Passion for Innovation.
Compassion for Patients.™

Daiichi-Sankyo

Top Management Presentation

Financial Results of Fiscal Year 2012

Joji Nakayama
President and CEO

May 14, 2013

Overview of FY2012 Results and FY2013 Forecast

Overview of Income Statement

	FY2011 Results	FY2012 Results	FY2013 Forecast	FY2013 YoY
Net Sales	938.7	997.9	1,080.0	+82.1
Cost of Sales	268.6	313.7	355.0	+41.3
SG&A Expenses	571.9	583.7	615.0	+31.3
R&D Expenses	185.1	183.0	187.0	+4.0
Other Expenses	386.8	400.6	428.0	+27.4
Operating Income	98.2	100.5	110.0	+9.5
Ordinary Income	76.2	99.1	110.0	+10.9
Net Income	10.4	66.6	68.0	+1.4
Currency Rate USD/JPY (average)	79.07	83.11	95.00	
Currency Rate EUR/JPY (average)	108.96	107.15	125.00	

Ranbaxy Group

Note : Figures of Ranbaxy are pre-adjusted before consolidation

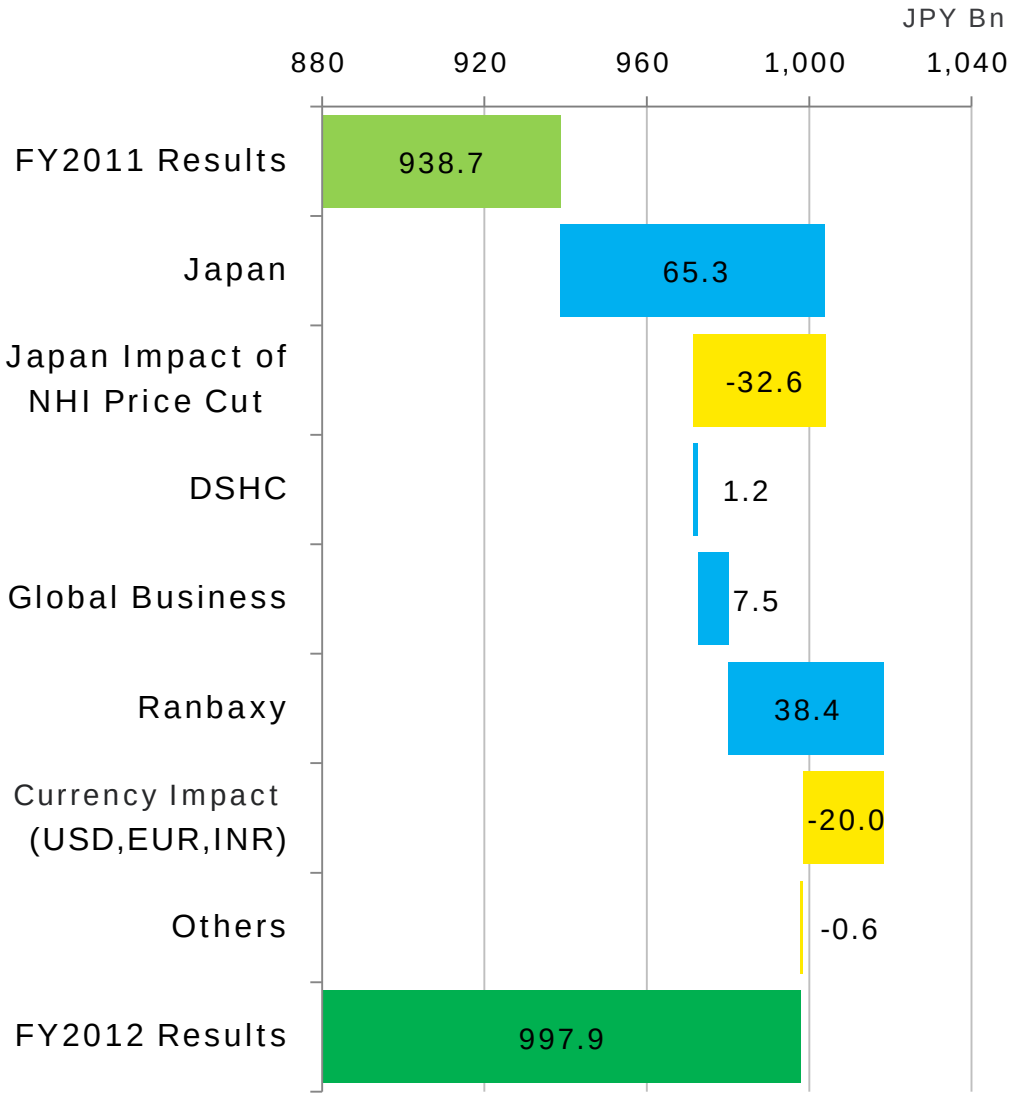
	2011 (Jan-Dec) Results	2012 (Jan-Dec) Results	2013(Jan-Dec) Forecast	2013(Jan-Dec) YoY
Net Sales	176.6*	187.1*	217.0*	+29.9
Cost of Sales	81.7	83.9		
SG&A Expenses	74.4	81.4		
R&D Expenses	9.3	8.1		
Other Expenses	65.1	73.3		
Operating Income	20.4	21.8		
Ordinary Income	-3.4	19.1		
Net Income	-33.7	9.4		

* INR/JPN Currency Rate
FY2011=1.73 FY2012=1.50
FY2013=1.75

JPY Bn

Overview of FY2012 Results
- compared with FY2011 results -

Sales Increase/Decrease



Japan(includes NHI price revision impact)
- New products: Nexium+17.7 Memary +14.0 Ranmark+4.4 Rezaltas+3.5
- Other products: Mevalotin -7.2 Omnipaque -3.4

Global Business
- Daiichi Sankyo Inc. (DSI) +8.3
- Luitpold(LPI) -8.0
- Daiichi Sankyo Europe (DSE) -4.7
- Asia, South and Central America +11.9 (includes revise of accounting term of several affiriates +7.0)

Ranbaxy
- Contribution of Atorvastatin, and others

(Reference) Sales 2011→2012
North America $791Mn →$1,015Mn
India INR 19Bil → INR 22Bil

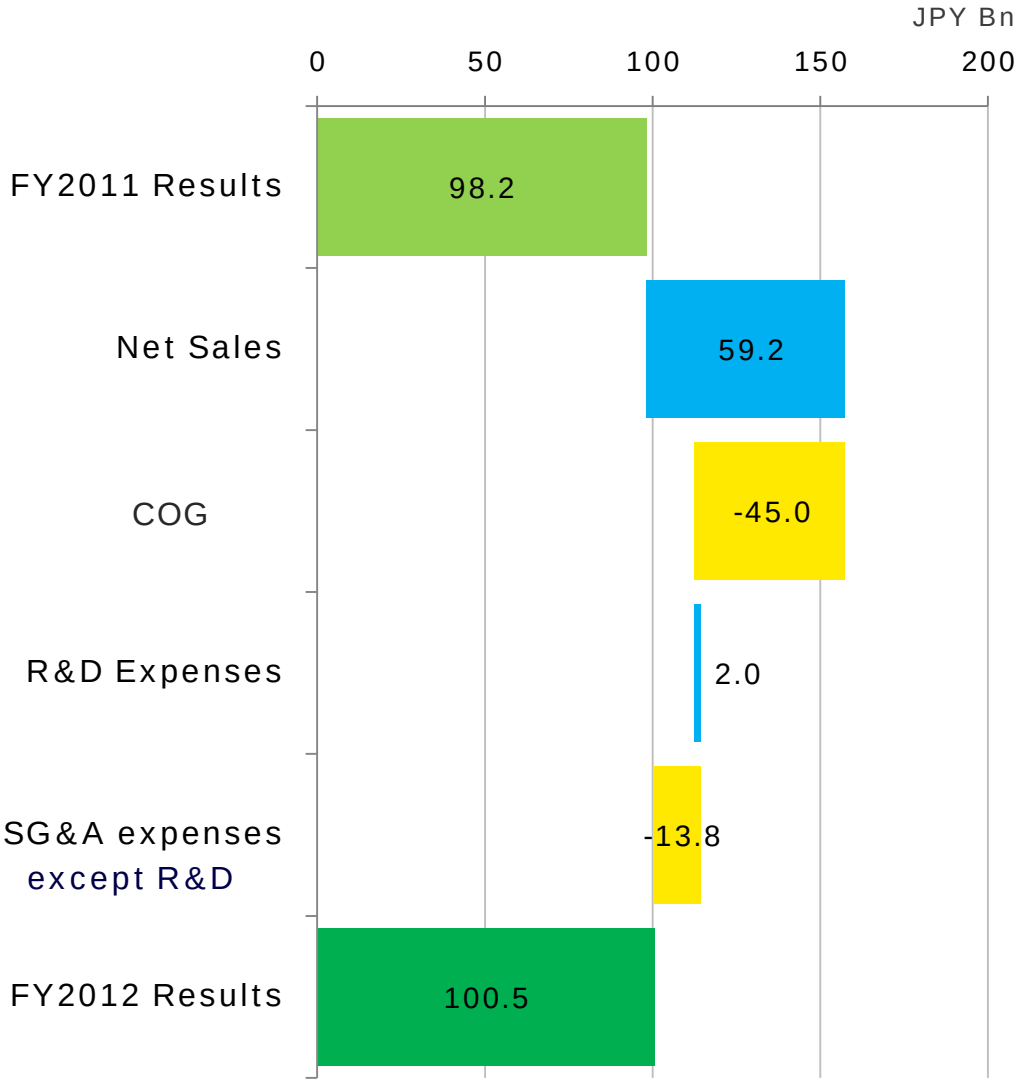
Currency impact
USD: +9.0 EUR: -1.0 INR: -28.0

