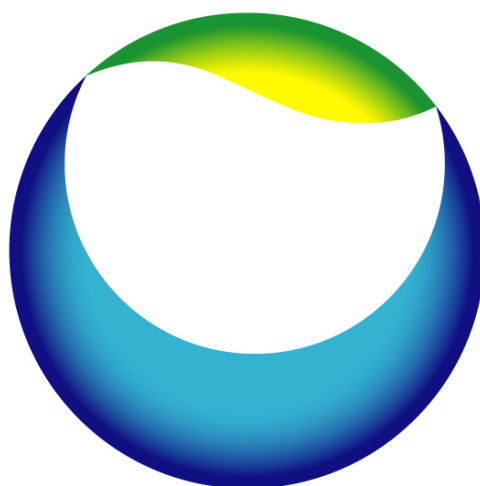


TSE : 4568

Reference Data

Consolidated Financial Results for Q1 FY2010



Daiichi-Sankyo

July 30, 2010

Daiichi Sankyo Co., Ltd.
<http://www.daiichisankyo.com>

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Daiichi-Sankyo

Reference Data

Consolidated Financial Results for Q1 FY2010

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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

< Consolidated Income Statement >

(Billions of yen)

	FY2010 Results				
	Q1	Progress	YoY Changes	Details (YoY Changes)	
Net Sales	<12.9> 100.0	256.4	26.2%	29.3	Ranbaxy Group: ¥+25.1 bil Olmesartan: ¥+4.2 bil, Loxonin: ¥+1.8 billion Levofloxacin: ¥-2.8 bil, Pravastatin: ¥-2.8 bil [Decrease by yen appreciation: Approx. ¥-5.5 bil]
Cost of Sales	25.0	64.1	22.1%	1.5	Cost to sales ratio: -2.5 Points Impact of Ranbaxy: -1.8 Points
SG&A Expenses	51.2	131.3	21.9%	-6.5	
R&D Expenses	17.0	43.6	20.8%	-1.5	
Other Expenses	34.2	87.7	22.5%	-5.0	Reduction of promotional expense at subsidiaries in U.S. and Europe, etc.
Operating Income	<128.1> 23.8	61.1	67.8%	34.3	
Non-operating Income		11.8		7.9	Gain on valuation of Ranbaxy's forex derivatives, etc.
Non-operating Expenses		2.8		-20.7	Losses on valuation of Ranbaxy's forex derivatives, etc. in FY2009
Ordinary Income	<877.7> 27.3	70.1	82.5%	62.9	
Extraordinary Gains		0.8		-1.3	
Extraordinary Losses		4.8		4.2	Loss on valuation of investment securities, etc.
Income before taxes and minority interests	25.8	66.1	77.8%	57.5	
Net Income	<-> 12.9	33.1	73.5%	39.5	Income taxes: ¥26.6 bil (Tax rate: 40.2%) Minority interests: ¥6.5 bil

< Daiichi Sankyo Group >

	FY2010 Results		
	Q1	YoY Changes	
Net Sales	<2.1> 100.0	201.6	4.2
Cost of Sales	22.3	44.9	-0.5
SG&A Expenses	56.3	113.5	-8.5
R&D Expenses	20.0	40.3	-2.7
Other Expenses	36.3	73.2	-5.8
Operating Income	<44.0> 21.5	43.3	13.2
Non-operating Income		1.8	-1.1
Non-operating Expenses		1.7	0.9
Ordinary Income	<34.8> 21.5	43.4	11.2
Extraordinary Gains		0.8	-1.4
Extraordinary Losses		4.2	3.5
Income before taxes and minority interests	19.8	40.0	6.3
Net Income	<122.8> 11.1	22.3	12.3

< Ranbaxy Group >

	FY2010 Results		
	Q1	YoY Changes	
Net Sales	<84.9> 100.0	54.9	25.2
Cost of Sales	35.0	19.2	2.1
SG&A Expenses	29.8	16.4	2.0
R&D Expenses	6.0	3.3	1.2
Other Expenses	23.8	13.1	0.8
Operating Income	<-> 35.2	19.3	21.1
Non-operating Income		10.0	9.1
Non-operating Expenses		1.1	-21.6
Ordinary Income	<-> 51.5	28.3	51.8
Extraordinary Gains		0.0	0.0
Extraordinary Losses		0.7	0.7
Income before taxes and minority interests	50.3	27.6	51.1
Net Income	<-> 33.4	18.4	35.3

< Inter-Segment Transactions >

	FY2010 Results	
	Q1	YoY Changes
Net Sales	-0.1	-0.1
Cost of Sales	0.0	0.0
SG&A Expenses	1.5	0.0
R&D Expenses	0.0	0.0
Other Expenses	1.5	0.0
Operating Income	-1.5	-0.1
Non-operating Income	0.0	0.0
Non-operating Expenses		
Ordinary Income	-1.5	-0.1
Extraordinary Gains	0.0	0.0
Extraordinary Losses		
Income before taxes and minority interests	-1.5	0.0
Net Income	-7.6	-8.1

(Billions of yen)

	FY2010 Forecast						Details
	1st half		YoY Changes	Full Year		YoY Changes	
Net Sales	<4.1>			<2.9>			Expected overseas sales: ¥507.0 bil Expected sales of Ranbaxy Group: ¥165.0 bil
	100.0	490.0	19.4	100.0	980.0	27.9	
Cost of Sales	29.4	144.0	6.8	29.6	290.0	12.0	
SG&A Expenses	60.4	296.0	13.5	61.2	600.0	21.4	
R&D Expenses	20.8	102.0	7.9	21.4	210.0	13.2	
Other Expenses	39.6	194.0	5.6	39.8	390.0	8.2	
Operating Income	<-1.7>			<-5.8>			
	10.2	50.0	-0.9	9.2	90.0	-5.5	
Non-operating Income / (Expenses)		-2.0	-3.4		-5.0	-12.6	
Ordinary Income	<-8.2>			<-17.6>			
	9.8	48.0	-4.3	8.7	85.0	-18.1	
Extraordinary Gains / (Losses)			-1.4			5.7	
Income before taxes and minority interests	9.8	48.0	-5.7	8.7	85.0	-12.4	
Net Income	<33.7>			<7.5>			Expected net income of Ranbaxy Group: ¥6.0 bil
	5.1	25.0	6.3	4.6	45.0	3.1	

