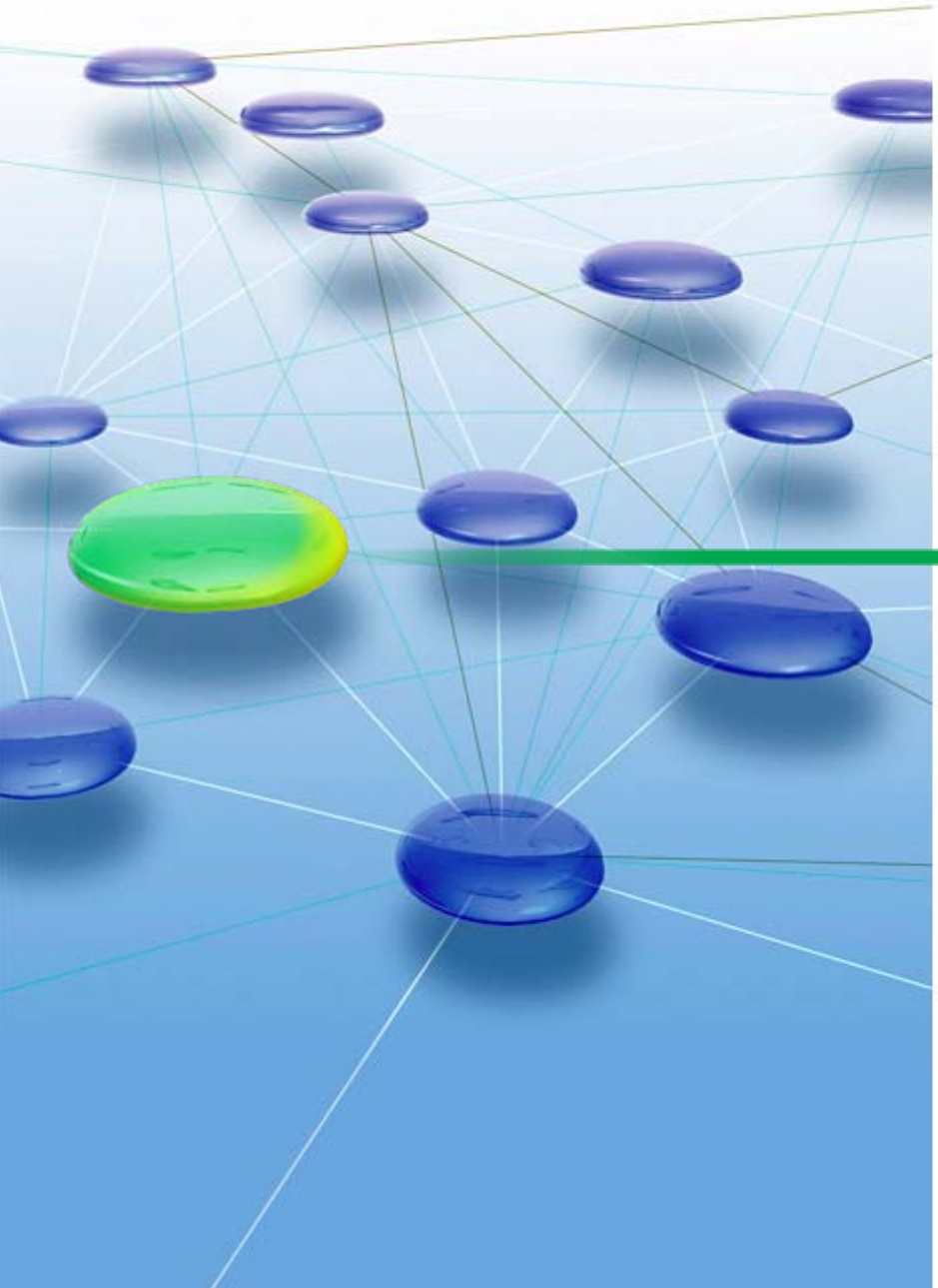


Results Briefing

Performance Overview & Management Policy

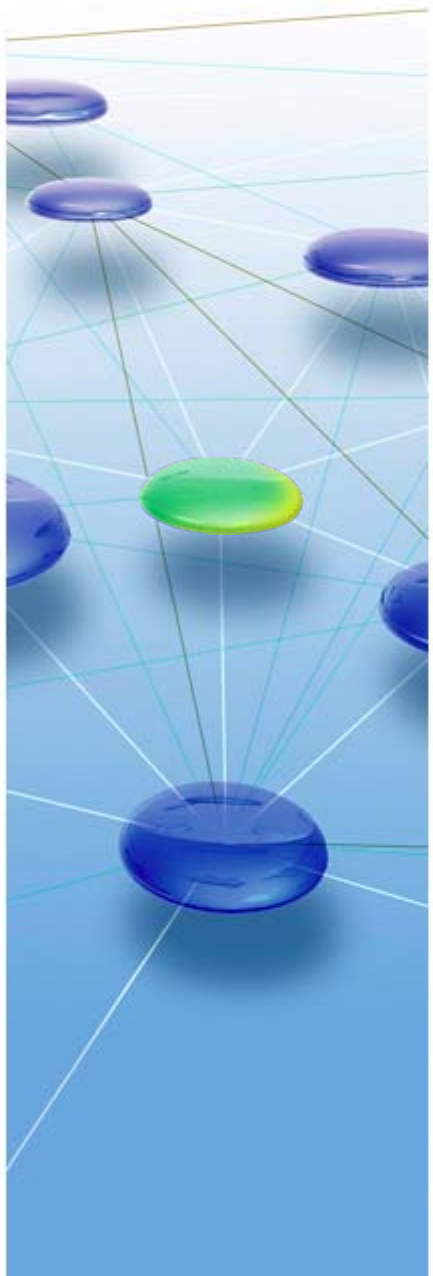
Results of FY2007

(April 1, 2007 – March 31, 2008)