Currency Rate

	FY2011 Results	FY2012 Results
USD/JPY	79.07	83.11
EUR/JPY	108.96	107.15
INR/JPY	1.73	1.50

Overview of FY2012 Results
- compared with FY2011 results -

Operating Income Increase/Decrease



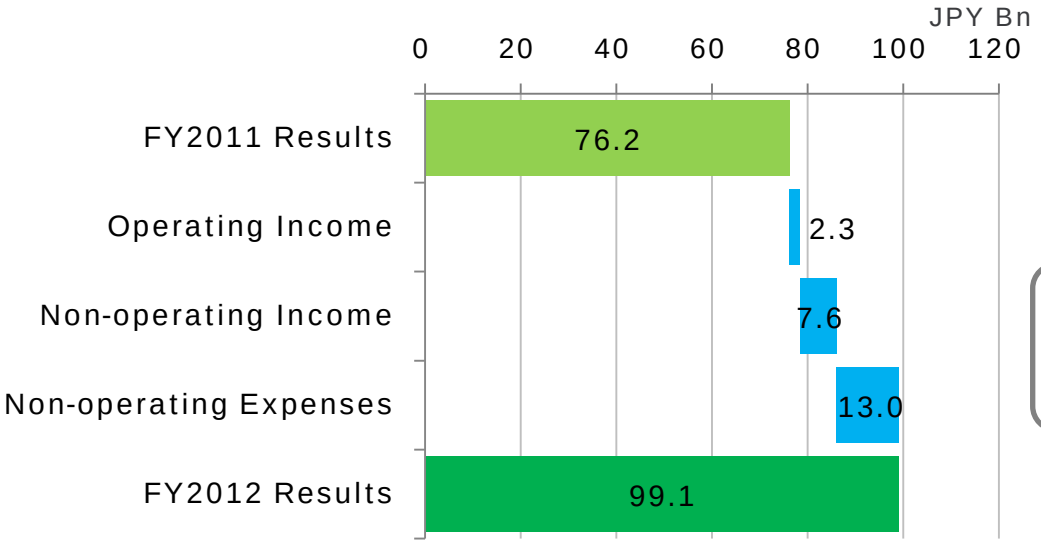
COG:+2.8p　28.6%⇒31.4%
- Daiichi Sankyo +4.1p :
  NHI price revision +1.3p,
  Vaccines +1.0p
  Change of products' component, others
- Ranbaxy -1.5p: Expansion of FTF products with lower COG

SG&A (except R&D)
- Daiichi Sankyo +6.3
  :Revision of accounting term of several affiliates at ASCA +3.6
- Ranbaxy +7.5 : Expansion of payments along with sales expansion

Currency impact
Impact to Operating Income in 3.0 bil. JPY by USD, EUR and INR in total

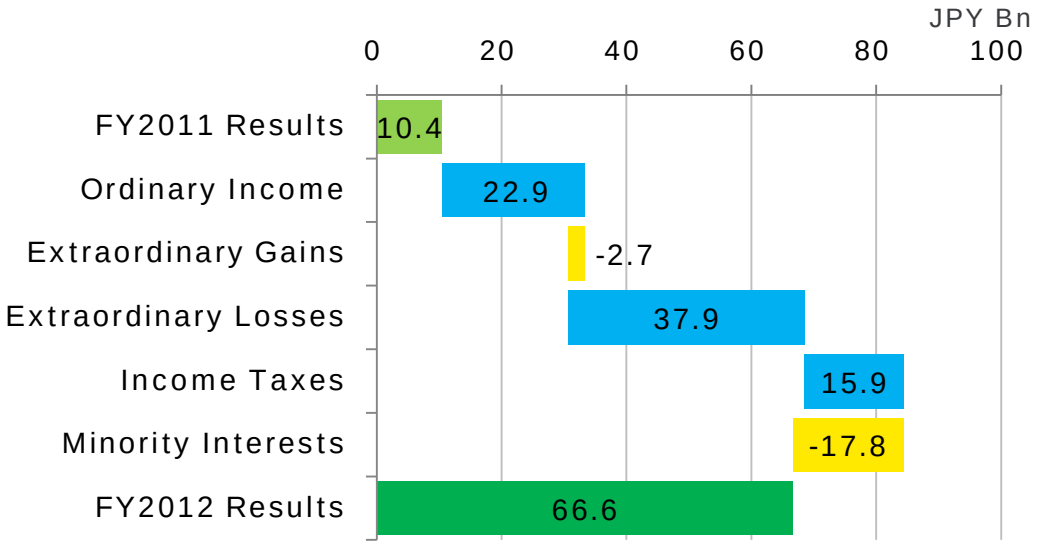
Overview of FY2012 Results
- compared with FY2011 results -

Ordinary Income



Non-operating Income/expenses:
- Ranbaxy loss on derivatives and currencies improved +20.9

Net Income



Extraordinary losses:
- FY2011:Provision for settlement expenses, Ranbaxy with US DOJ

Income Taxes:
- FY2011: Tax rate 117% 39.8 JPY
  - Provision not tax deducible
  - Reversal in deferred tax asset following the cut in income tax rate in Japan
- FY2012: Tax rate 26% 23.9JPY
  - Tax deduction on RD expenses and Deferred tax asset for the unrealized profit on inventory