2. Currency Rate

	FY2009	FY2010
	Q1 Results	Q1 Results
USD / Yen (average)	97.3	92.0
EUR / Yen (average)	132.6	117.0

FY2010		
Full Year Forecast	Annual impact of one yen change in currency rate	
90.0	Net Sales	¥2.5 billion
	Operating Income	¥0.2 billion
120.0	Net Sales	¥0.7 billion
	Operating Income	¥0.1 billion

3. Sales of Global Products

	FY2010 Results			(Billions of yen)	
	Q1	Progress	YoY Changes	FY2010 Forecast	YoY Changes
Olmesartan <antihypertensive>	<7.6>			<9.1>	
	60.2	23.2%	4.2	260.0	21.7
Olmetec (JPN)	<8.7>			<11.4>	
	20.7	24.1%	1.7	86.0	8.8
Rezaltas (JPN)	<->			<->	
	1.8	36.1%	1.8	5.0	5.0
Benicar HCT / Benicar (US)	<-2.9>			<0.6>	
	21.4	23.9%	-0.6	89.5	0.6
Azor (US)	<25.8>			<1.7>	
	3.8	29.4%	0.8	13.0	0.2
Olmetec Plus / Olmetec (EU)	<-4.2>			<2.7>	
	7.9	19.4%	-0.4	41.0	1.1
Sevikar (EU)	<84.9>			<50.0>	
	1.7	17.6%	0.8	9.5	3.2
Other subsidiaries / Export, etc.	<7.7>			<21.8>	
	2.8	17.8%	0.2	16.0	2.9
Levofloxacin <synthetic antibacterial>	<-14.3>			<-19.7>	
	17.0	24.2%	-2.8	70.0	-17.2
Cravit (JPN)	<-18.3>			<-24.4>	
	7.8	23.5%	-1.7	33.0	-10.6
Export, etc	<-14.1>			<-24.8>	
	4.1	25.8%	-0.7	16.0	-5.3
Royalty	<-18.9>			<-14.3>	
	3.0	23.8%	-0.7	12.5	-2.1
Other subsidiaries	<15.8>			<10.7>	
	2.1	24.6%	0.3	8.5	0.8
Pravastatin <antihyperlipidemic>	<-19.1>			<-20.0>	
	11.9	27.0%	-2.8	44.0	-11.0
Mevalotin (JPN)	<-17.9>			<-19.9>	
	10.2	27.6%	-2.2	37.0	-9.2
Other subsidiaries / Export, etc.	<-25.8>			<-20.6>	
	1.7	24.2%	-0.6	7.0	-1.8
Prasugrel (alliance revenue) <antiplatelet>	<->				
	0.8	-	-		
Effient (US)	<->				
	0.4	-	-		
Effient (EU)	<->				
	0.4	-	-		

Forecast of prasugrel is not disclosed.

Total global sales of prasugrel by Eli Lilly and Company for Apr-Jun 2010 is approximately USD 23 mil, of which the U.S. sales is approximately USD 16 mil.

4. Overseas Sales

(Billions of yen)			
	FY2010 Results		
	Q1	YoY Changes	
	<22.0>		
Overseas sales	134.0	24.2	
Overseas sales ratio	52.2%		
North America	<31.7>	77.6	18.7
Europe	<-12.4>	23.8	-3.4
Other	<37.4>	32.6	8.9

5. Geographic Segment Information

(Billions of yen)			
	FY2010 Results		
	Q1	YoY Changes	
	<12.9>		
Net Sales	100.0	256.4	29.3
Japan	<3.1>	51.7	132.5
North America	<33.2>	28.2	72.2
Europe	<-8.1>	8.0	20.6
India	<67.9>	7.5	19.3
Other	<12.1>	4.6	11.7
Operating income	<128.1>	61.1	34.3
Japan		35.0	
North America		16.0	
Europe		2.1	
India		15.2	
Other		1.0	

6. Status of Major Companies

6-1. Daiichi Sankyo Co., Ltd.

	FY2010 Results			(Billions of yen)	
	Q1	Progress	YoY Changes	FY2010 Forecast	YoY Changes
				Full Year	
Total net sales of ethical pharmaceuticals	<0.6> 105.3	25.4%	0.6	<0.7> 415.0	2.7
Olmetec <antihypertensive>	<8.7> 20.7	24.1%	1.7	<11.4> 86.0	8.8
Rezaltas <antihypertensive>	<-> 1.8	36.1%	1.8	<-> 5.0	5.0
Calblock <antihypertensive>	<6.5> 3.7	26.3%	0.2	<2.3> 14.0	0.3
Artist <antihypertensive>	<1.8> 6.1	27.3%	0.1	<-3.5> 22.5	-0.8
Mevalotin <antihyperlipidemic agent>	<-17.9> 10.2	27.6%	-2.2	<-19.9> 37.0	-9.2
Kremezin <treatment for chronic renal failure>	<5.5> 3.5	27.2%	0.2	<-2.6> 13.0	-0.3
Hanp <treatment for acute cardiac failure>	<-0.2> 2.4	28.6%	0.0	<-10.0> 8.5	-0.9
Livalo <antihyperlipidemic agent>	<9.9> 2.0	25.1%	0.2	<9.7> 8.0	0.7
Sunrhythm <antiarrhythmic agent>	<-5.0> 2.9	27.5%	-0.2	<-8.6> 10.5	-1.0
Fastic <antidiabetic agent>	<-3.8> 1.3	26.0%	-0.1	<-3.2> 5.0	-0.2
Cravit <synthetic antibacterial agent>	<-18.3> 7.8	23.5%	-1.7	<-24.4> 33.0	-10.6
Loxonin <anti-inflammatory analgesic>	<15.9> 13.0	25.5%	1.8	<8.6> 51.0	4.0
Urief <treatment for dysuria>	<11.2> 2.5	21.5%	0.2	<27.3> 11.5	2.5
Zyrtec <antiallergic agent>	<-14.3> 2.1	25.7%	-0.3	<-16.3> 8.0	-1.6
Omnipaque <contrast agent>	<-10.1> 6.4	27.9%	-0.7	<-15.6> 23.0	-4.3

