Passion for Innovation.
Compassion for Patients.™

Daiichi-Sankyo

Results Briefing

Results for 2Q FY2013 (April 1 – September 30, 2013)

DAIICHI SANKYO CO., LTD

Joji Nakayama
President and CEO

November 1, 2013

Overview 2Q YTD Results

JPY Bn

Consolidated Income Statement

	FY2012 2Q Results	FY2013 2Q Results	YoY
Net Sales	484.2	516.4	+6.7% +32.2
Cost of Sales	143.8	166.5	+22.7
SG&A Expenses	283.3	294.2	+11
R&D Expenses	87.2	94.9	+7.7
Other Expenses	196.1	199.3	+3.3
Operating Income	57.1	55.7	-2.5% -1.4
Ordinary Income	49.9	47	-5.7% -2.9
Net Income	24.4	30.8	+26.6% +6.5

Currency Rate			
Currency Rate	USD/JPY (average)	79.42	98.86
	EUR/JPY (average)	100.64	130.01

Ranbaxy Group

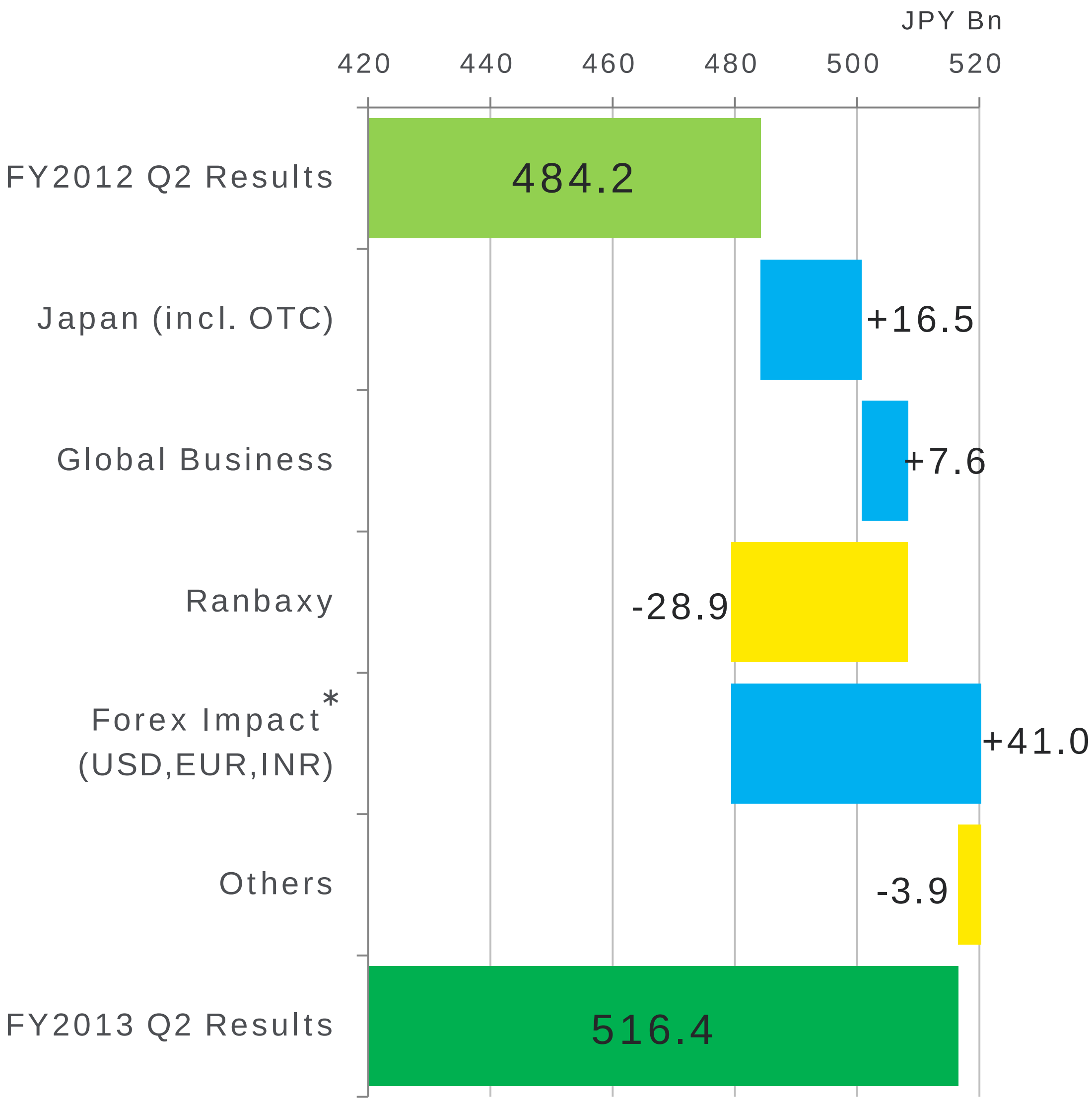
Note : Figures of Ranbaxy are pre-adjusted before consolidation

