

# Results Briefing

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Results for Q2 FY2011  
(April 1 - September 30, 2011)

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Executive Officer,  
Global Corporate Finance Officer  
October 31, 2011 3:00pm~4:00pm



Products	NEXIUM® (Japan) Proton Pump Inhibitor	Jul 1 : Approval Sep 15 : Launch
	LIXIANA® (Japan) Direct Oral Factor Xa Inhibitor	Jul 19 : Launch
	ZELBORAF™ (USA) Metastatic Melanoma	Aug 17 : Approval Co-promotion
	SILODOSIN (China) Dysuria	Aug 25 : Approval
Business Operation	Kitasato Daiichi Sankyo Vaccine	Aug 19 : Approved for the grant to build Cell Culture Vaccine production facility
	Daiichi Sankyo	Mid-Sep : Delay and change in supply plans of Influenza HA Vaccine
	Luitpold Pharmaceuticals	Sep 1 : Received Warning Letter from FDA on manufacturing facility in NY
Others	Onahama Factory	Late-Aug : Resumed manufacturing

# Financial Overview

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### Consolidated Income Statement

	FY2010 Q2 Results	FY2011 Q2 Results	FY2011	
			Revised Forecast	Progress
Net Sales	498.9	456.0	930.0	49%
Cost of Sales	138.5	128.9	265.0	49%
SG&A Expenses	270.3	265.0	565.0	47%
R&D Expenses	89.3	84.1	190.0	44%
Other Expenses	181.0	180.9	375.0	48%
Operating Income	90.1	62.2	100.0	62%
Ordinary Income	92.6	66.3	90.0	74%
Net Income	52.2	37.0	50.0	74%

Currency Rate	USD/JPY	88.95	79.81	77.00
	EUR/JPY	113.84	113.78	109.00
	INR/JPY	2.01	1.83	1.73