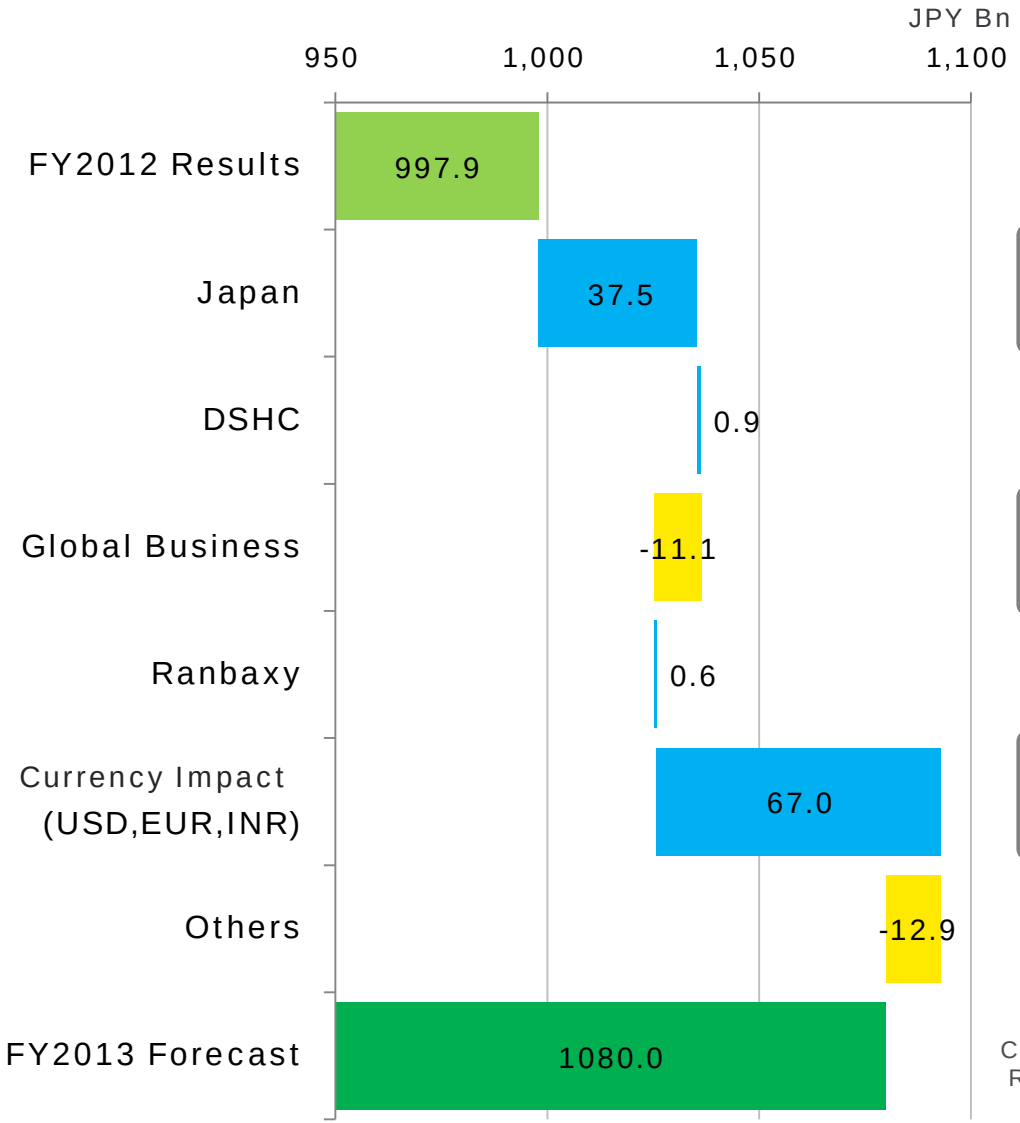
- FY2011:Minority interests on provision

Principal management objectives in FY2013

- Growth in Sales and Operating Income
  - Sales : 1,080 billion JPY (YoY + 8.2%)
  - Operating Income : 110 billion JPY (YoY + 9.4%)
- Enhance competitiveness to further expand global products
  - Olmesartan: Leverage unique position within ARB segment to grow further in every region
  - Prasugrel : Continuous sales expansion in existing markets
    Secure NDA filing in Japan
  - Edoxaban : Secure NDA filing for AF and VTE indication
- Maximize potential of key established and new products in Japan
- Focus on profitability of Global business including Ranbaxy

Overview of FY2013 Forecast
- compared with FY2012 results -

Sales Increase/Decrease



Japan
Nexium +16.4 Memary +12.2
Rezaltas +7.1

Global Business
•DSI -11.1 •LPI -3.6
•DSE -1.8 •ASCA +5.5

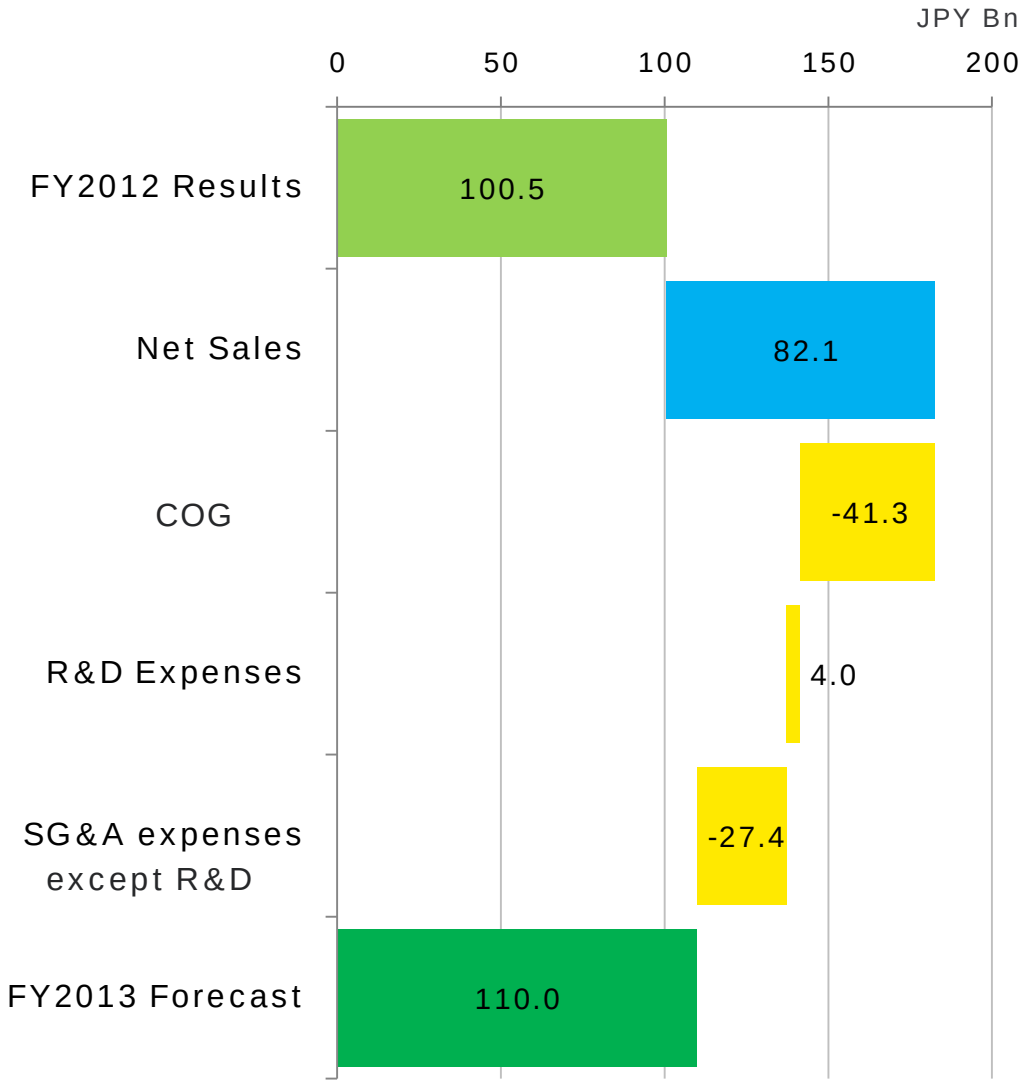
Currency Impact
USD: +25.0 EUR: +11.0 INR: +31.0

Currency Rate

	FY2012 Results	FY2013 Forecast
USD/JPY	83.11	95.00
EUR/JPY	107.15	125.00
INR/JPY	1.50	1.75

