



January 31, 2014

Consolidated Financial Results for the First Nine Months of the Fiscal Year Ending March 31, 2014 <under Japanese GAAP>

Listed company name: Daiichi Sankyo Company, Limited
Listed exchange: First Section of the Tokyo Stock Exchange
Stock code number: 4568

URL: <http://www.daiichisankyo.com>

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Scheduled date of dividend payments: –

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 Nine Months of Fiscal 2013

(from April 1, 2013 to December 31, 2013)

(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 nine months of fiscal 2013	807,067	8.2	100,080	7.0	88,456	-7.6
First nine months of fiscal 2012	745,632	7.1	93,540	1.8	95,686	10.7

	Net income		Basic net income per share	Diluted net income per share
	Millions of yen	%	Yen	Yen
First nine months of fiscal 2013	74,900	45.4	106.40	106.20
First nine months of fiscal 2012	51,500	193.6	73.16	73.04

Note: Comprehensive income: First nine months of fiscal 2013: 119,156 million yen [67.7%]
First nine months of fiscal 2012: 71,074 million yen [-%]

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2013	1,818,285	992,981	52.9	1,366.06
As of March 31, 2013	1,644,071	915,745	53.7	1,253.86

Reference: Equity: As of December 31, 2013: 961,651 million yen As of March 31, 2013: 882,649 million yen

2. Dividends

	Annual dividends per share				
	First quarter	Second quarter	Third quarter	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal 2012	–	30.00	–	30.00	60.00
Fiscal 2013	–	30.00	–		
Fiscal 2013 (Forecast)				30.00	60.00

Note: Revision of the forecasts most recently announced: No

3. Forecasts of Consolidated Financial Results for Fiscal 2013

(from April 1, 2013 to March 31, 2014)

(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	1,110,000	11.2	105,000	4.5	90,000	–9.2	65,000	–2.4	92.33

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 8.

(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: No

3) Changes in accounting estimates: No

4) Restatement of prior period financial statements after error corrections: No

(4) Number of common shares issued

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

As of December 31, 2013	709,011,343 shares
As of March 31, 2013	709,011,343 shares

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

As of December 31, 2013	5,052,835 shares
As of March 31, 2013	5,063,530 shares

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

First nine months ended December 31, 2013	703,956,705 shares
First nine months ended December 31, 2012	703,924,993 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 “(4) Information about Forecasts of Consolidated Financial Results and Other Forward-Looking Statements” of “1. Qualitative Information about Consolidated Results for the First Nine Months” on page 7 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 Nine Months

(1) Information about Operating Results

[Consolidated Financial Results]

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

	First nine months of fiscal 2012	First nine months of fiscal 2013	YoY change
Net sales	745,632	807,067	61,434 8.2%
Operating income	93,540	100,080	6,539 7.0%
Ordinary income	95,686	88,456	-7,230 -7.6%
Net income	51,500	74,900	23,400 45.4%

<Net sales of global mainstay products>

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

Item name	First nine months of fiscal 2012	First nine months of fiscal 2013	YoY change
Olmesartan Antihypertensive agent	188,947	227,918	38,971 20.6%
Prasugrel* Treatment for acute coronary syndromes	11,503	16,858	5,354 46.5%

* Total of revenue from co-promotion with Eli Lilly in Europe and the US and net sales in areas where the product is sold by Daiichi Sankyo.

<Research and development expenses>

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

	First nine months of fiscal 2012	First nine months of fiscal 2013
Research and development expenses	131,823	136,959
Ratio of research and development expenses to net sales	17.7%	17.0%

<Yen exchange rates for major currencies (average rate during the period)>

(Yen)

	First nine months of fiscal 2012	First nine months of fiscal 2013
Yen/USD	80.01	99.39
Yen/EUR	102.18	132.24
Yen/INR	1.50	1.69

i. Net Sales

In the nine months from April 1 to December 31, 2013, net sales of Daiichi Sankyo and its consolidated subsidiaries (“the Group”) increased ¥61.4 billion to ¥807.1 billion, a year-on-year increase of 8.2%.