6-2. Daiichi Sankyo Healthcare Co., Ltd

	FY2010 Results			(Billions of yen)	
	Q1	Progress	YoY Changes	FY2010 Forecast	
				Full Year	YoY Changes
Daiichi Sankyo Healthcare Co., Ltd	<-2.7>			<10.9>	
	9.3	19.1%	-0.3	48.5	4.8
LuLu Series	<37.0>			<16.8>	
	1.7	14.4%	0.5	11.6	1.7
Gaster 10	<-8.5>			<27.0>	
	0.5	17.9%	0.0	2.6	0.6
Shin-Sankyo Ichoyaku series	<-6.9>			<4.6>	
	0.8	21.8%	-0.1	3.7	0.2
Patecs series	<-37.0>			<4.4>	
	0.6	22.3%	-0.3	2.6	0.1
Transino	<-13.4>			<56.0>	
	0.2	15.4%	0.0	1.4	0.5

6-3. Daiichi Sankyo, Inc. (US)

	FY2010 Results			(Billions of yen)	
	Q1	Progress	YoY Changes	FY2010 Forecast	
				Full Year	YoY Changes
Daiichi Sankyo, Inc. (DSI)	<1.7>			<9.0>	
	33.6	23.2%	0.6	145.0	12.0
mil USD	<7.6>			<12.5>	
	365	22.6%	26	1,611	178
Benicar / Benicar HCT <antihypertensive>	<-2.9>			<0.6>	
	21.4	23.9%	-0.6	89.5	0.6
mil USD	<2.7>			<3.8>	
	233	23.4%	6	994	37
Azor <antihypertensive>	<25.8>			<1.7>	
	3.8	29.4%	0.8	13.0	0.2
mil USD	<33.1>			<5.0>	
	42	28.8%	10	144	7
Welchol <antihyperlipidemic / type 2 diabetes>	<1.8>			<3.5>	
	7.0	24.6%	0.1	28.5	1.0
mil USD	<7.6>			<6.8>	
	76	24.1%	5	317	20
Effient (alliance revenue) <antiplatelet>	<->				
	0.4	-	-		
mil USD	<->				
	4	-	-		

Forecast of Effient is not disclosed.

6-4. Luitpold Pharmaceuticals, Inc. (US)

	FY2010 Results			(Billions of yen)	
	Q1	Progress	YoY Changes	FY2010 Forecast	
Luitpold Pharmaceuticals, Inc. (LPI)	<10.4>			<-9.8>	
	14.7	31.4%	1.4	47.0	-5.1
mil USD	<16.7>			<-6.9>	
	160	30.7%	23	522	-39
Venofer	<5.2>			<-16.0>	
<treatment for iron deficiency anemia>	8.4	31.2%	0.4	27.0	-5.2
mil USD	<11.3>			<-13.4>	
	92	30.5%	9	300	-46

6-5. Daiichi Sankyo Europe GmbH

	FY2010 Results			(Billions of yen)	
	Q1	Progress	YoY Changes	FY2010 Forecast	
Daiichi Sankyo Europe GmbH (DSE)	<-14.6>			<0.4>	
	14.8	19.6%	-2.5	75.5	0.3
mil €	<-3.2>			<9.7>	
	126	20.1%	-4	629	56
Olmotec / Olmetec Plus	<-4.2>			<2.7>	
<antihypertensive>	7.9	19.4%	-0.4	41.0	1.1
mil €	<8.5>			<12.3>	
	68	19.9%	5	342	37
Sevikar	<84.9>			<50.0>	
<antihypertensive>	1.7	17.6%	0.8	9.5	3.2
mil €	<109.5>			<64.0>	
	14	18.0%	7	79	31
Evista	<-29.6>			<-12.7>	
<treatment for osteoporosis>	1.7	21.5%	-0.7	8.0	-1.2
mil €	<-20.2>			<-4.6>	
	15	22.0%	-4	67	-3

Alliance Revenue of Efient (Europe)

Efient	<->		
<antiplatelet>	0.4	-	-
mil USD	<->		
	5	-	-

Alliance revenue of Efient (Europe) is booked on Daiichi Sankyo Co., Ltd., thus, total sales of DSE above does not include such revenue.

Forecast of Efient is not disclosed.

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

	FY2010 Results			(Billions of yen)	
	Q1	Progress	YoY Changes	FY2010 Forecast	
				Full Year	YoY Changes
ASCA Total	<12.7>			<8.6>	
	5.9	21.2%	0.7	28.0	2.2
Daiichi Sankyo Pharmaceutical (Beijing) Co., Ltd. (DSBJ)	<17.8>			<-4.9>	
	1.1	28.8%	0.2	3.9	-0.2
Daiichi Sankyo Pharmaceutical (Shanghai) Co., Ltd. (DSSH)	<35.5>			<26.7>	
	1.4	21.3%	0.4	6.7	1.4
Daiichi Sankyo Taiwan Ltd. (DSTW)	<-8.6>			<-0.5>	
	0.8	25.5%	-0.1	3.1	0.0
Daiichi Sankyo Korea Co., Ltd. (DSKR)	<31.4>			<39.4>	
	1.0	20.9%	0.2	4.7	1.3
Daiichi Sankyo (Thailand) Ltd. (DSTH)	<35.8>			<55.1>	
	0.2	16.7%	0.1	1.4	0.5
Daiichi Sankyo Brasil Farmacêutica Ltda. (DSBR)	<36.5>			<19.0>	
	1.0	18.4%	0.3	5.6	0.9
Daiichi Sankyo Venezuela, S.A. (DSVE)	<-46.7>			<-30.6>	
	0.4	12.9%	-0.3	2.9	-1.3

6-7. Ranbaxy Laboratories Limited

	FY2010 Results			(Billions of yen)	
	Q1	Progress	YoY Changes	FY2010 Forecast	
				Full Year	YoY Changes
Ranbaxy Laboratories Limited	<84.7>			<12.6>	
	54.8	33.2%	25.1	165.0	18.4

7. Number of Employees

	FY2009		FY2010
	Jun-09	Mar-10	Jun-10 [*]
Total Number of Employees	29,156	29,825	30,194
Japan	9,311	8,892	9,061
Overseas	19,845	20,933	21,133