Overview of FY2013 Forecast
- compared with FY2012 results -

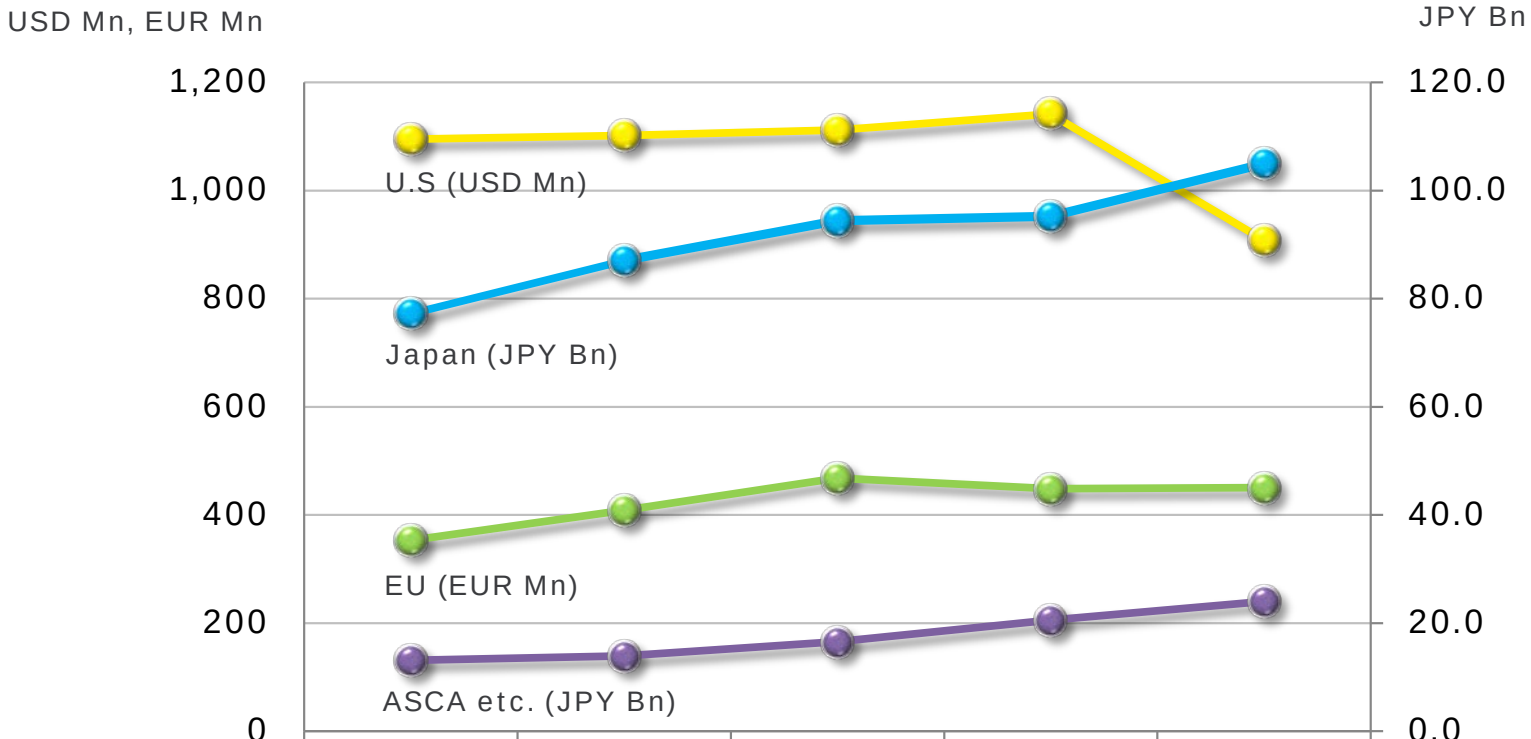
Operating Income Increase/Decrease



COG:+1.5p 31.4%⇒32.9%
- Daiichi Sankyo:
  Change in products' mix
- Ranbaxy:
  Larger contribution from FTF products with lower COG in FY2012

Currency impact
Expand R&D expenses in 11.0 bil.JPY, SG&A except R&D in 32.0 bil. JPY by USD, EUR and INR in total

Sales of Olmesartan (Local Currency Basis)



	FY2009 Results	FY2010 Results	FY2011 Results	FY2012 Results	FY2013 Plan
Japan (JPY Bn)	77.2	87.0	94.4	95.2	105.0
U.S. (USD Mn)	1,095	1,102	1,112	1,142	905
EU (EUR Mn)	353	408	468	448	448
ASCA etc.(JPY Bn)	13.1	13.9	16.5	20.7	24.0

Breakdown for Olmesartan

Japan: Olmetec, Rezaltas
U.S.: Benicar, Benicar HCT, Azor, Tribenzor
Europe: Olmetec, Olmetec Plus, Sevikar, Sevikar HCT

Sales of Major Products in Japan

JPY Bn

		FY2011 Results	FY2012 Results	FY2013 plan	
Olmetec	anti-hypertension	80.9	78.3	81.0	+3%
Rezaltas	anti-hypertension	13.5	16.9	24.0	+42%
Loxonin	analgesic and anti-inflammatory	61.0	59.6	61.0	+2%
Cravit	antibacterial	36.3	35.9	36.0	0%
Nexium	anti-ulcer (Proton Pump Inhibitor)	3.9	21.6	38.0	+76%
Memary	treatment for Alzheimer	9.8	23.8	36.0	+51%
Mevalotin	anti-hyperlipidemic	33.1	25.8	23.0	-11%
Artist	anti-hypertension	24.5	22.4	22.0	-2%
Omnipaque	contrast medium	23.5	20.2	19.0	-6%
Urief	treatment for dysuria	11.0	11.1	12.0	8%
Inavir	anti-influenza	10.7	11.1	10.0	-10%
Ranmark	treatment for bone metastasis	-	4.4	6.0	+36%

US and Europe

Priorities and Challenges in FY2013

Daiichi-Sankyo

Daiichi Sankyo Inc. (DSI)

- Maximize potential of Olmesartan brand
- Expansion of Effient and Welchol
- Improve productivity

Luitpold Pharmaceuticals Inc. (LPI)

- Launch of Injectafer, for iron deficiency anemia
- Resolution of issues at Shirley plant and revive generic injectable business

Daiichi Sankyo Europe (DSE)

- Maintain Olmesartan growth, expansion of Efient
- Improve productivity

Emerging countries

Priorities and Challenges in FY2013

- ASCA (Asia, South and Central America)
  - Continuous growth of Olmesartan
  - Expansion in China through new launches
    - Urief and Efient
  - Leverage Hybrid Business opportunities with Ranbaxy in all possible markets

Ranbaxy

Priorities and Challenges in FY2013

Daiichi-Sankyo

- Successful implementation of consent decree and resolution of AIP*
- Maximize potential in the US
  - Base business expansion through
    - Launch of more differentiated products
    - Building stronger branded derma business
  - Enhance product pipeline focused on FTFs**
- Strengthening domestic business in India
  - Maintaining growth above Indian Pharma market
  - Increase presence in chronic therapies

**AIP: Application Integrity Policy **FTF: First to File*

Memo

Daiichi-Sankyo

Daiichi-Sankyo

Global Research & Development

Glenn Gormley MD PhD

Global Head of R&D

Senior Executive Officer

May 14, 2013

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Prasugrel (CS-747) : Anti-platelet agent

- Active development in Japan in CAD* and CVD**
- Goal is to be the standard antiplatelet therapy in Japan

Target Indications	FY2013		FY2014		FY2015	FY2016
	Apr.-Sep.	Oct.-Mar.	Apr.-Sep.	Oct.-Mar.		
Coronary Artery Disease undergoing PCI*** *PRASFIT-ACS* *PRASFIT-Elective*	NDA		Approval Launch			
Ischemic Stroke *PRASTRO-I*	P3 study				NDA	Approval Launch

*CAD : Coronary Artery Disease
**CVD : Cerebro-Vascular Disease
***PCI : Percutaneous Coronary Intervention

Study Design

PRASFIT ACS

ACS (STEMI, NSTEMI, UA) patients undergoing PCI

N=1,363

Randomized

Prasugrel	**Clopidogrel**
20 mg LD/ 3.75 mg MD	**300 mg LD/ 75 mg MD**

Treatment duration: 24 to 48 weeks
(Combination with aspirin)