FY2012 (Jan-Jun) Results	FY2013 (Jan-Jun) Results	YoY
107.7	88.6	-17.7% -19.1
40.9	46.0	+5.1
47.4	39.3	-8.1
4.1	5.2	+1.1
43.2	34.1	-9.1
19.4	3.3	-83.1% -16.2
12.0	-5.3	-17.3
8.1	-3.6	-11.8

INR/JPY Average Currency rate

1.54	1.74

2Q **YTD** Net Sales



Positive Factors(+)

Negative Factors(-)

Japan
Nexium +19.6, Memary +3.6, Vaccines +1.8
Mevalotin -2.2

Global business
- Daiichi Sankyo Inc. (DSI) +0.9
- Luitpold Pharmaceuticals, Inc. (LPI) -4.4
- Daiichi Sankyo Europe GmbH (DSE) +2.3
- Asia, South and Central America (ASCA) +8.7*

*including currency impact

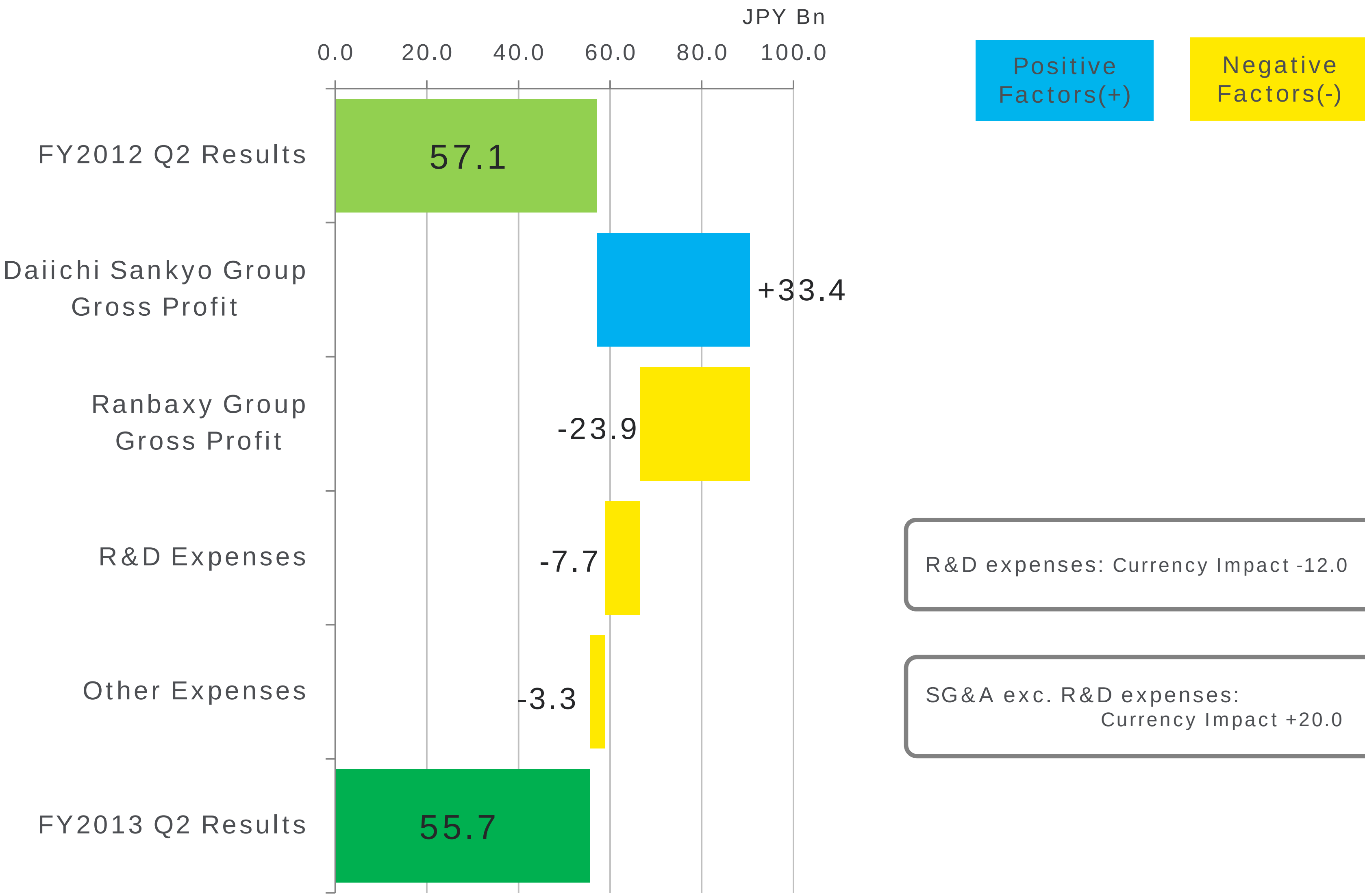
Ranbaxy (RLL)
FY2012 2Q: Contribution of Atorvastatin etc.