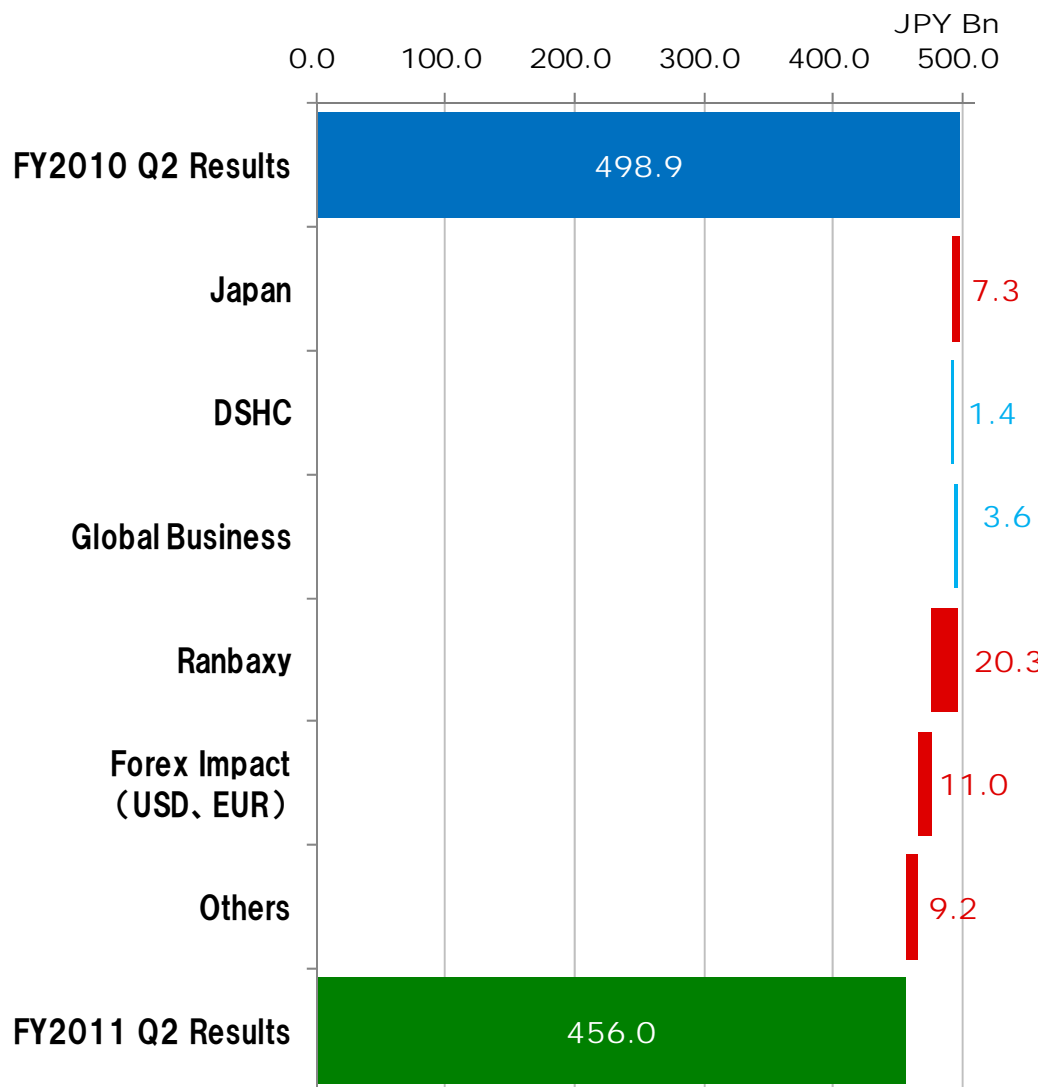
### Ranbaxy Group

Note : Figures of Ranbaxy are pre-adjusted before consolidation

FY2010 (Jan-Jun) Results	FY2011 (Jan-Jun) Results	FY2011 (Jan-Dec)	
		Plan	Progress
98.7	78.6	162.0	49%
39.2	39.5		
33.5	32.2		
6.4	4.7		
27.1	27.5		
25.9	6.9		
29.2	10.0		
22.9	10.3		