May 14, 2008

Takashi Shoda, President & CEO

Daiichi-Sankyo

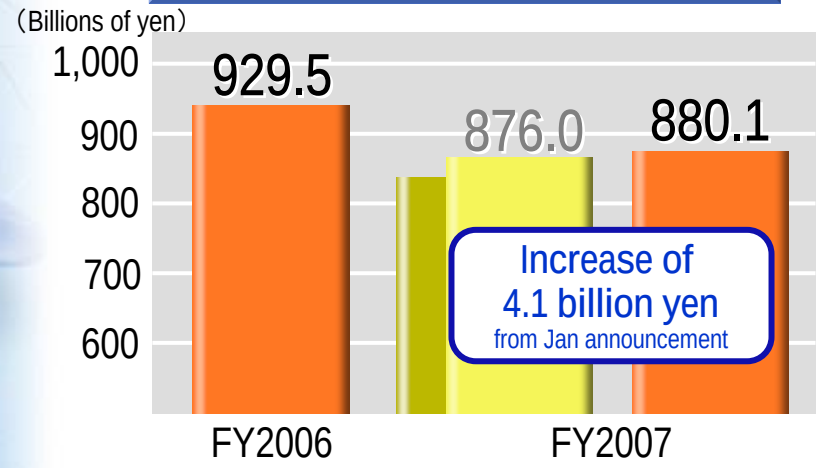


Results Overview

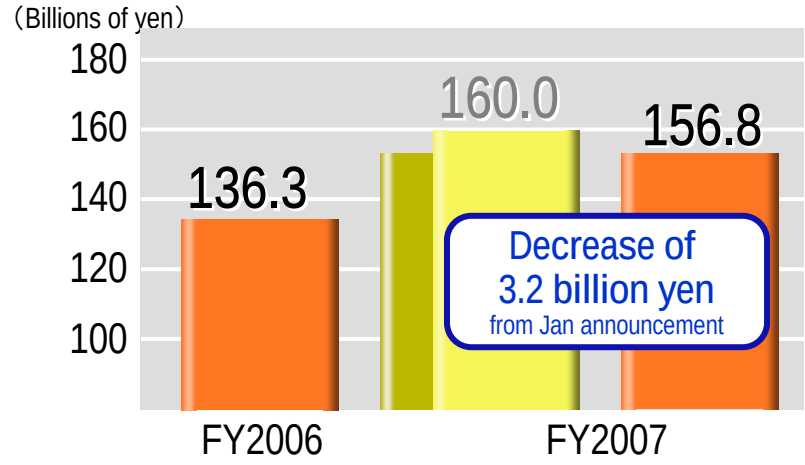
Daiichi-Sankyo

Overview of Financial Results for FY2007

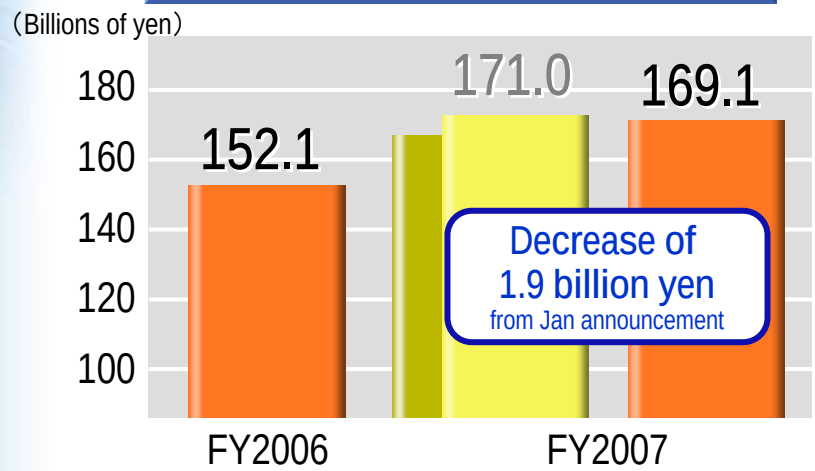
Sales



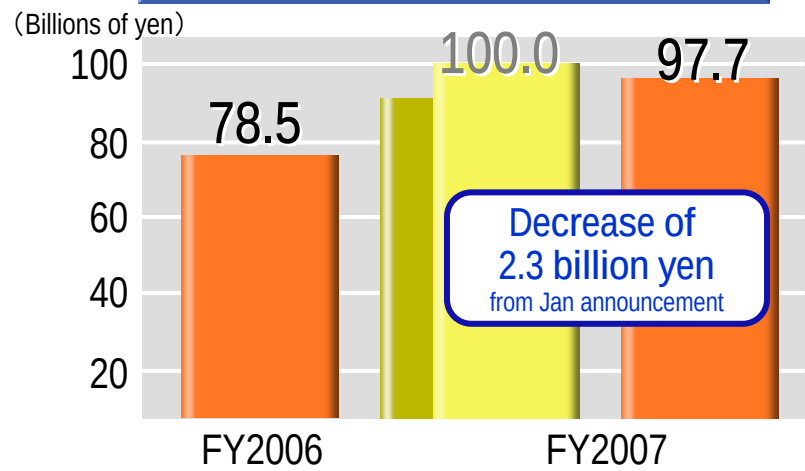
Operating Income



Ordinary Income



Net Income



Results

May-07, Jan-08 Announcements

Due to change in the accounting periods, figures include extra 3 months for the U.S. subsidiaries and EU subsidiaries in FY2006 and FY 2007, respectively.