	FY2009				FY2010	
	Jun-09	MRs	Mar-10	MRs	Jun-10 [*]	MRs
Total Number of Employees	29,156		29,825		30,194	
<Japan>						
Daiichi Sankyo Co., Ltd. (DS)	6,057	2,400	6,028	2,400	6,210	2,400
Daiichi Sankyo Healthcare Co., Ltd (DSHC)	398	150	391	150	394	150
<US>						
Daiichi Sankyo, Inc. (DSI)	2,881	1,810	2,940	1,800	2,911	1,800
Luitpold Pharmaceuticals, Inc. (LPI)	488	70	611	80	636	80
<Europe>						
Daiichi Sankyo Europe GmbH (DSE)	2,472	1,360	2,432	1,340	2,460	1,370
<Asia / Latin America>						
Daiichi Sankyo Pharmaceutical (Beijing) Co., Ltd. (DSBJ)	479	174	490	178	493	182
Daiichi Sankyo Pharmaceutical (Shanghai) Co., Ltd. (DSSH)	533	229	565	247	570	263
Daiichi Sankyo Taiwan Ltd. (DSTW)	162	69	163	70	162	68
Daiichi Sankyo Korea Co., Ltd. (DSKR)	98	49	98	50	101	51
Daiichi Sankyo (Thailand) Ltd. (DSTH)	42	16	54	30	51	24
Daiichi Sankyo Hong Kong Ltd. (DSHK)	7	-	7	-	7	-
Daiichi Sankyo Brasil Farmacêutica Ltda. (DSBR)	313	118	307	119	313	118
Daiichi Sankyo Venezuela, S.A. (DSVE)	139	70	141	84	140	76

	FY2009		FY2010
	Jun-09	Mar-10	Jun-10 [*]
Ranbaxy Group	12,131	12,995	13,157

* For overseas subsidiaries with different fiscal year-ends, figures as of Mar-10 are shown

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8. Consolidated Balance Sheets

<Assets>

(Billions of yen)

	2010.3.31		2010.6.30		Change	Details
		%		%		
Current assets	819.8	55.0	833.7	56.8	13.9	
Cash and time deposits	101.0		124.2		23.2	Liquidity on hand (cash and current deposits + marketable securities + investment securities, etc.) <u>Total ¥ 371.4 billion (¥ +13.1 billion from the end of fiscal 2009)</u>
Trade notes and accounts receivable	211.9		216.3		4.4	
Marketable securities	236.5		225.8		-10.7	
Inventories	143.2		145.6		2.4	Breakdown of inventories as of June 30, 2010 Merchandise and finished goods: <u>¥ 95.1 billion</u> Work in process: <u>¥ 17.0 billion</u> Raw materials and supplies: <u>¥ 33.6 billion</u>
Deferred tax assets	87.0		82.7		-4.3	
Other current assets	41.8		40.7		-1.1	
Allowance for doubtful accounts	-1.7		-1.7		0.0	
Non-current assets	669.8	45.0	634.6	43.2	-35.2	
Property, plant and equipment	249.5	16.8	241.8	16.5	-7.8	
Buildings and structures, net	126.6		121.3		-5.3	Transfer of Shizuoka Factory etc.
Machinery, equipment and vehicles, net	44.5		44.1		-0.4	
Land	42.6		40.2		-2.4	
Construction in progress	22.3		23.2		0.9	
Other, net	13.5		12.9		-0.6	
Intangible assets	180.9	12.1	170.9	11.6	-10.0	
Goodwill, net	73.8		71.0		-2.7	Amortization: U3 Pharma: <u>¥ -1.3 bil</u> , Ranbaxy: <u>¥ -0.6 bil</u>
Other intangible assets, net	107.1		99.9		-7.3	Forex, Amortization of Ranbaxy and sales rights of Evista in Europe, etc.
Investments and other assets	239.3	16.1	221.9	15.1	-17.4	
Investment securities	137.0		126.7		-10.3	Decrease in net unrealized gain on investment securities
Long-term loans	0.1		0.0		0.0	
Prepaid pension costs	3.9		2.7		-1.2	
Deferred tax assets	81.8		76.4		-5.3	
Other assets	16.9		16.3		-0.5	
Allowance for doubtful accounts	-0.3		-0.3		0.0	
Total assets	1,489.5	100.0	1,468.3	100.0	-21.2	

<Liabilities and Net Assets>

(Billions of yen)

	2010.3.31		2010.6.30		Change	Details
		%		%		
Liabilities	600.0	40.3	578.0	39.4	-22.0	
Current liabilities	268.8	18.0	300.9	20.5	32.1	
Trade notes and accounts payable	66.5		57.9		-8.6	
Short-term bank loans	20.0		33.8		13.8	
Convertible bond-type bonds with subscription rights to shares to be redeemed within one year	-		50.6		50.6	---- Change from long-term financing
Income taxes payable	10.6		9.4		-1.2	
Allowance for sales returns	0.6		0.6		0.1	
Allowance for sales rebates	1.4		1.2		-0.2	
Allowance for contingent losses	1.6		1.6		0.0	
Other current liabilities	168.1		145.6		-22.4	
Long-term liabilities	331.2	22.2	277.1	18.9	-54.1	
Bonds payable	100.0		100.0		0.0	
Convertible bond-type bonds with subscription rights to shares	49.5		-		-49.5	---- Change to short-term financing
Long-term bank loans	121.4		118.5		-2.8	
Deferred tax liabilities	29.2		28.3		-1.0	
Accrued employees' severance and retirement benefits	12.3		11.5		-0.9	
Accrued directors' severance and retirement benefits	0.1		0.1		0.0	
Other long-term liabilities	18.6		18.7		0.1	
Net assets	889.5	59.7	890.3	60.6	0.8	
Shareholders' equity	887.0	59.6	899.0	61.2	12.0	
Common stock	50.0		50.0		0.0	
Capital surplus	105.2		105.2		0.0	
Retained earnings	746.4		758.3		12.0	Dividends paid: <u>¥ -21.1 bil</u> Net income: <u>¥ +33.1 bil</u>
Treasury stock, at cost	-14.6		-14.6		0.0	
Valuation and other adjustments	-31.3	-2.1	-50.6	-3.4	-19.3	
Net unrealized gain on investment securities	27.5		22.7		-4.8	
Deferred gains or losses on hedges	1.0		1.2		0.2	
Foreign currency translation adjustments	-59.8		-74.5		-14.7	
Subscription rights to shares	3.3	0.2	3.5	0.2	0.2	
Minority interests	30.5	2.0	38.5	2.6	8.0	
Total liabilities and net assets	1,489.5	100.0	1,468.3	100.0	-21.2	

9. Consolidated Statements of Cash Flows

(Billions of yen)

