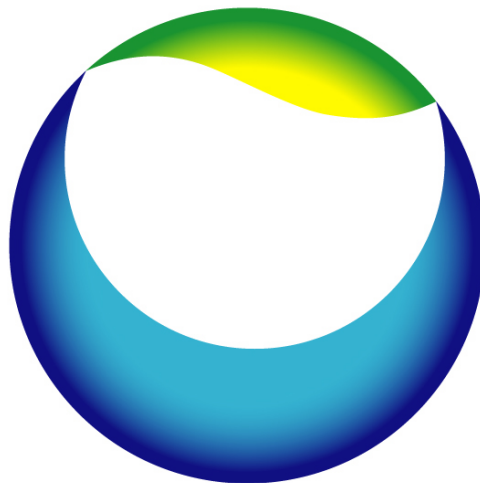


TSE : 4568

# Reference Data

(Consolidated Financial Results for 2Q FY2008)



## Daiichi-Sankyo

October 31, 2008

Corporate Communications Department  
<http://www.daiichisankyo.com>

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Daiichi-Sankyo

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# Reference Data

(Consolidated Financial Results for 2Q FY2008)

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## <Historical Data>

Each numerical value regarding the future prospect in this material is derived from our judgment and assumptions based on the currently available information and may include risk and uncertainty. For this reason, the actual performance data, etc. may differ from the prospective value.

# 1. Summary of Income Statement

(Billions of yen)

	FY2008 Results					Details	
	2Q		1st half		From July Forecast	YoY Changes	FY07 1st half Results ==> FY08 1st half Results
Net sales	<-2.7> 100.0	202.6	<-8.4> 100.0	406.3	6.3	-37.4	Non-pharmaceutical business: -16.4 Change in fiscal year-end of European subsidiaries: -14.1
Cost of sales	24.2	49.0	24.0	97.6	-2.9	-15.6	
Selling, general and administrative expense	65.1	132.0	60.8	247.1	-2.4	10.5	Non-pharmaceutical business: -2.5 Change in fiscal year-end of European subsidiaries: -8.6
Research and development expenses	22.4	45.4	20.3	82.3	-2.7	4.1	
Other expenses	42.7	86.6	40.5	164.7	0.2	6.4	
Operating income	<-17.1> 10.7	21.6	<-34.4> 15.2	61.6	11.6	-32.3	Change in fiscal year-end of European subsidiaries: -1.8
Non-operating income		2.5		6.1	0.1	-2.6	
Non-operating expenses		5.3		8.1	6.1	6.2	
Ordinary income	<-35.3> 9.3	18.8	<-40.8> 14.7	59.6	5.6	-41.1	Change in fiscal year-end of European subsidiaries: -2.1
Extraordinary gains		0.8		0.8	-1.7	-3.1	
Extraordinary losses		2.6		3.9	0.9	-2.8	
Income before income taxes and minority interests	8.4	17.0	13.9	56.6	3.1	-41.4	
Net income	<-52.8> 4.4	8.9	<-43.6> 8.4	34.0	4.0	-26.3	Change in fiscal year-end of European subsidiaries: -2.0

<Performance excluding the effects of changes in fiscal year-end and non-pharmaceutical business>

	FY2008 Results					Details	
	2Q		1st half		From July Forecast	YoY Changes	FY07 1st half Results ==> FY08 1st half Results
Net sales	<1.4> 100.0	202.6	<-1.7> 100.0	406.3	6.3	-6.9	Commercial rights transfer (Coverisyl, Zantac, etc.): -7.6 Loss from currency fluctuation: approximately -14.0 Azor (lump sum payment received): +4.7 Main 3 products sales: +4.0
Cost of sales	24.2	49.0	24.0	97.6	-2.9	2.7	+1.0 pt: Change in business scheme of Panalidine, etc.
Selling, general and administrative expense	65.1	132.0	60.8	247.1	-2.4	21.6	
Research and development expenses	22.4	45.4	20.3	82.3	-2.7	4.9	Increase due to progress in development of principal projects
Other expenses	42.7	86.6	40.5	164.7	0.2	16.7	Increase in personnel cost (Japan): +3.1 (temporarily decreased in FY07 due to the integration of retirement benefit and pension plans) Intensive investment in U.S./EU: +11.4 (approximately 700 increase in number of MRS)
Operating income	<-18.7> 10.7	21.6	<-33.6> 15.2	61.6	11.6	-31.1	
Non-operating income		2.5		6.1	0.1	-2.3	
Non-operating expenses		5.3		8.1	6.1	6.2	Loss on revaluation of synthetic stock options in DSI in the US Valuation loss of European subsidiary's asset
Ordinary income	<-36.4> 9.3	18.8	<-39.9> 14.7	59.6	5.6	-39.6	
Extraordinary gains		0.8		0.8	-1.7	-1.5	FY2006-Gain on sale of investments in affiliates:2.3
Extraordinary losses		2.6		3.9	0.9	-2.7	FY2007-Loss on business integration/restructuring: 4.0
Income before income taxes and minority interests	8.4	17.0	13.9	56.6	3.1	-38.3	
Net income	<-53.6> 4.4	8.9	<-40.7> 8.4	34.0	4.0	-23.3	

\* In order to make comparison with the existing businesses easier, "Pharma business" does not include certain figures from the non-pharmaceuticals operations. Thus, it does not meet the figures in the "Segment information - Operating Segment" section.

## 2. Currency Rate

	FY2007 Results	FY2008		FY2008 Original Forecast	
	1st half	1st half Results	Full year Forecast	1st half	Full year
Yen / USD (average)	119.3	106.1	103.1	100.0	100.0
Yen / EUR (average)	160.4	162.7	141.3	155.0	155.0

(Billions of yen)

	FY2008 Forecast					
	2nd half		From July Forecast	Full Year		From July Forecast
Net sales	<-0.6>			<-4.6>		
	100.0	433.7	-6.3	100.0	840.0	0.0
Cost of sales	24.8	107.4	-0.6	24.4	205.0	-3.5
Selling, general and administrative expense	61.8	267.9	15.9	61.3	515.0	13.5
Research and development expenses	22.5	97.7	13.7	21.4	180.0	11.0
Other expenses	39.3	170.3	2.3	39.9	335.0	2.5
Operating income	<-7.2>			<-23.5>		
	13.5	58.4	-21.6	14.3	120.0	-10.0
Non-operating income		2.9	-2.1		9.0	-2.0
Non-operating expenses		7.9	6.9		16.0	13.0
Ordinary income	<-21.9>			<-33.2>		
	12.3	53.4	-30.6	13.5	113.0	-25.0
Extraordinary gains		4.2	3.7		5.0	2.0
Extraordinary losses		5.1	2.6		9.0	3.5
Income before income taxes and minority interests	12.1	52.4	-29.6	13.0	109.0	-26.5
Net income	<-17.1>			<-33.4>		
	7.2	31.0	-19.0	7.7	65.0	-15.0

&lt;Performance excluding the effects of changes in fiscal year-end and non-pharmaceutical business&gt;

	FY2008 Forecast						Details
	2nd half		From July Forecast	Full Year		From July Forecast	
Net sales	<-3.1>			<-0.7>			Loss from currency fluctuation: -1.0 <1st half: +8.5, 2nd half: -9.0> Domestic prescription drugs: -5.0, OTC drugs: -2.0, LPI: +7.5, DSI: +2.0
	100.0	433.7	-6.3	100.0	840.0	0.0	
Cost of sales	24.8	107.4	-0.6	24.4	205.0	-3.5	
Selling, general and administrative expense	61.8	267.9	15.9	61.3	515.0	13.5	
Research and development expenses	22.5	97.7	13.7	21.4	180.0	11.0	Increase in R&D expenses including acquisition of U3 Pharma
Other expenses	39.3	170.3	2.3	39.9	335.0	2.5	Goodwill amortization of U3 Pharma: +3.7
Operating income	<-6.4>			<-22.6>			
	13.5	58.4	-21.6	14.3	120.0	-10.0	
Non-operating income		2.9	-2.1		9.0	-2.0	Decrease in operating assets
Non-operating expenses		7.9	6.9		16.0	13.0	Interest expense for borrowings related to Ranbaxy deal Loss on revaluation of synthetic stock options in DSI in the US Currency valuation loss on intangible asset of European subsidiary
Ordinary income	<-21.3>			<-32.4>			
	12.3	53.4	-30.6	13.5	113.0	-25.0	
Extraordinary gains		4.2	3.7		5.0	2.0	
Extraordinary losses		5.1	2.6		9.0	3.5	Extraordinary depreciation for the closure of Osaka plant
Income before income taxes and minority interests	12.1	52.4	-29.6	13.0	109.0	-26.5	
Net income	<-18.0>			<-31.7>			
	7.2	31.0	-19.0	7.7	65.0	-15.0	

## FY2008 Forecast

Annual impact of one yen per USD/EUR  
change in currency rate

Net Sales	¥2.1 billion
Operating Income	¥0.3 billion
Net Sales	¥0.5 billion
Operating Income	-

### 3. Sales of Global Products

		FY2008 Results				FY2008 Forecast				YoY changes excluding fiscal year-end changes	
		2Q	1st half	From Jul. Forecast	YoY Changes	2nd half	From Jul. Forecast	Full Year	From Jul. Forecast	1st half	Full Year
<b>Olmesartan</b> <antihypertensive> (area)		<23.7> <b>53.9</b>	<8.2> <b>104.6</b>	<b>4.6</b>	<b>7.9</b>	<14.7> <b>113.4</b>	<b>-0.6</b>	<11.5> <b>218.0</b>	<b>4.0</b>	<15.9> <b>14.3</b>	<15.2> <b>28.8</b>
Olmotec	JPN	<24.9> 15.7	<18.6> 31.3	-1.7	4.9	<27.5> 36.7	1.7	<23.2> 68.0	0.0		
Benicar / Benicar HCT	US	<1.8> 22.1	<2.2> 45.5	4.5	1.0	<-2.0> 42.5	-0.5	<0.1> 88.0	4.0		
AZOR	US	<-> 2.4	<-> 3.8	0.8	3.8	<124.3> 5.7	0.2	<272.9> 9.5	1.0		
Olmotec / Olmetec Plus *	EU	<40.7> 10.3	<-16.3> 18.7	-0.3	-3.6	<-11.2> 17.3	-5.1	<-13.9> 36.0	-5.4	<17.4> 2.8	<1.6> 0.5
Sevikar	EU	-	-	-	-	<-> 4.0	3.4	<-> 4.0	3.4		
Export / Asian & LA subsidiaries, etc		<72.2> 3.3	<53.6> 5.4	1.4	1.9	<53.8> 7.1	-0.4	<53.7> 12.5	1.0		
<b>Levofloxacin</b> <synthetic antibacterial> (area)		<0.5> <b>23.6</b>	<-6.8> <b>49.3</b>	<b>-0.7</b>	<b>-3.6</b>	<-5.6> <b>52.7</b>	<b>-1.3</b>	<-6.2> <b>102.0</b>	<b>-2.0</b>		
Cravit	JPN	<-6.0> 9.4	<-11.2> 19.6	-2.4	-2.5	<0.4> 25.4	0.4	<-5.0> 45.0	-2.0		
Export, etc		<19.4> 8.3	<0.7> 17.8	1.8	0.1	<-13.2> 14.2	-1.8	<-5.9> 32.0	0.0		
Royalty		<-13.8> 4.0	<-13.2> 8.0	0.0	-1.2	<-12.5> 9.0	0.0	<-12.9> 17.0	0.0		
Asian subsidiaries		<0.9> 1.9	<-0.5> 3.9	-0.1	0.0	<4.7> 4.1	0.1	<2.2> 8.0	0.0		
<b>Pravastatin</b> <antihyperlipidemic> (area)		<-14.9> <b>15.9</b>	<-20.8> <b>31.9</b>	<b>-1.1</b>	<b>-8.4</b>	<-21.0> <b>28.6</b>	<b>-0.9</b>	<-20.9> <b>60.5</b>	<b>-2.0</b>	<-17.5> <b>-6.8</b>	<-19.2> <b>-14.4</b>
Mevalotin	JPN	<-14.8> 13.1	<-16.0> 26.6	-1.4	-5.1	<-18.4> 24.4	-0.6	<-17.2> 51.0	-2.0		
Export		<-33.6> 0.8	<-36.8> 1.8	0.8	-1.1	<-44.6> 1.2	0.2	<-40.1> 3.0	1.0		
European subsidiaries *		<-3.4> 1.2	<-52.2> 2.0	-0.5	-2.2	<-40.5> 1.5	-0.5	<-47.7> 3.5	-1.0	<-21.8> -0.6	<-31.2> -1.6
Asian & Latin American subsidiaries		<-7.6> 0.8	<-5.4> 1.5	0.0	-0.1	<-7.0> 1.5	0.0	<-6.2> 3.0	0.0		