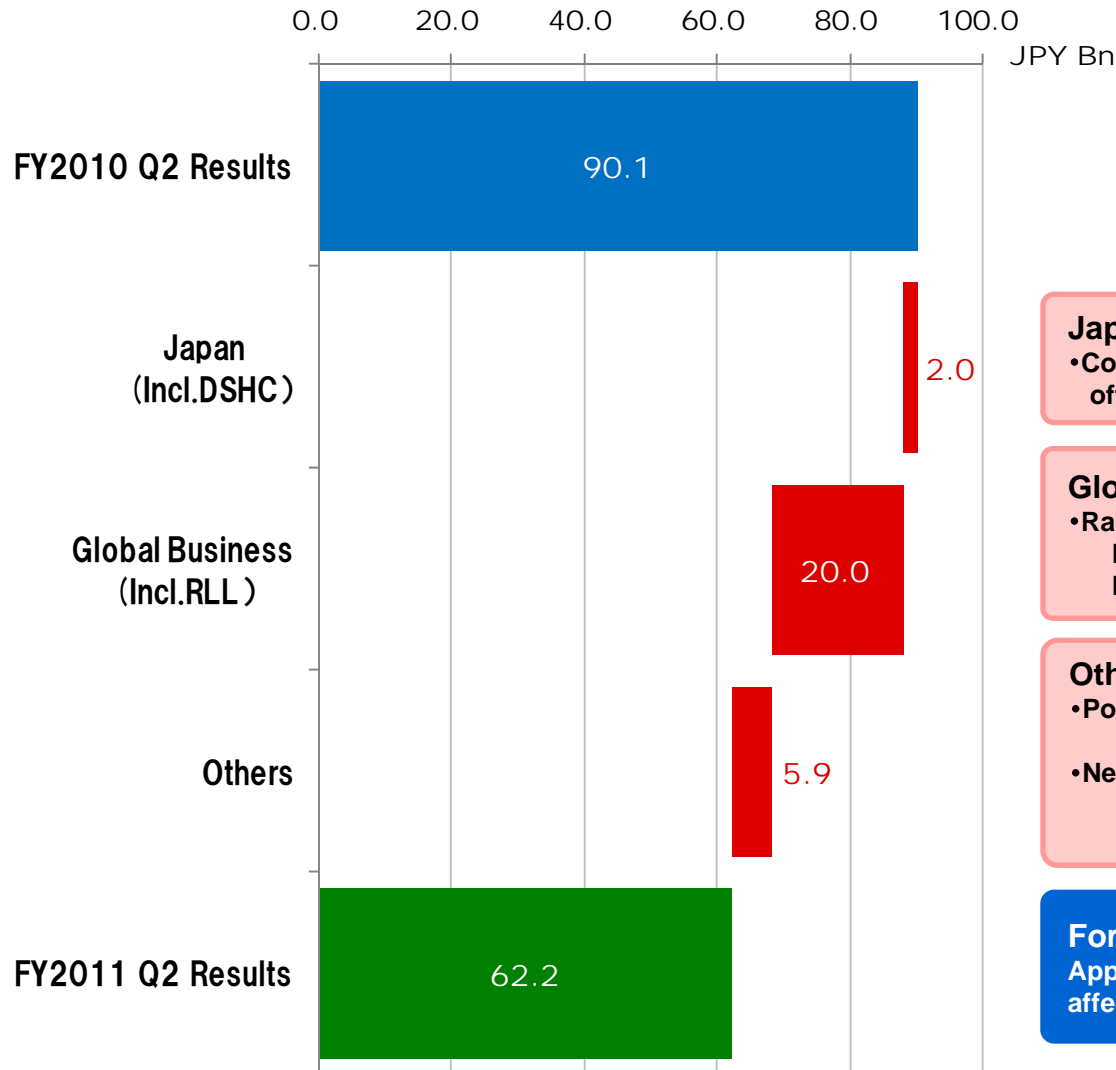
JPY Bn

Net Sales factors



- Japan -7.3**
  - Contribution of New products +12.3 (Memary +3.9, Nexium +2.6, Rezaltas +4.1 Cravit Iv etc.)
  - Return of sales rights -15.8
  - Olmetec/Calblock -1.7
  - Mevalotin -2.9
  - Influenza Vaccine -2.3
- Daiichi Sankyo Healthcare (DSHC) +1.4**
  - Loxonin S, Lulu series
- Global Business +3.6**
  - Daiichi Sankyo Inc. (DSI) +4.2
    - Effient +2.6
    - Olmesartan +0.5, Welchol +0.7
  - Daiichi Sankyo Europe GmbH (DSE) +2.4
    - Olmesartan +2.8
  - Asia, South and Central America (ASCA) +0.8
  - Luitpold Pharmaceuticals, Inc. (LPI) -3.8
    - Venofer-1.8
- Ranbaxy (RLL) -20.3** (Incl. forex impact -8.0)
  - Positive Factors: Growth in India, Contribution of Donepezil
  - Negative Factors:
    - Expansion of Valacyclovir (FY2010)
    - Lump-sum income of Tamsulosin (FY2010)
- Others -9.2**
  - Positive Factors: Plexxikon
  - Negative Factors:
    - Decrease in export / royalty of Levofloxacin
    - Milestone income of Denosumab (FY2010)

Operating Income factors



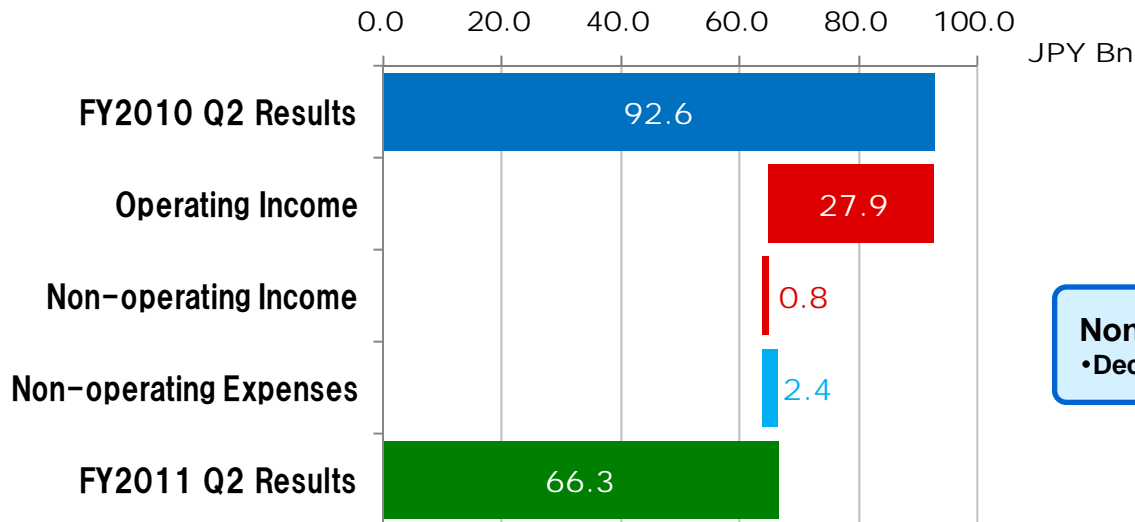
**Japan (Incl. DSHC) -2.0**  
 •Contribution of new products could not fully off-set negative impact of sales right returns