	FY2009 Q1	FY2010 Q1	Change	
Income before income taxes and minority interests	8.6	66.1	57.5	
Depreciation	10.6	10.6	0.1	
Amortization of goodwill	2.2	2.3	0.1	
(Gain) loss on valuation of derivatives	12.8	-7.7	-20.4	
Foreign exchange (gains) losses	0.6	-0.6	-1.2	
(Gain) loss on valuation of investments securities	0.1	3.2	3.1	
(Increase) decrease in trade notes and accounts receivable	-8.5	-8.5	0.0	
(Increase) decrease in inventories	-5.9	-4.1	1.8	
Increase (decrease) in trade notes and accounts payable	-0.8	-7.9	-7.1	
Increase (decrease) in accounts payable and accrued expenses	-1.8	-6.0	-4.2	
Income taxes paid	-2.6	-9.9	-7.3	
Other, net	2.6	-6.7	-9.3	
Cash flows from operating activities	17.7	30.8	13.1	
Net (increase) decrease in short-term operating assets	23.5	-18.8	-42.3	
(Acquisitions) / proceeds from sales of fixed assets	-5.8	-4.1	1.7	
(Acquisitions) / proceeds from sales of investment securities	3.1	-0.6	-3.7	
Proceeds from sales of investments in consolidated subsidiaries	-	5.6	5.6	Transfer of Shizuoka Factory
Other, net	0.1	-0.6	-0.6	
Cash flows from investing activities	20.9	-18.4	-39.3	
Net increase (decrease) in short-term bank loans and long-term debt	-97.2	9.8	107.1	
Proceeds from issuance of bonds	99.7	-	-99.7	
Dividends paid	-28.2	-21.1	7.0	
Other, net	-0.1	0.0	0.1	
Cash flows from financing activities	-25.8	-11.3	14.5	
Effect of exchange rate changes on cash and cash equivalents	0.2	-7.7	-7.9	
Net increase (decrease) in cash and cash equivalents	13.0	-6.7	-19.7	
Cash and cash equivalents, beginning of period	177.8	259.2	81.4	
Cash and cash equivalents, end of period	190.8	252.6	61.8	

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10. Major R&D Pipeline

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

Therapeutic Area	Main Existing Product	Phase1	Phase2
Cardiovascular diseases	Mevalotin Benicar/Olmetec Azor/Sevikar Welchol Effient/Efient Olmetec Rezaltas Calblock Artist Mevalotin Kremezin Hanp Livalo Sunrythm Bepricor	DB-772d (oral factor Xa inhibitor)	DU-176b(US/EU) (Edoxaban / post surgical VTE / oral factor Xa inhibitor) CS-747(JP) (Prasugrel / anti-platelet agent)
Diabetes mellitus	Welchol Fastic		CS-1036(JP/Asia) (glucose absorption inhibitor)
Cancer	Topotecin Krestin	U3-1287(US) (anti-HER3 antibody) CS-1008(JP) (Tigatuzumab / anti-DR5 antibody) CS-7017(JP/Asia) (PPAR γ activator)	CS-1008(US/EU/Asia) (Tigatuzumab / anti-DR5 antibody) CS-7017(US/EU) (PPAR γ activator) DE-766(JP) (Nimotuzumab / anti-EGFR antibody) ARQ 197(US/EU) (c-Met inhibitor)
Infectious diseases	Levaquin / Tavanic Banan Cravit	CS-8958(US/EU) (Laninamivir / anti-influenza / co-development with Biota) CS-4771 (Sepsis) <u>DS-8587</u> (Broad spectrum antibacterial agents)	
Bone/Joint diseases	Loxonin Mobic		
Immunological allergic diseases	Zyrtec	CS-0777 (immunomodulator)	SUN13834(US) (chymase inhibitor)
Others	Venofer Evoxac Omnipaque Omniscan Visipaque Sonazoid Feron Urief		SUN11031(US/EU) (Human ghrelin / cachexia) ★DD-723-B(JP) (Perflubutane / ultrasonic contrast agent)

★Additional indications, new formulations etc.

Change from the announcement in May 2010

New(underline)

DS-8587(Broad spectrum antibacterial agents/P1)

Change of Stage etc.

★CS-8635(Triple combination formulation / US / Approved), ★CS-600G(Loxoprofen / gel / JP / Approved)

Phase3	Application
☆CS-747(US/EU) (Prasugrel / ACS-MM / anti-platelet agent) DU-176b(US/EU/JP/Asia) (Edoxaban / AF / oral factor Xa inhibitor) DU-176b(US/EU/JP/Asia) (Edoxaban / VTE / oral factor Xa inhibitor)	☆CS-8635(US) (Olmesartan, Amlodipine, Hydrochlorothiazide combination) ☆CS-8635(EU) (Olmesartan, Amlodipine, Hydrochlorothiazide combination) DU-176b(JP) (Edoxaban / post surgical VTE / oral factor Xa inhibitor)
☆CS-8958(JP) (Laninamivir / prophylactic / anti-influenza)	☆Levofloxacin inj(JP) (new quinolone) CS-8958(JP) (Laninamivir / treatment / anti-influenza)
AMG 162(JP) (denosumab / bone metastases of cancer, osteoporosis / anti-RANKL antibody)	☆CS-600G(JP) (Loxoprofen / gel)
SUN11031(JP) (Human ghrelin / anorexia nervosa)	KMD-3213(China) (Silodosin / treatment of dysuria associated with benign prostatic hyperplasia) SUN Y7017(JP) (Memantine / Alzheimer's type Dementia)

1. Summary of Income Statement

(Billions of yen)

