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# Results Briefing

## Results for 1Q FY2014 (April 1 – June 30, 2014)

DAIICHI SANKYO CO., LTD

Manabu Sakai

Representative Director, Vice President  
Head of Corporate Management Division

Thursday, July 31, 2014 15:00 ~ 16:00

# Overview of FY2014 1Q Results



## Consolidated Statement of Profit or Loss

JPY Bn

	FY2013 1Q Result	FY2014 1Q Result	YoY
Revenue	252.6	254.4	+1.8 <small>+0.7%</small>
Cost of sales	87.6	85.9	-1.7
R&D expenses	48.1	43.2	-4.9
SG&A expenses	101.7	96.0	-5.8
(Loss on restructuring/ General expenses)	(13.7)	(3.3)	(-10.4)
Operating Profit	15.2	29.4	+14.2 <small>+93.9%</small>
Profit before tax	17.5	27.9	+10.4
Profit attributable to owners of the Company	15.0	20.0	+5.0 <small>+33.0%</small>

## Daiichi Sankyo Group

JPY Bn

	FY2013 1Q Result	FY2014 1Q Result	YoY	Plan*
Revenue	210.4	213.7	+3.3	920.0
Cost of sales	65.9	64.6	-1.3	285.0
R&D expenses	45.8	41.4	-4.4	182.0
SG&A expenses	84.1	75.6	-8.5	333.0
(Loss on restructuring/ General expenses)	(12.0)	(2.1)	(-9.9)	-
Operating Profit	14.6	32.1	+17.5	120.0
Profit before tax	15.9	32.0	+16.1	120.0
Profit attributable to owners of the Company	13.9	21.1	+7.2	78.0

Currency Rate	USD/JPY	98.76	102.16
	EUR/JPY	128.96	140.06
	INR/JPY	1.71	1.72

\*Figures do not include Ranbaxy, which will not be consolidated, post its merger with Sun Pharma.

