October 31, 2012

Consolidated Financial Results
for the First Six Months of the Fiscal Year Ending March 31, 2013
<under Japanese GAAP>

Listed company name: Daiichi Sankyo Company, Limited
Listed exchanges: First Section of the Tokyo, Osaka, and Nagoya stock exchanges
Stock code number: 4568
URL: http://www.daiichisankyo.com
Representative: Mr. Joji Nakayama, President & CEO
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Scheduled date of Quarterly Report filing: November 12, 2012
Scheduled date of dividend payments: December 3, 2012
Preparing supplementary material (Reference Data) on quarterly financial results: Yes
Holding quarterly information meeting: Yes (for institutional investors, analysts and the press)

(All amounts have been rounded down to the nearest million yen.)

1. Consolidated Financial Results for the First Six Months of Fiscal 2012
(from April 1, 2012 to September 30, 2012)

(1) Consolidated Financial Results

(Percentages indicate changes from the same period in the previous fiscal year.)

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
First six months of fiscal 2012	484,169	6.2	57,076	-8.2	49,862	-24.8
First six months of fiscal 2011	456,042	-8.6	62,192	-31.0	66,345	-28.4

	Net income		Basic net income per share	Diluted net income per share
	Millions of yen	%	Yen	Yen
First six months of fiscal 2012	24,356	-34.3	34.60	34.55
First six months of fiscal 2011	37,045	-29.0	52.63	52.56

Note: Comprehensive income: First six months of fiscal 2012: 10,201 million yen [-38.7%]
First six months of fiscal 2011: 16,642 million yen [-28.7%]

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2012	1,494,991	822,210	53.0	1,126.43
As of March 31, 2012	1,518,479	832,749	53.0	1,143.52

Reference: Equity: As of September 30, 2012: 792,936 million yen As of March 31, 2012: 804,941 million yen

2. Dividends

	Annual dividends per share				
	First quarter	Second quarter	Third quarter	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal 2011	–	30.00	–	30.00	60.00
Fiscal 2012	–	30.00			
Fiscal 2012 (Forecast)			–	30.00	60.00

Note: Revision of the forecasts most recently announced: No

3. Forecasts of Consolidated Financial Results for Fiscal 2012
(from April 1, 2012 to March 31, 2013)

(Percentages indicate changes from the same period in the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income		Basic net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	980,000	4.4	100,000	1.8	100,000	31.2	50,000	381.6	71.03

Note: Revision of the forecasts most recently announced: No

***Notes**

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in a change in scope of consolidation): No

Newly included: None Excluded: None

(2) Application of specific accounting methods for preparing the quarterly consolidated financial statements: Yes

Note: For details, please refer to “2. Summary Information (Notes)” on page 4.

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections

1) Changes in accounting policies due to revisions to accounting standards: No
2) Changes in accounting policies due to other reasons: Yes
3) Changes in accounting estimates: No
4) Restatement of prior period financial statements after error corrections: No

Note: For details, please refer to “2. Summary Information (Notes)” on page 4.

(4) Number of common shares issued

1) Total number of shares issued at the end of the period (including treasury stock)

As of September 30, 2012	709,011,343 shares
As of March 31, 2012	709,011,343 shares

2) Number of shares in treasury at the end of the period

As of September 30, 2012	5,076,125 shares
As of March 31, 2012	5,093,137 shares

3) Average number of shares during the period (cumulative from the beginning of the fiscal year)

First six months ended September 30, 2012	703,919,403 shares
First six months ended September 30, 2011	703,912,697 shares

* Indication regarding execution of quarterly review procedures

This quarterly financial results report is exempt from the quarterly review procedures in accordance with the Financial Instruments and Exchange Act. At the time of disclosure of this quarterly financial results report, the review procedures for quarterly financial statements in accordance with the Financial Instruments and Exchange Act are incomplete.