Daiichi-Sankyo

Trend of Major Products

(Billions of yen)

	Product name		FY2006 Results	FY2007 Forecast (Jan.)	FY2007 Results			
					Full Year	From Jan. Forecast	Over the previous year	Ref
GLOBAL	Olmesartan	antihypertensive	160.3	202.0	195.6	-6.4	35.3	44.5
	Levofloxacin	synthetic antibacterial agent	104.1	110.0	108.7	-1.3	4.6	
	Pravastatin	antihyperlipidemic agent	93.5	79.0	76.5	-2.5	-17.1	-18.7
Japan	Calblock	antihypertensive	8.8	11.5	10.2	-1.3	1.4	
	Artist	antihypertensive	19.3	22.0	21.1	-0.9	1.8	
	Kremezin	treatment for chronic renal failure	12.2	13.0	12.4	-0.6	0.2	
	Loxonin	anti-inflammatory analgesic	30.9	35.0	33.6	-1.4	2.7	
	Omnipaque	contrast agent	31.5	32.0	31.2	-0.8	-0.4	
	Urief	treatment for dysuria	2.3	7.5	5.4	-2.1	3.2	
U.S.	Venofer	treatment for iron deficiency anemia	37.7	28.5	31.1	2.6	-6.6	0.3
	Welchol	antihyperlipidemic agent / treatment for type 2 diabetes	23.2	24.0	22.7	-1.3	-0.5	3.4

Due to change in the accounting periods, figures include extra 3 months for the U.S. subsidiaries and EU subsidiaries in FY2006 and FY 2007, respectively. Reference shows figures excluding the extra 3 months.

Daiichi-Sankyo

FY2007 Results (compared with FY2006 results)

1. Sales 880.1 billion yen (-49.4 billion yen, -5.3%)

- **Special factors (-89.6 billion yen)**
  - Non-pharmaceutical business (-72.2)
  - Change in the accounting period for U.S. subsidiaries in FY06 (-31.5)
  - Change in the accounting period for EU subsidiaries in FY07 (+14.1)
- **Increase in sales of major products (+40.2 billion yen)**
  - Olmesartan (+44.5)
  - Levofloxacin (+4.6)
  - Pravastatin (-18.7)
  - Welchol (+3.4)
  - Urief (+3.2)
  - Loxonin (+2.7)

2. Operating Income 156.8 billion yen (+20.5 billion yen, +15.0%)

- **Operating income after excluding special factors (+35.0 billion yen)**
  - Increase in gross profit (+27.4)
  - Total expense (-7.6), (R&D expenses -9.0)
    - Cost synergy in excess of preceding investment such as enhancement of overseas business (DSI +18.2, DSE +8.1)

3. Net Income 97.7 billion yen (+19.1 billion yen, +24.3%)

- Extraordinary gains (-57.4) Gain on sales of subsidiaries FY06 (59.3) → FY07 (8.7)
- Extraordinary losses (-80.3) Loss on business integration/reorganization FY06 (86.1) → FY07 (12.2)
- Income taxes (+21.0) Ratio to net income before income taxes FY06 (37.9%) → FY07 (41.4%)

FY2007 Results (compared with January announcement)

1. Sales 880.1 billion yen (+4.1 billion yen)

- Non-pharmaceutical business +15.6 billion yen
- Sales of pharmaceutical business -11.5 billion yen

(JPN -15.8 billion yen, overseas +4.3 billion yen <including -2.3 billion yen loss from currency fluctuation>)

- Olmesartan (-6.4)
- Levofloxacin (-1.3)
- Pravastatin (-2.5)
- Urief (-2.1)
- Venofer (+2.6)

2. Operating Income 156.8 billion yen (-3.2 billion yen)

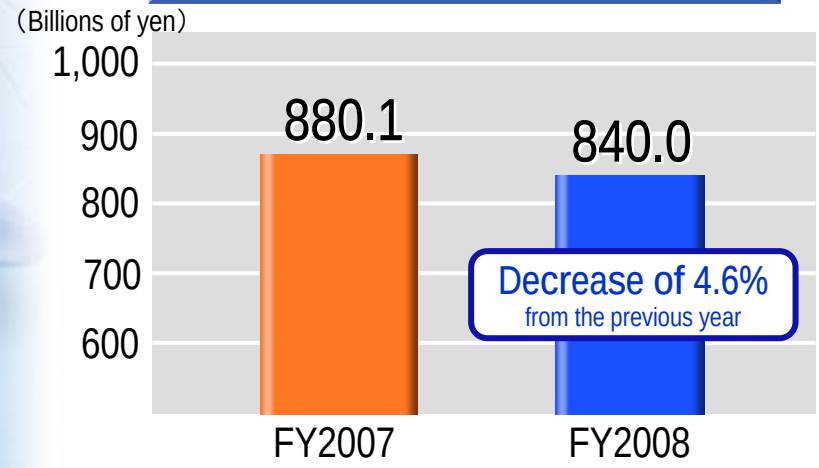
- Cost of goods ratio 25.2% → 26.7% (Gross profit -9.5 billion yen, despite the increase in sales)
  - Change in business/product portfolio
  - Valuation loss from lowest cost accounting of inventories
- Total expense -6.3 billion yen
  - R&D expenses (-8.0) currency fluctuation, etc

3. Net Income 97.7 billion yen (-2.3 billion yen)

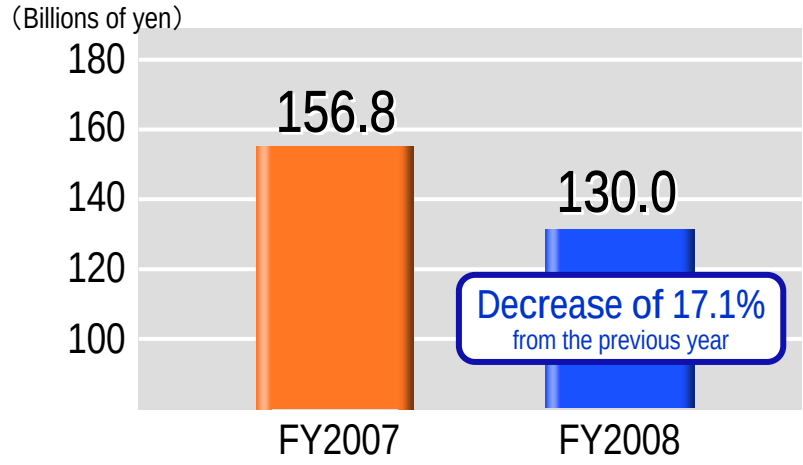
- Non-operating income (+3.0) Increase from investment profits, etc
- Non-operating expenses (+1.8) Loss from synthetic stock options, etc
- Extraordinary gains (+6.1) Gain on sales of subsidiaries (+6.4)
- Extraordinary losses (+3.3) Increase in loss on business integration/reorganization, etc