There was sales growth for the antihypertensive agent olmesartan, the acute coronary syndrome treatment prasugrel, the ulcer treatment *NEXIUM*[®], the Alzheimer’s Disease treatment *Memary*[®] and the anti-inflammatory analgesic *Loxonin*[®] *Tape* at the Daiichi Sankyo Group. There was also a positive contribution from yen depreciation against the US dollar and the euro. Hence, despite decreased sales from the Ranbaxy Group, net sales of the Group as a whole increased.

ii. Operating Income

The Group's operating income in the first nine months of fiscal 2013 increased ¥6.5 billion or 7.0% year on year to ¥100.1 billion. Operating income at the Daiichi Sankyo Group increased, although operating income at Ranbaxy decreased, resulting in an increase for the Group as a whole.

iii. Ordinary Income

The Group's ordinary income in the first nine months of fiscal 2013 decreased ¥7.2 billion or 7.6% year on year to ¥88.5 billion. This mainly reflected a decline at Ranbaxy due to the recording of foreign exchange losses and other factors.

iv. Net Income

The Group's net income in the first nine months of fiscal 2013 increased ¥23.4 billion or 45.4% year on year to ¥74.9 billion. Net income rose due to the realization of gain on sales of non-current assets and gain on sales of investment securities.

[Reports by Segment]

i. Daiichi Sankyo Group

The Daiichi Sankyo Group posted net sales of ¥674.6 billion, a year-on-year increase of ¥74.1 billion or 12.3%.

Operating income increased ¥25.4 billion or 33.9% year on year to ¥100.6 billion (prior to consolidated adjustments).

a. Japan

Net sales in Japan increased 5.9% year on year to ¥419.6 billion.

Net sales of prescription drugs in Japan increased 6.6% year on year to ¥365.4 billion, reflecting the sales growth of *NEXIUM*[®], *Memary*[®] and *Loxonin*[®] *Tape*.

Net sales from royalty income and exports to overseas increased 6.5% year on year to ¥14.6 billion.

In the period under review, the Group launched osteoporosis treatment *PRALIA*[®] on June 11, 2013. Following this, on December 20, 2013, the Group received approval to market the anti-influenza treatment *Inavir*[®] for the prevention of influenza.

Net sales of healthcare (OTC) products totaled ¥37.0 billion, declining 1.4% year on year. On December 5, 2013, the Group discontinued sales of the skincare series *Derma Energy*, a dedicated mail-order product, after cases of some customers experiencing skin trouble were confirmed.

<Sales composition in Japan>

(Billions of yen; all amounts have been rounded off to the nearest single decimal place)

	First nine months of fiscal 2012	First nine months of fiscal 2013	YoY change
Prescription drugs	342.8	365.4	22.5 6.6%
Royalty income and exports to overseas	13.7	14.6	0.9 6.5%
Healthcare (OTC) products	37.6	37.0	-0.5 -1.4%

<Net sales of Japan company mainstay pharmaceuticals>

(Billions of yen; all amounts have been rounded off to the nearest single decimal place)

Product name	First nine months of fiscal 2012	First nine months of fiscal 2013	YoY change
<i>Olmetec</i> [®] Antihypertensive agent	58.5	60.4	2.0 3.4%
<i>Loxonin</i> [®] Anti-inflammatory analgesic (of which <i>Loxonin</i> [®] Tape)	45.9 (25.8)	46.8 (28.0)	0.9 1.9%
<i>NEXIUM</i> [®] Ulcer treatment	12.7	40.2	27.5 216.8%
<i>Cravit</i> [®] Synthetic antibacterial agent	27.1	25.9	-1.2 -4.6%
<i>Memary</i> [®] Alzheimer's disease treatment	17.4	23.9	6.5 37.5%
<i>Artist</i> [®] Treatment for hypertension, angina pectoris and chronic heart failure	17.1	17.1	1.0 0.3%
<i>Mevalotin</i> [®] Antihyperlipidemic agent	19.9	17.0	-2.8 -14.3%

b. North America

Net sales in North America increased 15.0% year on year to ¥158.5 billion. Net sales in local currency terms fell 7.4% to approximately US\$1,595 million.

At Daiichi Sankyo, Inc. in the US, although there were increases in sales of *TRIBENZOR*[®], *Welchol*[®], *Effient*[®] and others, sales of other products including *Benicar*[®]/*Benicar HCT*[®] and *AZOR*[®] declined. As a consequence, that company's net sales were roughly level with the same period of the previous fiscal year at US\$1,300 million.

On the other hand, at Luitpold Pharmaceuticals, Inc. in the US, sales of *Venofer*[®] and others decreased, resulting in overall net sales of US\$280 million (down 26.3% year on year) for that company. As a result, sales decreased overall in North America in local currency terms.

Luitpold Pharmaceuticals, Inc. launched *Injectafer*[®] for the treatment of iron deficiency anemia in August 2013.