\* The accounting period of Daiichi Sankyo Europe GmbH (DSE) in FY2007 was 15 months from January 2007 to March 2008, following a change in its fiscal year-end from December to March. Three months results of Olmetec / Olmetec Plus and Pravastatin from Jan-07 to Mar-07 were ¥6.4 billion (€40 million) and ¥1.6 billion (€10 million), respectively.

### 4. Overseas Sales

		FY2008 Results				FY2008 Forecast				YoY changes excluding fiscal year-end changes	
		2Q	1st half	From Jul. Forecast	YoY Changes	2nd half	From Jul. Forecast	Full Year	From Jul. Forecast	1st half	Full Year
<b>Overseas sales</b>		<3.6> <b>86.1</b>	<-7.3> <b>174.7</b>	<b>15.7</b>	<b>-13.8</b>	<0.1> <b>170.3</b>	<b>-6.7</b>	<-3.8> <b>345.0</b>	<b>9.0</b>	<0.2> <b>0.4</b>	<0.1> <b>0.5</b>
Overseas sales ratio		<b>42.5%</b>	<b>43.0%</b>			<b>39.3%</b>		<b>41.1%</b>			
North America		<-2.7> 53.6	<0.6> 111.9	15.9	0.7	<-3.3> 105.1	-2.9	<-1.3> 217.0	13.0		
Europe *		<31.8> 23.3	<-19.5> 45.7	-0.3	-11.0	<-8.6> 45.3	-4.7	<-7.6> 91.0	-5.0	<7.2> 3.1	<7.9> 6.7
Asia / Latin America, etc		<-10.9> 9.2	<-16.6> 17.1	0.1	-3.4	<0.9> 19.9	0.9	<-8.1> 37.0	1.0		

\* The accounting period of Daiichi Sankyo Europe GmbH (DSE) in FY2007 was 15 months from January 2007 to March 2008, following a change in its fiscal year-end from December to March. The net sales of DSE for the period from January to March 2007 was ¥14.1 billion.

## 5. Consolidated Segment information - Operating Segment

(Billions of yen)

	FY2008 Results						
	1Q		2Q		1st half	YoY Changes	
<b>Net Sales</b>	<b>&lt;-13.5&gt;</b>	<b>203.7</b>	<b>&lt;-2.7&gt;</b>	<b>202.6</b>	<b>&lt;-8.4&gt;</b>	<b>406.3</b>	<b>-37.4</b>
Pharmaceuticals	<-10.2>	202.9	<1.7>	201.6	<-4.6>	404.5	-19.5
Domestic	<-8.2>	103.3	<-0.4>	101.6	<-4.5>	205.0	-9.6
Overseas *	<-14.1>	88.7	<-5.3>	85.8	<-5.5>	174.5	-10.2
OTC drugs	<3.1>	10.2	<-5.2>	13.8	<-1.8>	24.0	-0.4
Other	<-91.5>	0.8	<-90.0>	1.0	<-90.7>	1.8	-17.9
<b>Operating income</b>	<b>&lt;-41.0&gt;</b>	<b>40.0</b>	<b>&lt;-17.1&gt;</b>	<b>21.6</b>	<b>&lt;-34.4&gt;</b>	<b>61.6</b>	<b>-32.3</b>
Pharmaceuticals	<-42.3>	39.4	<-18.9>	20.9	<-35.9>	60.4	-33.8
Other	<->	0.5	<->	0.7	<->	1.2	1.6

\* The accounting period of Daiichi Sankyo Europe GmbH (DSE) in FY2007 was 15 months from January 2007 to March 2008, following a change in its fiscal year-end from December to March. The operating results of DSE for the period from January to March 2007 was net sales of ¥14.1 billion and operating income of ¥1.8 billion.

## 6. Consolidated Segment information - Geographic Segment

(Billions of yen)

	FY2008 Results									
	1Q		2Q		1st half	YoY Changes				
<b>Net Sales</b>	<b>&lt;-13.5&gt;</b>	<b>100.0</b>	<b>203.7</b>	<b>&lt;-2.7&gt;</b>	<b>100.0</b>	<b>202.6</b>	<b>&lt;-8.4&gt;</b>	<b>100.0</b>	<b>406.3</b>	<b>-37.4</b>
Japan	<-12.6>	65.1	132.7	<-7.3>	65.7	133.0	<-10.1>	65.4	265.7	-29.7
North America	<12.5>	24.9	50.7	<1.4>	22.3	45.3	<-6.9>	23.6	95.9	6.2
Europe*	<-53.1>	7.4	15.2	<41.9>	9.1	18.5	<-25.8>	8.3	33.6	-11.7
Asia / Latin America, etc	<-16.9>	2.6	5.2	<-16.3>	2.9	5.8	<-16.6>	2.7	11.1	-2.2
<b>Operating income</b>	<b>&lt;-41.0&gt;</b>	<b>40.0</b>	<b>21.6</b>	<b>&lt;-17.1&gt;</b>	<b>61.6</b>	<b>-32.3</b>				
Japan		18.5	8.2		26.7					
North America		16.9	10.9		27.8					
Europe *		1.2	0.0		1.3					
Asia / Latin America, etc		0.7	0.4		1.1					

\* The accounting period of Daiichi Sankyo Europe GmbH (DSE) in FY2007 was 15 months from January 2007 to March 2008, following a change in its fiscal year-end from December to March. The operating results of DSE for the period from January to March 2007 was net sales of ¥14.1 billion and operating income of ¥1.8 billion.

## 7. Status of Major Companies

### 7-1. Daiichi Sankyo Co., Ltd.

(Billions of yen)

	FY2008 Results				FY2008 Forecast			
	1st half	From Jul. Forecast	YoY Changes	FY07 Results ==> FY08 Results	2nd half	From Jul. Forecast	Full Year	From Jul. Forecast
Total net sales of ethical pharmaceuticals	<-5.0> 200.4	0.4	-10.6		<-0.7> 214.6	-5.4	<-2.8> 415.0	-5.0
Cardiovascular disease	<-4.2> 117.2	-4.8	-5.1	Sales dropped reflecting the NHI price revision and commercial rights transfer of certain product. Volume increased centering on the growth of Olmetec.	<0.7> 122.8	-0.2	<-1.7> 240.0	-5.0
Olmetec <antihypertensive>	<18.6> 31.3	-1.7	4.9	Although Olmetec was the most affected by the NHI price revision (approx. -10%), sales have expanded on the strength of its antihypertensive effects to strongly lead the market.	<27.5> 36.7	1.7	<23.2> 68.0	0.0
Calblock <antihypertensive>	<23.0> 6.0	-1.0	1.1	With its efficacy for renal protection, concomitant prescriptions of Calblock and ARB increased in hypertensive patients who also suffer from chronic kidney disease.	<49.9> 8.0	1.0	<37.1> 14.0	0.0
Artist <antihypertensive>	<4.1> 11.0	0.0	0.4	Despite a shrinking market, Artist prescriptions increased mainly for cardiac conditions and firmly maintained the top share among drugs in its class as the only beta-blocker indicated for the treatment of chronic heart failure.	<4.0> 11.0	0.0	<4.1> 22.0	0.0
Mevalotin <antihyperlipidemic agent>	<-16.0> 26.6	-1.4	-5.1	Despite the increase in the number of prescriptions after MEGA Study results were reflected in treatment Guideline, sales of Mevalotin declined due to increasing prescriptions of generics and competition from other products.	<-18.4> 24.4	-0.6	<-17.2> 51.0	-2.0
Kremezin <treatment for chronic renal failure>	<3.9> 6.4	0.4	0.2	Despite the growth of generics, new prescriptions of Kremezin are growing due to practice guidelines for chronic kidney disease that recommend doctors prescribe oral adsorbents in severe cases.	<22.1> 7.6	-0.4	<13.0> 14.0	0.0
Hanp <treatment for acute cardiac failure>	<-5.8> 4.2	-0.8	-0.3	Although Hanp firmly maintained the competitive edge as the first choice for the treatment of acute heart failure, sales dropped slightly due to the effects of NHI price revision and the Diagnosis Procedure Combination (DPC).	<-0.2> 5.3	0.3	<-2.8> 9.5	-0.5
Livalo <antihyperlipidemic agent>	<11.8> 2.9	-0.1	0.3	Daiichi Sankyo, as a pioneer manufacturer of statins offered proposals for effective dyslipidemia treatment which increased the number of prescriptions and hospitals using Livalo.	<79.0> 5.1	0.1	<46.6> 8.0	0.0
Sunrhythm <antiarrhythmic agent>	<-3.6> 5.9	-1.1	-0.2	Despite holding the competitive edge as the first choice prescription for patients with atrial fibrillation, sales of Sunrhythm decreased slightly due to NHI price revision.	<2.3> 6.1	1.1	<-0.7> 12.0	0.0
Fastic <antidiabetic agent>	<-0.3> 2.6	-0.4	0.0	Fastic firmly maintained top share in the glinide market.	<32.2> 3.4	0.4	<15.8> 6.0	0.0
Infectious diseases / bone and joint diseases / immunological allergic diseases / urology	<-2.3> 62.7	-1.3	-1.5	Sales dropped reflecting the NHI price revision and decline of Cravit. Volume increased centering on Loxonin and Urief.	<2.2> 76.3	4.3	<0.1> 139.0	3.0
Cravit <synthetic antibacterial agent>	<-11.2> 19.6	-2.4	-2.5	Sales dropped due to the stagnant market condition and NHI price revision. However, Cravit further established its reputation for safety and antibacterial effects, and maintained its market share even with the launch of a rival drug from a competitor.	<0.4> 25.4	0.4	<-5.0> 45.0	-2.0
Loxonin <anti-inflammatory analgesic>	<15.2> 18.9	-0.1	2.5	Even with the growing number of generics prescriptions, sales increased due to the launch of the Loxonin Tape in July with superior efficacy and the strong Loxonin brand name, and also from the contribution of Loxonin Poultice.	<22.7> 21.1	1.1	<19.0> 40.0	1.0
Mobic <anti-inflammatory analgesic>	<-14.8> 4.6	-1.4	-0.8	Sales declined due to the launch of generics in July and COX-2 inhibitor by a competitor.	<11.3> 5.4	0.4	<-2.4> 10.0	-1.0
Urief <treatment for dysuria>	<52.2> 3.5	-0.5	1.2	Number of prescriptions and hospitals using Urief increased because of its strong efficacy. Market share has steadily risen, achieving third place in its class.	<60.5> 5.0	0.0	<57.0> 8.5	-0.5
Zyrtec <antiallergic agent>	<-20.7> 3.6	-0.4	-0.9	Sales declined due to launches of generics by 29 companies.	<-14.2> 5.4	0.4	<-16.9> 9.0	0.0
Contrast agents / cancer / gastric diseases	<-18.1> 24.8	-1.2	-5.5	Sales dropped reflecting the NHI price revision and commercial rights transfer of certain product.	<-19.5> 23.2	-2.8	<-18.8> 48.0	-4.0
Omnipaque <contrast agent>	<-8.5> 14.6	0.6	-1.3	Sales declined due to a shrinking market and increased prescription of generics as a result of the introduction of DPC.	<-5.3> 14.4	0.4	<-6.9> 29.0	1.0
Topotecin <anticancer agent>	<1.4> 3.1	0.1	0.0	Prescriptions of Topotecin increased due to its addition to a pharmacotherapy regimen as a standard drug for treatment of gastrointestinal cancer.	<9.2> 3.4	0.4	<5.3> 6.5	0.5