Overview of Forecast for FY2008

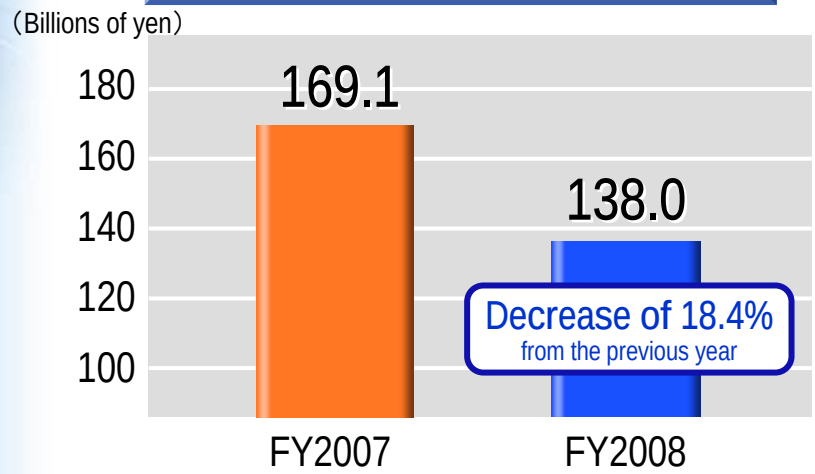
Sales



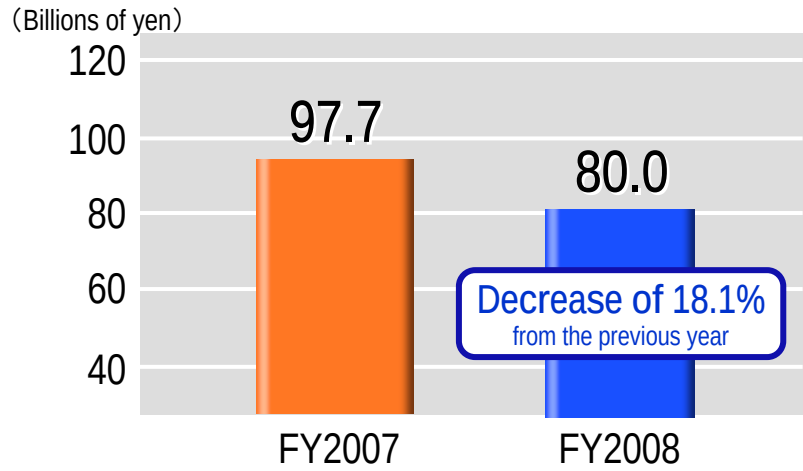
Operating Income



Ordinary Income



Net Income



Results Forecast

Due to change in the accounting periods, figures include extra 3 months for the EU subsidiaries in FY 2007.

Daiichi-Sankyo

Sales Targets of Major Products

(Billions of yen)

	Product name		FY2007 Full Year Results	FY2008 Forecast 1st Half	FY2008 Forecast Full Year	Over the previous year	Over the previous year Ref
GLOBAL	Olmesartan	antihypertensive	195.6	100.0	214.0	18.4	24.8
GLOBAL	Levofloxacin	synthetic antibacterial agent	108.7	50.0	104.0	-4.7	
GLOBAL	Pravastatin	antihyperlipidemic agent	76.5	33.0	62.5	-14.0	-12.4
Japan	Calblock	antihypertensive	10.2	7.0	14.0	3.8	
Japan	Artist	antihypertensive	21.1	11.0	22.0	0.9	
Japan	Kremezin	treatment for chronic renal failure	12.4	6.0	14.0	1.6	
Japan	Loxonin	anti-inflammatory analgesic	33.6	19.0	39.0	5.4	
Japan	Omnipaque	contrast agent	31.2	14.0	28.0	-3.2	
Japan	Urief	treatment for dysuria	5.4	4.0	9.0	3.6	
U.S.	Venofer	treatment for iron deficiency anemia	31.1	11.5	23.0	-8.1	
U.S.	Welchol	antihyperlipidemic agent / treatment for type 2 diabetes	22.7	11.5	25.0	2.3	

Due to change in the accounting periods, figures include extra 3 months for the EU subsidiaries in FY 2007.
Reference shows figures excluding the extra 3 months.

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FY2008 Forecast (compared with FY2007 results)

1. Sales 840.0 billion yen (-40.1 billion yen, -4.6%)

Special Factors (-46.1 billion yen)

- Non-pharmaceutical business (-32.0)
- Change in the accounting period for EU subsidiaries in FY07 (-14.1)

Pharmaceutical Business (+6.0 billion yen)

Negative factors

- NHI drug price revision -27.0
- Loss from currency fluctuation (1 USD = 114.3 JPY → 100 JPY) -34.0
- Transfer of commercial rights to originators (Coversyl, Zantac, etc.) -13.0
- Lump-sum payments received in FY2007 (Panaldine, etc)
- Generic erosion of Floxin Otic in the US (Oct-07) -5.0
- Expiration on Camptosar co-promotion in the US (Feb-08)

Positive factors (net of NHI drug price revision and currency fluctuation)

- Volume expansion of existing products
  - Olmesartan (+24.8)
  - Calblock (+3.8)
  - Urief (+3.6)
  - Livalo (+2.5)
- New products, sales territory expansion, etc
  - Effient
  - Gracevit
  - Loxonin Tape
  - Welchol (diabetes)
  - Evista