	FY2009										FY2010	
	Q1		Q2		Q3		Q4		Full Year		Q1	
Net sales	<11.5> 100.0	227.1	<20.2> 100.0	243.4	<15.3> 100.0	255.1	<5.6> 100.0	226.4	<13.1> 100.0	952.1	<12.9> 100.0	256.4
Cost of sales	27.5	62.5	30.7	74.7	29.6	75.4	28.9	65.4	29.2	278.0	25.0	64.1
Selling, general and administrative expenses	60.7	137.8	59.4	144.6	55.1	140.5	68.7	155.6	60.8	578.6	51.2	131.3
Research and development expenses	19.9	45.1	20.1	49.0	18.7	47.6	24.3	55.1	20.7	196.8	17.0	43.6
Other expenses	40.8	92.7	39.3	95.6	36.4	92.9	44.4	100.5	40.1	381.8	34.2	87.7
Operating income	<-33.1> 11.8	26.8	<11.5> 9.9	24.1	<7.6> 15.4	39.2	<-> 2.4	5.4	<7.5> 10.0	95.5	<128.1> 23.8	61.1
Non-operating income		3.9		10.9		4.3		9.1		28.2		11.8
Non-operating expenses		23.5		-10.1		5.1		2.1		20.6		2.8
Ordinary income	<-82.5> 3.2	7.2	<140.0> 18.5	45.1	<14.4> 15.0	38.4	<-> 5.5	12.5	<86.9> 10.8	103.1	<877.7> 27.3	70.1
Extraordinary gains		2.1		0.2		1.5		2.1		5.9		0.8
Extraordinary losses		0.7		0.3		2.5		8.1		11.6		4.8
Income before income taxes and minority interests	3.8	8.6	18.5	45.0	14.6	37.3	2.8	6.4	10.2	97.4	25.8	66.1
Net income	<-> -	-6.4	<182.7> 10.3	25.1	<-> 8.1	20.6	<-96.8> 1.2	2.6	<-> 4.4	41.9	<-> 12.9	33.1

2. Currency Rate

(yen)

	FY2009				FY2010	
	Q1	Q2 YTD	Q3 YTD	Full Year	Q1	
USD / Yen (average)	97.3	95.5	93.5	92.9	92.0	
EUR / Yen (average)	132.6	133.2	133.0	131.2	117.0	
INR / Yen (average)	1.89	1.95	1.95	1.95	1.98	

3. Sales of Global Products

(Billions of yen)

	FY2009						FY2010	
	Q1	Q2	Q3	Q4	Full Year		Q1	
Olmesartan <antihypertensive>	<10.5> 56.0	<10.2> 59.4	<12.3> 64.7	<19.0> 58.3	<12.9> 238.3		<7.6> 60.2	
Olmetec (JPN)	<22.1> 19.0	<26.1> 19.8	<18.8> 22.2	<12.5> 16.2	<20.0> 77.2		<8.7> 20.7	
Rezaltas (JPN)	-	-	-	-	-		<-> 1.8	
Benicar / Benicar HCT (US)	<-5.6> 22.1	<0.5> 22.2	<2.0> 22.7	<11.7> 21.9	<1.8> 88.9		<-2.9> 21.4	
Azor (US)	<121.5> 3.0	<30.9> 3.2	<38.6> 3.6	<29.7> 2.9	<47.2> 12.8		<25.8> 3.8	
Olmetec / Olmetec Plus (EU)	<-0.2> 8.3	<-3.7> 10.0	<12.1> 10.2	<17.7> 11.4	<6.5> 39.9		<-4.2> 7.9	
Sevikar (EU)	<-> 0.9	<-> 1.2	<56.5> 2.2	<156.5> 2.0	<189.3> 6.3		<84.9> 1.7	
Other subsidiaries / Export, etc	<29.9> 2.6	<-7.8> 3.1	<6.2> 3.7	<71.4> 3.7	<19.2> 13.1		<7.7> 2.8	
Levofloxacin <synthetic antibacterial>	<-23.2> 19.8	<-0.3> 23.5	<-14.2> 22.1	<-3.5> 21.8	<-10.7> 87.2		<-14.3> 17.0	
Cravit (JPN)	<-6.8> 9.5	<26.7> 11.9	<-21.0> 10.8	<17.5> 11.4	<1.5> 43.6		<-18.3> 7.8	
Export, etc	<-49.6> 4.8	<-22.7> 6.4	<-17.6> 5.1	<-29.5> 5.0	<-31.5> 21.3		<-14.1> 4.1	
Royalty	<-9.9> 3.7	<-19.3> 3.2	<0.7> 4.1	<-8.8> 3.6	<-9.3> 14.6		<-18.9> 3.0	
Other subsidiaries	<-6.4> 1.8	<2.9> 2.0	<14.7> 2.1	<-2.2> 1.8	<2.2> 7.7		<15.8> 2.1	
Pravastatin <antihyperlipidemic>	<-8.5> 14.7	<-5.2> 15.0	<-10.8> 14.8	<-14.9> 10.5	<-9.6> 55.0		<-19.1> 11.9	
Mevalotin (JPN)	<-8.3> 12.4	<-5.0> 12.4	<-9.1> 12.8	<-14.7> 8.5	<-8.9> 46.2		<-17.9> 10.2	
Other subsidiaries/ Export, etc.	<-10.0> 2.3	<-6.5> 2.6	<-20.2> 2.0	<-15.7> 2.0	<-12.8> 8.8		<-25.8> 1.7	
Prasugrel (alliance revenue) <antiplatelet>	<-> 0.0	<-> 1.0	<-> 0.3	<-> -0.7	<-> 0.5		<-> 0.8	
Effient (US)	-	1.0	0.2	-1.1	0.1		0.4	
Effient (EU)	0.0	0.0	0.1	0.4	0.5		0.4	

4. Overseas Sales

(Billions of yen)

	FY2009					FY2010
	Q1	Q2	Q3	Q4	Full Year	Q1
Overseas sales	<23.9> 109.8	<42.6> 122.7	<43.9> 120.6	<12.6> 129.2	<29.2> 482.3	<22.0> 134.0
Overseas sales ratio	48.4%	50.4%	47.3%	57.0%	50.7%	52.2%
North America	<1.1> 58.9	<16.6> 62.5	<11.5> 58.9	<18.1> 66.9	<11.7> 247.2	<31.7> 77.6
Europe	<21.3> 27.2	<27.6> 29.7	<32.9> 29.2	<3.0> 31.5	<19.7> 117.5	<-12.4> 23.8
Other	<197.4> 23.7	<232.9> 30.5	<259.4> 32.5	<11.8> 30.8	<118.7> 117.6	<37.4> 32.6

5. Geographic Segment Information

(Billions of yen)