## 7-2. Daiichi Sankyo Healthcare Co., Ltd

	FY2008 Results				FY2008 Forecast			
	1st half	From Jul. Forecast	YoY Changes	FY07 Results ==> FY08 Results	2nd half	From Jul. Forecast	Full Year	From Jul. Forecast
Daiichi Sankyo Healthcare Co., Ltd	<-1.8> <b>24.0</b>	<b>-2.0</b>	<b>-0.4</b>		<-8.1> <b>28.0</b>	<b>0.0</b>	<-3.3> <b>52.0</b>	<b>-2.0</b>
LuLu Series	<0.6> 4.9	-0.1	0.0	Sales were level due to the stagnant market condition. However, LuLu series increased its market share.	<5.7> 5.4	0.1	<3.2> 10.3	0.0
Gaster 10	<-4.0> 1.6	-0.1	-0.1	Sales dropped reflecting increased competition.	<21.6> 2.2	0.1	<-9.1> 3.8	0.0
Shin-Sankyo Ichoyaku series	<20.0> 1.6	0.0	0.3	Sales increased due to favorable sales of newly launched Shin-Sankyo Ichoyaku Plus (Nov-2007), with little competition among other existing products.	<-11.2> 1.9	0.0	<0.8> 3.5	0.0
Patecs series	<-14.5> 1.6	0.1	-0.3	The Patecs Felbinac series (5, 35, and polutice) launched in the first half of FY 2007 helped revenues reach targets.	<23.2> 1.4	-0.1	<0.1> 3.0	0.0
Transino	<-14.5> 1.2	-0.8	-0.2	Despite the steady increase in new users since the September 2007 launch, Transino is yet to fully develop its potential market.	<50.3> 1.8	-1.2	<14.9> 3.0	-2.0

## 7-3. Daiichi Sankyo, Inc. (US)

	FY2008 Results				FY2008 Forecast			
	1st half	From Jul. Forecast	YoY Changes	FY07 Results ==> FY08 Results	2nd half	From Jul. Forecast	Full Year	From Jul. Forecast
Daiichi Sankyo, Inc. (DSI)	<-5.8> <b>68.9</b>	<b>9.9</b>	<b>3.8</b>		<-7.0> <b>66.1</b>	<b>-3.9</b>	<-6.4> <b>135.0</b>	<b>6.0</b>
mil USD	<-19.0> <b>649</b>	<b>59</b>	<b>104</b>		<-17.0> <b>661</b>	<b>-39</b>	<-18.0> <b>1,310</b>	<b>20</b>
Benicar / Benicar HCT <antihypertensive>	<2.2> 45.5	4.5	1.0	Actively promoted as an ARB with outstanding antihypertensive effects, Benicar/Benicar HCT posted strong growth surpassing ARB market growth. Sole marketing of DSI from FY 2008 started smoothly.	<-2.0> 42.5	-0.5	<0.1> 88.0	4.0
mil USD	<15.0> 428	18	56		<7.3> 425	-5	<11.0> 854	14
Azor <antihypertensive>	<-> 3.8	0.8	3.8	Strengthened promotions since the October 2007 launch of Azor to ensure its position as a drug with strong efficacy and good safety.	<124.3> 5.7	0.2	<272.9> 9.5	1.0
mil USD	<-> 36	6	36		<153.5> 57	2	<313.5> 92	7
Welchol <antihyperlipidemic / type 2 diabetes>	<9.9> 12.5	1.0	1.1	Sales increased due to strengthened promotions following the approval of additional indication for type 2 diabetes in January 2008.	<18.9> 13.5	0.0	<14.4> 26.0	1.0
mil USD	<23.6> 118	3	23		<29.8> 134	-1	<26.8> 252	2

## 7-4. Luitpold Pharmaceuticals, Inc. (US)

	FY2008 Results				FY2008 Forecast			
	1st half	From Jul. Forecast	YoY Changes	FY07 Results ==> FY08 Results	2nd half	From Jul. Forecast	Full Year	From Jul. Forecast
Luitpold Pharmaceuticals, Inc. (LPI)	<-9.9> <b>27.0</b>	<b>7.0</b>	<b>2.4</b>		<-17.0> <b>22.0</b>	<b>2.0</b>	<-4.0> <b>49.0</b>	<b>9.0</b>
mil USD	<-23.6> <b>255</b>	<b>55</b>	<b>49</b>		<-8.3> <b>221</b>	<b>21</b>	<-6.4> <b>475</b>	<b>75</b>
Venofer <treatment for iron deficiency anemia>	<14.0> 16.8	5.3	2.1	In addition to steady performance in the dialysis market, Venofer sales grew in the non-dialysis market as well.	<-16.2> 13.7	2.2	<-1.8> 30.5	7.5
mil USD	<28.3> 159	44	35		<-7.3> 137	22	<8.9> 296	66

## 7-5. Daiichi Sankyo Europe GmbH

(Billions of yen)

	FY2008 Results				FY2008 Forecast			
	1st half	From Jul. Forecast	YoY Changes	FY07 Results ==> FY08 Results	2nd half	From Jul. Forecast	Full Year	From Jul. Forecast
Daiichi Sankyo Europe GmbH (DSE)	<-25.7> 33.7	-3.3	-11.6		<17.3> 38.3	-3.7	<-7.7> 72.0	-7.0
mil €	<-26.8> 207	-33	-76		<48.8> 302	32	<4.9> 509	-1
Olmetec / Olmetec Plus <antihypertensive>	<-16.3> 18.7	-0.3	-3.6		<-11.2> 17.3	-5.1	<-13.9> 36.0	-5.4
mil €	<-17.5> 115	-10	-24		<15.2> 140	0	<-2.2> 255	-10
Sevikar <antihypertensive>	-	-	-		<-> 4.0	3.4	<-> 4.0	3.4
mil €	-	-	-		<-> 28	24	<-> 28	24
Mevalotin <antihyperlipidemic agent>	<-52.2> 2.0	-0.5	-2.2		<-40.5> 1.5	-0.5	<-47.7> 3.5	-1.0
mil €	<-52.8> 12	-4	-14		<-20.8> 13	-1	<-40.6> 25	-5
Evista <treatment for osteoporosis>	<163.5> 6.8	-0.7	4.2		<114.1> 5.7	-1.8	<138.3> 12.5	-2.5
mil €	<159.7> 42	-6	26		<181.2> 47	-1	<170.6> 88	-8

\* Following the change in fiscal year-end, FY2007 results for DSE, Olmetec / Olmetec Plus, Mevalotin and Evista are fifteen-month totals from Jan-07 to Mar-08.

Three-month results from Jan-07 to Mar-07 are ¥14.1 billion (€89 million), ¥6.4 billion (€40 million), ¥1.6 billion (€10 million), and ¥1.0 billion (€6 million), respectively.

## 7-5. Daiichi Sankyo Europe GmbH

(Billions of yen)

	FY2008 Results				FY2008 Forecast			
	1st half	From Jul. Forecast	YoY Changes	FY07 Results ==> FY08 Results	2nd half	From Jul. Forecast	Full Year	From Jul. Forecast
Daiichi Sankyo Europe GmbH (DSE)	<8.0> 33.7	-3.3	2.5		<17.3> 38.3	-3.7	<12.8> 72.0	-7.0
mil €	<6.6> 207	-33	13		<48.8> 302	32	<28.2> 509	-1
Olmetec / Olmetec Plus <antihypertensive>	<17.4> 18.7	-0.3	2.8	In addition to the steady growth of Olmetec, Olmetec Plus has shown healthy growth completing its launch in major markets in 2007.	<-11.2> 17.3	-5.1	<1.6> 36.0	-5.4
mil €	<16.0> 115	-10	16		<15.2> 140	0	<15.5> 255	-10
Sevikar <antihypertensive>	-	-	-	(Filed applications in 28 European countries in September 2007.)	<-> 4.0	3.4	<-> 4.0	3.4
mil €	-	-	-		<-> 28	24	<-> 28	24
Mevalotin <antihyperlipidemic agent>	<-21.8> 2.0	-0.5	-0.6	Sales by Daiichi Sankyo and sales to partners have both decreased.	<-40.5> 1.5	-0.5	<-31.2> 3.5	-1.0
mil €	<-22.7> 12	-4	-4		<-20.8> 13	-1	<-21.7> 25	-5
Evista <treatment for osteoporosis>	<324.0> 6.8	-0.7	5.2	Sales increased due to the expansion in sales territory from eight to 34 markets in February 2008.	<114.1> 5.7	-1.8	<192.6> 12.5	-2.5
mil €	<319.2> 42	-6	32		<181.2> 47	-1	<232.7> 88	-8

## 7-6. Asia, South and Central America (ASCA)

### 1) Net Sales by Companies

(Billions of yen)

	FY2008 Results				FY2008 Forecast				
	1st half	From Jul. Forecast	YoY Changes	FY07 Results ==> FY08 Results	2nd half	From Jul. Forecast	Full Year	From Jul. Forecast	
<b>ASCA Total</b>	<b>&lt;11.6&gt;</b>				<b>&lt;15.5&gt;</b>		<b>&lt;13.7&gt;</b>		
	<b>11.1</b>	<b>1.0</b>	<b>1.2</b>		<b>12.8</b>	<b>8.0</b>	<b>23.9</b>	<b>9.0</b>	
Daiichi Pharmaceutical (Beijing) Co., Ltd.	<4.7>	2.0	-1.0	0.1	<0.1>	2.2	3.0	4.2	2.0
Shanghai Sankyo Pharmaceuticals Co., Ltd.	<47.1>	1.6	-1.0	0.5	<77.4>	2.1	1.0	3.7	0.0
Daiichi Sankyo Korea Co., Ltd.	<2.7>	1.8	3.0	0.0	<0.5>	1.7	2.0	3.5	5.0
Daiichi Sankyo (Thailand) Ltd.	<7.2>	0.4	0.0	0.0	<0.2>	0.5	1.0	0.9	1.0
Daiichi Sankyo Taiwan Ltd.	<1.4>	1.9	-1.0	0.0	<10.6>	2.0	1.0	3.9	0.0
Daiichi Sankyo Brasil Farmacêutica Ltda.	<13.3>	2.2	-1.0	0.3	<14.0>	2.8	1.0	5.0	0.0
Daiichi Sankyo Venezuela, S.A.	<16.2>	1.1	1.0	0.2	<13.9>	1.6	2.0	2.7	3.0