FY2008 Forecast (compared with FY2007 results)

2. Operating Income 130.0 billion yen (-26.8 billion yen, -17.1%)

- Operating income after deducting special factors (-25.1 billion yen)
  - Increase in total expense (+25.7 billion yen)
    - Increase in development costs due to the progress in R&D projects (+6.6)
    - Intensive investment in U.S./EU in preparation for the launch of new products (+19.7)
      - DSI (U.S.) number of sales force : 900 (Apr-07) → 1,550 (Mar-08) → 1,870 (launch of Effient)
      - DSE (EU) number of sales force : 830 (Apr-07) → 830 (Mar-08) → 1,080 (Mar-09)
    - Personnel cost (Japan) temporarily decreased in FY2007 due to the integration of retirement benefit and pension plans

3. Net Income 80.0 billion yen (-17.7 billion yen, -18.1%)

- Non-operating income (-6.0) Decrease in investment profits
- Non-operating expenses (-1.8) Decrease in loss from synthetic stock options, etc
- Extraordinary gains (-13.1) Decrease in sales of property, plant and equipment (-5.0) FY2007 Osaka logistics center
  Decrease in sales of subsidiaries (-8.7)
  FY2007 Saitama Daiichi Pharmaceutical, Daiichi Fine Chemical, Nippon Nyukazai, Sino-Japan Chemical
- Extraordinary losses (-12.8) Decrease in loss on business integration/restructuring (-12.2)
- Income taxes Ratio to net income before income taxes FY2007 (41.4%) → FY2008 (41.0%)

Management Indicators

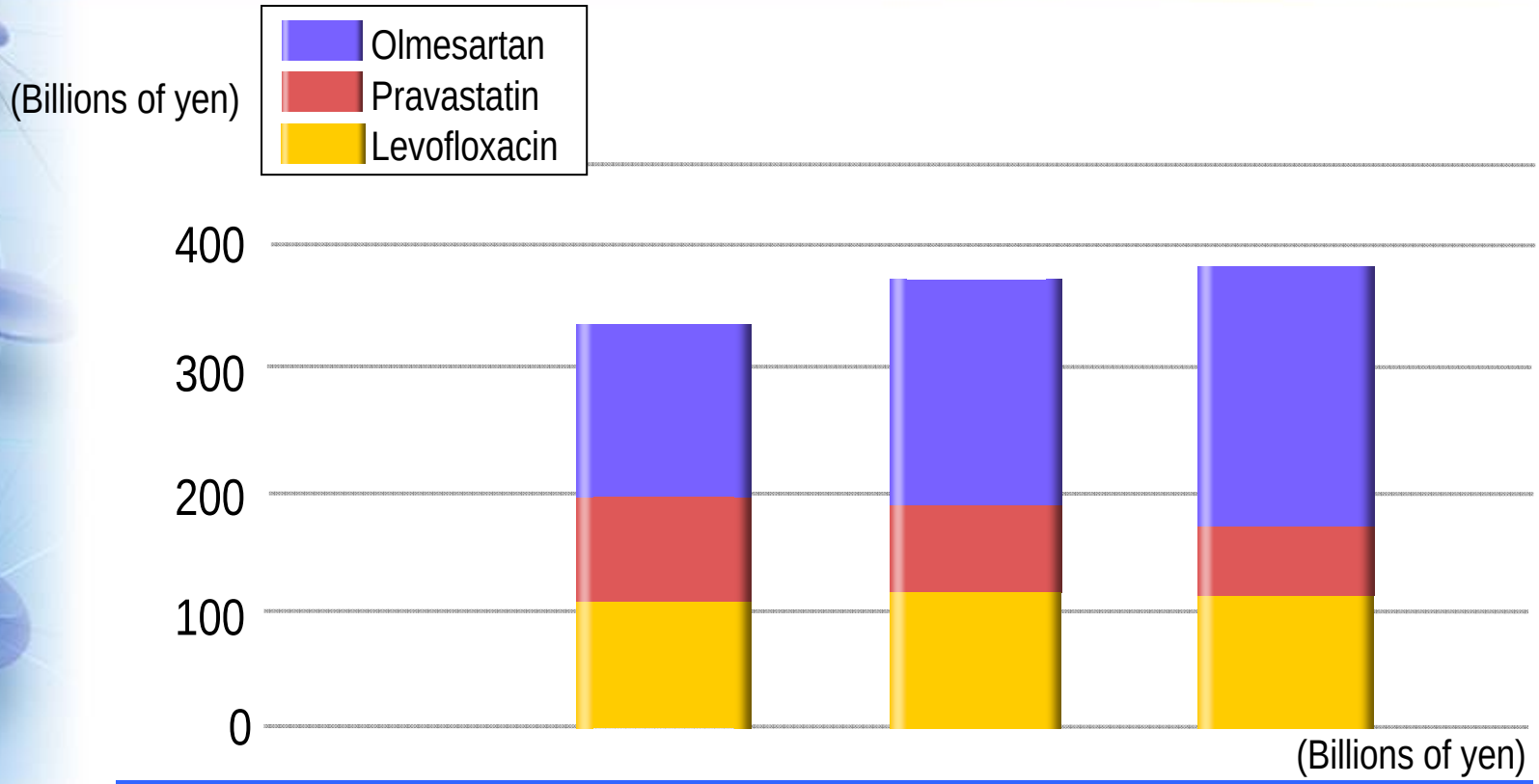
	Unit	FY2006 Results	FY2007 Results	FY2008 Forecast
Earnings per share (EPS)	Yen	107.75	135.35	(111.27)
Annual dividends per share	Yen	60	70	80
Payout ratio	%	55.7	51.7	71.9
Number of shares issued at the end of period	million shares	735	735	(735)
Total asset	billions of yen	1,636.8	1,487.8	
Net asset	billions of yen	1,272.1	1,244.5	
Equity ratio	%	77.5	83.6	
Dividend on equity (DOE)	%	3.5	4.0	
Return on equity (ROE)	%	6.3	7.8	
Cash balance at the end of year	billions of yen	513.2	452.4	

As for pages 10 to 12, for easier comparison of trends in performance, effects of changes in accounting period of the U.S./European subsidiaries are excluded.