**Global Business (Incl. RLL) -20.0**  
 •Ranbaxy  
 Expansion of Valacyclovir (FY2010)  
 Lump-sum income of Tamsulosin (FY2010)

**Others -5.9**  
 •Positive Factors: Plexxikon  
 Decrease in R&D Expenses  
 •Negative Factors:  
 Export (Levofloxacin etc.)  
 Milestone income of Denosumab (FY2010)

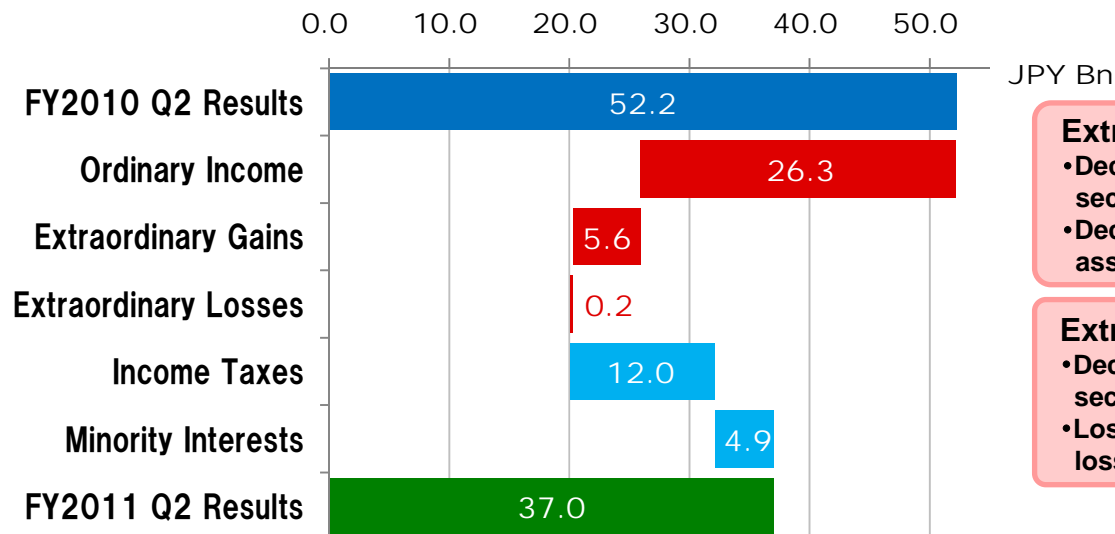
**Forex Impact (USD, EUR/JPY)**  
 Appreciation of JPY to USD and EUR negatively affected the FY2011 Q2 operating income by -1.0