### 2) Sales of Major Products

(Billions of yen)

	FY2008 Results				FY2008 Forecast				
	1st half	From Jul. Forecast	YoY Changes	FY07 Results ==> FY08 Results	2nd half	From Jul. Forecast	Full Year	From Jul. Forecast	
Olmesartan	<91.5>	3.2	7.0	1.5	<69.4>	4.3	0.8	7.5	1.5
Levofloxacin	<-0.5>	3.9	-1.0	0.0	<4.7>	4.1	0.1	8.0	0.0
Pravastatin	<-5.4>	1.5	0.0	-0.1	<-7.0>	1.5	0.0	3.0	0.0

## 8. Number of Employees

	FY2007	FY2008	
	Mar-08	Jun-08	Sep-08*
Total number of Employees	15,349	15,731	16,237
Japan	9,048	9,106	9,096
Overseas	6,301	6,625	7,141

	FY2007		FY2008			
	Mar-08	MRs	Jun-08	MRs	Sep-08*	MRs
Total number of Employees	15,349		15,731		16,237	
<Japan>						
Daiichi Sankyo Co., Ltd. (DS)	5,925	2,400	6,024	2,400	6,007	2,400
Daiichi Sankyo Healthcare Co., Ltd (DSHC)	396	150	399	150	401	150
<US>						
Daiichi Sankyo, Inc. (DSI)	2,446	1,550	2,667	1,590	2,856	1,810
Luitpold Pharmaceuticals, Inc. (LPI)	498	90	495	90	497	90
<Europe>						
Daiichi Sankyo Europe GmbH (DSE)	1,776	830	1,774	850	2,031	1,020
<Asia / Latin America>						
Daiichi Pharmaceutical (Beijing) Co., Ltd. (DPP)	443	143	443	143	470	164
Shanghai Sankyo Pharmaceuticals Co., Ltd. (SSP)	456	196	476	196	486	201
Daiichi Sankyo Hong Kong Ltd. (DSHK)	7	-	7	-	7	-
Daiichi Sankyo Korea Co., Ltd. (DSKR)	89	51	89	49	89	48
Daiichi Sankyo (Thailand) Ltd. (DSTH)	46	18	43	17	38	13
Daiichi Sankyo Taiwan Ltd. (DSTW)	150	65	158	65	159	69
Daiichi Sankyo Brasil Farmacéutica Ltda. (DSBR)	266	118	266	118	288	116
Daiichi Sankyo Venezuela, S.A. (DSVE)	123	70	123	70	128	61

\* For overseas subsidiaries with different fiscal year-ends, figures as of Jun-08 are shown

## 9. Major Management / Financial Indicators

	FY2007 Results		FY2008 Results	FY2008 Forecast
	1st Half	Full Year	1st Half	Full Year
<b>Management Indicators</b>				
Dividend payout ratio (Consolidated)	42.1%	51.7%	83.9%	(86.3%)
Dividend on equity (DOE)	-	4.0%	-	-
Earnings per share (EPS)	83.2 yen	135.3 yen	47.7 yen	(92.3 yen)
Dividend per share	35.0 yen	70.0 yen	40.0 yen	80.0 yen
Dividend payment (billions of yen)	25.2 billion	50.3 billion	28.2 billion	
Return on equity (ROE)	-	7.8%	-	
Book value per share (BPS)	1,762.0 yen	1,730.1 yen	1,683.8 yen	
Equity ratio	83.6%	83.6%	83.9%	
Number of treasury stock purchased	10.0 million	10.0 million	15.0 million	* including cancellation of 26 million shares (Sep.)
Treasury stock purchase (billions of yen)	33.4 billion	33.4 billion	45.8 billion	
Total number of common shares	719 million	719 million	704 million	
Share price at end of period	3,450 yen	2,945 yen	2,695 yen	
Market value (billions of yen)	2,481 billion	2,117 billion	1,897 billion	
<b>Financial Indicators (billions of yen)</b>				
Total assets	1,515.8	1,487.9	1,412.3	
Current assets	944.9	926.5	857.5	
Debt with interest	5.9	0.1	0.0	
Shareholder's equity	1,266.8	1,243.9	1,185.3	
CF from operating activities	-6.8	66.7	18.8	
CF from investing activities	5.6	-49.4	-198.0	
CF from financial activities	-59.5	-82.9	-71.0	
Free cash flow**	-1.2	17.3	-179.3	
Cash and cash equivalents, end of year	453.9	444.3	192.1	
Liquidity on hand***	652.6	665.5	385.1	
<b>Others</b>				
Number of consolidated subsidiaries	46	43	43	

\* excluding treasury stock

\*\* CF from operating activities + CF from investing activities

\*\*\* Current deposits + marketable securities + investment securities, etc

## 10. Capital Expenditure and Depreciation Expense

	FY2007 Results		FY2008 Results	(Billions of yen) FY2008 Forecast
	1st Half	Full Year	1st Half	Full Year
Depreciation expense	18.8	38.7	19.3	38.5
Capital expenditure	12.8	21.1	7.7	18.0

## 11. Number of Shares Held and Shareholders by Category

	As of Sep. 30, 2007			As of March 31, 2008			As of Sep. 30, 2008		
	Number of shareholders	Number of shares	%	Number of shareholders	Number of shares	%	Number of shareholders	Number of shares	%
Government and public	1	0	0.0%	1	0	0.0%	2	0	0.0%
Financial institutions	192	343	46.7%	187	350	47.8%	189	340	48.0%
Financial instruments firms	65	17	2.4%	45	19	2.7%	46	12	1.8%
Corporate investors	653	44	6.0%	673	44	6.1%	645	44	6.4%
Foreign investors	614	221	30.2%	653	212	29.0%	642	216	30.6%
individuals	58,079	91	12.5%	56,944	89	12.2%	56,967	88	12.5%
Treasury stock	1	16	2.2%	1	16	2.2%	1	5	0.7%
<b>Total</b>	<b>59,605</b>	<b>733</b>	<b>100.0%</b>	<b>58,504</b>	<b>733</b>	<b>100.0%</b>	<b>58,492</b>	<b>707</b>	<b>100.0%</b>

## 12. Consolidated Balance Sheets

### <Assets>

	2008.3.31		2008.9.30		Change	Details
		%		%		
<b>Current assets</b>	<b>926.5</b>	<b>62.3%</b>	<b>857.5</b>	<b>60.7%</b>	<b>-69.0</b>	
Cash and time deposits	47.3		48.2		0.8	Liquidity on hand (current deposits + marketable securities + investment securities)
Trade notes and accounts receivable	167.0		180.5		13.6	Total ¥385.1 billion (¥-276.9 billion from the end of fiscal 2007)
Marketable securities	526.8		262.0		-264.8	<Breakdown>
Inventories	98.2		100.5		2.4	¥+34.0 billion in net income, ¥-25.2 billion from dividends paid
Deferred tax assets	52.7		66.5		13.8	¥-45.8 billion from share buybacks
Deposits paid	-		170.9		170.9	¥-26.8 billion from acquisition of U3 Pharma AG
Other current assets	34.9		29.2		-5.7	¥-174.0 billion for the acquisition of Ranbaxy's share (Open offer, etc.)
Allowance for doubtful accounts	-0.3		-0.2		0.1	Deferred tax assets of derivative related to acquisition of Ranbaxy: ¥+9.1
<b>Non-current assets</b>	<b>561.4</b>	<b>37.7%</b>	<b>554.8</b>	<b>39.3%</b>	<b>-6.6</b>	
Property, plant and equipment	221.3	14.9%	213.2	15.1%	-8.0	
Buildings and structures	136.8		131.2		-5.6	
Machinery, equipment and vehicles	33.2		30.5		-2.7	
Land	33.1		33.5		0.4	
Construction in progress	2.9		3.1		0.2	
Other	15.2		14.8		-0.4	
Intangible assets	91.1	6.1%	104.8	7.4%	13.8	
Goodwill, net	15.4		37.5		22.1	Acquisition of U3 Pharma AG: ¥+25.1 billion
Other intangible assets, net	75.7		67.3		-8.4	(Amortization period: five years from 2Q of FY2008)
Investments and other assets	249.0	16.7%	236.7	16.8%	-12.3	
Investment securities	216.0		204.9		-11.1	Decrease of market value due to stagnation in equity market
Long-term loans	1.3		0.2		-1.1	
Prepaid pension costs	8.0		7.4		-0.7	
Deferred tax assets	6.0		6.0		0.0	
Other assets	18.0		18.6		0.6	
Allowance for doubtful accounts	-0.4		-0.4		0.0	
<b>Total assets</b>	<b>1,487.9</b>	<b>100.0%</b>	<b>1,412.3</b>	<b>100.0%</b>	<b>-75.6</b>	

### <Liabilities and Net Assets>

	2008.3.31		2008.9.30		Change	Details
		%		%		
<b>Liabilities</b>	<b>243.4</b>	<b>16.4%</b>	<b>226.7</b>	<b>16.1%</b>	<b>-16.7</b>	
Current liabilities	194.5	13.1%	183.2	13.0%	-11.4	
Trade notes and accounts payable	46.4		45.2		-1.2	
Short-term bank loans	0.1		0.0		-0.1	
Income taxes payable	18.7		14.1		-4.6	
Allowance for sales returns	0.8		0.8		0.0	
Allowance for sales rebates	0.8		1.2		0.4	
Allowance for contingent losses	0.2		-		-	
Other current liabilities	127.6		121.9		-5.7	Decrease due to payment of accrued expense for the acquisition of Evista's commercial rights, etc. ¥-28.8 billion Derivatives debt related to acquisition of Ranbaxy's shares ¥+25.5 billion
Non-current liabilities	48.9	3.3%	43.6	3.1%	-5.3	
Deferred tax liabilities	26.7		22.6		-4.1	
Accrued employees' severance and retirement benefits	6.8		8.0		1.2	
Accrued directors' and corporate auditors' severance and retirement	0.1		0.1		0.0	
Provision for environmental measures	1.1		0.3		-0.7	
Other non-current liabilities	14.2		12.4		-1.7	
<b>Net assets</b>	<b>1,244.5</b>	<b>83.6%</b>	<b>1,185.6</b>	<b>83.9%</b>	<b>-58.9</b>	
Shareholders' equity	1,211.6	81.4%	1,172.1	83.0%	-39.5	
Common stock	50.0		50.0		0.0	
Capital surplus	179.9		105.2		-74.7	Cancellation of treasury stock ¥-74.7 billion (26 million shares)
Retained earnings	1,025.1		1,031.4		6.3	Retained earnings increase ¥+6.3 billion <Variation factors>: Net income ¥+34.0 billion, Dividend ¥-25.2 billion
Treasury stock at cost	-43.4		-14.5		28.9	Share buyback: 15 million shares, ¥45.7 billion Cancellation: 26 million shares, ¥74.7 billion
Valuation and other adjustments	32.3	2.2%	13.2	0.9%	-19.1	
Net unrealized gain on investment securities	48.5		42.6		-6.0	Decrease due to stagnation in equity market
Deferred gains or losses on hedges	-		-13.4		-13.4	Revaluation loss of derivatives related to acquisition of Ranbaxy's shares
Foreign currency translation adjustments	-16.3		-16.0		0.3	
Subscription rights to shares	0.3	0.0%	0.3	0.0%	0.0	
Minority interests	0.4	0.0%	0.0	0.0%	-0.4	
<b>Total liabilities and net assets</b>	<b>1,487.9</b>	<b>100.0%</b>	<b>1,412.3</b>	<b>100.0%</b>	<b>-75.6</b>	