LD: Loading Dose
MD: Maintenance Dose

Primary Efficacy Endpoint: **Major Adverse Cardiovascular Events (MACE)**

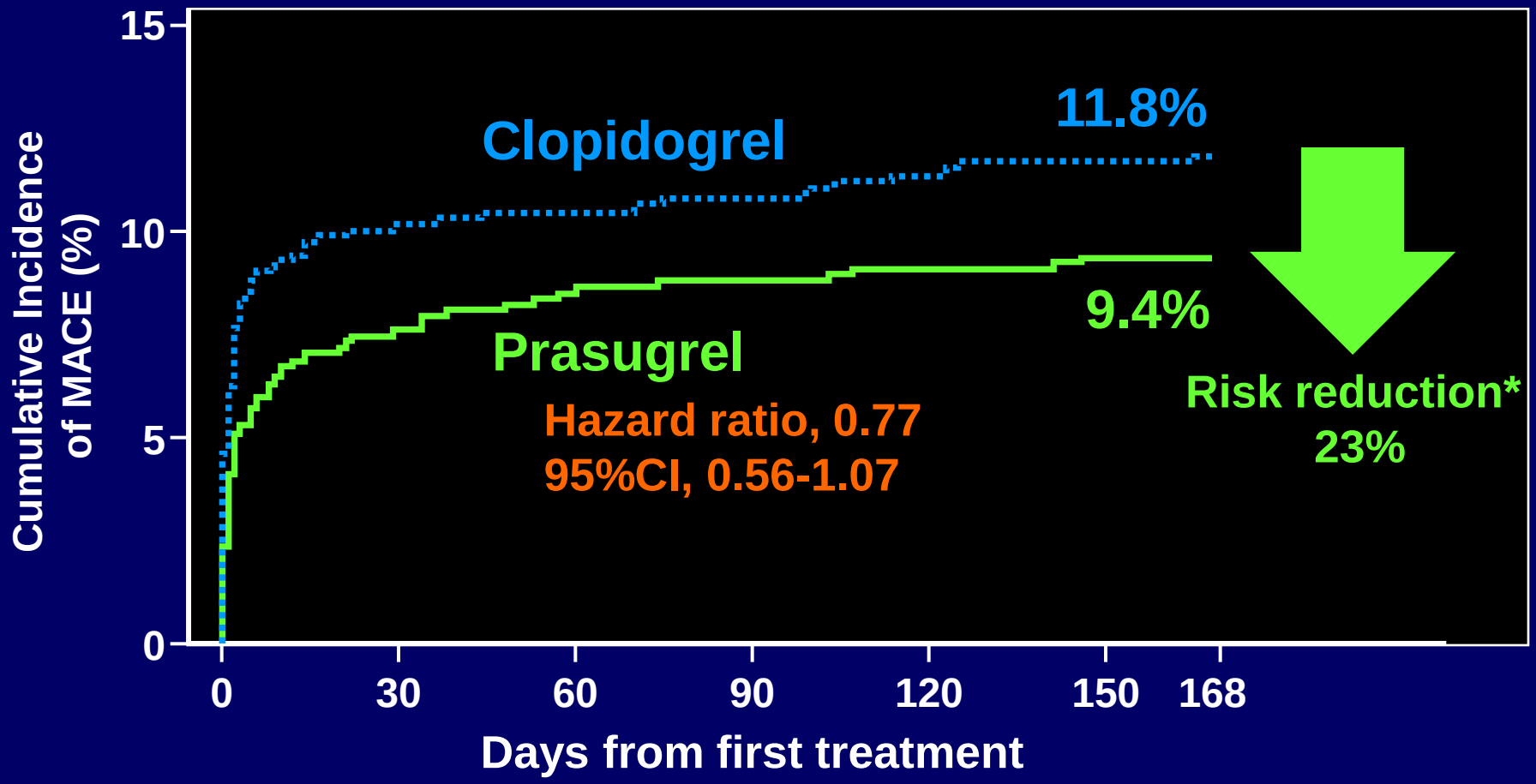
Cardiovascular(CV) death, Nonfatal MI and Nonfatal ischemic stroke during 24 week follow-up period

Safety Endpoints:

Non-CABG TIMI major, TIMI minor or clinically relevant bleeding

Primary Efficacy Endpoint (MACE at 24 weeks)

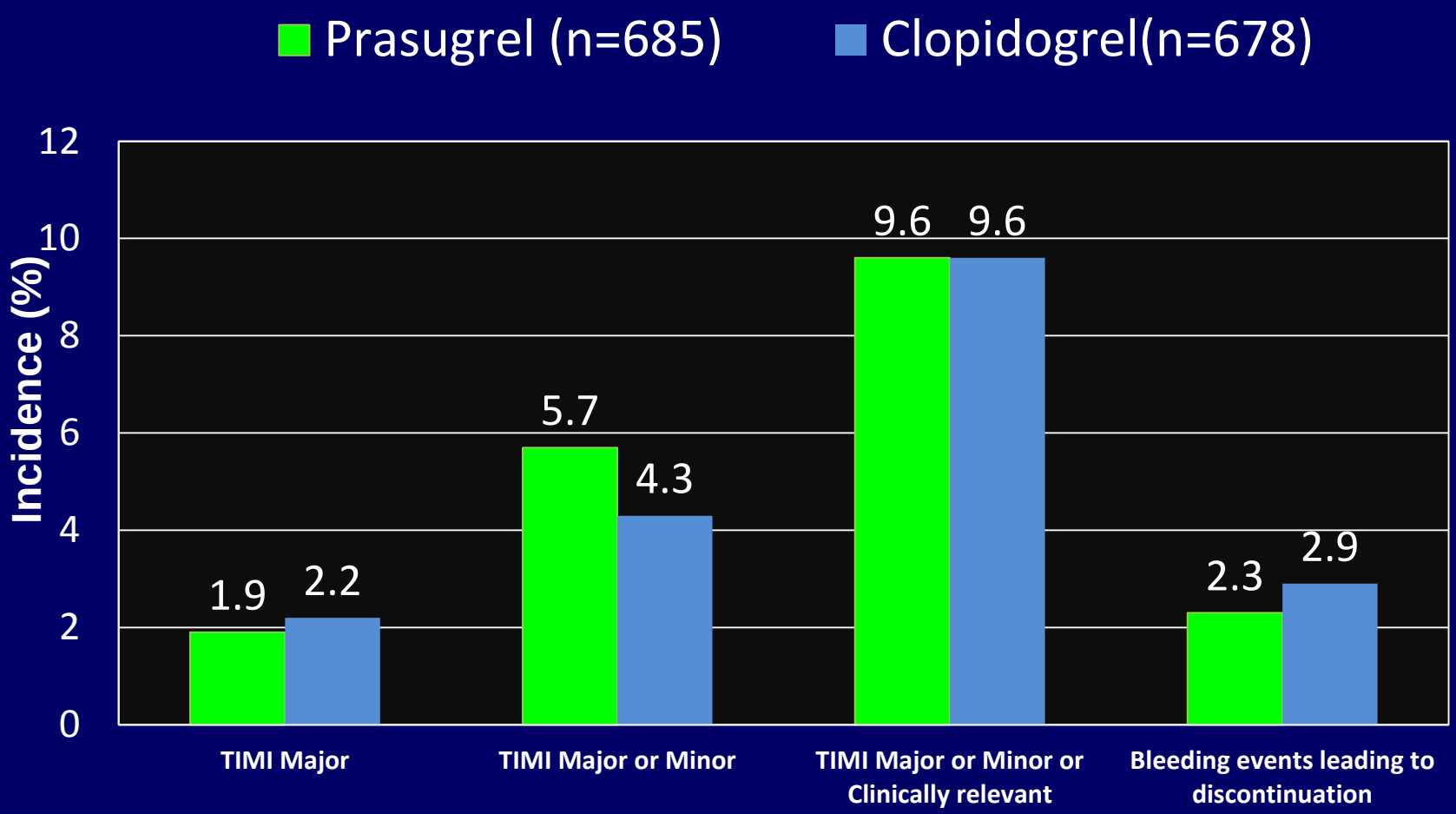
PRASFIT ACS



Based on Full Analysis Set
*Risk reduction: 1-HR (Hazard ratio)

Non-CABG
Clinically Important Bleeding Events

PRASFIT ACS



Hazard Ratio	**0.82**	**1.30**	**0.98**	**0.76**
P-value	**0.38**	**0.36**	**0.92**	**0.26**

Based on Safety Analysis Set
Incidence: (n / n) x 100%

Edoxaban (DU-176b) :Clinical Program

- Once Daily, oral Factor Xa Inhibitor
- Goal is Best in Class anti-coagulant
- Key growth driver

Target Indications	FY2013		FY2014		FY2015	FY2016
	Apr.-Sep.	Oct.-Mar.	Apr.-Sep.	Oct.-Mar.		
Prevention of thromboembolic event in atrial fibrillation Engage AF TIMI 48		NDA JP,US,EU		Approval Launch JP,US,EU	Launch ASCA	
Acute treatment and long-term prevention of thromboembolic event in patient with DVT*/PE** Hokusai VTE		NDA US,EU	NDA JP	Approval Launch US,EU	Launch ASCA Approval Launch JP	