<Net sales of Daiichi Sankyo, Inc. mainstay products>

(Millions of US\$; all amounts have been rounded off to the nearest whole unit)

Product name	First nine months of fiscal 2012	First nine months of fiscal 2013	YoY change
<i>Benicar</i> [®] / <i>Benicar HCT</i> [®] Antihypertensive agent	698	660	-38 -5.4%
<i>AZOR</i> [®] Antihypertensive agent	135	129	-6 -4.4%
<i>TRIBENZOR</i> [®] Antihypertensive agent	59	71	12 21.3%
<i>Welchol</i> [®] Hypercholesterolemia treatment/ type 2 diabetes mellitus inhibitor	298	329	31 10.4%
<i>Effient</i> [®] Treatment for acute coronary syndromes (co-promotion revenue)	94	115	21 22.6%

<Net sales of Luitpold Pharmaceuticals, Inc. mainstay products>

(Millions of US\$; all amounts have been rounded off to the nearest whole unit)

Product name	First nine months of fiscal 2012	First nine months of fiscal 2013	YoY change
<i>Venofer</i> [®] Anemia treatment	237	182	-55 -23.2%

c. Europe

Net sales in Europe increased 38.6% year on year to ¥59.9 billion. Net sales in local currency terms increased 7.3% to approximately EUR454 million. *Olmotec*[®] / *Olmotec plus*[®] and *Sevikar HCT*[®] contributed to the sales growth.

<Net sales of Daiichi Sankyo Europe GmbH mainstay products>

(Millions of euro; all amounts have been rounded off to the nearest whole unit)

Product name	First nine months of fiscal 2012	First nine months of fiscal 2013	YoY change
<i>Olmotec</i> [®] / <i>Olmotec Plus</i> [®] Antihypertensive agent	226	258	31 13.8%
<i>Sevikar</i> [®] Antihypertensive agent	77	76	-1 -1.5%
<i>Sevikar HCT</i> [®] Antihypertensive agent	31	43	12 40.7%

d. Other regions

In other regions, net sales rose 58.3% year on year to ¥36.6 billion.

Sales growth was stronger year on year in China, South Korea, Brazil, Venezuela and other countries.

In China, sales of *Olmotec*[®], *Mevalotin*[®], and cough suppressant *Asmeton*[®] expanded. In the period under review, the Group also launched *Urief*[®], a treatment for dysuria, in China in April 2013.

Sales of Olmesartan and other mainstay products are growing in South Korea, Brazil and Venezuela.

ii. Ranbaxy Group Segment (January to September 2013)

The Ranbaxy Group reported net sales of ₹132.4 billion, a year-on-year decrease of 8.7%.

Operating income decreased ₹18.8 billion or 84.4% year on year to ₹3.5 billion (prior to consolidated adjustments).

Although sales grew in major emerging countries and regions such as India, Eastern Europe and the Commonwealth of Independent States (CIS), and Africa and Middle East, overall sales at Ranbaxy decreased because of a substantial decline in North America in comparison with the previous fiscal year, in which sales had benefited from exclusive sales of atorvastatin generic product.

<Net sales of Ranbaxy Group by major country and region>

	First nine months of fiscal 2012	First nine months of fiscal 2013	YoY change
North America	44,826	23,382	-21,444 -47.8%
India	16,004	16,600	596 3.7%
Eastern Europe and CIS	9,374	11,636	2,262 24.1%
Western Europe	7,471	5,998	-1,473 -19.7%
Africa and Middle East	7,351	8,269	918 12.5%

[R&D Activities]

In R&D, the Group has designated oncology, cardiovascular-metabolic, frontier fields and others as prioritized areas for innovative drug development. Efforts are ongoing to further develop the R&D portfolio, including the active use of outside resources.

i. Prasugrel

In Japan, an application was filed for manufacturing and marketing approval as an indication for ischemic heart disease related to percutaneous coronary intervention (PCI) in June 2013. Sales are expected to begin in fiscal 2014. In addition, a Phase III clinical trial to evaluate the efficacy of prasugrel in patients with ischemic stroke is currently proceeding. The Group plans to file an application for approval for this indication in fiscal 2015.

ii. Edoxaban

The Group announced the results of the Hokusai-VTE clinical study for the treatment and inhibition of recurrence of venous thromboembolism (VTE) in patients who have had deep vein thrombosis (DVT) or pulmonary embolism (PE) at the European Society of Cardiology in September 2013. Following this, in November 2013, the Group announced the results of the ENGAGE AF-TIMI 48 study for the prevention of stroke and systemic embolism in non-valvular atrial fibrillation (AF) at the annual American Heart Association (AHA) Scientific Sessions. Both the trials demonstrated non-inferiority for primary efficacy and superiority for safety compared with the comparator drug warfarin.