## 13. Consolidated Statements of Income

(Billions of yen)

	FY2007 1st half		FY2008 1st half		Change	Details
		%		%		
Net sales	443.7	100.0%	406.3	100.0%	-37.4	----- Decrease due to downsizing of the non-pharmaceutical operations : <u>¥-16.4 billion</u> Impact of change in fiscal year-end of the EU subsidiaries: <u>¥-14.1 billion</u> Decrease due to NHI drug price revision and commercial rights transfer: <u>¥-10.6 billion</u>
Cost of sales	113.2	25.5%	97.6	24.0%	-15.6	----- Cost to sales ratio: -1.5 points Exclusion* of non-pharmaceutical subsidiaries with high cost ratios
Gross profit	330.5	74.5%	308.7	76.0%	-21.8	
Selling, general and administrative expenses	236.6	53.3%	247.1	60.8%	10.5	----- Decrease due to spin-off of non-pharmaceutical business: <u>¥-11.0 billion</u> Intensive investment in U.S./EU to expand the business foundation (DSI: <u>¥+5.7 billion</u> , DSE: <u>¥+5.8 billion</u> )
Advertising and promotional expenses	50.6		53.1		2.5	
Salaries and bonuses	46.8		45.1		-1.7	
Research and development expenses	78.3		82.3		4.1	----- Progress in development of principal projects
Other	60.9		66.5		5.6	----- Increase in severance and retirement cost: +3.7 (temporarily decreased in FY07 due to the integration of retirement benefit and pension plans)
Operating income	93.9	21.2%	61.6	15.2%	-32.3	
Non-operating income:	8.7	2.0%	6.1	1.5%	-2.6	
Interest income	4.4		3.2		-1.2	
Dividend income	2.0		1.9		-0.1	
Other non-operating income	2.4		1.1		-1.3	
Non-operating expenses	1.9	0.4%	8.1	2.0%	6.2	
Interest expense	0.1		0.0		-0.1	
Foreign exchange losses	-		3.1		3.1	----- Valuation loss of European subsidiary's asset
Loss on valuation of derivatives	-		2.3		2.3	----- Loss on revaluation of synthetic stock options in DSI in the US
Equity in net losses of affiliated companies	-		0.1		0.1	
Other non-operating expenses	1.8		2.5		0.8	
Ordinary income	100.7	22.7%	59.6	14.7%	-41.1	
Extraordinary gains	4.0	0.9%	0.8	0.2%	-3.1	
Gain on sale of non-current assets	1.3		0.8		-0.5	
Gain on sale of investments in affiliates	2.3		-		-2.3	----- Decrease in sales of subsidiaries associated with spin-off of non-pharmaceutical operations *
Gain on sale of investment securities	0.3		-		-0.3	
Extraordinary losses	6.7	1.5%	3.9	1.0%	-2.8	
Loss on disposal of non-current assets	0.8		1.7		1.0	
Loss on impairment of property, plant and equipment	-		1.6		1.6	
Loss on valuation of investment securities	-		0.3		0.3	
Loss on business integration	4.0		-		-4.0	
Loss on business restructuring	0.6		-		-0.6	
Provision for environmental measures	0.5		0.2		-0.3	
Provision for contingent losses	0.8		-		-0.8	
Income before income taxes and minority interests	98.0	22.1%	56.6	13.9%	-41.4	
Income tax expense	37.7	8.5%	22.6	5.6%	-15.1	----- Corporate tax rate: 38.5% → 40.0%
Net income	60.2	13.6%	34.0	8.4%	-26.3	

\* Daiichi Sankyo has been in the process of making non-pharmaceutical operations independent of the Group in order to focus resources on the pharmaceutical business. In FY2007, the Company completed various movements which made subsidiaries such as Daiichi Fine Chemical Co., Ltd. and Saitama Daiichi Pharmaceuticals Ltd, etc. independent of the Group.

## 14. Consolidated Statements of Cash Flows

(Billions of yen)

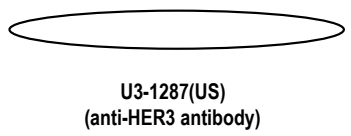
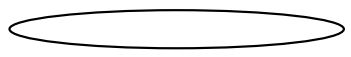
	FY2007 1st half	FY2008 1st half	Change	Details
Income before income taxes and minority interests	98.0	56.6	-41.4	
Depreciation	18.8	19.3	0.5	
Amortization of goodwill	1.8	2.9	1.1	
Increase (decrease) in accrued severance and retirement benefits	-24.6	0.2	24.8	
(Increase) decrease in prepaid pension costs	14.3	0.7	-13.6	
(Increase) decrease in trade notes and accounts receivable	4.6	-13.9	-18.5	
(Increase) decrease in inventories	-0.7	-2.0	-1.4	
Increase (decrease) in trade notes and accounts payable	-8.1	-1.1	7.0	
Increase (decrease) in accounts payable and accrued expense	-65.0	-11.3	53.7	FY2007 Payment of accrued severance and retirement benefits due to workforce resizing and employment transfer to function-based subsidiaries, etc
Other, net	-9.1	-0.9	8.2	
Income taxes paid	-36.8	-31.7	5.1	
<b>I. Cash flows from operating activities</b>	<b>-6.8</b>	<b>18.8</b>	<b>25.6</b>	
Net decrease (increase) in short-term operating assets	3.9	41.5	37.6	--- Decreased investment activity (¥30.9 billion)
Acquisition/sales of fixed assets	-12.8	-27.5	-14.6	--- Acquisition of the right to expand marketing area of Evista
Acquisition/sales of investment securities	-3.0	-188.4	-185.4	
Net decrease (increase) in loans receivable	8.7	0.6	-8.1	
Proceeds from sale of investments in consolidated subsidiaries	8.8	-	-8.8	
Purchases of investments in consolidated subsidiaries resulting in changes in scope of consolidation	-	-24.3	-24.3	--- Acquisition of U3 Pharma AG
<b>II. Cash flows from investing activities</b>	<b>5.6</b>	<b>-198.0</b>	<b>-203.7</b>	
Net increase (decrease) in short-term bank loans	-4.2	-0.1	4.1	
Purchases of treasury stock	-33.4	-45.8	-12.4	--- FY2008:Acquired 15 million shares for ¥45.7 billion --- FY2007:Acquired 10 million shares for ¥33.2 billion
Dividends paid	-21.9	-25.2	-3.3	--- Dividend increase of 5 yen per share
Other, net	-0.1	-0.0	0.1	
<b>III. Cash flows from financing activities</b>	<b>-59.5</b>	<b>-71.0</b>	<b>-11.5</b>	
<b>IV. Effect of exchange rate changes on cash and cash equivalents</b>	<b>-0.1</b>	<b>-1.9</b>	<b>-1.8</b>	
<b>V. Net increase (decrease) in cash and cash equivalents</b>	<b>-60.8</b>	<b>-252.2</b>	<b>-191.4</b>	
<b>VI. Cash and cash equivalents, beginning of period</b>	<b>513.2</b>	<b>444.3</b>	<b>-68.9</b>	
<b>VII. Increase (decrease) in cash and cash equivalents due to changes in scope of consolidation</b>	<b>0.5</b>	<b>-</b>	<b>-0.5</b>	
<b>VIII. Increase in cash and cash equivalents due to merger with unconsolidated subsidiaries</b>	<b>1.0</b>	<b>-</b>	<b>-1.0</b>	
<b>IX. Cash and cash equivalents, end of year</b>	<b>453.9</b>	<b>192.1</b>	<b>-261.8</b>	



# 15. Major R&D Pipeline

## Daiichi Sankyo Major Research & Development Pipeline (Development Stage)

October 2008  
Daiichi Sankyo Co., Ltd.

Therapeutic Area	Main Existing Product	Phase1	Phase2	Phase3	Application
Cardiovascular diseases	Mevalotin Benicar/Olmetec Azor Welchol  Olmetec Calblock Artist Mevalotin Kremezin Hanp Livalo Sunrhythm Bepricor	DB-772d(US/EU) (oral factor Xa inhibitor)  CS-8080(US/EU) (anti-arteriosclerosis)	DU-176b(US/EU/JP) (oral factor Xa inhibitor)  ★CS-866CMB(JP) (Olmesartan Medoxomil/Hydrochlorothiazide combination)  CS-747(JP) (Prasugrel/anti-platelet agent)	★CS-747(US/EU) (Prasugrel/ACS-MM/anti-platelet agent)  ★CS-866DM(JP) (Olmesartan Medoxomil/diabetic nephropathy)  ★CS-866AZ(JP) (Olmesartan Medoxomil/Azelidipine combination)  ★CS-8635(US) (Olmesartan Medoxomil/Amlodipine Besilate/Hydrochlorothiazide combination)	CS-747(US/EU) (Prasugrel/ACS-PCI/anti-platelet agent)  ★CS-8663(EU) (Olmesartan Medoxomil/Amlodipine Besilate combination)
Glucose metabolic disorders	Welchol  Fastic	<del>AJD101(US/EU) (activation of the insulin signaling pathway)</del>  CS-1036(JP) (glucose absorption inhibitor)	CS-011(JP) (Rivoglitazone/ glitazone agent that improves insulin resistance)  <del>AJD101(JP) (activation of the insulin signaling pathway)</del>	CS-011(US/EU) (Rivoglitazone/ glitazone agent that improves insulin resistance)	
Infectious diseases	Levaquin / Tavanic Banan Cravit	CS-8958(US/EU) (anti-influenza/co-development with Biota)	CS-8958(JP) (anti-influenza)	★levofloxacin inj(JP) (new quinolone)	★levofloxacin high-dose(JP) (new quinolone)
Cancer	Topotecin Krestin	CS-7017(US) (PPARγ activator)   U3-1287(US) (anti-HER3 antibody)	CS-1008(US) (anti-DR5 antibody)  DE-766(JP) (Nimotuzumab/anti-EGFR antibody)		
Immunological allergic diseases	Zyrtec	CS-0777(US/EU) (immunomodulator)  	SUN13834(US) (Chymase inhibitor)		
Bone/Joint diseases	Loxonin Mobic			AMG 162(JP) (Denosumab/ anti-RANKL antibody/ bone metastases of cancer, osteoporosis)  ★CS-600G(JP) (Loxoprofen Sodium/gel)	
Others	Venofor Evoxac  Omnipaque Omniscan Feron Urief		SUN11031(JP) (Human ghrelin/anorexia nervosa)  SUN11031(US/EU) (Human ghrelin/cachexia)	SUN Y7017(JP) (Memantine Hydrochloride/ mild to moderate and severe dementia of Alzheimer type)  KMD-3213(China) (Silodosin/treatment of dysuria associated with benign prostatic hyperplasia)	★DL-8234(JP) (FERON add indic./hepatitis C/with Ribavirin)

★additional indications, new formulations etc.