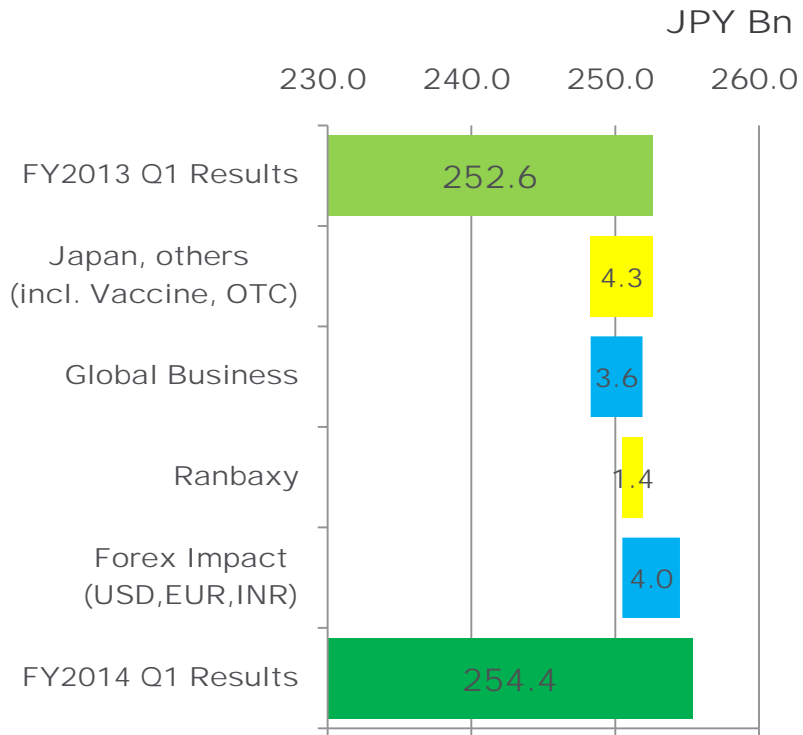
# FY2014 1Q Revenue

Positive  
Factors

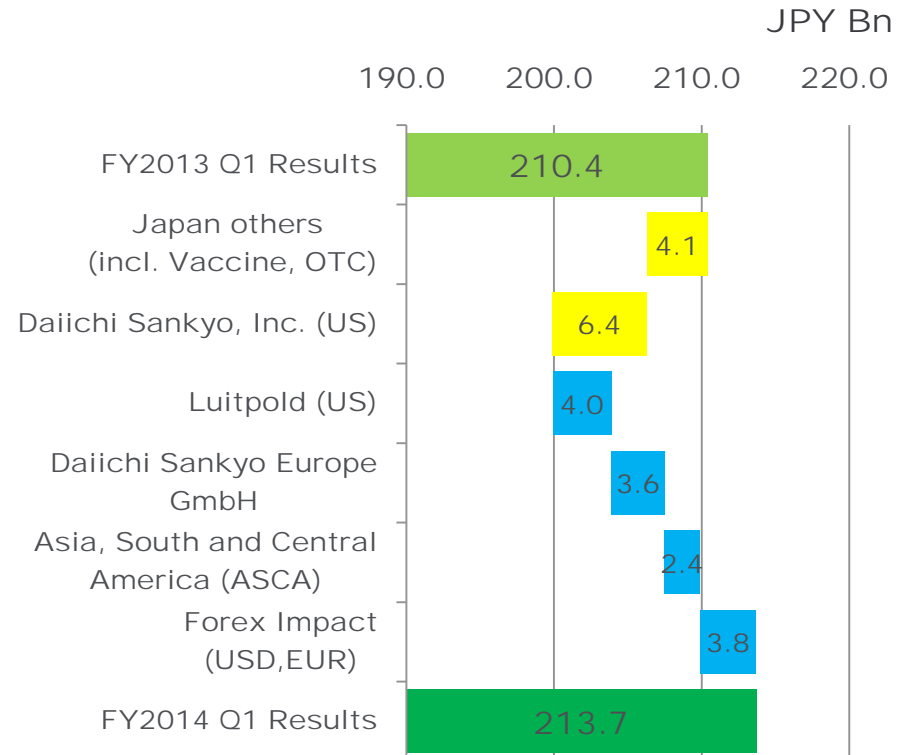
Negative  
Factors



## Consolidated Statement of Profit or Loss



## Daichi Sankyo Group



### Japan, others (incl. Vaccine, OTC) -4.3

Nexium +4.3, Memary +1.3, Olmetec/Rezaltas +2.3

Loxonin -2.7, Mevalotin -1.0, Vaccines business -3.5, Livalo -1.9 (alliance terminated)

### Global Business +3.6

•Daiichi Sankyo Inc. -6.4, Luitpold +4.0, Daiichi Sankyo Europe GmbH +3.6, ASCA +2.4 (incl. Forex impact)