	FY2009					FY2010
	Q1	Q2	Q3	Q4	Full Year	Q1
Net Sales	<11.5> 227.1	<20.2> 243.4	<15.3> 255.1	<5.6> 226.4	<13.1> 952.1	<12.9> 256.4
Japan	<-3.1> 128.5	<1.8> 135.4	<-3.3> 146.4	<-3.1> 109.2	<-1.9> 519.4	<3.1> 132.5
North America	<7.0> 54.2	<20.4> 54.5	<15.6> 53.1	<24.1> 60.7	<16.6> 222.5	<33.2> 72.2
Europe	<48.1> 22.5	<32.4> 24.5	<37.8> 24.8	<6.7> 27.5	<28.2> 99.3	<-8.1> 20.6
India	<-> 11.5	<-> 16.5	<-> 16.8	<-1.1> 15.1	<292.8> 59.9	<67.9> 19.3
Other	<99.7> 10.5	<115.3> 12.6	<136.2> 13.9	<17.5> 14.0	<76.4> 51.0	<12.1> 11.7
Operating income	<-33.1> 26.8	<11.5> 24.1	<7.6> 39.2	<-> 5.4	<7.5> 95.5	<128.1> 61.1
Japan	15.6	11.9	22.9	-9.9	40.5	35.0
North America	13.9	13.0	12.4	7.7	47.1	16.0
Europe	1.2	1.9	3.1	3.0	9.1	2.1
India	-3.2	-1.7	3.1	6.3	4.5	15.2
Other	0.9	0.5	2.2	-0.2	3.3	1.0

6. Status of Major Companies

Data available at www.daiichisankyo.com/ir/financial/index.html

6-1. Daiichi Sankyo Co., Ltd.

(Billions of yen)

	FY2009					FY2010
	Q1	Q2	Q3	Q4	Full Year	Q1
Total net sales of ethical pharmaceuticals	<3.7> 104.6	<5.3> 104.8	<-1.4> 118.4	<-1.9> 84.5	<-1.4> 412.3	<0.6> 105.3
Olmotec <antihypertensive>	<22.1> 19.0	<26.1> 19.8	<18.8> 22.2	<12.5> 16.2	<20.0> 77.2	<8.7> 20.7
Rezaltas <antihypertensive>	-	-	-	-	-	<-> 1.8
Calblock <antihypertensive>	<14.5> 3.5	<18.9> 3.5	<12.5> 3.8	<4.7> 2.9	<12.8> 13.7	<6.5> 3.7
Artist <antihypertensive>	<6.3> 6.0	<11.3> 5.9	<6.0> 6.4	<1.9> 5.0	<6.5> 23.3	<1.8> 6.1
Mevalotin <antihyperlipidemic agent>	<-8.3> 12.4	<-5.0> 12.4	<-9.1> 12.8	<-14.7> 8.5	<-8.9> 46.2	<-17.9> 10.2
Kremezin <treatment for chronic renal failure>	<5.5> 3.4	<8.8> 3.5	<4.3> 3.7	<-0.5> 2.8	<4.7> 13.3	<5.5> 3.5
Hanp <treatment for acute cardiac failure>	<1.5> 2.4	<11.3> 2.1	<-4.8> 2.6	<7.5> 2.3	<3.0> 9.4	<-0.2> 2.4
Livalo <antihyperlipidemic agent>	<22.8> 1.8	<25.9> 1.8	<18.8> 2.1	<10.5> 1.6	<19.6> 7.3	<9.9> 2.0
Sunrhythm <antiarrhythmic agent>	<-1.2> 3.0	<3.4> 3.0	<-0.8> 3.2	<-7.5> 2.3	<-1.3> 11.5	<-5.0> 2.9
Fastic <antidiabetic agent>	<1.8> 1.4	<7.3> 1.4	<-0.1> 1.4	<-6.4> 1.0	<0.9> 5.2	<-3.8> 1.3
Cravit <synthetic antibacterial agent>	<-6.8> 9.5	<26.7> 11.9	<-21.0> 10.8	<17.5> 11.4	<1.5> 43.6	<-18.3> 7.8
Loxonin <anti-inflammatory analgesic>	<33.0> 11.2	<19.7> 12.5	<16.0> 13.3	<19.4> 9.9	<21.4> 47.0	<15.9> 13.0
Urief <treatment for dysuria>	<26.6> 2.2	<26.1> 2.2	<19.3> 2.6	<-9.9> 2.0	<14.3> 9.0	<11.2> 2.5
Zyrtec <antiallergic agent>	<18.4> 2.4	<13.3> 1.8	<8.8> 2.4	<-15.1> 3.0	<2.7> 9.6	<-14.3> 2.1
Omnipaque <contrast agent>	<-2.0> 7.1	<3.4> 7.5	<-10.8> 7.1	<-4.8> 5.5	<-3.7> 27.3	<-10.1> 6.4

6-2. Daiichi Sankyo Healthcare Co., Ltd

(Billions of yen)

	FY2009					FY2010
	Q1	Q2	Q3	Q4	Full Year	Q1
Daiichi Sankyo Healthcare Co., Ltd	<-6.9> 9.5	<-2.1> 13.5	<-8.2> 12.1	<-14.1> 8.6	<-7.4> 43.7	<-2.7> 9.3
LuLu Series	<-2.4> 1.2	<18.9> 4.3	<-19.5> 2.8	<12.8> 1.6	<1.5> 9.9	<37.0> 1.7
Gaster 10	<-29.1> 0.5	<-45.7> 0.5	<-38.9> 0.6	<-31.1> 0.5	<-37.0> 2.1	<-8.5> 0.5
Shin-Sankyo Ichoyaku series	<26.3> 0.9	<-1.1> 0.9	<2.8> 1.0	<7.9> 0.8	<7.8> 3.5	<-6.9> 0.8
Patecs series	<15.3> 0.9	<-17.8> 0.6	<-25.9> 0.5	<-11.6> 0.4	<-9.3> 2.4	<-37.0> 0.6
Transino	<-62.3> 0.3	<-72.0> 0.2	<37.4> 0.2	<96.4> 0.3	<-39.9> 0.9	<-13.4> 0.2

6-3. Daiichi Sankyo, Inc. (US)

(Billions of yen)

