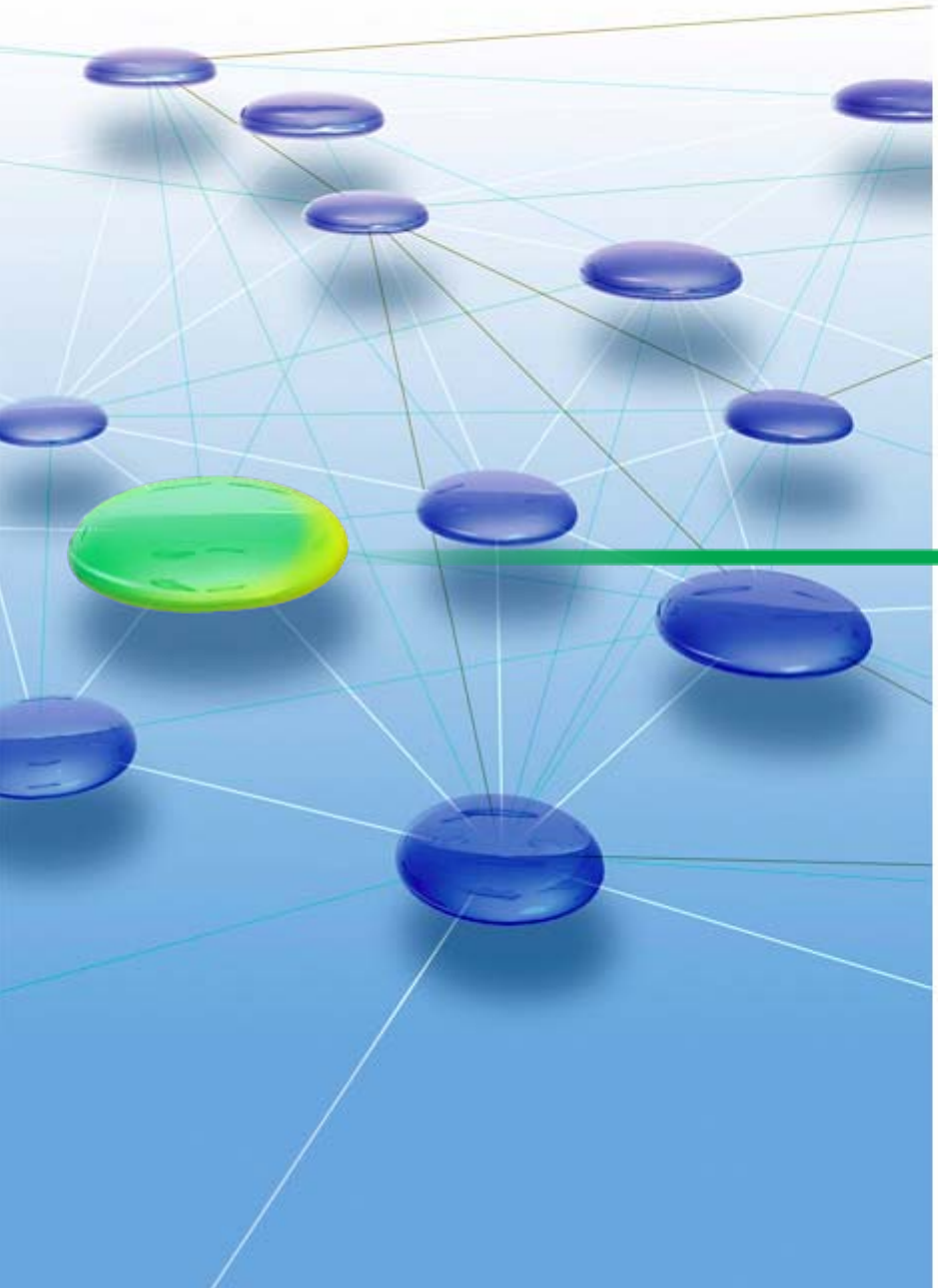

Financial Results for the 1Q of FY2008

(April 1, 2008 - June 30, 2008)

July 31, 2008

Daiichi-Sankyo

Overview of Consolidated Financial Results for 1Q FY2008 (compared with 1Q FY2007)

(Billions of yen, ratio to sales)

	FY2007 1Q Results				FY2008 1Q Results			
	①	Non-Pharma Business	Change in the accounting period (EU)	* Special Factors Excluded ②	③	simple comparison ③-①	Real term Comparison ④-②	Remarks
Net Sales	100.0% 235.5	100.0% 8.1	100.0% 14.1	100.0% 213.3	100.0% 203.7	-31.8	-9.6	Negative factors such as commercial rights transfer of certain products (-4.3), loss from currency fluctuation (approximately -9.0), and NHI drug price revision (approximately -8.0) has balanced out positive factors such as volume growth and lump sum payment received for Azor (+4.7)
Cost of Sales	24.6% 57.9	87.4% 7.1	25.7% 3.6	22.1% 47.2	23.9% 48.6	-9.2	1.5	+1.8pt Change in business scheme of Panaldine in Oct-07, etc.
SG&A expenses	32.7% 77.1	12.3% 1.0	58.7% 8.3	31.8% 67.8	38.4% 78.2	1.1	10.3	Daiichi Sankyo +2.8 (temporary decrease of personnel cost in FY07, etc) Daiichi Sankyo, Inc. +4.6 (1,813 employees as of Jun-07, 2,667 employees as of Jun-08) Daiichi Sankyo Europe GmbH +2.5 (Increase in depreciation cost, etc)
R&D expenses	13.9% 32.7	2.9% 0.2	2.3% 0.3	15.1% 32.2	18.1% 36.9	4.2	4.7	Decrease in prasugrel, increase in denosumab, CS-8635, etc.
Total Expense	46.6% 109.9	15.2% 1.2	61.0% 8.6	46.9% 100.0	56.5% 115.1	5.2	15.1	
Operating Income	28.8% 67.8	-2.5% -0.2	13.3% 1.9	31.0% 66.2	19.6% 40.0	-27.8	-26.1	
Ordinary Income	30.4% 71.7	-2.7% -0.2	15.4% 2.2	32.7% 69.7	20.1% 40.9	-30.8	-28.9	Non-operating income -2.0 Non-operating expenses +0.7
Net Income	17.6% 41.4	15.9% 1.3	14.3% 2.0	17.9% 38.1	12.3% 25.1	-16.3	-13.0	Extraordinary gains -2.2 (sales of property, plant and equipment -1.3) Extraordinary losses -2.7 (loss on business integration/restructuring -2.6)