### Forex impact +4.0

USD: +1.9, EUR: +1.9, INR: +0.2

# FY2014 1Q Operating Profit

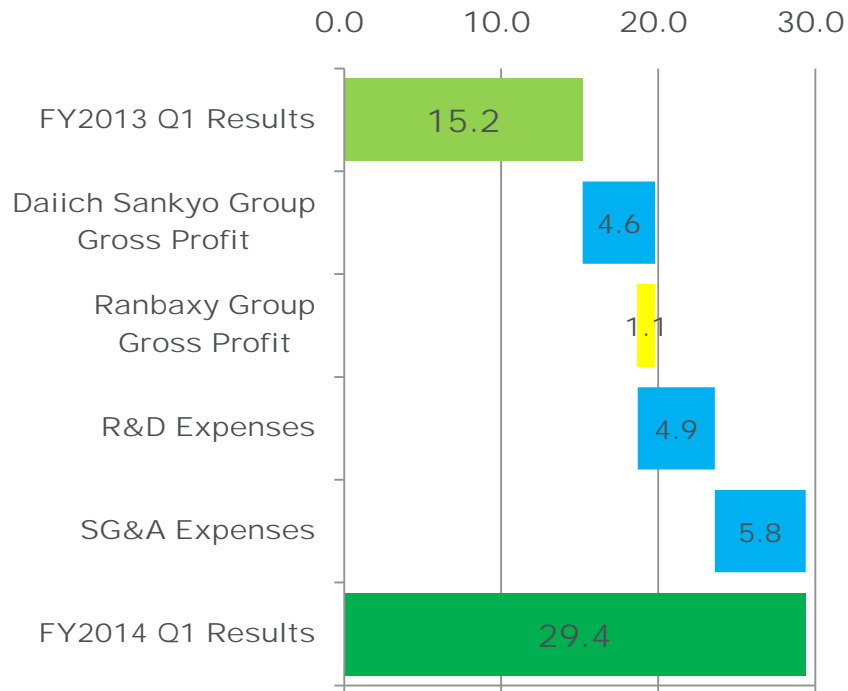
Positive  
Factors

Negative  
Factors



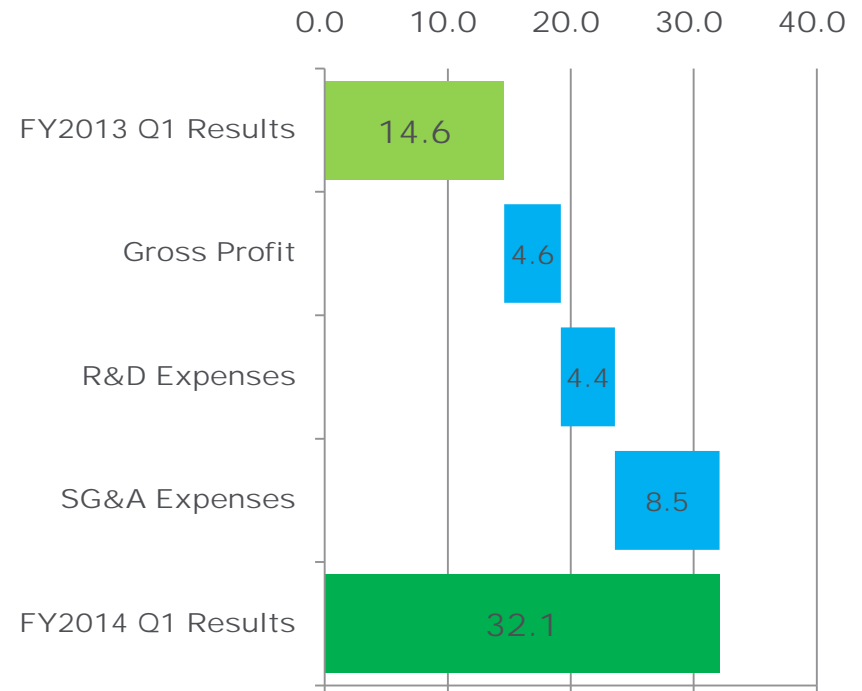
## Consolidated Statement of Profit or Loss

JPY Bn



## Daiichi Sankyo Group

JPY Bn



### Gross Profit +3.5

- Daiichi Sankyo Group +4.6 (Cost of Sales:31.3%→30.2%)

### R&D expenses -4.9 (Currency Impact: appreciation of JPY to USD, EUR and INR +0.7)

- Daiichi Sankyo Group -4.4, Ranbaxy Group -0.6

### SG&A expenses -5.8 (Currency Impact: appreciation of JPY to USD, EUR and INR +1.7)

- Daiichi Sankyo Group -8.5 (Loss on restructuring in Daiichi Sankyo GmbH in FY2013 1Q ),  
Ranbaxy Group +2.7