Currency Impact
USD: +21.0 EUR: +9.0 INR: +10.0

*Currency Rate

	FY2012 2Q Results	FY2013 2Q Results
USD/JPY (average)	79.42	98.86
EUR/JPY (average)	100.64	130.01
INR/JPY (average)	1.54	1.74

2Q **YTD** Operating Income

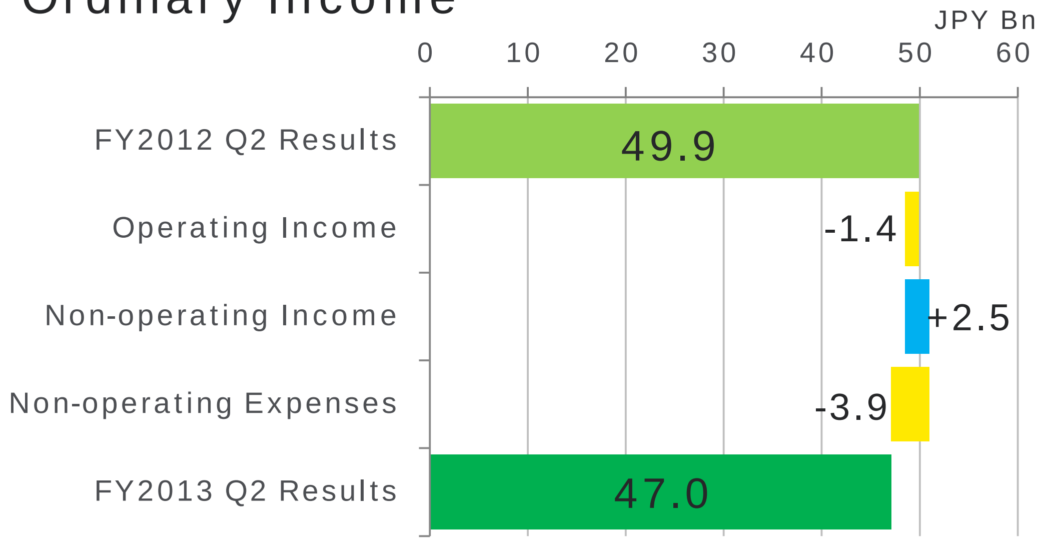


R&D expenses: Currency Impact -12.0

SG&A exc. R&D expenses:
Currency Impact +20.0

2Q **YTD** Ordinary Income / Net Income

Ordinary Income



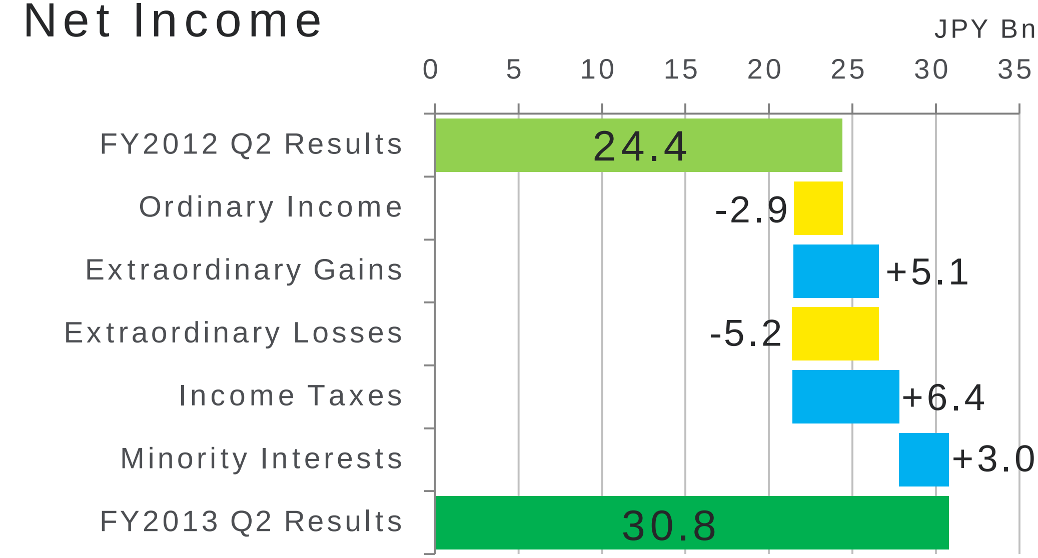
Positive Factors(+)

Negative Factors(-)

Non-operating Income:
•Ranbaxy: Forex gains on forward covers

Non-operating Expenses:
•Ranbaxy: Higher loss on INR depreciation

Net Income



Extraordinary Gains:
•Realized gain on investment securities

Extraordinary Losses:
•Extraordinary loss on provisions for business restructuring in Europe

Income Taxes:
Higher tax benefit on R&D expenses and dividend income from U3 Pharma.

Memo

Summary of the revised FY2013 forecast

Net Sales

- Higher sales at Daiichi Sankyo
- Accounting period will be changed at Ranbaxy
  - Additional quarter Jan. – Mar. 2014 to be consolidated

Operating Income

- Decline due to exclusion of Ranbaxy's generic (FTF) sales in US from the original forecast

Ordinary Income

- Decline due to Forex related losses by September 2013 recorded by Ranbaxy

FY2013 revised consolidated forecast

JPY Bn

	FY 2013 Forecast (July)	FY 2013 Revised Forecast (October)	change
Net Sales	1080.0	1110.0	+30.0
(From Ranbaxy) *(INR/JPY)*	(217.0) *(1.75)*	(224.0) *(1.66)*	(+7.0)
Cost of Sales	355.0	376.0	+21.0
SG&A Expenses	615.0	629.0	+14.0
R&D Expenses	187.0	191.0	+4.0
Other Expenses	428.0	438.0	+10.0
Operating Income	110.0	105.0	-5.0
Ordinary Income	100.0	90.0	-10.0
Net Income	65.0	65.0	-