Change from the announcement of July 2008

- # New(underline) : CS-747 (US/EU, ACS-MM) , CS-1036(JP)
- # Change of Stage etc. : DE-766(JP), SUN13834(US)
- # Withdrawal of Development etc. : AJD101(US/EU/JP) [Daiichi Sankyo withdrew from this project because it did not satisfy the criteria in a clinical trial.]

Sales tie-up, License activity etc.

		Phase1	Phase2	Phase3	Application
-	-	HGF DNA therapy(US/EU) (coronary arterial diseases/sales agreement)  SUN N8075(US/EU) (neuroprotectant/licensed-out to Cecoura )	HGF DNA therapy(US/EU) (peripheral arterial diseases/sales agreement)  SUN N4057(US/EU) (Serotonin 1A receptor agonist)  CS-088(US/EU/JP) (Olmesartan/antiglaucoma/co-development with Santen)		DF-098(JP) (ActHIB/sales agreement/approval)  HGF DNA therapy(JP) (Collatogene/peripheral arterial diseases/sales agreement)  SUN 0588r(EU) (Sapropterin Hydrochloride/hyperphenylalaninemia/ licensed-out to BioMarin)

# Cardiovascular diseases

[project after Phase II]

CS-747	Prasugrel	Oral	Anti-platelet agent	Acute coronary syndrome	DAIICHI SANKYO, Ube Industries	US EU JP	Application Application P2
<p>[Comments]</p> <ul style="list-style-type: none"> <li>Prasugrel works by inhibiting platelet activation and subsequent aggregation by blocking the P2Y12 adenosine diphosphate(ADP) receptor on the platelet surface.</li> <li>Developer: Co-development with Eli Lilly in the US and EU, DAIICHI SANKYO in Japan</li> <li>Application: December, 2007(US)/ February, 2008(EU)</li> <li>Designation of Priority Review for the New Drug Application: February, 2008(US)</li> <li>FDA did not complete its review by the Prescription Drug User Fee goal date of September 26, 2008, and continues to review Prasugrel NDA.</li> <li>In Phase3 trial, Prasugrel reduced risk of major cardiovascular events by 19 percent when compared with clopidogrel, significantly improves net clinical benefit despite increased bleeding [American Heart Association (November, 2007)]</li> <li>The result of Phase3 trial was that Prasugrel reduced the relative risk of coronary stent thrombosis over clopidogrel by 52 percent. In patients who received drug-eluting stent, treatment with prasugrel reduced relative risk by 64 percent over clopidogrel, and by 48 percent in patients who received bare metal stents.[Society for cardiovascular Angiography and Interventions Scientific Sessions with the American College of Cardiology's Innovation in Intervention: i2 Summit(March, 2008)]</li> <li>A new Phase3 trial began in June, 2008 in patients with acute coronary syndrome(ACS), not being managed with percutaneous coronary intervention(PCI).</li> </ul>							
DU-176b	-	Oral	Factor Xa inhibitor	Atrial fibrillation, Venous thromboembolism	DAIICHI SANKYO	US EU JP	P2 P2 P2
<p>[Comments]</p> <ul style="list-style-type: none"> <li>DU-176b inhibits an anticoagulant possessing Xa factor playing an important role by the process when blood coagulates.</li> <li>DU-176b is an oral factor Xa inhibitor, possible once daily regimen, confirmed high oral absorption within human trials.</li> <li>No hepatotoxicity signals in pre-clinical and clinical trials</li> <li>Developer: DAIICHI SANKYO in the US, EU and Japan</li> <li>Summary of Phase2b results in THR(total hip replacement, US/EU) &amp; TKR(total knee replacement, JP) Dose-dependent inhibition of VTE(venous thromboembolism) incidence Low incidence of major bleeding, including at doses with very effective VTE inhibition</li> <li>Phase2b trials in AF in Japan, US and EU were ended and plan to be presented at scientific meeting from here on. In addition, a new Phase3 trial planned to be started in Nov-2008.</li> </ul>							
CS-8663	Olmesartan medoxomil, Amlodipine besilate	Oral	Angiotensin II receptor antagonist, Calcium channel blocker	Hypertension	DAIICHI SANKYO	EU	Application
<p>[Comments]</p> <ul style="list-style-type: none"> <li>Combination drug of Olmesartan medoxomil(angiotensin II receptor antagonist) and Amlodipine besilate(calcium channel blocker)</li> <li>[US] Approval: September, 2007 / Brand name: Azor</li> <li>[EU] Application: September, 2007 / Brand name(schedule): Sevikar</li> <li>LCM of Olmesartan</li> </ul>							
CS-866DM	Olmesartan medoxomil	Oral	Angiotensin II receptor antagonist	Diabetic nephropathy in patients with type 2 DM	DAIICHI SANKYO	JP	P3
<p>[Comments]</p> <ul style="list-style-type: none"> <li>LCM of Olmesartan(New indication for diabetic nephropathy)</li> <li>Evaluate the composite renal endpoints as primary endpoint in ORIENT study the composite renal endpoints: Doubling of serum creatinine(Scr), Onset of ESRD(Scr<math>\geq</math>5mg/dL, dialysis, kidney transplantation), Death</li> <li>Application(schedule): 2009</li> </ul>							
CS-866AZ	Olmesartan medoxomil, Azelnidipine	Oral	Angiotensin II receptor antagonist, Calcium channel blocker	Hypertension	DAIICHI SANKYO	JP	P3
<p>[Comments]</p> <ul style="list-style-type: none"> <li>Combination drug of Olmesartan medoxomil(angiotensin II receptor antagonist) and Azelnidipine(calcium channel blocker)</li> <li>LCM of Olmesartan</li> <li>Application(schedule): 2009</li> </ul>							
CS-866CMB	Olmesartan medoxomil, Hydrochlorothiazide	Oral	Angiotensin II receptor antagonist, Diuretic	Hypertension	DAIICHI SANKYO	JP	P2
<p>[Comments]</p> <ul style="list-style-type: none"> <li>Combination drug of Olmesartan medoxomil(angiotensin II receptor antagonist) and Hydrochlorothiazide(diuretic)</li> <li>LCM of Olmesartan</li> <li>[US] Launch: September, 2003</li> <li>[EU] Launch: June, 2005</li> </ul>							
CS-8635	Olmesartan medoxomil, Amlodipine besilate, Hydrochlorothiazide	Oral	Angiotensin II receptor antagonist, Calcium channel blocker, Diuretic	Hypertension	DAIICHI SANKYO	US	P3
<p>[Comments]</p> <ul style="list-style-type: none"> <li>Combination drug of Olmesartan medoxomil(angiotensin II receptor antagonist), Amlodipine besilate(calcium channel blocker) and Hydrochlorothiazide(diuretic)</li> <li>LCM of Olmesartan</li> <li>Application(schedule): 2009</li> </ul>							

## Glucose metabolic disorders

CS-011	Rivoglitazone	Oral	Glitazone agent that improves insulin resistance	Diabetes	DAIICHI SANKYO	US EU JP	P3 P3 P2
<p>[Comments]</p> <ul style="list-style-type: none"> <li>• A glitazone type antidiabetic drug which exhibits strong PPAR <math>\gamma</math> activity.</li> <li>• Summary of Rivoglitazone Ph2 trial HbA1C: Both 2 and 3 mg rivoglitazone showed significantly greater HbA1c placebo-corrected decreases from baseline than pioglitazone 45 mg. TG and HDL-C: Rivoglitazone showed greater TG reductions and HDL-C increases than pioglitazone 45 mg.</li> </ul>							

## Infectious diseases

CS-8958	-	Inhalant	Newranibidase inhibitor	Influenza	DAIICHI SANKYO	US EU JP	P1 P1 P2
<p>[Comments]</p> <ul style="list-style-type: none"> <li>• CS-8958 is a long-acting neuraminidase inhibitor that is expected to be used as single administration for treatment and once a week for prophylaxis.</li> <li>• Developer: Co-development with Biota in the US and EU, DAIICHI SANKYO in Japan</li> <li>• CS-8958 is under development as an inhalant that will act directly on the pulmonary and tracheal sites of infection.</li> <li>• A new phase 3 trial will be started from this winter.</li> </ul>							

levofloxacin high-dose	levofloxacin	Oral	New quinolone	Bacterial infections	DAIICHI SANKYO	JP	Application
<p>[Comments]</p> <ul style="list-style-type: none"> <li>• The drug inhibits bacterial DNA composition by inhibiting a DNA gyrase activity and a topoisomerase IV activity.</li> <li>• Application: November, 2007</li> <li>• Change of the directions and dosage ( 100mg, b.d. or t.d. <math>\rightarrow</math> 500mg, o.d.)</li> <li>• One of levofloxacin's LCM strategies</li> </ul>							

levofloxacin inj	levofloxacin	Injection	New quinolone	Bacterial infections	DAIICHI SANKYO	JP	P3
<p>[Comments]</p> <ul style="list-style-type: none"> <li>• The drug inhibits bacterial DNA composition by inhibiting a DNA gyrase activity and a topoisomerase IV activity.</li> <li>• New formulation(injection of levofloxacin)</li> </ul>							

## Cancer

CS-1008	-	Injection	Anti-DR5 antibody	-	DAIICHI SANKYO	US	P2
<p>[Comments]</p> <ul style="list-style-type: none"> <li>• A humanized version TRA-8, a murine agonistic Mab raised against human death receptor 5(DR5).</li> <li>• DR5 is rarely expressed in normal tissues, expected to show selective activity against tumor cells.</li> <li>• Induces apoptosis of tumor cells expressing DR5 on the cell surface.</li> </ul>							

DE-766	nimotuzumab	Injection	Anti-EGFR antibody	-	DAIICHI SANKYO	JP	P2
<p>[Comments]</p> <ul style="list-style-type: none"> <li>• A humanized monoclonal antibody against Epidermal Growth Factor Receptor(EGFR).</li> <li>• Expected to be a best in class EGFR antibody, safety against the skin toxicity and the efficacy comparable to the other EGFR antibodies.</li> </ul>							

## Immunological allergic diseases

SUN13834	-	Oral agent	Chymase inhibitor	Atopic Dermatitis	Asubio Pharma	US	P2
<p>[Comments]</p> <ul style="list-style-type: none"> <li>• Inhibiting chymase, one of endogenous proteases, which is released from mast cells and involves allergic reaction.</li> <li>• Under development in the US by Asubio Pharma.</li> <li>• Expected to be an oral anti-atopic dermatitis drug with a novel mechanism of action.</li> </ul>							

## Bone/Joint diseases

AMG162	Denosumab	Injection	Anti-RANKL antibody	Osteoporosis Bone metastases of cancer	Amgen	JP	P3
<p>[Comments]</p> <ul style="list-style-type: none"> <li>• Denosumab is a fully human monoclonal antibody that specifically targets the receptor activator of nuclear factor kappa B ligand (RANKL), a key mediator of the resorptive phase of bone remodeling.</li> <li>• July, 2007 In-licensed from Amgen</li> <li>• Phase3 : Osteoporosis</li> <li>• Phase3 : Bone metastases of cancer(Phase3 multinational trials)</li> </ul>							
CS-600G	Loxoprofen sodium	Gel	Anti-inflammatory and analgesic	-	DAIICHI SANKYO	JP	P3
<p>[Comments]</p> <ul style="list-style-type: none"> <li>• Mechanism of action: inhibition of prostaglandin composition/ Point of action: cyclooxygenase</li> <li>• Developer: DAIICHI SANKYO</li> <li>• Loxoprofen gel</li> <li>• New formulation of LOXONIN</li> </ul>							