# FY2013 1Q Profit attributable to owners of the Company

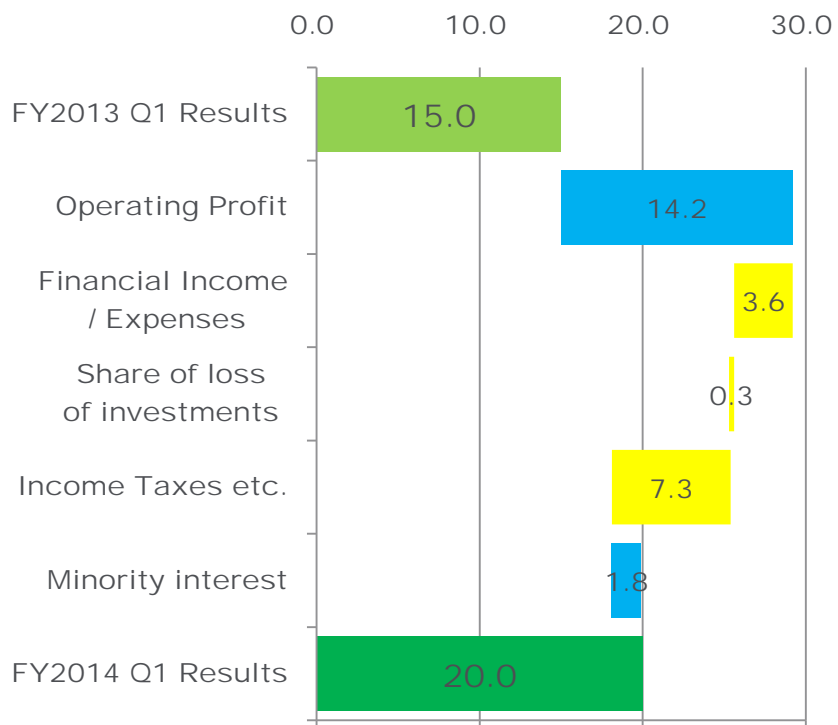
Positive Factors

Negative Factors



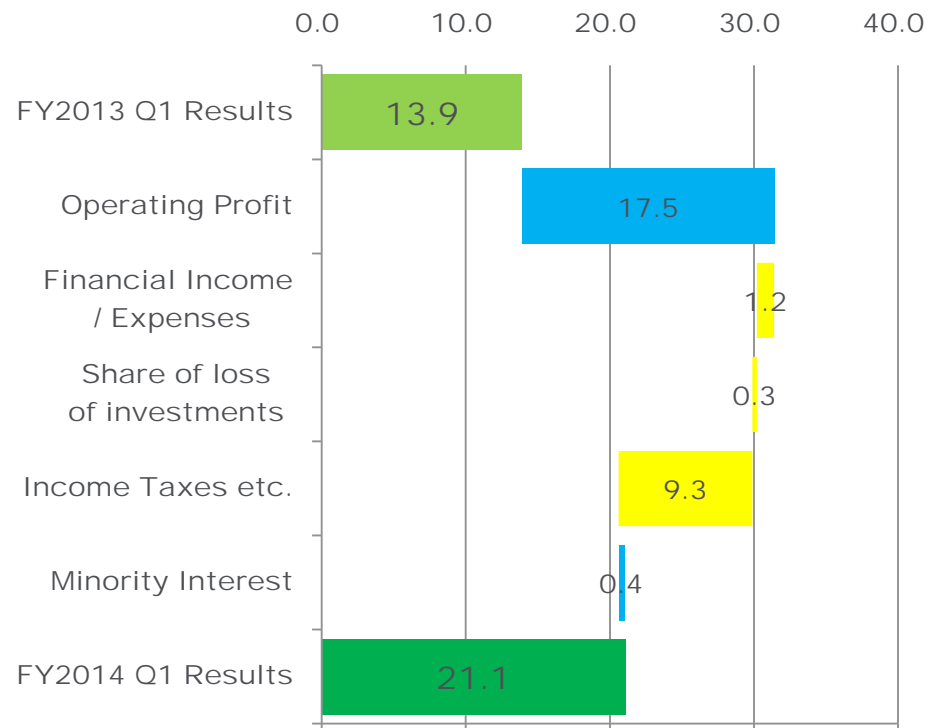
## Consolidated Statement of Profit or Loss