Ordinary Income factors



**Non-operating income/Expenses +1.6**  
 • Decrease in forex loss of Ranbaxy etc.

Net Income factors



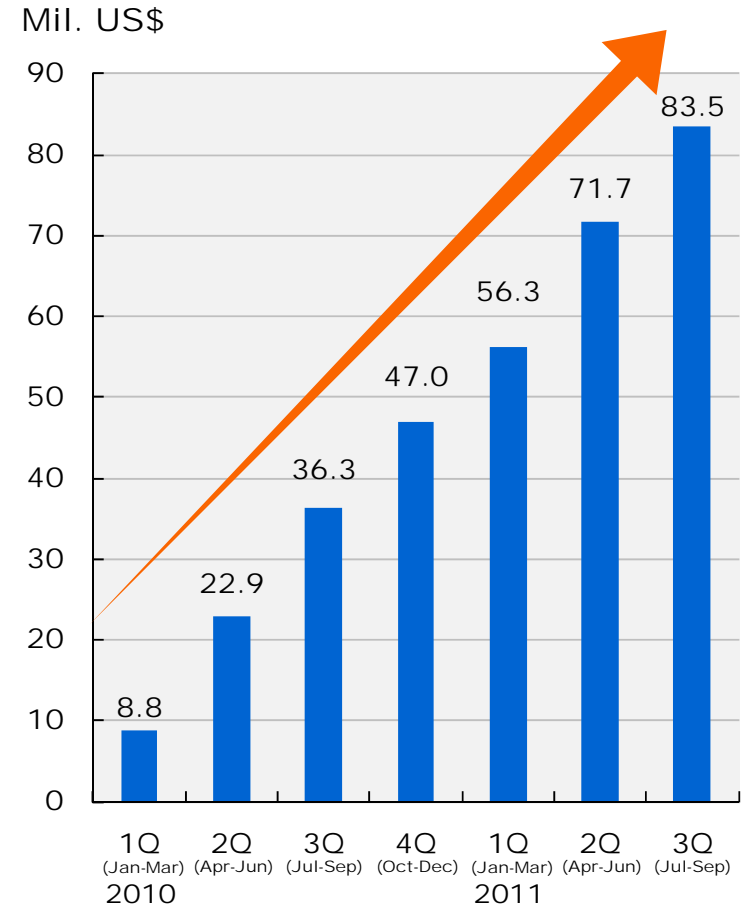
**Extraordinary Gains -5.6**  
 • Decrease in gain on sales of investment securities  
 • Decrease in gain on sales of non-current assets

**Extraordinary Losses -0.2**  
 • Decrease in loss on valuation of investment securities  
 • Loss on disaster, restructuring loss, loss on abandonment of inventories

JPY Bn

		FY2010 Q2 Results	FY2011 Q2 Results	FY2011	
				Plan	Progress
Global	Olmesartan	121.6	123.8	270.0	46%
	Levofloxacin	33.9	26.4	53.0	50%
	Pravastatin	23.7	20.2	38.0	53%
	Prasugrel (alliance revenue)	1.8	4.5	-	-
Japan	Loxonin	26.9	30.1	58.0	52%
	Artist	12.0	12.4	23.0	54%
	Omnipaque	13.0	11.9	23.0	52%
	Calblock	7.2	6.4	15.0	43%
	Urief	4.9	5.4	11.0	49%
	Memary	-	3.9	-	-
	Nexium	-	2.6	-	-
U.S.	Welchol	14.4	13.6	32.0	42%
	Venofer	16.1	12.9	25.0	52%

## Prasugrel Global Sales



\*Source: financial announcements of Lilly



In consideration of the financial results of Q2, Daiichi Sankyo revised its annual forecasts.