* Disclaimer regarding forward-looking information including appropriate use of forecasted financial results

The forecasted statements shown in these materials are based on information currently available and certain assumptions that the Company regards as reasonable. Actual performance and other results may differ from these forecasted figures due to various factors.

Please see "(3) Qualitative Information about Forecasts of Consolidated Results for Fiscal 2012" of "1. Qualitative Information about Consolidated Results for the First Six Months" on page 3 for assumption that the above forecasts were based on and related matters.

Attached Material

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1. Qualitative Information about Consolidated Results for the First Six Months

(1) Qualitative Information about Consolidated Operating Results

Consolidated Financial Results

(Millions of yen; all amounts have been rounded down to the nearest million yen)

	First six months of fiscal 2011	First six months of fiscal 2012	YoY change (%)
Net sales	456,042	484,169	28,127 (6.2%)
Operating income	62,192	57,076	-5,116 (-8.2%)
Ordinary income	66,345	49,862	-16,483 (-24.8%)
Net income	37,045	24,356	-12,688 (-34.3%)

Exchange rates in the first six months of fiscal 2012: ¥79.42/USD, ¥100.64/EUR, ¥1.54/INR

Exchange rates in the first six months of fiscal 2011: ¥79.81/USD, ¥113.78/EUR, ¥1.83/INR

In the six months from April 1 to September 30, 2012, Daiichi Sankyo and its consolidated subsidiaries (“the Group”) posted net sales of ¥484.2 billion, a year-on-year increase of 6.2%. As a result of contributions mainly from *Memary*®, the treatment for Alzheimer’s Disease newly launched in Japan in the previous fiscal year and revenue from co-promotion of the antiplatelet agent *Effient*®/*Efient*®, which is sold primarily in Europe and the US, as well as a ¥28.6 billion increase in sales of subsidiary Ranbaxy Laboratories Ltd. (“Ranbaxy[1]”), net sales defied the effects of NHI price revisions in Japan and the stronger yen to rise by ¥28.1 billion.

In terms of profitability, operating income decreased by ¥5.1 billion or 8.2% year on year to ¥57.1 billion due to such factors as an increase in Cost of Sales and SG&A expenses on the whole. In addition, due to the recording of foreign exchange losses and loss on valuation of derivatives at Ranbaxy, ordinary income decreased by ¥16.5 billion or 24.8% year on year to ¥49.9 billion, while net income declined by ¥12.7 billion or 34.3% year on year to ¥24.4 billion.

In Japan, *RANMARK*®, a treatment for bone complications stemming from multiple myeloma or bone metastases from solid tumors, was launched on April 17, 2012 and *TENELIA*®, an inhibitor for type 2 diabetes mellitus, was launched on September 10, 2012.

Japan Vaccine Co., Ltd., which is a 50:50 joint venture between the Company and GlaxoSmithKline K.K., commenced operations on July 2, 2012.

[Reporting Segments]

i. Daiichi Sankyo Group

The Daiichi Sankyo Group posted net sales of ¥377.4 billion, a year-on-year decline of 0.1%.

a. Japan

Net sales in Japan increased 2.4% year on year to ¥246.5 billion.

Sales of prescription drugs increased 2.9% to ¥212.3 billion owing to contributions from sales of products including *Memary*® despite the impact of NHI price revisions.

Sales from royalty income and exports to overseas fell 8.7% year on year to ¥9.4 billion, mainly due to the stronger yen.

[1] Due to the difference in fiscal year-end, Ranbaxy’s results included in the Group’s FY2012 Q2 YTD are those of Jan.–Jun. 2012.