*DVT : Deep Vein Thrombosis **PE : Pulmonary Embolism

Major R&D Pipeline

Therapeutic area	Phase 1	Phase 2	Phase 3	Application
Cardiovascular-Metabolics	■ DS-7309 (Anti-diabetes / Glucokinase activator) ■ DS-6930 (Anti-diabetes / Selective PPAR-gamma modulator) ■ DS-8500 (Anti-diabetes / GPR119 agonist) ■ DS-1442 (Dyslipidemia / CETP inhibitor) ■ DS-1040 **(Acute ischemic stroke / TFIa inhibitor)**	■ CS-3150 (JP) (Anti-hypertensive/DM nephropathy / MR antagonist) ■ DS-7250 (JP) (Anti-diabetes / DGAT1 inhibitor)	■ DU-176b (Global) (Edoxaban / AF / oral factor Xa inhibitor) ■ DU-176b (Global) (Edoxaban / VTE / oral factor Xa inhibitor) ■ CS-747 (JP) (Prasugrel / PCI / anti-platelet agent) ■ CS-747 (JP) (Prasugrel / ischemic stroke / anti-platelet agent) ■ CS-747 (US) **(prasugrel / Sickle Cell Disease)**	
Oncology	■ U3-1565 (US/JP) (Anti-HB-EGF antibody) ■ DS-2248 (US) (HSP90 inhibitor) ■ DS-7423 (US/JP) (PI3K/mTOR inhibitor) ■ DS-3078 (US/EU) (mTOR inhibitor)	■ CS-1008 (Global) (tigatuzumab / anti-DR5 antibody) ■ CS-7017 (US/EU) (efatutazone / PPARγ agonist) ■ U3-1287 (US/EU) (patritumab / anti-HER3 antibody) ■ PLX4032 (US/EU) (vemurafenib / BRAF inhibitor) ■ PLX3397 (US) (Fms/Kit/Flt3-ITD inhibitor)	■ ARQ 197 (Global*) **(Tivantinib / HCC)** ■ AMG 162 (JP) (Denosumab / breast cancer adjuvant / Anti-RANKL antibody) ■ DE-766 **(Nimotuzumab / NSCLC anti-EGFR antibody)** ■ DE-766 **(Nimotuzumab / Gastric cancer anti-EGFR antibody)**	
Others	■ CS-8958 (US/EU) (laninamivir / anti-influenza / Outlicensing with Biota) ■ DS-8587 (Anti-bacterial / Topoisomerase inhibitor) ■ CS-4771 (Anti-sepsis / TLR4 inhibitor) ■ PLX5622 (Rheumatoid arthritis / FMS kinase inhibitor) ■ CS-0777 (Immunomodulator / S1P receptor modulator) ■ DS-7113 (hydromorphone / Narcotic analgesic / opioid mu-receptor regulator)	■ AMG 162 (JP) (Denosumab / rheumatoid arthritis / anti-RANKL anti-body) ■ DS-5565 (Global) (Chronic pain / α2δ ligand) ■ SUN13837 (US/EU) (Spinal cord injury / Modulator of bFGF signaling system) ■ ASB17061 (US) (Atopic Dermatitis / chymase inhibitor)	■ DR-3355 (JP) (levofloxacin / anti-infection / New quinolone)	■ CS-8958 (JP) (Laninamivir / anti-influenza, prophylactic / Neuraminidase inhibitor) ■ AMG 162 (JP) **(Denosumab osteoporosis Anti-RANKL antibody)**

Promising Projects Beyond FY2017

Daiichi-Sankyo

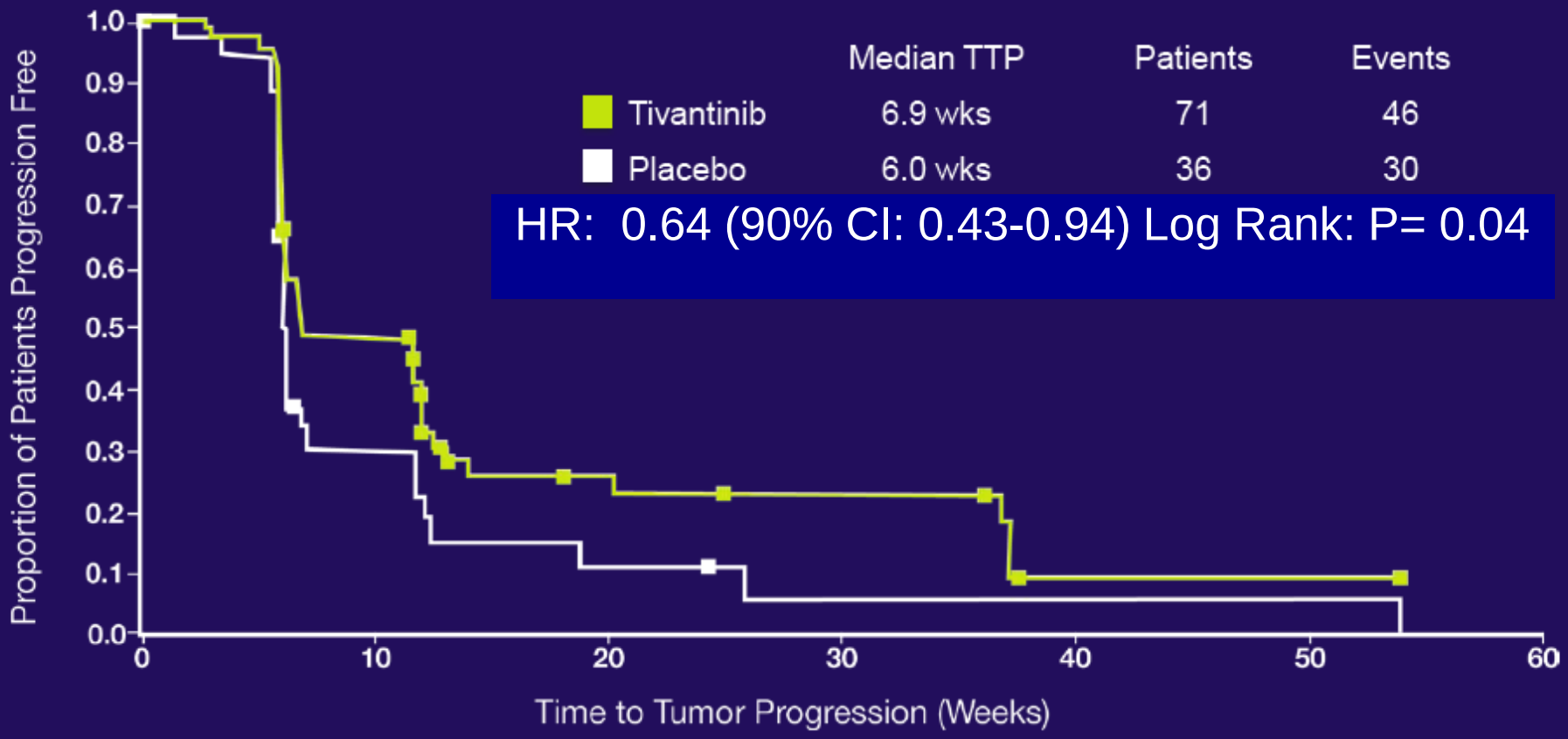
Invest in candidates to be growth drivers for the future

Project	Stage	Indication	Product Profile
Tivantinib	P3	Hepatocellular cancer(HCC)	• Met inhibitor/oral • Co-developed with ArQule
DS-5565	P2	Diabetic peripheral neuropathic pain	• **α2δ** ligand/oral
U3-1287	P2	Breast cancer Non small cell lung cancer	• HER3 antibody/iv
PLX-3397	P2	Cancer	• TKI for FMS, Kit and Flt3-ITD/oral • Possible Indications: AML, Glioblastoma, breast cancer

TKI: Tyrosine Kinase Inhibitor
AML: Acute Myelogenous Leukemia

Tivantinib Phase 2 data in Hepatocellular Carcinoma (HCC)