* Figures of non-pharmaceutical subsidiaries spun off, and the effect of change in the accounting periods of EU subsidiaries are considered as special factors. In order to compare the results in the real term, figures excluding such factors are shown as “Special Factors Excluded.”

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Overview of Consolidated Forecasts for FY2008

(Billions of yen, year on year rate)

	FY2008 1st Half Forecast				FY2008 2nd Half Forecast	FY2008 Full year Forecast
	1Q Results	progress	2Q Forecast			
Net Sales	<-4.5> **203.7**	**50.9%**	<-1.8> **196.3**	<-3.2> **400.0**	<4.6> **440.0**	<0.7> **840.0**
Cost of Sales	<3.2> **48.6**	**48.4%**	<8.5> **51.9**	<5.8> **100.5**	<-0.1> **108.0**	<2.7> **208.5**
SG&A expenses	<15.2> **78.2**	**47.5%**	<7.6> **86.3**	<11.1> **164.5**	<1.6> **168.0**	<6.1> **332.5**
R&D expenses	<14.7> **36.9**	**43.4%**	<6.2> **48.1**	<9.7> **85.0**	<-1.1> **84.0**	<4.1> **169.0**
Total Expense	<15.1> **115.1**	**46.1%**	<7.1> **134.4**	<10.6> **249.5**	<0.7> **252.0**	<5.4> **501.5**
Operating Income	<-39.5> **40.0**	**80.0%**	<-62.4> **10.0**	<-46.1> **50.0**	<28.3> **80.0**	<-16.2> **130.0**
Ordinary Income	<-41.4> **40.9**	**75.7%**	<-55.5> **13.1**	<-45.6> **54.0**	<23.8> **84.0**	<-17.4> **138.0**
Net Income	<-34.2> **25.1**	**83.6%**	<-74.3> **4.9**	<-47.6> **30.0**	<32.1> **50.0**	<-15.9> **80.0**

* FY2008 Forecast (no change from disclosure in May 2008)
* Year on year rates are real term comparison excluding the extra 3 months of EU subsidiaries in FY2007.

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Trend of Major Products

(Billions of yen)

	Product name		FY2007	FY2008 Forecast		FY2008 1Q Results			
			1Q Results ①	Full year ②	1st Half ③	1Q Results ④	progress ④/③	Change simple comparison ④-①	Change Real term Comparison
GLOBAL	Olmesartan	antihypertensive	53.1	214.0	100.0	50.7	50.7%	-2.4	4.0
GLOBAL	Levofloxacin	synthetic antibacterial agent	29.5	104.0	50.0	25.8	51.5%	-3.7	-3.7
GLOBAL	Pravastatin	antihyperlipidemic agent	21.7	62.5	33.0	16.1	48.7%	-5.6	-4.0
Japan	Calblock	antihypertensive	2.5	14.0	7.0	3.0	43.1%	0.5	0.5
Japan	Artist	antihypertensive	5.5	22.0	11.0	5.7	51.6%	0.2	0.2
Japan	Kremezin	treatment for chronic renal failure	3.1	14.0	6.0	3.2	53.0%	0.1	0.1
Japan	Loxonin	anti-inflammatory analgesic	8.3	39.0	19.0	8.4	44.4%	0.2	0.2
Japan	Omnipaque	contrast agent	8.2	28.0	14.0	7.3	52.1%	-0.9	-0.9
Japan	Urief	treatment for dysuria	1.1	9.0	4.0	1.8	44.0%	0.7	0.7
U.S.	Venofer	treatment for iron deficiency anemia	6.8	23.0	11.5	8.3	72.5%	1.6	1.6
U.S.	Welchol	antihyperlipidemic agent / treatment for type 2 diabetes	5.8	25.0	11.5	6.4	56.0%	0.6	0.6

*Accounting period of European subsidiaries in FY2007 1Q were 6 months from Jan-07 to Jun-07 following the change in fiscal year-end.
Figures excluding the extra 3 months sales are shown for Real term Comparison.

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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 (#) U3-1287	CS-1008		
Immunological allergic diseases	CS-0777 SUN13834			
Bone / joint diseases			Denosumab (#) Loxonin gel (#)	
Others		Human ghrelin	Memantine hydrochloride (#) Silodosin	Feron/Ribavirin combination therapy (#)
Total	7	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)

change from disclosure in May 2008

New : U3-1287
Change of stage : Biopten add indic
Discontinuation : Faropenem medoxomil

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FY2008 DAIICHI SANKYO Briefings

	Date (JST)
Quarterly Financial Results	2Q : October 31, 2008 3Q : January 30, 2009
Corporate Strategy Meeting	October 8, 2008 13:30-15:30 at Keidanren Kaikan
R&D Meeting	Late February, 2009

Daiichi-Sankyo

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