## Others

SUN Y7017	Memantine hydrochloride	Oral	NMDA receptor antagonist	Dementia of Alzheimer type	Merz	JP	P3(Mild to moderate) P3(Moderately severe to
<p>[Comments]</p> <ul style="list-style-type: none"> <li>• Memantine, categorized as an antagonist of the NMDA receptor which is one of the Glutamate receptor subtypes in the central nervous system in mammals, possesses therapeutic action for dementia of Alzheimer type. The drug is expected to demonstrate effectivity in slowing down the progression of the disease by its neuroprotective action, which is distinct from cholinesterase inhibitors.</li> <li>• Developer: Asubio pharma</li> <li>• The phase3 trials for moderately severe to severe dementia of Alzheimer type and for mild to moderate dementia of Alzheimer type is on-going in Japan.</li> </ul>							
KMD-3213	Sildenafil	Oral	Selective alpha 1A blocker	Treatment of dysuria associated with benign prostatic hyperplasia	Kissei	China	P3
<p>[Comments]</p> <ul style="list-style-type: none"> <li>• An alpha1A blocker which effectively reduces urinary tract resistance and improves dysuria associated with benign prostatic hyperplasia.</li> <li>• Reduces cardiovascular side effects due to its alpha1A selectivity.</li> <li>• Sildenafil is marketed in Japan as brand name of URIF by DAIICHI SANKYO and Kissei.</li> <li>• Developer: DAIICHI SANKYO in China</li> </ul>							
SUN11031	Human ghrelin	Injection	-	Cachexia Anorexia Nervosa	Asubio Pharma	US EU JP	P2 P2 P2
<p>[Comments]</p> <ul style="list-style-type: none"> <li>• Ghrelin is an endogenous peptide known as one-and-only peripheral appetite stimulator among all hormones discovered the relationship with feeding behavior up to now. In addition to it, ghrelin is a potent stimulator of growth hormone release.</li> <li>• Developer: Asubio pharma in the US, EU and Japan</li> <li>• Phase2 trials ongoing for cachexia in the US and EU, and for anorexia nervosa in Japan.</li> </ul>							
DL-8234	Interferon-β	Injection	Interferon-β	Hepatitis C (with Ribavirin )	Toray	JP	Application
<p>[Comments]</p> <ul style="list-style-type: none"> <li>• DL-8234 is marketed in Japan as brand name of FERON.</li> <li>• Application: September, 2007</li> <li>• Co-development with Toray</li> <li>• A natural interferon-beta preparation with reduced adverse reactions, such as depression and alopecia, in comparison with interferon-alpha.</li> </ul>							

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#### 4. Overseas Sales

(Billions of yen)

	FY2007					FY2008		
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	2Q YTD
Overseas sales	<-8.4>	<4.4>	<14.2>	<-4.2>	<0.5>	<-15.9>	<3.6>	<-7.3>
	105.5	83.0	92.4	77.8	358.6	88.7	86.1	174.7
Overseas sales ratio	44.8%	39.9%	36.6%	42.2%	40.7%	43.5%	42.5%	43.0%
North America	<-30.0>	<0.5>	<15.0>	<-11.9>	<-9.1>	<-3.9>	<-2.7>	<0.6>
	56.1	55.1	62.2	46.5	219.9	58.3	53.6	111.9
Europe*	<-41.8>	<-3.7>	<-2.0>	<-7.7>	<-16.8>	<-42.6>	<-31.8>	<-19.5>
	39.1	17.7	19.4	22.3	98.5	22.4	23.3	45.7
Asia / Latin America, etc	<-39.2>	<-33.2>	<-38.3>	<-17.0>	<-31.9>	<-22.3>	<-10.9>	<-16.6>
	10.3	10.3	10.7	9.0	40.2	8.0	9.2	17.1

\* The accounting period of Daiichi Sankyo Europe GmbH (DSE) was 15 months from January 2007 to March 2008, following a change in its fiscal year-end from December to March.  
The net sales of DSE for the period from January to March 2007 was ¥14.1 billion.

#### 5. Consolidated Segment information - Operating Segment

(Billions of yen)

	FY2007					FY2008		
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	2Q YTD
Net Sales	<-12.9>	<-3.3>	<3.0>	<-7.3>	<-5.3>	<-13.5>	<-2.7>	<-8.4>
	235.5	208.2	252.1	184.3	880.1	203.7	202.6	406.3
Pharmaceuticals	<-8.8>	<2.2>	<7.0>	<-3.1>	<0.4>	<-10.2>	<-1.7>	<-4.6>
	225.8	198.2	241.2	175.6	840.8	202.9	201.6	404.5
Domestic	<-3.9>	<4.0>	<-2.3>	<-1.8>	<-0.9>	<-8.2>	<-0.4>	<-4.5>
	112.5	102.0	135.7	87.0	437.3	103.3	101.6	205.0
Overseas*	<-6.5>	<-8.9>	<-16.2>	<-3.2>	<-4.3>	<-14.1>	<-5.3>	<-5.5>
	103.2	81.5	89.4	78.3	352.5	88.7	85.8	174.5
OTC drugs	<-11.5>	<-8.5>	<0.1>	<-30.6>	<-4.9>	<-3.1>	<-5.2>	<-1.8>
	9.9	14.5	15.2	10.8	50.3	10.2	13.8	24.0
Other	<-57.9>	<-53.5>	<-43.4>	<-69.6>	<-57.4>	<-91.5>	<-90.0>	<-90.7>
	9.7	10.0	10.9	8.7	39.3	0.8	1.0	1.8
Operating income	<-11.6>	<-48.5>	<-17.2>	<-98.8>	<-15.0>	<-41.0>	<-17.1>	<-34.4>
	67.8	26.1	62.9	0.1	156.8	40.0	21.6	61.6
Pharmaceuticals	<-15.1>	<-56.5>	<-18.4>	<-140.5>	<-18.5>	<-42.3>	<-18.9>	<-35.9>
	68.3	25.8	62.5	-1.1	155.6	39.4	20.9	60.4
Other	<>	<>	<>	<>	<>	<>	<>	<>
	-0.3	-0.1	0.3	1.1	1.0	0.5	0.7	1.2

\* The accounting period of Daiichi Sankyo Europe GmbH (DSE) was 15 months from January 2007 to March 2008, following a change in its fiscal year-end from December to March.  
The operating results of DSE for the period from January to March 2007 was net sales of ¥14.1 billion and operating income of ¥1.8 billion.

#### 6. Consolidated Segment information - Geographic Segment

(Billions of yen)

	FY2007					FY2008		
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	2Q YTD
Net Sales	<-12.9>	<-3.3>	<3.0>	<-7.3>	<-5.3>	<-13.5>	<-2.7>	<-8.4>
	235.5	208.2	252.1	184.3	880.1	203.7	202.6	406.3
Japan	<-15.3>	<-11.8>	<-4.1>	<-11.1>	<-10.4>	<-12.6>	<-7.3>	<-10.1>
	151.8	143.5	179.7	123.0	598.1	132.7	133.0	265.7
North America	<-36.6>	<-19.1>	<-24.7>	<-11.4>	<-7.1>	<-12.5>	<-1.4>	<-6.9>
	45.0	44.6	51.1	37.2	178.0	50.7	45.3	95.9
Europe*	<-98.3>	<-18.2>	<-21.6>	<-28.2>	<-46.1>	<-53.1>	<-41.9>	<-25.8>
	32.3	13.0	14.4	18.2	78.0	15.2	18.5	33.6
Asia / Latin America, etc	<-59.1>	<-73.8>	<-52.7>	<-36.3>	<-55.0>	<-16.9>	<-16.3>	<-16.6>
	6.3	7.0	6.9	5.9	26.1	5.2	5.8	11.1
Operating income	<-11.6>	<-48.5>	<-17.2>	<-98.8>	<-15.0>	<-41.0>	<-17.1>	<-34.4>
	67.8	26.1	62.9	0.1	156.8	40.0	21.6	61.6
Japan		21.9	47.3	-9.5	107.1	18.5	8.2	26.7
North America		13.2	12.5	2.6	37.6	16.9	10.9	27.8
Europe*		4.4	1.4	5.9	10.7	1.2	0.0	1.3
Asia / Latin America, etc		0.5	0.7	0.4	2.5	0.7	0.4	1.1

\* The accounting period of Daiichi Sankyo Europe GmbH (DSE) was 15 months from January 2007 to March 2008, following a change in its fiscal year-end from December to March.  
The operating results of DSE for the period from January to March 2007 was net sales of ¥14.1 billion and operating income of ¥1.8 billion.

## 7. Status of Major Companies

### 7-1. Daiichi Sankyo Co., Ltd.

(Billions of yen)

	FY2007					FY2008		
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	2Q YTD
Total net sales of ethical pharmaceuticals	<0.1> 110.7	<5.0> 100.3	<-0.7> 131.9	<3.5> 84.2	<1.6> 427.1	<-8.8> 100.9	<-0.9> 99.5	<-5.0> 200.4
Cardiovascular disease	63.8	58.5	71.8	50.2	<3.3> 244.2	<-5.9> 60.0	<-2.2> 57.2	<-4.2> 117.2
Olmotec <antihypertensive>	<40.5> 13.8	<31.4> 12.6	<29.5> 17.6	<21.4> 11.2	<30.7> 55.2	<12.8> 15.6	<24.9> 15.7	<18.6> 31.3
Calblock <antihypertensive>	<17.8> 2.5	<16.6> 2.3	<10.2> 3.0	<23.1> 2.4	<16.3> 10.2	<19.4> 3.0	<26.9> 2.9	<23.0> 6.0
Artist <antihypertensive>	<5.2> 5.5	<16.3> 5.1	<3.7> 6.0	<16.5> 4.6	<9.6> 21.1	<3.3> 5.7	<4.9> 5.3	<4.1> 11.0
Mevalotin <antihyperlipidemic agent>	<-8.4> 16.3	<-9.6> 15.4	<-8.7> 18.2	<-10.3> 11.6	<-9.1> 61.6	<-17.1> 13.5	<-14.8> 13.1	<-16.0> 26.6
Kremezin <treatment for chronic renal failure>	<4.2> 3.1	<7.9> 3.1	<1.8> 3.5	<1.8> 2.7	<1.7> 12.4	<3.9> 3.2	<3.9> 3.2	<3.9> 6.4
Hanp <treatment for acute cardiac failure>	<4.2> 2.6	<13.0> 1.9	<-1.7> 2.9	<15.5> 2.4	<6.4> 9.8	<-7.8> 2.4	<-3.2> 1.8	<-5.8> 4.2
Livalo <antihyperlipidemic agent>	<5.9> 1.4	<7.5> 1.3	<3.0> 1.6	<10.1> 1.2	<6.3> 5.5	<10.0> 1.5	<13.8> 1.5	<11.8> 2.9
Sunrhythm <antiarrhythmic agent>	<-0.6> 3.2	<10.6> 3.0	<-2.4> 3.4	<7.5> 2.5	<3.0> 12.1	<-4.2> 3.1	<-2.9> 2.9	<-3.6> 5.9
Fastic <antidiabetic agent>	<-8.1> 1.3	<2.9> 1.3	<-5.6> 1.5	<-4.0> 1.1	<-4.0> 5.2	<-0.5> 1.3	<-0.1> 1.3	<-0.3> 2.6
Infectious diseases / bone and joint diseases / immunological allergic diseases / urology	33.6	30.6	45.9	28.7	<1.7> 138.8	<-8.3> 30.8	<4.2> 31.9	<-2.3> 62.7
Cravit <synthetic antibacterial agent>	<3.5> 12.1	<7.2> 10.0	<-8.5> 15.5	<11.5> 9.8	<1.4> 47.4	<-15.5> 10.2	<-6.0> 9.4	<-11.2> 19.6
Loxonin <anti-inflammatory analgesic>	<4.0> 8.3	<16.2> 8.1	<9.0> 9.8	<6.0> 7.4	<8.7> 33.6	<2.2> 8.4	<28.3> 10.4	<15.2> 18.9
Mobic <anti-inflammatory analgesic>	<-3.5> 2.8	<3.1> 2.6	<-10.6> 2.9	<-2.8> 2.0	<-4.0> 10.2	<-13.1> 2.4	<-16.7> 2.1	<-14.8> 4.6
Urief <treatment for dysuria>	<36.2> 1.1	<401.8> 1.2	<145.4> 1.7	<168.5> 1.4	<139.3> 5.4	<59.7> 1.8	<45.4> 1.8	<52.2> 3.5
Zyrtec <antiallergic agent>	<-8.9> 2.7	<-13.8> 1.9	<-18.4> 2.7	<0.6> 3.7	<-9.5> 10.8	<-23.8> 2.0	<-16.1> 1.6	<-20.7> 3.6
Contrast agents / cancer / gastric diseases	15.8	14.5	17.1	11.7	<-5.6> 59.1	<-22.2> 12.3	<-13.6> 12.5	<-18.1> 24.8
Omnipaque <contrast agent>	<-3.0> 8.2	<-2.4> 7.7	<-6.3> 9.2	<12.7> 6.0	<-1.2> 31.2	<-11.3> 7.3	<-5.4> 7.3	<-8.5> 14.6
Topotecin <anticancer agent>	<15.1> 1.6	<20.9> 1.5	<4.0> 1.7	<18.8> 1.3	<13.8> 6.2	<0.7> 1.6	<2.1> 1.5	<1.4> 3.1