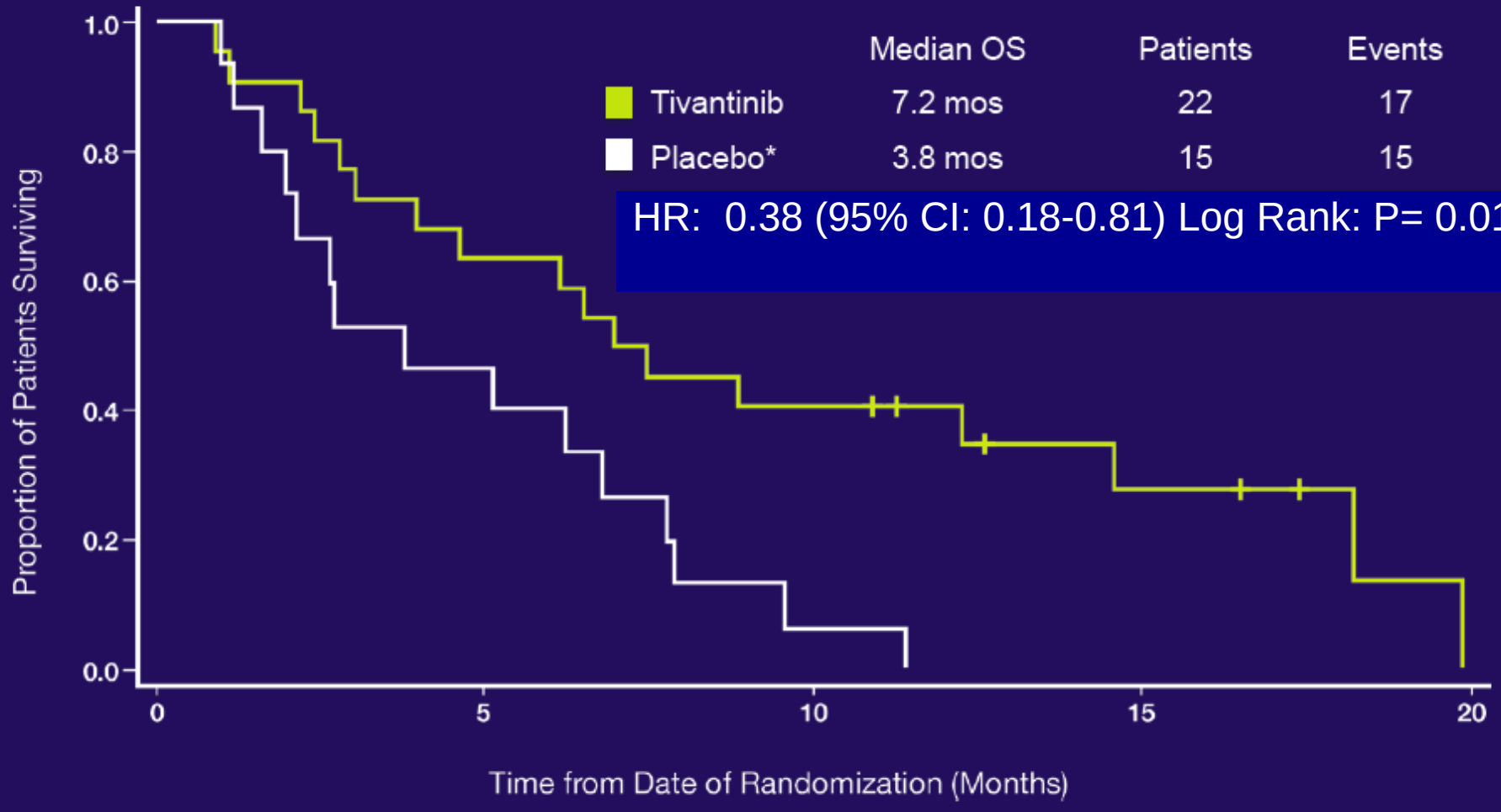
Primary Endpoint: TTP (ITT Population)



- Study powered to detect a treatment difference with a 1-sided type I error α = 0.05
- PFS consistent with TTP: HR 0.67 (95% CI: 0.44-1.04) Log Rank: P=0.06
- 1 PR was observed in the 240mg BID group. Disease control rate: 44% on tivantinib (32-56) vs 31% (16-48)
- Of 23 crossed-over patients, 11 showed best response of SD (3 ongoing at time of data cut-off), 8 PD, 4 non evaluable

Tivantinib Phase 2 data in Hepatocellular Carcinoma (HCC)

Improved OS in MET Diagnostic High Group

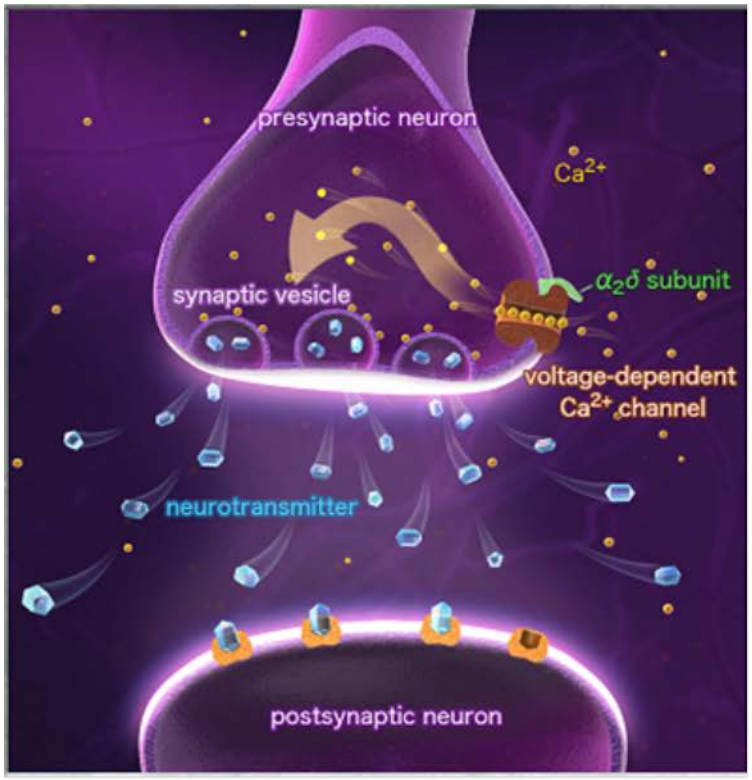


*8 MET Dx High patients crossed-over, 5 remained on open-label tivantinib for at least 6 weeks (1 non-evaluable at cut-off date)

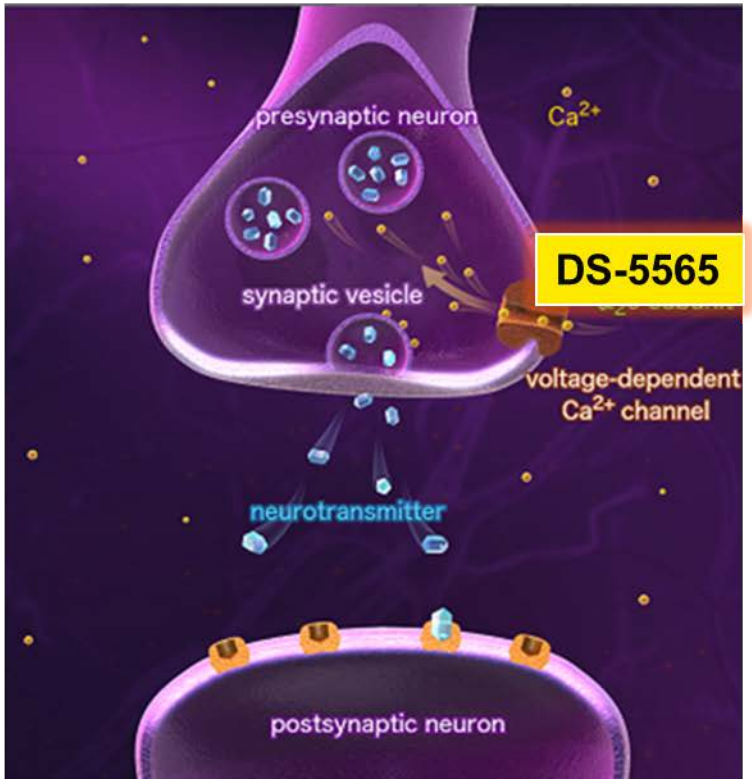
Mode of Action for DS-5565

- In neuropathic pain, neurons respond to stimuli with excessive Ca2+ influx and release of neurotransmitters
- DS-5565 binding to presynaptic a2d subunits inhibits Ca2+ influx and Neurotransmitter release