Based on these results, the Group filed applications for approval for indications of VTE and AF in Japan in December 2013 and in the US and Europe in January 2014.

iii. Denosumab

Denosumab is an antibody drug related to bone metabolism. The Company has obtained the rights to develop and market this product in Japan from Amgen Inc. of the US. In April 2012, the drug was launched under the brand name *RANMARK*[®] for the indication of bone complications stemming from multiple myeloma or bone metastases from solid tumors. In June 2013, it was also launched under the brand name *PRALLIA*[®] as a treatment for osteoporosis.

In August 2013, a revised application for approval for giant cell tumor of bone was submitted.

Denosumab is also currently undergoing global phase III clinical studies for postoperative adjuvant breast cancer therapy and domestic phase III clinical studies in Japan for rheumatoid arthritis.

(2) Management Issues to be Noted

In September 2008, the US Food and Drug Administration (FDA) prohibited the import to the US of products made at Ranbaxy's Paonta Sahib Facility and Dewas Facility. As a result of consultation after this, Ranbaxy entered into a consent decree with the FDA in January 2012. Based on this decree, Ranbaxy has worked to strengthen quality assurance and secure data reliability across the company, and the Daiichi Sankyo Group has been assisting in this.

However, the FDA subsequently prohibited the import to the US of products made at Ranbaxy's Mohali Facility in September 2013, and that facility is now the target of issue resolution in accordance with the consent decree. In addition, in January 2014, the FDA notified Ranbaxy its intention to impose the same prohibition on the Toansa Facility, which manufactures bulk drugs.

The Group would like to apologize to all its shareholders and other stakeholders for the immense concern that this has caused.

In addressing this matter, the Group considers it should implement thoroughgoing measures to resolve the issues as fast as possible. Henceforth the Daiichi Sankyo Group will employ all its capability to address concerns of regulatory authorities on Ranbaxy's manufacturing setup.

(3) Information about Financial Position

As of December 31, 2013, net assets were ¥993.0 billion (up ¥77.2 billion from the previous year-end), total assets stood at ¥1,818.3 billion (up ¥174.2 billion from the previous year-end), and the equity ratio was 52.9% (53.7% for the previous year-end).

The increase in net assets was mainly due to the recording of net income and an increase in foreign currency translation adjustments from yen depreciation.

Total assets increased considerably more than the increase in net assets due to the issuance of unsecured bonds and an increase in borrowings offsetting decreases in payables.

(4) Information about Forecasts of Consolidated Financial Results and Other Forward-Looking Statements

There are no changes from the forecasts of consolidated financial results for fiscal 2013 publicly announced on October 31, 2013.

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 nine months under review, and next by multiplying the quarterly net income before income taxes and minority interests by such estimated effective tax rate.

3. Quarterly Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2013	As of December 31, 2013
ASSETS		
Current assets		
Cash and time deposits	160,956	183,260
Trade notes and accounts receivable	238,495	269,316
Securities	211,346	277,544
Inventories	174,431	189,601
Deferred tax assets	111,118	111,087
Other current assets	49,981	59,653
Allowance for doubtful accounts	(2,686)	(3,224)
Total current assets	943,643	1,087,240
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	138,274	140,709
Machinery, equipment and vehicles, net	63,483	63,112
Land	35,789	36,188
Construction in progress	47,865	59,374
Other, net	18,021	21,579
Total property, plant and equipment	303,434	320,964
Intangible assets		
Goodwill, net	73,543	70,940
Other intangible assets, net	149,912	152,803
Total intangible assets	223,455	223,744
Investments and other assets		
Investment securities	129,186	121,595
Deferred tax assets	32,547	40,511
Other	12,140	24,581
Allowance for doubtful accounts	(337)	(352)
Total investments and other assets	173,537	186,336
Total non-current assets	700,428	731,045
Total assets	1,644,071	1,818,285

(Millions of yen)

	As of March 31, 2013	As of December 31, 2013
LIABILITIES		
Current liabilities		
Trade notes and accounts payable	59,798	68,965
Short-term loans payable	66,073	79,474
Current portion of bonds payable	–	60,000
Income taxes payable	23,230	11,893
Provision for loss on business restructuring	–	8,808
Allowance for sales returns	600	4,490
Allowance for sales rebates	1,979	3,362
Provision for settlement expenses	43,742	–
Provision for environmental measures	1,344	–
Accrued expenses	111,690	104,660
Other current liabilities	127,651	132,285
Total current liabilities	436,111	473,941
Long-term liabilities		
Bonds payable	107,900	88,467
Long-term loans payable	93,017	174,213
Deferred tax liabilities	45,109	46,964
Accrued employees' severance and retirement benefits	13,877	8,236
Accrued directors' severance and retirement benefits	218	263
Other long-term liabilities	32,091	33,217
Total long-term liabilities	292,214	351,362
Total liabilities	728,326	825,303
NET ASSETS		
Shareholders' equity		
Common stock	50,000	50,000
Capital surplus	105,194	105,194
Retained earnings	766,740	799,381
Treasury stock, at cost	(14,460)	(14,415)
Total shareholders' equity	907,474	940,160
Accumulated other comprehensive income		
Net unrealized gain or loss on investment securities	34,211	33,561
Deferred gains or losses on hedges	937	1,032
Foreign currency translation adjustments	(59,974)	(13,102)
Total accumulated other comprehensive income	(24,825)	21,491
Subscription rights to shares	4,085	4,286
Minority interests	29,010	27,043
Total net assets	915,745	992,981
Total liabilities and net assets	1,644,071	1,818,285