Performance are shown in 12-months basis.

Daiichi-Sankyo

Trend of 3 Global Products of DAIICHI SANKYO

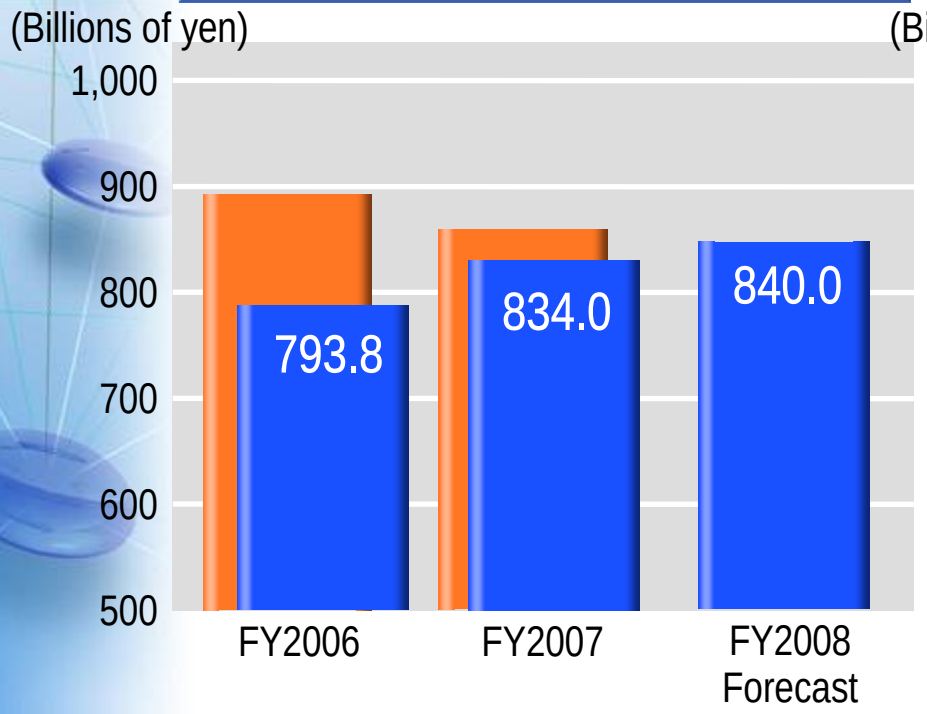


	FY2006	FY2007	FY2008 Forecast
Total	342.3	372.8	380.5
Olmesartan	144.7	189.2	214.0
Pravastatin	93.5	74.9	62.5
Levofloxacin	104.1	108.7	104.0