JPY Bn



## Daiichi Sankyo Group

JPY Bn



### Financial income/ expenses -3.6

- Daiichi Sankyo Group -1.2, Ranbaxy Group -2.4

### Income Taxes etc. +7.3

- Daiichi Sankyo Group +9.3 (Higher Profit before tax, dividend received from U3 Pharma was considered as devaluation of book value resulted in tax benefit in FY2013 1Q.)
- Ranbaxy Group -1.4

# Major Products in Japan

JPY Bn

		2013Q1 Result	2014Q1 Result	YoY	FY2014 Plan	To Plan
Olmotec	anti-hypertension	16.6	18.7	+2.1	79.0	24%
Nexium	anti-ulcer (Proton Pump Inhibitor)	10.9	15.3	+4.3	67.0	23%
Loxonin	analgesic and anti- inflammatory	14.9	12.2	-2.7	52.0	24%
Memary	treatment for Alzheimer	6.6	7.9	+1.3	50.0	16%
Cravit	antibacterial	7.6	6.9	-0.8	29.0	24%
Rezaltas	anti-hypertension	4.3	4.5	+0.2	22.0	21%
Artist	anti-hypertension	5.4	4.8	-0.6	21.0	23%
Mevalotin	anti-hyperlipidemia	5.2	4.2	-1.0	17.0	24%
Omnipaque	contrast medium	4.7	4.2	-0.5	15.0	28%
Pralia	osteoporosis	0.4	1.3	+0.9	12.0	11%
Ranmark	treatment for bone metastasis	1.6	2.1	+0.5	10.0	21%



# Major Business Units

JPY Bn

	FY2013Q1 Result	FY2014Q1 Result	YoY	FY2014 Plan	To plan
Japan Company + Vaccine business	109.4	108.0	-1.4	508.0	21%
Daiichi Sankyo Healthcare	9.8	9.4	-0.4	48.0	20%
Daiichi Sankyo Inc.	46.6	41.6	-5.0	164.0	25%
Olmesartan	30.7	25.7	-5.0	105.0	24%
Welchol	11.4	11.3	-0.1	41.0	28%
Effient (alliance revenue)	4.0	4.2	+0.2	-	-
Luitpold	8.1	12.5	+4.4	50.0	25%
Venofer	4.9	7.2	+2.3	19.0	38%
Injectafer	-	1.5	+1.5	10.0	15%
Daiichi Sankyo Europe GmbH	19.0	24.6	+5.6	81.0	30%
Olmesartan	14.4	19.7	+5.3	63.0	31%
Efient (alliance revenue)	1.2	1.2	+0.0	-	-
Asia, South and Central America (ASCA)	12.7	15.1	+2.4	59.0	26%
Ranbaxy Group	42.3	41.1	-1.2	-	-

# Edoxaban

## Global NDA / Launch Schedule

Target Indications	FY2014		FY2015 ~
	Apr-Sep	Oct-Mar	
Prevention of stroke and systemic embolic events in patients with atrial fibrillation 	NDA filing <u>JPN</u> Dec/2013	Authority's Review → Approval Launch JP,US,EU	Launch EU, Asia, Latin America & others
Acute treatment and long-term prevention of thromboembolic event in patient with DVT*/PE** 	<u>US/EU</u> Jan/2014	Authority's Review → Approval Launch JP,US,EU	Launch EU, Asia, Latin America & others