Currency Rate	USD/JPY (average)	95.94	96.93
	EUR/JPY (average)	125.99	130.01

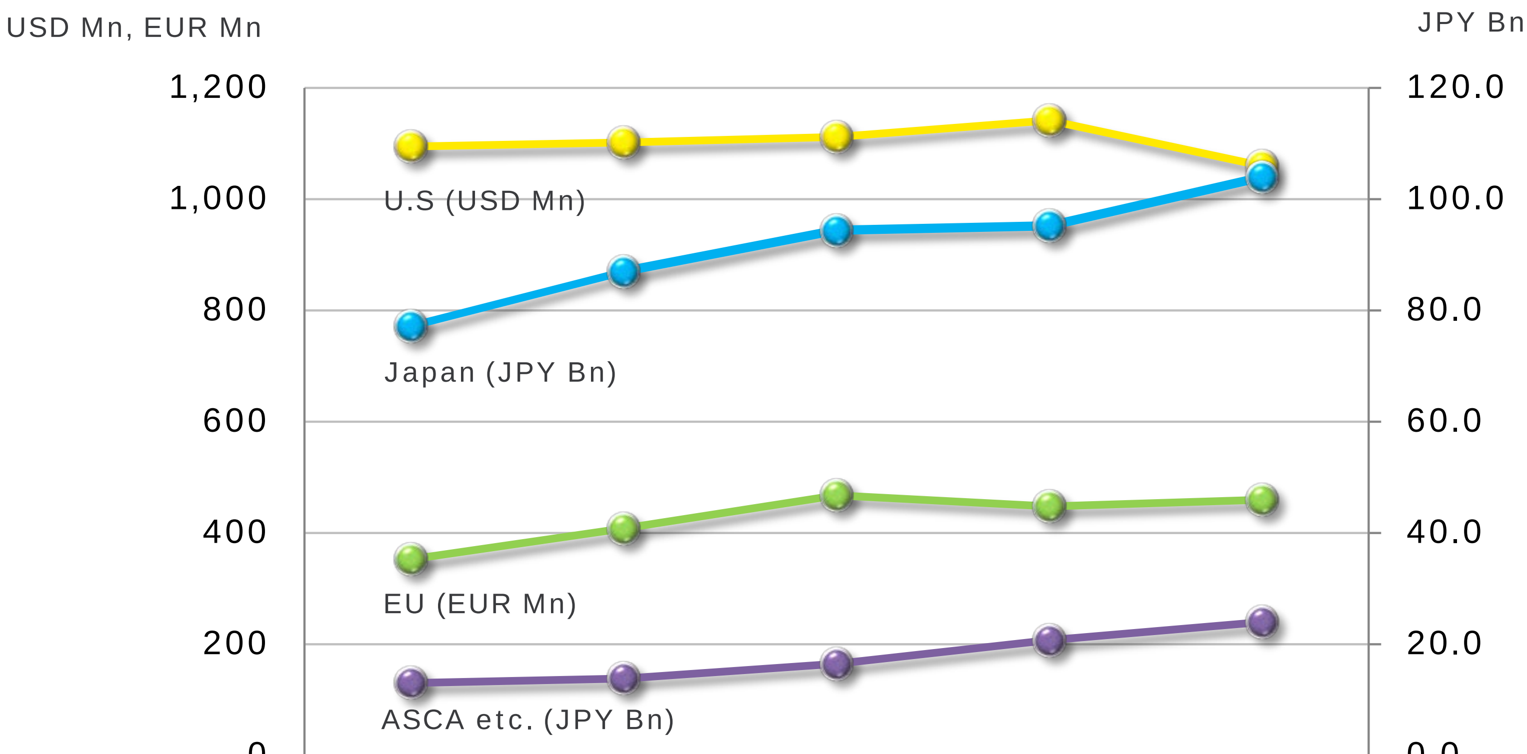
Major Products in Japan

Sales results and Outlook

JPY Bn

		FY2012 2Q Results	FY2013 2Q Results	FY2013 Outlook
Olmetec	anti-hypertension	37.6	37.6	83.0
Rezaltas	anti-hypertension	8.1	9.0	21.0
Loxonin	analgesic and anti-inflammatory	29.7	30.7	61.0
Nexium	anti-ulcer (Proton Pump Inhibitor)	4.4	24.0	52.0
Cravit	antibacterial	16.5	15.7	35.0
Memary	treatment for Alzheimer	10.8	14.4	34.0
Artist	anti-hypertension	11.2	11.1	22.0
Mevalotin	anti-hyperlipidemia	13.3	11.1	22.0
Omnipaque	contrast medium	10.2	10.0	19.0
Urief	treatment for dysuria	5.4	5.6	12.0
Ranmark	treatment for bone metastasis	1.7	3.4	7.0

Sales of Olmesartan(Local currency basis)



	FY2009 Results	FY2010 Results	FY2011 Results	FY2012 Results	FY2013 Outlook
Japan (JPY Bn)	77.2	87.0	94.4	95.2	104.0
U.S. (USD Mn)	1,095	1,102	1,112	1,142	1,060
EU (EUR Mn)	353	408	468	448	460
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

FY'13 Principal management objectives

YTD Progress update

Focus on global business profitability including Ranbaxy

- Luitpold
  - Injectafer launched in Aug,
  - Shirley facility resolution efforts ongoing
- Ranbaxy
  - US-DOJ investigation settled in May,
  - The group is putting best efforts to address USFDA's concerns on Mohali facility

Maximize potential of key established and new products in Japan

- Continued strong performance of Nexium, Memary and Ranmark

Enhance competitiveness to further expand global products

- Olmesartan : Maximize global sales potential
- Prasugrel : Japan NDA filed for CAD in June
- Edoxaban : Secure global NDA filing by the end of Mar 2014

Growth in Sales and Operating Income

- Sales ： 1,110 billion JPY（YoY +11.2%）
- Operating Income ： 105 billion JPY（YoY + 4.5%）

Anti-platelet agent Prasugrel:
Japan launch schedule

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

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

Anti- coagulant: Edoxaban

Global NDA / launch Schedule

Target Indications	FY2013	FY2014		FY2015 ～
	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** **JP, US,EU**		Approval Launch **JP, US,EU**	Launch **ASCA**

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

ASCA : Asia, South and Central America

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