Pain state



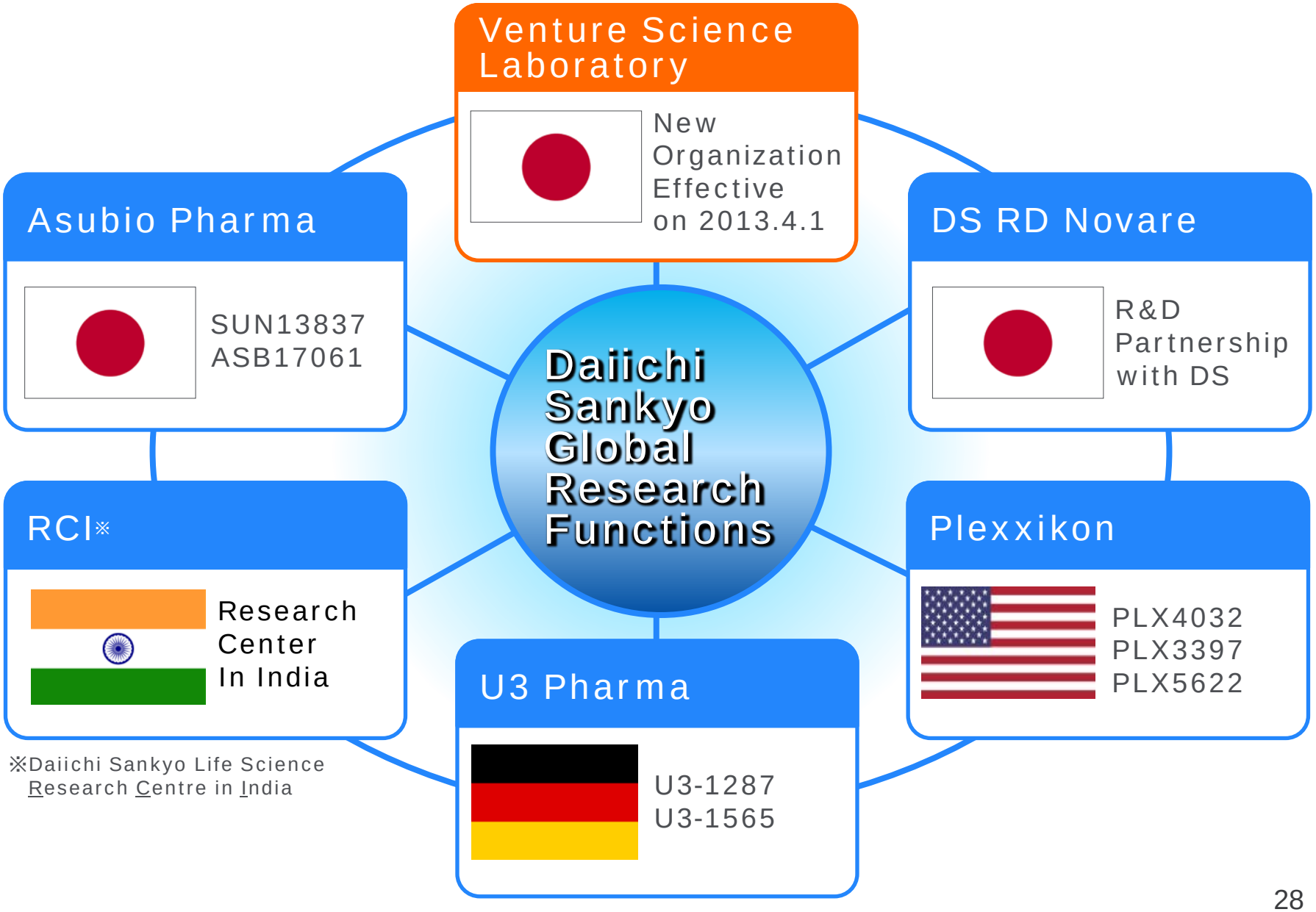
Pain state + $\alpha_2\delta$ ligand



R&D Key Milestones in FY2013

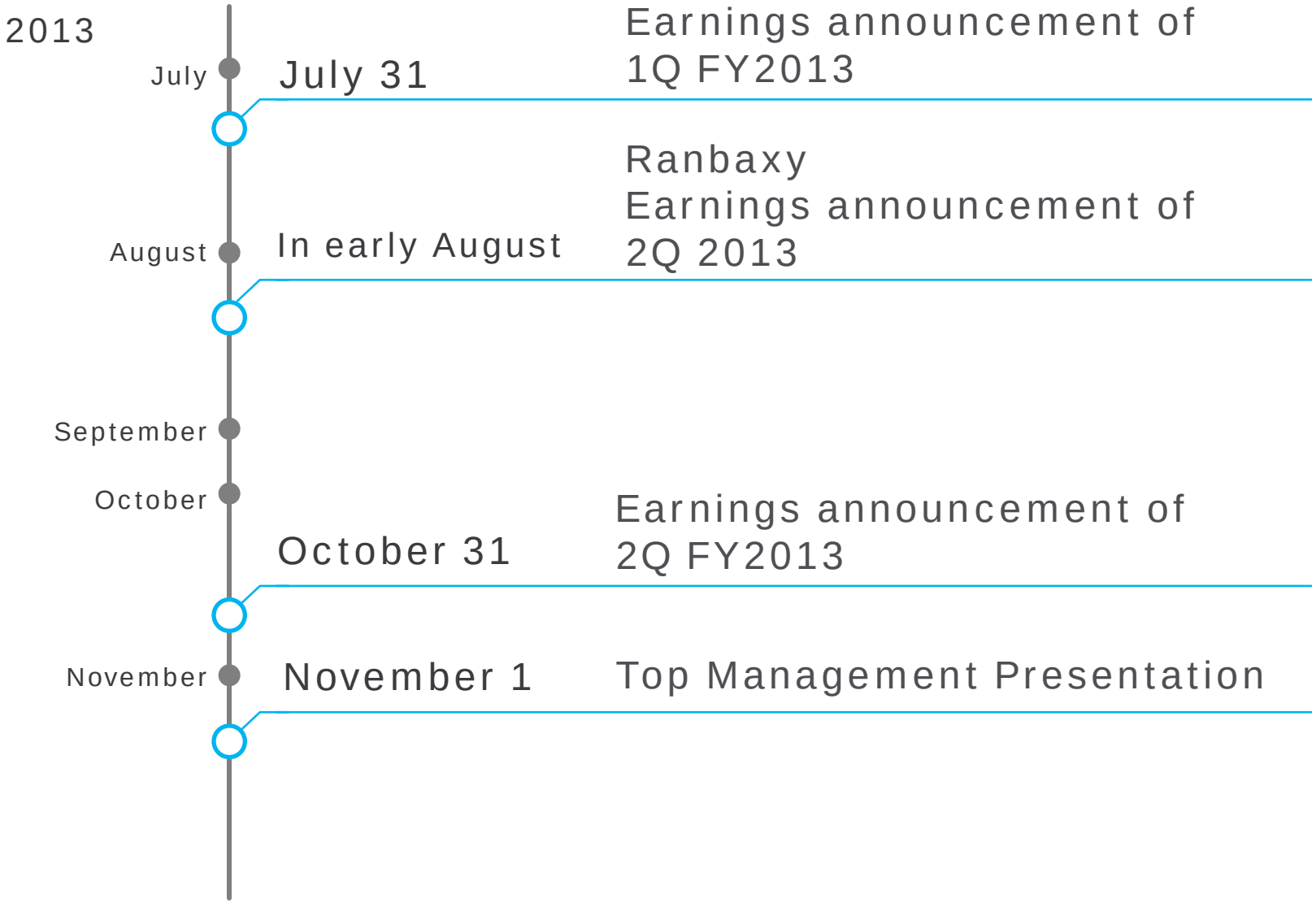
Launch	● Denosumab : Osteoporosis , 1st Half ● Laninamivir : Flu Prophylaxis, 2nd Half
NDA	● Prasugrel : PCI in Japan, 1st Half ● Edoxaban : AF and VTE, 2nd Half
Initiate Phase 3 study	● DS-5565 : Diabetic peripheral neuropathic pain ● Denosumab : Rheumatoid Arthritis ● Nimotuzumab : Gastric Cancer and Non Small Cell Lung Cancer ● Prasugrel : Pediatric Sickle Cell Disease

Global Research Network



※Daiichi Sankyo Life Science Research Centre in India

Schedule onward



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