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



# Major R&D Pipeline

As of July 2014



Therapeutic area	Phase 1	Phase 2	Phase 3	Application
Cardiovascular-Metabolics	<ul style="list-style-type: none"> <li>■ DS-7309 (Diabetes / Glucokinase activator)</li> <li>■ DS-1040 (Acute ischemic stroke / TAF1a inhibitor)</li> </ul>	<ul style="list-style-type: none"> <li>■ CS-3150 (JP) (Hypertensive / DM nephropathy / MR antagonist)</li> <li>■ <u>DS-8500</u> (Diabetes / GPR119 agonist)</li> </ul>	<ul style="list-style-type: none"> <li>■ Prasugrel (JP) (CS-747 / ischemic stroke / anti-platelet agent)</li> <li>■ Prasugrel (US) (CS-747 / Sickle Cell Disease / anti-platelet agent)</li> </ul>	<ul style="list-style-type: none"> <li>■ Edoxaban (US/EU / JP) (DU-176b / AF / oral factor Xa inhibitor)</li> <li>■ Edoxaban (US/EU / JP) (DU-176b / VTE / oral factor Xa inhibitor)</li> </ul>
Oncology	<ul style="list-style-type: none"> <li>■ U3-1565 (US/JP) (Anti-HB-EGF antibody)</li> <li>■ DS-7423 (US/JP) (PI3K/mTOR inhibitor)</li> <li>■ DS-3078 (US/EU) (mTOR inhibitor)</li> <li>■ DS-3032 (US) (MDM2 inhibitor)</li> <li>■ PLX7486 (US) (Fms/Trk inhibitor)</li> <li>■ DS-8895 (JP) (Anti-EPHA2 antibody)</li> <li>■ DS-8273 (US) (Anti DR5 antibody)</li> <li>■ PLX8394 (US) (BRAF inhibitor)</li> </ul>	<ul style="list-style-type: none"> <li>■ Patritumab (US/EU) (U3-1287 / anti-HER3 antibody)</li> <li>■ Vemurafenib (US/EU) (PLX4032 / BRAF inhibitor)</li> <li>■ PLX3397 (US) (Fms/Kit/Flt3-ITD inhibitor)</li> </ul>	<ul style="list-style-type: none"> <li>■ Tivantinib (US/EU) (ARQ 197 / HCC / Met inhibitor)</li> <li>■ Denosumab (JP) (AMG 162 / breast cancer adjuvant / anti-RANKL antibody)</li> <li>■ Nimotuzumab (JP) (DE-766 / Gastric cancer / anti-EGFR antibody)</li> </ul>	
Others	<ul style="list-style-type: none"> <li>■ PLX5622 (Rheumatoid arthritis / FMS kinase inhibitor)</li> <li>■ DS-1093 (Anemia of chronic kidney disease/HIF-PH inhibitor)</li> <li>■ DS-3801 (Chronic obstipation/GPR 38 agonist)</li> <li>■ DS-1971 (Chronic pain)</li> </ul>	<ul style="list-style-type: none"> <li>■ Mirogabalin (Global) (DS-5565 / <b>Chronic pain</b> / <math>\alpha 2\delta</math> ligand)</li> <li>■ SUN13837 (US/EU) (Spinal cord injury / Modulator of bFGF signaling system)</li> <li>■ Laninamivir (US/EU) (CS-8958 / anti-influenza / Outlicensing with Biota)</li> <li>■ Ioforninol (JP) (GE-145/X-ray contrast media/Angiography)</li> </ul>	<ul style="list-style-type: none"> <li>■ Levofloxacin (JP) (DR-3355 / anti-infection / New quinolone)</li> <li>■ Denosumab (JP) (AMG 162 / rheumatoid arthritis / anti-RANKL anti-body)</li> <li>■ Hydromorphone (DS-7113 / Narcotic analgesic / opioid mu-receptor regulator)</li> </ul>	

Underline indicates stage-up projects after FY2013 financial results announcement (May 2014).

## Contact address regarding this material

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