Net sales of healthcare (OTC) products totaled ¥23.0 billion, gaining 2.8% year on year. This was the result of sales growth in products including anti-inflammatory analgesic *Loxonin S®*.

b. North America

Net sales in North America declined 2.6% year on year to ¥88.6 billion. The sales decline was mainly the result of milestone income at Plexxikon Inc., which was recorded in the previous fiscal year, falling substantially in the first six months ended September 30, 2012, as well as the impact of the stronger yen. Sales in local currency terms fell 2.1% to approximately US$1,116 million.

c. Europe

Net sales in Europe decreased 16.0% year on year to ¥27.3 billion, mainly due to the stronger yen. Sales in local currency terms fell 5.2% to approximately EUR271 million.

d. Other regions

In other regions, net sales rose 10.1% year on year to ¥15.0 billion. This increase was due to net sales increases mainly in Venezuela and China.

ii. Ranbaxy Group

Net sales of the Ranbaxy Group rose 36.5% year on year to ¥106.8 billion, primarily due to the contribution from sales of the generic hypercholesterolemia treatment atorvastatin in the US (in the consolidated financial statements, the sales from January to June 2012 are recorded).

(2) Qualitative Information about Consolidated Financial Position

As of September 30, 2012, net assets were ¥822.2 billion (down ¥10.5 billion from the previous year-end), total assets stood at ¥1,495.0 billion (down ¥23.5 billion from the previous year-end), and the equity ratio was 53.0% (53.0% for the previous year-end).

Net assets decreased as a result of factors including the payment of year-end dividends and a decrease in foreign currency translation adjustments due to the stronger yen, despite the recording of net income.

Total assets decreased from the previous year-end, mainly due to the decline in net assets and decreases in payables.

(3) Qualitative Information about Forecasts of Consolidated Results for Fiscal 2012

There are no changes from the forecasts of consolidated results for fiscal 2012 announced on July 31, 2012.

2. Summary Information (Notes)

(1) Changes in Significant Subsidiaries during the Period under Review

Not applicable.

(2) Application of Specific Accounting Methods for Preparing the Quarterly Consolidated Financial Statements

Taxes are computed first by reasonably estimating the effective tax rate after applying tax effect accounting against income before income taxes and minority interests for the fiscal year including the six months under review, and next by multiplying the quarterly net income before income taxes and minority interests by such estimated effective tax rate.

(3) Changes in Accounting Policies, Changes in Accounting Estimates, and Restatement of Prior Period Financial Statements after Error Corrections

Changes in Accounting Policies

(Change in depreciation method of property, plant and equipment)

Previously, at the Company and some of its domestic consolidated subsidiaries, the declining balance method was employed for the depreciation of property, plant and equipment. However, this has been changed to the straight-line method, effective April 1, 2012.

The change in method was made following a study into unifying the depreciation method with the method employed at overseas consolidated subsidiaries, which was made in response to the globalization of the Group's businesses and a rise in the ratio of overseas sales to total sales. The study found that manufacturing and research facilities and the like are no longer expected to rapidly deteriorate or become obsolete economically. It also found that, since items of property, plant and equipment used by the Group are generally in operation stably within their useful lives, investment effects are likely to be realized at a constant rate over time. In light of these results, the change was made with the aim of matching costs and revenues more appropriately.

With this change, in comparison with the amounts that would have occurred under the previous method, operating income has increased by ¥1,489 million, while ordinary income and income before income taxes and minority interests have each increased by ¥1,441 million.

3. Quarterly Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2012	As of September 30, 2012
ASSETS		
Current assets		
Cash and time deposits	128,926	145,937
Trade notes and accounts receivable	228,505	218,033
Marketable securities	191,336	165,371
Merchandise and finished goods	109,307	111,342
Work in process	24,523	22,688
Raw materials and supplies	35,829	35,209
Deferred tax assets	93,999	92,933
Other current assets	51,252	55,802
Allowance for doubtful accounts	(2,152)	(2,191)
Total current assets	861,530	845,126
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	129,330	135,199
Machinery, equipment and vehicles, net	48,051	50,204
Land	35,688	34,744
Construction in progress	33,660	39,283
Other, net	14,512	15,803
Total property, plant and equipment	261,242	275,234
Intangible assets		
Goodwill, net	82,742	75,618
Other intangible assets, net	150,546	135,763
Total intangible assets	233,288	211,382
Investments and other assets		
Investment securities	104,560	105,516
Deferred tax assets	43,186	43,253
Other	14,978	14,773
Allowance for doubtful accounts	(307)	(296)
Total investments and other assets	162,417	163,247
Total non-current assets	656,949	649,864
Total assets	1,518,479	1,494,991