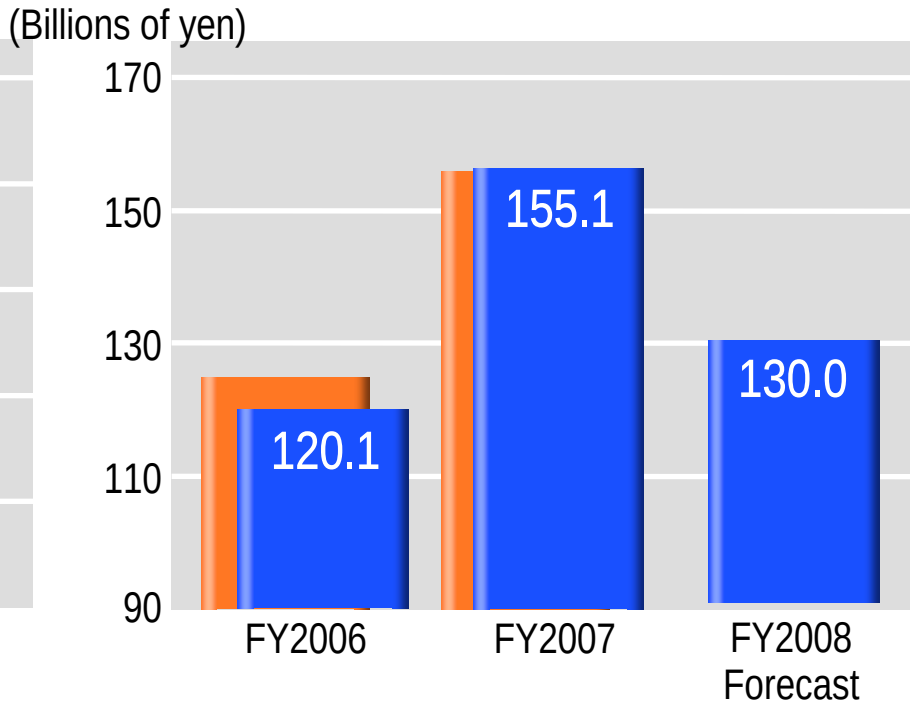
Daiichi-Sankyo

Trend of Pharmaceutical Business

Sales



Operating Income



Consolidated Performance 12 months

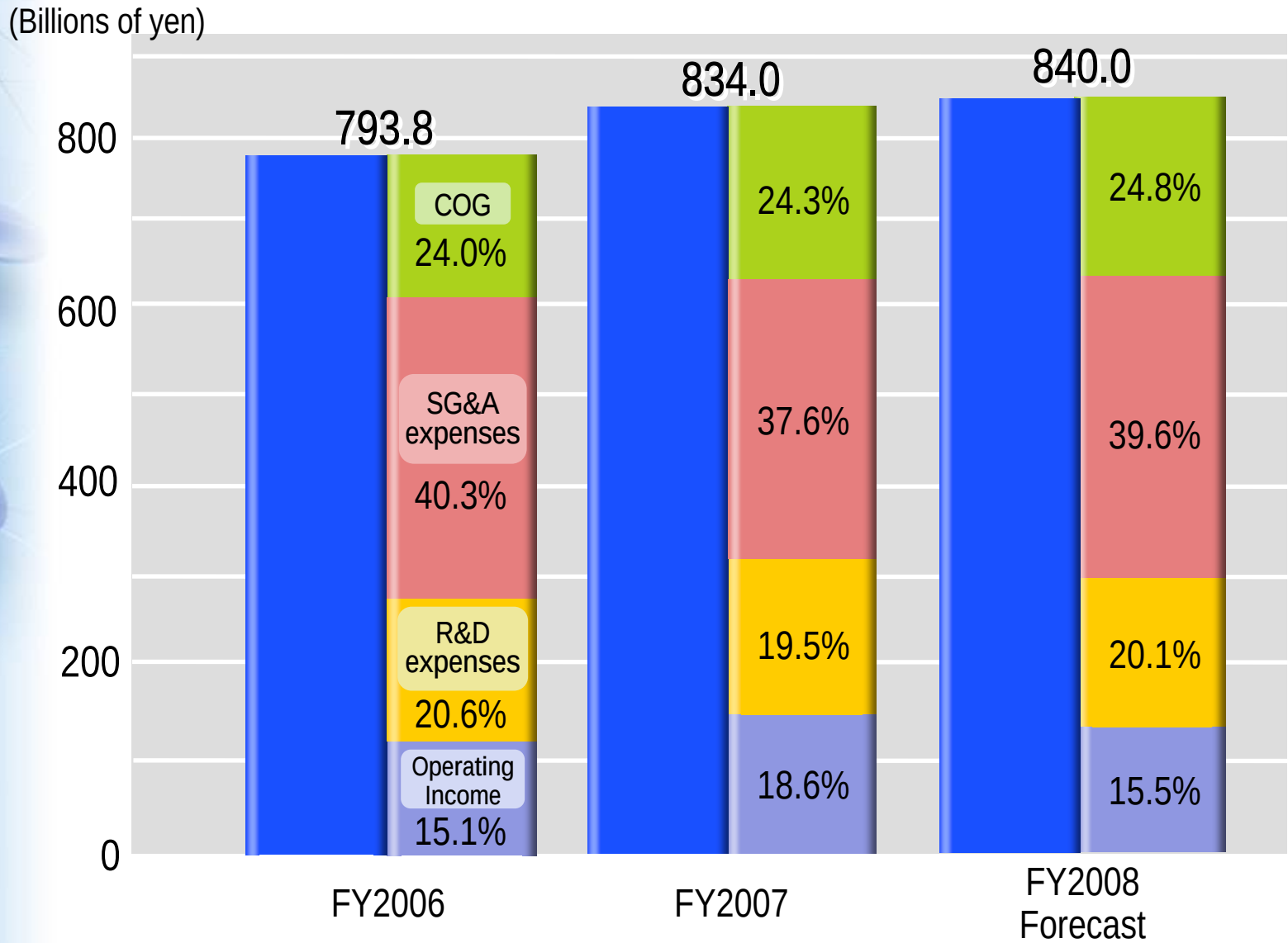
Pharmaceutical Business 12 months

(Billions of yen)

	FY2006	FY2007	FY2008 Forecast
Sales	793.8	834.0	840.0
Operating Income	120.1	155.1	130.0
Overseas Sales Ratio	38.7%	40.6%	40.0%

Daiichi-Sankyo

P/L Structure in Pharmaceutical Business



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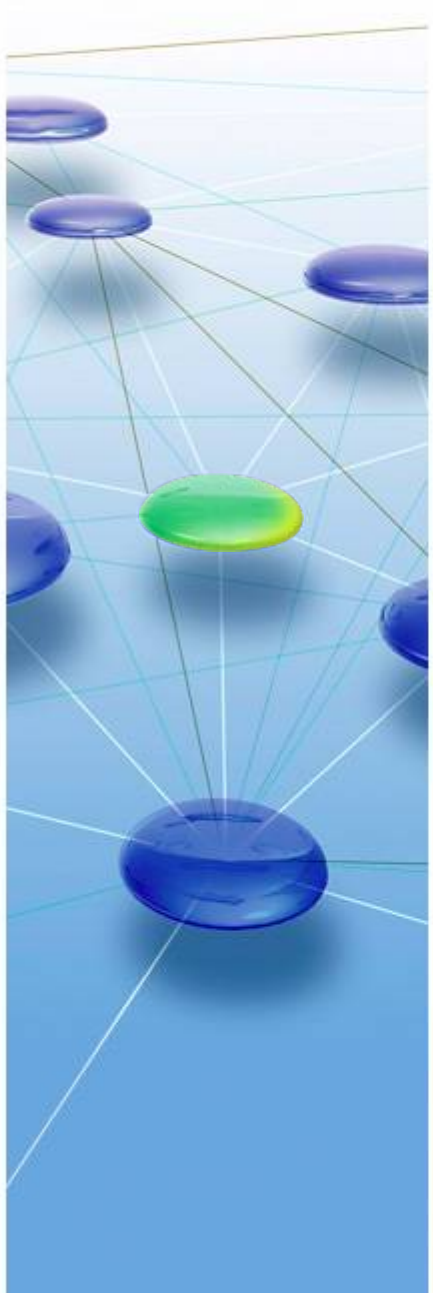

Results Overview

Status of R&D Pipeline

Daiichi-Sankyo

Status of Principal Development Projects (1)