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- Net sales downwardly revised by ¥40.0 billion to ¥930.0 billion for the following reasons;
    - ✓ Change in Forex assumption for Q3 onwards (¥75 against the USD and ¥105 against EUR)
    - ✓ Revenue decline in Luitpold Pharmaceuticals, Inc. and others
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- Operating income upwardly revised by ¥10.0 billion to ¥100.0 billion
    - ✓ Cost cutting efforts and other factors
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- No change in ordinary income and net income
    - ✓ Forex loss (non-operating expense) for Ranbaxy expected following a recent depreciation of the Indian rupee against the U.S. dollar.
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Therapeutic Area	Phase 1	Phase 2	Phase 3	Application
Cardiovascular- Metabolics	<ul style="list-style-type: none"> <li>■ CS-3150 (Antihypertensive)</li> <li>■ DS-7309 (Anti-diabetes)</li> </ul>	<ul style="list-style-type: none"> <li>■ <b>DU-176b (US/EU)</b> (Edoxaban / post surgical VTE / oral factor Xa inhibitor)</li> </ul>	<ul style="list-style-type: none"> <li>■ DU-176b (US/EU/JP/Asia) (Edoxaban / AF / oral factor Xa inhibitor)</li> <li>■ DU-176b (US/EU/JP/Asia) (Edoxaban / VTE / oral factor Xa inhibitor)</li> <li>■ CS-747 (US/EU/Asia) (Prasugrel / ACS-MM / anti-platelet agent)</li> <li>■ CS-747 (JP) (Prasugrel / ACS-PCI / anti-platelet agent)</li> <li>■ <b>CS-747 (JP)</b> (Prasugrel / ischemic stroke / anti-platelet agent)</li> </ul>	
Oncology	<ul style="list-style-type: none"> <li>■ CS-7017(JP/Asia) (Efatutazone / PPAR <math>\gamma</math> agonist)</li> <li>■ U3-1565 (US/JP) (Anti-HB-EGF antibody)</li> <li>■ U3-1287(JP) (Anti-HER3 antibody)</li> <li>■ DS-2248(US) (Hsp90 inhibitor)</li> <li>■ DS-7423(US) (PI3K/mTOR inhibitor)</li> </ul>	<ul style="list-style-type: none"> <li>■ U3-1287 (US/EU) (Anti-HER3 antibody)</li> <li>■ CS-1008 (US/EU/JP/Asia) (Tigatuzumab / anti-DR5 antibody)</li> <li>■ CS-7017 (US/EU) (Efatutazone / PPAR <math>\gamma</math> agonist)</li> <li>■ DE-766 (JP) (Nimotuzumab / anti-EGFR antibody)</li> <li>■ PLX3397 (US) (Fms/Kit/Flt3-ITD inhibitor)</li> </ul>	<ul style="list-style-type: none"> <li>■ ARQ 197 (US/EU) (Tivantinib / NSCLC / c-Met inhibitor)</li> <li>■ AMG 162 (JP) (Denosumab / osteoporosis, breast cancer adjuvant / anti-RANKL antibody)</li> </ul>	<ul style="list-style-type: none"> <li>■ <b>PLX4032 (US)</b> (Vemurafenib / Melanoma / BRAF inhibitor)</li> <li>■ PLX4032 (EU) (Vemurafenib / Melanoma / BRAF inhibitor)</li> <li>■ AMG 162 (JP) (Denosumab / bone metastases of cancer / anti-RANKL antibody)</li> </ul>
Infectious diseases	<ul style="list-style-type: none"> <li>■ CS-8958(US/EU) (Laninamivir / anti-influenza / co-development with Biota)</li> <li>■ CS-4771 (Anti-Sepsis)</li> <li>■ DS-8587 (Broad spectrum antibacterial agent)</li> </ul>		<ul style="list-style-type: none"> <li>■ CS-8958 (JP) (Laninamivir / anti-influenza, prophylactic / Neuraminidase inhibitor)</li> </ul>	
Bone/Joint diseases	<ul style="list-style-type: none"> <li>■ PLX5622 (Rheumatoid arthritis)</li> </ul>	<ul style="list-style-type: none"> <li>■ AMG 162 (JP) (Denosumab / rheumatoid arthritis / anti-RANKL antibody)</li> </ul>	<ul style="list-style-type: none"> <li>■ AMG 162 (JP) (Denosumab / osteoporosis / anti-RANKL antibody)</li> </ul>	
Immunological allergic diseases	<ul style="list-style-type: none"> <li>■ CS-0777 (Immunomodulator)</li> </ul>	<ul style="list-style-type: none"> <li>■ SUN13834 (US) (Chymase inhibitor)</li> </ul>		
Others	<ul style="list-style-type: none"> <li>■ DS-5565 (Chronic pain)</li> <li>■ SUN13837 (Spinal cord injury)</li> </ul>	<ul style="list-style-type: none"> <li>■ <b>SUN11031 (US/EU)</b> (Human ghrelin / COPD cachexia)</li> </ul>	<ul style="list-style-type: none"> <li>■ SUN11031 (JP) (Human ghrelin / anorexia nervosa)</li> <li>■ DD-723-B (JP) (Perflubutane / Contrast agents in ultrasound for prostate cancer and breast tumor/ ultrasound contrast agent)</li> </ul>	<ul style="list-style-type: none"> <li>■ <b>KMD-3213 (China)</b> (Silodosin / treatment of dysuria associated with benign prostatic hyperplasia/ Selective alpha 1A blocker)</li> </ul>

◆ Change from the announcement in July 2011

- Change of Stage PLX4032 (Melanoma/BRAF inhibitor/US/approved), KMD-3213 (Treatment of dysuria associated with benign prostatic hyperplasia/China/approved), CS-747(Ischemic stroke/anti-platelet/JP/P3)
- Discontinued DU-176b (Edoxaban/post surgical VTE/oral factor Xa inhibitor/US•EU), SUN11031 (COPD cachexia/US•EU/P2)

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