### 7-2. Daiichi Sankyo Healthcare Co., Ltd

(Billions of yen)

	FY2007					FY2008		
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	2Q YTD
Daiichi Sankyo Healthcare Co., Ltd	<-11.5> 9.9	<8.5> 14.5	<0.1> 15.2	<30.6> 10.8	<4.9> 50.3	<-3.1> 10.2	<-5.2> 13.8	<-1.8> 24.0
LuLu Series	<-11.7> 1.1	<-8.7> 3.7	<3.4> 3.7	<28.9> 1.5	<-0.5> 10.0	<-8.7> 1.2	<-2.0> 3.6	<0.6> 4.9
Gaster 10	<-9.8> 0.9	<13.0> 0.8	<-28.9> 1.0	<64.0> 0.8	<-3.0> 3.5	<-15.5> 0.7	<7.8> 0.9	<-4.0> 1.6
Shin-Sankyo Ichoyaku series	<-9.8> 0.6	<-5.5> 0.7	<39.1> 1.3	<45.4> 0.8	<17.5> 3.5	<7.9> 0.7	<31.2> 0.9	<20.0> 1.6
Patecs series	<60.0> 1.0	<63.1> 0.9	<41.1> 0.7	<63.6> 0.5	<56.6> 3.0	<-19.5> 0.8	<-9.0> 0.8	<-14.5> 1.6
Transino	- -	<-> 1.4	<-> 0.7	<-> 0.5	<-> 2.6	<-> 0.7	<-62.0> 0.5	<-14.5> 1.2



### 7-3. Daiichi Sankyo, Inc. (US)

(Billions of yen)

	FY2007					FY2008		
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	2Q YTD
Daiichi Sankyo, Inc. (DSI)	<-29.8>	<-21.1>	<-35.1>	<-16.6>	<-2.7>	<-12.0>	<-0.6>	<-5.8>
mil USD	33.2	31.9	37.6	24.2	126.9	37.2	31.7	68.9
	<-32.7>	<-19.4>	<-39.6>	<-3.6>	<-0.4>	<-29.4>	<-8.4>	<-19.0>
mil USD	275	271	330	234	1,110	356	294	649
Benicar / Benicar HCT <antihypertensive>	<-36.1>	<-23.0>	<-22.0>	<-2.0>	<-5.3>	<-2.6>	<-1.8>	<-2.2>
mil USD	22.8	21.7	24.1	19.3	87.9	23.4	22.1	45.5
	<-38.8>	<-21.3>	<-26.3>	<-11.6>	<-3.0>	<-18.6>	<-11.3>	<-15.0>
mil USD	188	184	212	184	769	223	205	428
Azor <antihypertensive>	-	-	<->	<->	<->	<->	1.4	-
mil USD	-	-	16	6	22	<->	-	-
	<-36.6>	<-27.8>	<-29.5>	<-3.4>	<-2.1>	<-11.0>	<-8.8>	<-9.9>
mil USD	48	48	55	49	199	62	57	118
Welchol <antihyperlipidemic / type 2 diabetes>	5.8	5.6	6.2	5.1	22.7	6.4	6.1	12.5
mil USD	<-36.4>	<-26.0>	<-34.1>	<-9.6>	<-0.2>	<-28.2>	<-18.9>	<-23.6>
	48	48	55	49	199	62	57	118

### 7-4. Luitpold Pharmaceuticals, Inc. (US)

(Billion of yen)

	FY2007					FY2008		
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	2Q YTD
Luitpold Pharmaceuticals, Inc. (LPI)	<-50.2>	<-14.3>	<-2.3>	<-0.6>	<-16.3>	<-13.8>	<-6.4>	<-9.9>
mil USD	11.9	12.7	13.5	13.0	51.1	13.5	13.5	27.0
	<-52.2>	<-12.6>	<-5.9>	<-12.9>	<-14.3>	<-31.4>	<-16.5>	<-23.6>
mil USD	98	108	119	122	447	129	126	255
Venofer <treatment for iron deficiency anemia>	<-50.8>	<-16.5>	<-3.5>	<-5.5>	<-17.6>	<-23.1>	<-6.4>	<-14.0>
mil USD	6.8	8.0	8.2	8.1	31.1	8.3	8.5	16.8
	<-52.8>	<-14.6>	<-0.3>	<-5.7>	<-15.6>	<-42.2>	<-16.7>	<-28.3>
mil USD	56	68	72	76	272	80	79	159

### 7-5. Daiichi Sankyo Europe GmbH

(Billion of yen)

	FY2007					FY2008		
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	2Q YTD
Daiichi Sankyo Europe GmbH (DSE)	<-103.6>	<-22.5>	<-26.3>	<-32.8>	<-51.0>	<-53.1>	<-42.4>	<-25.7>
mil €	32.3	13.0	14.5	18.2	78.0	15.2	18.5	33.7
	<-79.4>	<-9.2>	<-14.7>	<-27.4>	<-37.5>	<-54.2>	<-42.5>	<-26.8>
mil €	203	80	88	115	486	93	114	207
Olmotec / Olmetec Plus <antihypertensive>	<-185.4>	<-52.4>	<-45.0>	<-66.5>	<-85.6>	<-44.3>	<-40.7>	<-16.3>
mil €	14.9	7.4	8.3	11.2	41.8	8.3	10.3	18.7
	<-151.5>	<-35.5>	<-31.0>	<-58.4>	<-69.0>	<-45.6>	<-40.5>	<-17.5>
mil €	94	45	51	71	261	51	64	115
Mevalotin <antihyperlipidemic agent>	<-77.9>	<-22.8>	<-13.3>	<-1.5>	<-11.5>	<-74.3>	<-3.4>	<-52.2>
mil €	2.8	1.3	1.2	1.3	6.7	0.7	1.2	2.0
	<-56.8>	<-31.5>	<-21.4>	<-1.2>	<-1.5>	<-74.9>	<-3.6>	<-52.8>
mil €	18	8	7	8	42	4	8	12
Evista <osteoporosis>	<->	<-38.1>	<-62.6>	<-51.5>	<-87.1>	<-71.7>	<-419.7>	<-163.5>
mil €	1.9	0.7	1.3	1.4	5.2	3.2	3.5	6.8
	<->	<-45.8>	<-46.6>	<-43.6>	<-70.4>	<-67.7>	<-421.3>	<-159.7>
mil €	12	4	8	9	33	20	22	42

\* Following the change in fiscal year-end, FY2007 results for DSE, Olmetec / Olmetec Plus, Mevalotin and Evista are fifteen-months totals from Jan-07 to Mar-08.

Three months results from Jan-07 to Mar-07 were ¥14.1 billion (€89 million), ¥6.4 billion (€40 million), ¥1.6 billion (€10 million), and ¥1.0 billion (€6 million), respectively.

### 7-6. Asia, South and Central America (ASCA)

#### 1) Net Sales by Companies

(Billions of yen)

	FY2007					FY2008		
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	2Q YTD
ASCA Total	4.7	5.2	5.2	5.9	21.0	5.2	5.8	11.1
	<-10.5>	<-12.7>	<-11.6>			<-10.9>	<-0.8>	<-4.7>
Daiichi Pharmaceutical (Beijing) Co., Ltd. (DPP)	0.9	1.0	1.0	1.2	4.1	1.0	1.0	2.0
	<-29.5>	<-64.3>	<-47.1>			<-29.5>	<-64.3>	<-47.1>
Shanghai Sankyo Pharmaceuticals Co., Ltd. (SSP)	0.6	0.6	0.7	0.5	2.3	0.7	0.9	1.6
	<-4.3>	<-1.1>	<-2.7>			<-4.3>	<-1.1>	<-2.7>
Daiichi Sankyo Korea Co., Ltd. (DSKR)	0.9	0.9	0.9	0.8	3.4	0.9	0.9	1.8
	<-4.9>	<-17.9>	<-7.2>			<-4.9>	<-17.9>	<-7.2>
Daiichi Sankyo (Thailand) Ltd. (DSTH)	0.2	0.2	0.2	0.2	0.8	0.2	0.2	0.4
	<-1.6>	<-1.2>	<-1.4>			<-1.6>	<-1.2>	<-1.4>
Daiichi Sankyo Taiwan Ltd. (DSTW)	0.9	0.9	0.9	0.9	3.7	0.9	1.0	1.9
	<-11.5>	<-14.9>	<-13.3>			<-11.5>	<-14.9>	<-13.3>
Daiichi Sankyo Brasil Farmacêutica Ltda. (DSBR)	0.9	1.0	1.0	1.4	4.4	1.0	1.2	2.2
	<-21.7>	<-12.0>	<-16.2>			<-21.7>	<-12.0>	<-16.2>
Daiichi Sankyo Venezuela, S.A. (DSVE)	0.4	0.5	0.5	0.9	2.4	0.5	0.6	1.1

#### 2) Sales of Major Products

(Billions of yen)

	FY2007					FY2008		
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	2Q YTD
Olmecartan	0.8	0.9	1.0	1.5	4.2	1.3	1.9	3.2
	<-69.3>	<-110.1>	<-91.5>			<-69.3>	<-110.1>	<-91.5>
Levofloxacin	2.0	1.9	2.1	1.9	7.8	1.9	1.9	3.9
	<-1.8>	<-0.9>	<-0.5>			<-1.8>	<-0.9>	<-0.5>
Pravastatin	0.8	0.8	0.8	0.8	3.2	0.8	0.8	1.5
	<-3.1>	<-7.6>	<-5.4>			<-3.1>	<-7.6>	<-5.4>