(Millions of yen)

	As of March 31, 2012	As of September 30, 2012
LIABILITIES		
Current liabilities		
Trade notes and accounts payable	61,824	75,313
Short-term bank loans	71,079	66,486
Income taxes payable	5,313	5,313
Allowance for sales returns	578	1,051
Allowance for sales rebates	2,928	3,401
Provision for loss on disaster	767	63
Provision for settlement expenses	39,138	38,976
Other current liabilities	213,335	197,320
Total current liabilities	394,965	387,926
Long-term liabilities		
Bonds payable	100,000	100,000
Long-term debt	104,000	103,282
Deferred tax liabilities	52,081	49,362
Accrued employees' severance and retirement benefits	10,060	11,514
Accrued directors' severance and retirement benefits	184	179
Provision for environmental measures	1,246	–
Other long-term liabilities	23,191	20,515
Total long-term liabilities	290,764	284,854
Total liabilities	685,729	672,781
NET ASSETS		
Shareholders' equity		
Common stock	50,000	50,000
Capital surplus	105,194	105,194
Retained earnings	742,409	745,618
Treasury stock, at cost	(14,558)	(14,504)
Total shareholders' equity	883,045	886,308
Accumulated other comprehensive income		
Net unrealized gain or loss on investment securities	22,308	22,693
Deferred gains or losses on hedges	198	569
Foreign currency translation adjustments	(100,611)	(116,634)
Total accumulated other comprehensive income	(78,104)	(93,371)
Subscription rights to shares	3,495	3,820
Minority interests	24,312	25,453
Total net assets	832,749	822,210
Total liabilities and net assets	1,518,479	1,494,991

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income (cumulative)

(Millions of yen)

	First six months of fiscal 2011 (From April 1, 2011 to September 30, 2011)	First six months of fiscal 2012 (From April 1, 2012 to September 30, 2012)
Net sales	456,042	484,169
Cost of sales	128,864	143,819
Gross profit	327,177	340,350
Selling, general and administrative expenses		
Advertising and promotional expenses	44,396	44,271
Salaries and bonuses	57,646	55,777
Severance and retirement costs	4,376	4,672
Research and development expenses	84,061	87,243
Other	74,503	91,308
Total selling, general and administrative expenses	264,984	283,273
Operating income	62,192	57,076
Non-operating income		
Interest income	1,562	2,224
Dividend income	1,414	1,218
Foreign exchange gains	1,272	–
Gain on valuation of derivatives	2,371	–
Other income	2,652	1,544
Total non-operating income	9,273	4,987
Non-operating expenses		
Interest expense	2,971	2,492
Foreign exchange losses	–	6,869
Equity in net losses of affiliated companies	41	372
Loss on valuation of derivatives	–	1,477
Other expenses	2,107	988
Total non-operating expenses	5,121	12,201
Ordinary income	66,345	49,862
Extraordinary income		
Gain on sales of non-current assets	1,695	2,480
Other income	273	14
Total extraordinary income	1,969	2,494
Extraordinary losses		
Loss on disposal of non-current assets	983	883
Loss on impairment of long-lived assets	311	3,855
Loss on valuation of investment securities	22	1,283
Loss on business restructuring	1,279	758
Loss on sales of investment securities	–	149
Loss on abandonment of inventories	1,564	104
Environmental expenses	244	24
Loss on disaster	1,860	–
Other losses	–	95
Total extraordinary losses	6,266	7,154

(Millions of yen)