	FY2009					FY2010
	Q1	Q2	Q3	Q4	Full Year	Q1
Daiichi Sankyo, Inc. (DSI)	<-11.2>	<5.6>	<5.8>	<15.2>	<2.9>	<1.7>
mil USD	33.0	33.5	34.4	32.1	133.0	33.6
	<-4.6>	<21.7>	<13.4>	<18.0>	<11.4>	<7.6>
	339	357	382	354	1,433	365
Benicar / Benicar HCT <antihypertensive>	<-5.6>	<0.5>	<2.0>	<11.7>	<1.8>	<-2.9>
mil USD	22.1	22.2	22.7	21.9	88.9	21.4
	<1.4>	<15.6>	<9.7>	<14.8>	<10.2>	<2.7>
	227	237	253	242	958	233
Azor <antihypertensive>	<121.5>	<30.9>	<38.6>	<29.7>	<47.2>	<25.8>
mil USD	3.0	3.2	3.6	2.9	12.8	3.8
	<138.0>	<49.3>	<50.9>	<35.4>	<59.4>	<33.1>
	31	34	40	32	138	42
Welchol <antihyperlipidemic / type 2 diabetes>	<7.0>	<6.6>	<10.2>	<28.2>	<12.4>	<1.8>
mil USD	6.9	6.5	7.3	6.8	27.5	7.0
	<14.9>	<22.8>	<18.7>	<31.4>	<21.7>	<7.6>
	71	69	81	75	296	76
Effient (alliance revenue) <antiplatelet>	<->	<->	<->	<->	<->	<->
mil USD	-	1.0	0.2	-1.1	0.1	0.4
	<->	<->	<->	<->	<->	<->
	-	10	2	-11	1	4

6-4. Luitpold Pharmaceuticals, Inc. (US)

(Billions of yen)

	FY2009					FY2010
	Q1	Q2	Q3	Q4	Full Year	Q1
Luitpold Pharmaceuticals, Inc. (LPI)	<-1.1>	<-0.4>	<-6.4>	<18.9>	<1.9>	<10.4>
mil USD	13.4	13.5	12.6	12.7	52.1	14.7
	<6.2>	<14.5>	<1.1>	<21.4>	<10.3>	<16.7>
	137	144	140	140	561	160
Venofer <treatment for iron deficiency anemia>	<-3.9>	<-4.6>	<-4.1>	<17.0>	<0.3>	<5.2>
mil USD	8.0	8.1	8.0	8.0	32.2	8.4
	<3.2>	<9.6>	<3.3>	<19.8>	<8.6>	<11.3>
	82	87	89	89	346	92

6-5. Daiichi Sankyo Europe GmbH

(Billions of yen)

	FY2009					FY2010
	Q1	Q2	Q3	Q4	Full Year	Q1
Daiichi Sankyo Europe GmbH (DSE)	<14.1>	<-0.4>	<6.1>	<9.7>	<7.1>	<-14.6>
mil €	17.3	18.4	19.1	20.4	75.2	14.8
	<40.6>	<20.8>	<5.9>	<9.8>	<17.1>	<-3.2>
	131	138	144	161	574	126
Olmotec / Olmetec Plus <antihypertensive>	<-0.2>	<-3.7>	<12.1>	<17.7>	<6.5>	<-4.2>
mil €	8.3	10.0	10.2	11.4	39.9	7.9
	<23.0>	<16.7>	<10.6>	<17.2>	<16.5>	<8.5>
	63	74	77	90	304	68
Sevikar <antihypertensive>	<->	<->	<56.5>	<156.5>	<189.3>	<84.9>
mil €	0.9	1.2	2.2	2.0	6.3	1.7
	<->	<->	<77.6>	<166.6>	<216.5>	<109.5>
	7	9	16	16	48	14
Evista <treatment for osteoporosis>	<-24.9>	<-27.5>	<-31.1>	<-4.6>	<-23.6>	<-29.6>
mil €	2.4	2.6	2.1	2.1	9.2	1.7
	<-7.5>	<-12.2>	<-32.8>	<-10.1>	<-16.4>	<-20.2>
	18	19	16	17	70	15

Alliance Revenue of Efient (Europe)

	FY2009					FY2010
	Q1	Q2	Q3	Q4	Full Year	Q1
Efient <antiplatelet>	<->	<->	<->	<->	<->	<->
mil USD	0.0	0.0	0.1	0.4	0.5	0.4
	<->	<->	<->	<->	<->	<->
	0	0	1	4	5	5

* Alliance Revenue of Efient (Europe) is booked on Daiichi Sankyo Co., Ltd., thus, total sales of DSE above does not include Alliance Revenue of Efient (Europe).

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

(Billions of yen)

	FY2009					FY2010
	Q1	Q2	Q3	Q4	Full Year	Q1
ASCA Total	<0.5> 5.3	<7.1> 6.3	<11.7> 6.6	<27.5> 7.7	<12.1> 25.8	<12.7> 5.9
Daiichi Sankyo Pharmaceutical (Beijing) Co., Ltd. (DSBJ)	<-4.3> 1.0	<7.6> 1.1	<3.1> 1.1	<1.4> 0.9	<2.0> 4.1	<17.8> 1.1
Daiichi Sankyo Pharmaceutical(Shanghai) Co., Ltd. (DSSH)	<48.0> 1.1	<40.2> 1.3	<35.2> 1.4	<34.0> 1.5	<38.4> 5.3	<35.5> 1.4
Daiichi Sankyo Taiwan Ltd. (DSTW)	<-8.6> 0.9	<-14.9> 0.8	<-14.4> 0.7	<-4.5> 0.7	<-10.7> 3.1	<-8.6> 0.8
Daiichi Sankyo Korea Co., Ltd. (DSKR)	<-15.6> 0.8	<-2.1> 0.9	<56.8> 0.9	<38.9> 0.9	<13.7> 3.4	<31.4> 1.0
Daiichi Sankyo (Thailand) Ltd. (DSTH)	<-0.9> 0.2	<-0.4> 0.2	<4.2> 0.2	<27.4> 0.3	<7.7> 0.9	<35.8> 0.2
Daiichi Sankyo Brasil Farmacêutica Ltda. (DSBR)	<-25.5> 0.8	<-12.7> 1.0	<-7.2> 1.3	<18.4> 1.6	<-5.2> 4.7	<36.5> 1.0
Daiichi Sankyo Venezuela, S.A. (DSVE)	<35.3> 0.7	<45.0> 0.9	<20.7> 0.8	<76.3> 1.7	<47.9> 4.1	<-46.7> 0.4

6-7. Ranbaxy Laboratories Limited

(Billions of yen)

	FY2009					FY2010
	Q1	Q2	Q3	Q4	Full Year	Q1
Ranbaxy Laboratories Limited	<-> 29.7	<-> 36.4	<-> 36.0	<14.9> 44.4	<279.3> 146.6	<84.7> 54.8

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