- **Prasugrel** (CS-747 : Anti-platelet)
  - 2008 — 1st indication (PCI-ACS) — - US: Under Priority Review; - EU: Application made to EMEA (Feb - 2008)
  - 2Q - 2008 — New Phase 3 study TRILOGY ACS to be started for 2nd indication (ACS-MM)
- **DU-176b** (Oral blood coagulation factor Xa inhibitor)
  - 3Q - 2008 — Phase 3 study in NVAF (non-valvular atrial fibrillation) planned
  - Aug - 2008 — Phase 2b results in VTE (venous thromboembolism) planned to be presented at ESC
- **Denosumab** (AMG 162 : Anti-RANKL antibody)
  - 2Q - 2008 — Phase 3 study in osteoporosis planned
  - Phase 3 multinational studies including Japan in advanced breast cancer ongoing
- **CS-8635** (Olmesartan + Amlodipine + Hydrochlorothiazide : Anti-hypertensive)
  - 2Q - 2008 — Phase 3 study planned in US
  - 2009 — NDA submission planned
- **Rivoglitazone** (CS-011 : Anti-diabetes)
  - Phase 3 study ongoing in US / EU
  - Phase 2 study ongoing in Japan

Status of Principal Development Projects (2)

Change from February 2008 (R&D Meeting 2008)

- March 7, 2008 Approval for Loxonin Tape (LX-P)
- March 27, 2008 Collategene (HGF Gene Therapy)
  NDA submission in Japan by AnGes MG, Inc. for PAD (peripheral arterial disease)
- SUN13834 Chymase inhibitor
  Phase 1 study in atopic dermatitis

- Discontinued Projects

DZ-697b	Anti-platelet
DU-6859a inj	New Quinolone (US)
SUN E7001	Type 2 diabetes
SUN 4936h (overseas)	Acute heart failure
SUN E3001	Osteoporosis

DAIICHI SANKYO R&D Pipeline

	Phase 1	Phase 2	Phase 3	Application
Cardiovascular diseases	CS-8080 DB-772d	DU-176b Olmetec/diuretic Combo (#)	CS-8635 Olmetec additional indication (#) <Diabetic nephropathy> Olmetec/Calblock Combo (#)	Prasugrel Sevikar (EU)
Glucose metabolic disorders		AJD101	Rivoglitazone	
Infectious diseases		CS-8958	Levofloxacin inj (#)	Levofloxacin high-dose (#)
Malignant neoplasm	CS-7017 Nimotuzumab (#)	CS-1008		
Immunological allergic diseases	CS-0777 SUN 13834			
Bone / joint diseases			Denosumab (#) Loxonin gel (#)	
Others		Human ghrelin	Memantine hydrochloride (#) Silodosin	Feron/Ribavirin combination therapy (#)
Total	6	6	9	4

: Developed only in JPN

- Only the most advanced stages are described for the projects under global development
- Projects with highest priority are underlined (blue)

- Out-license under consideration for DC-159a (New Quinolone) and CS-023 (Carbapenem type antibiotic)

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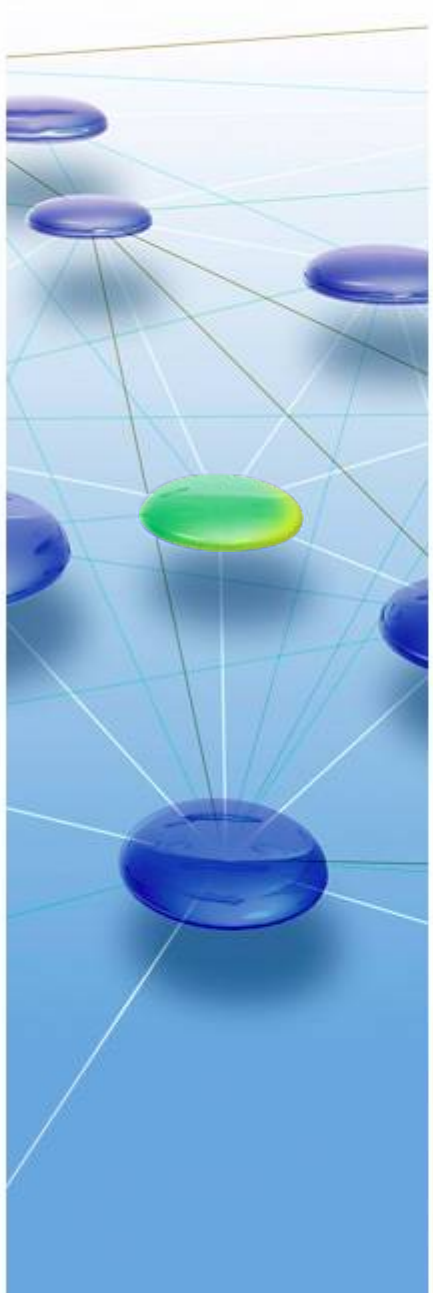

Management Challenges for FY2008

Daiichi-Sankyo

Management Challenges for FY2008 (1)

- Reinforce business foundation for Mid-term business management plan
  - Timely launch and rapid market penetration of new products including Prasugrel
  - Provide medical information effectively and increase market share through promotion of MR Crosswise structure in Japan
  - Increase sales by expanding sales forces and strengthening business platforms overseas
  - Continuous promotion of strategic business development
- Bolster strategic R&D base and accelerate drug development for mid/long-term growth
  - Promote development of highly prioritized projects including DU-176b on schedule
  - Clear prioritization of projects by strengthening the portfolio management function
  - Pursue business development opportunities in oncology franchise, and reinforce R&D capabilities of antibodies

Management Challenges for FY2008 (2)

- Strive for highest efficiency in business operation among leading pharmaceutical companies
  - Promote group procurement and reengineering of business processes/structures
  - Optimize global supply chain function and realize cost reduction

- Management as a whole
  - Establish global management framework
  - Share new corporate culture, enhance social value and humanistic value

FY2008 DAIICHI SANKYO Briefings

	Date (JST)
Quarterly Financial Results	1Q : July 31, 2008 2Q : October 31, 2008 3Q : January 30, 2009
Corporate Strategy Meeting	Early October, 2008
R&D Meeting	Late February, 2009

Contact address regarding this material

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