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

(Millions of yen)

	First nine months of fiscal 2012 (From April 1, 2012 to December 31, 2012)	First nine months of fiscal 2013 (From April 1, 2013 to December 31, 2013)
Net sales	745,632	807,067
Cost of sales	230,229	266,568
Gross profit	515,403	540,499
Selling, general and administrative expenses	421,862	440,419
Operating income	93,540	100,080
Non-operating income		
Interest income	3,267	2,483
Dividend income	2,361	2,284
Gain on valuation of derivatives	4,668	2,662
Other income	2,804	1,992
Total non-operating income	13,101	9,423
Non-operating expenses		
Interest expense	3,638	3,865
Equity in net losses of affiliated companies	195	510
Foreign exchange losses	5,577	14,588
Other expenses	1,544	2,082
Total non-operating expenses	10,955	21,047
Ordinary income	95,686	88,456
Extraordinary income		
Gain on sales of non-current assets	2,532	14,920
Gain on contribution of securities to retirement benefit trust	–	8,198
Gain on sales of investment securities	612	8,025
Other income	47	1,589
Total extraordinary income	3,192	32,733
Extraordinary losses		
Loss on disposal of non-current assets	1,812	1,177
Loss on impairment of long-lived assets	8,594	3,108
Loss on business restructuring	766	12,983
Loss on valuation of investment securities	1,105	185
Environmental expenses	46	134
Loss on sales of investment securities	598	–
Provision for environmental measures	383	–
Loss on abandonment of inventories	104	–
Other losses	95	778
Total extraordinary losses	13,505	18,367
Income before income taxes and minority interests	85,373	102,822
Income taxes	29,942	32,543
Income before minority interests	55,430	70,279
Minority interests in net income (loss) of consolidated subsidiaries	3,930	(4,621)
Net income	51,500	74,900

Consolidated Statements of Comprehensive Income (cumulative)

(Millions of yen)

	First nine months of fiscal 2012 (From April 1, 2012 to December 31, 2012)	First nine months of fiscal 2013 (From April 1, 2013 to December 31, 2013)
Income before minority interests	55,430	70,279
Other comprehensive income		
Net unrealized gain or loss on investment securities	968	(654)
Deferred gains or losses on hedges	1,153	149
Foreign currency translation adjustments	13,534	49,380
Share of other comprehensive income of associates accounted for using equity method	(12)	0
Total other comprehensive income	15,643	48,877
Comprehensive income	71,074	119,156
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	66,625	121,205
Comprehensive income attributable to minority interests	4,448	(2,049)

(3) Notes to Quarterly Consolidated Financial Statements

(Notes related to Assumption of Going-Concern)

Not applicable.

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

Not applicable.

(Segment Information)

I. First nine months of fiscal 2012 (from April 1, 2012 to December 31, 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	600,554	145,078	745,632
Inter-segment sales and transfers	1,305	1,263	2,568
Total	601,859	146,341	748,201
Segment profit	66,627	22,972	89,599

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	89,599
Amortization of allocated acquired cost	(2,049)
Amortization of goodwill	(1,805)
Elimination of inter-segment transactions	(200)
Other consolidated adjustments	(170)
Income before income taxes and minority interests stated in consolidated statements of income	85,373

II. First nine months of fiscal 2013 (from April 1, 2013 to December 31, 2013)

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	674,619	132,448	807,067
Inter-segment sales and transfers	1,149	1,137	2,286
Total	675,768	133,586	809,354
Segment profit (loss)	118,491	(13,777)	104,714

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	104,714
Amortization of allocated acquired cost	(2,308)
Amortization of goodwill	(1,801)
Elimination of inter-segment transactions	68
Other consolidated adjustments	2,149
Income before income taxes and minority interests stated in consolidated statements of income	102,822