	First six months of fiscal 2011 (From April 1, 2011 to September 30, 2011)	First six months of fiscal 2012 (From April 1, 2012 to September 30, 2012)
Income before income taxes and minority interests	62,049	45,201
Income taxes	22,684	19,758
Income before minority interests	39,364	25,443
Minority interests in net income of consolidated subsidiaries	2,318	1,086
Net income	37,045	24,356

Consolidated Statements of Comprehensive Income (cumulative)

(Millions of yen)

	First six months of fiscal 2011 (From April 1, 2011 to September 30, 2011)	First six months of fiscal 2012 (From April 1, 2012 to September 30, 2012)
Income before minority interests	39,364	25,443
Other comprehensive income		
Net unrealized gain or loss on investment securities	(218)	384
Deferred gains or losses on hedges	197	582
Foreign currency translation adjustments	(22,591)	(16,124)
Share of other comprehensive income of associates accounted for using equity method	(109)	(85)
Total other comprehensive income	(22,722)	(15,242)
Comprehensive income	16,642	10,201
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	14,066	9,081
Comprehensive income attributable to minority interests	2,576	1,119

(3) Notes related to Assumption of Going-Concern

Not applicable.

(4) Notes on Substantial Changes in the Amount of Shareholders' Equity

Not applicable.

(5) Segment Information

I. First six months of fiscal 2011 (from April 1, 2011 to September 30, 2011)

1. Information concerning net sales and profit or loss by reporting segment

(Millions of yen)

	Daiichi Sankyo Group	Ranbaxy Group	Total
Net sales			
Outside customers	377,848	78,193	456,042
Inter-segment sales and transfers	127	433	561
Total	377,976	78,626	456,603
Segment profit	56,253	9,895	66,149

2. Differences between the total amount of profit or loss amounts of reporting segments and the amount stated in consolidated statements of income, and major breakdown of such differences

(Reconciliation)

(Millions of yen)

Profit	Amount
Reporting segment total	66,149
Amortization of allocated acquired cost	(1,666)
Amortization of goodwill	(1,206)
Elimination of inter-segment transactions	(967)
Other consolidated adjustments	(259)
Income before income taxes and minority interests stated in consolidated statements of income	62,049

II. First six months of fiscal 2012 (from April 1, 2012 to September 30, 2012)

1. Information concerning net sales and profit or loss by reporting segment

(Millions of yen)

	Daiichi Sankyo Group	Ranbaxy Group	Total
Net sales			
Outside customers	377,408	106,760	484,169
Inter-segment sales and transfers	618	974	1,593
Total	378,027	107,734	485,762
Segment profit	36,270	11,947	48,217

2. Differences between the total amount of profit or loss amounts of reporting segments and the amount stated in consolidated statements of income, and major breakdown of such differences

(Reconciliation)

(Millions of yen)

Profit	Amount
Reporting segment total	48,217
Amortization of allocated acquired cost	(1,402)
Amortization of goodwill	(1,204)
Elimination of inter-segment transactions	(243)
Other consolidated adjustments	(165)
Income before income taxes and minority interests stated in consolidated statements of income	45,201

3. Changes related to reporting segments

   (Change in depreciation method)

   As described in “Change in depreciation method of property, plant and equipment” of “Changes in Accounting Policies,”previously, at the Company and some of its domestic consolidated subsidiaries, the declining balance method was employed for the depreciation of property, plant and equipment. However, this has been changed to the straight-line method, effective April 1, 2012. With this change, in comparison with the amount that would have occurred under the previous method, segment profit of the Daiichi Sankyo Group for the first six months of fiscal 2012 has increased by ¥1,441 million.

4. Information about loss on impairment of non-current assets, or goodwill or negative goodwill by reporting segment

   (Material loss on impairment of non-current assets)

   The Daiichi Sankyo Group segment recognized loss on impairment of certain rights of trademark and patent rights. Since the segment no more expected that those rights would generate revenue as initially anticipated, it reduced the carrying amount to the recoverable value and recognized ¥3,732 million of loss on impairment.