



July 31, 2015

Consolidated Financial Results for the First Three Months of the Fiscal Year Ending March 31, 2016 <under IFRS>

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>
 Representative: Mr. Joji Nakayama, President & CEO
 Contact: Mr. Noriaki Ishida, Executive Officer, Vice President,
 Corporate Communications Department
 Telephone: +81-3-6225-1126

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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 Three Months of Fiscal 2015

(from April 1, 2015 to June 30, 2015)

(1) Consolidated Financial Results

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

	Revenue		Operating profit		Profit before tax		Profit for the period	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First three months of fiscal 2015	238,417	11.6	49,126	49.8	45,194	38.2	34,090	83.8
First three months of fiscal 2014	213,706	–	32,790	–	32,695	–	18,546	20.5

	Profit attributable to owners of the Company		Total comprehensive income		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Millions of yen	%	Yen	Yen
First three months of fiscal 2015	34,932	74.8	19,333	26.5	49.76	49.66
First three months of fiscal 2014	19,986	33.0	15,285	–58.4	28.39	28.34

Note: In fiscal 2014, Ranbaxy Laboratories Ltd. (“Ranbaxy”) was excluded from the scope of consolidation due to its merger with Sun Pharmaceutical Industries Ltd..

In the first three months of fiscal 2014, the Ranbaxy Group was classified as a discontinued operation. Consequently, the amounts of revenue, operating profit and profit before tax have been restated and indicated as only the values for continuing operations excluding the Ranbaxy Group are indicated.

As year-on-year changes in revenue, operating profit and profit before tax in the first three months of fiscal 2014 have not been indicated as the figures of the first three months of fiscal 2013 have not been restated.

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the Company	Ratio of equity attributable to owners of the Company to total assets	Equity per share attributable to owners of the Company
	Millions of yen	Millions of yen	Millions of yen	%	Yen
As of June 30, 2015	1,926,888	1,281,112	1,277,845	66.3	1,842.15
As of March 31, 2015	1,982,286	1,307,041	1,304,057	65.8	1,852.28

2. Dividends

	Annual dividends per share				
	First quarter	Second quarter	Third quarter	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal 2014	–	30.00	–	30.00	60.00
Fiscal 2015	–				
Fiscal 2015 (Forecast)		40.00	–	30.00	70.00

Note: Revision of the forecasts most recently announced: No

Note: Breakdown of interim dividend for fiscal 2015 (forecast): ordinary dividend ¥30, commemorative dividend ¥10

3. Forecasts of Consolidated Financial Results for Fiscal 2015

(from April 1, 2015 to March 31, 2016)

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

	Revenue		Operating profit		Profit before tax		Profit attributable to owners of the Company		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	950,000	3.3	120,000	61.2	115,000	43.9	75,000	-76.7	108.12

Note: Revision of the forecasts most recently announced: Yes

***Notes**

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in a change in scope of consolidation): None

Newly included: None Excluded: None

(2) Changes in accounting policies and changes in accounting estimates

1) Changes in accounting policies required by IFRS: Yes

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

Note: For details, please refer to “(2) Changes in Accounting Policies and Changes in Accounting Estimates” of “2.

Summary Information (Notes)” on page 12.

(3) Number of ordinary shares issued

1) Number of shares issued at the end of the period (including treasury share)

As of June 30, 2015	709,011,343
As of March 31, 2015	709,011,343

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

As of June 30, 2015	15,340,074
As of March 31, 2015	4,983,171

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

First three months ended June 30, 2015	702,060,522
First three months ended June 30, 2014	703,959,021

* 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 condensed consolidated financial statements are in progress.

* 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) Information about Forecasts of Consolidated Financial Results and Other Forward-Looking Statements” of “1. Qualitative Information about Consolidated Results for the First Three Months” on page 10 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 Three Months

Daiichi Sankyo Company, Ltd. (“Daiichi Sankyo”) and its consolidated subsidiaries (“the Group”) have adopted IFRS starting in the fiscal year ended March 31, 2014.

(1) Information about Operating Results

1) Overview

[Consolidated Financial Results]

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

	First three months of fiscal 2014	First three months of fiscal 2015	YoY change
Revenue	213,706	238,417	24,711 11.6%
Operating profit	32,790	49,126	16,336 49.8%
Profit before tax	32,695	45,194	12,499 38.2%
Profit from continuing operations	20,892	34,090	13,198 63.2%
Profit (loss) from discontinued operations	-2,345	-	2,345 -
Profit attributable to owners of the Company	19,986	34,932	14,946 74.8%

Note: In fiscal 2014, Ranbaxy Laboratories Ltd. (“Ranbaxy”) was excluded from the scope of consolidation due to its merger with Sun Pharmaceutical Industries Ltd. (“Sun Pharma”). Consequently, Ranbaxy Group was classified as a discontinued operation and the figures for the first three months of fiscal 2014 were restated.

<Revenue of global mainstay products>

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

Item name	First three months of fiscal 2014	First three months of fiscal 2015	YoY change
Olmesartan antihypertensive agent	75,772	75,647	-124 -0.2%
Prasugrel antiplatelet agent	5,777	7,820	2,042 35.4%
Edoxaban anticoagulant agent	101	1,841	1,739 1,714.0%

<Research and development expenses>

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

	First three months of fiscal 2014	First three months of fiscal 2015
Research and development expenses	41,410	43,693
Ratio of research and development expenses to revenue	19.4%	18.3%

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

(Yen)

	First three months of fiscal 2014	First three months of fiscal 2015
USD/Yen	102.16	121.37
EUR/Yen	140.06	134.16

i. Revenue

Group revenue in the first three months of fiscal 2015 increased by ¥24.7 billion, or 11.6% year on year, to ¥238.4 billion.

Increase of the revenue mainly owed to growth in sales of mainstay products in Japan, the U.S., Asia and South and Central America, and to the positive impact of currency movements (valued at about ¥12.4 billion).

ii. Operating Profit

Operating profit increased by ¥16.3 billion, or 49.8% year on year, to ¥49.1 billion.

This operating profit increase reflected not only an increase in gross profit but also decreases in selling, general and administrative expenses.

iii. Profit before Tax

Profit before tax increased by ¥12.5 billion, or 38.2% year on year, to ¥45.2 billion.

This increase was not as substantial as the operating profit increase owing to an increase in financial expenses resulting from factors including the payments with regard to the sale of Sun Pharma shares.

iv. Profit Attributable to Owners of the Company

Profit attributable to owners of the Company increased by ¥14.9 billion, or 74.8% year on year, to ¥34.9 billion.

This substantial increase was the result of the increase in profit before tax and other factors such as a decrease in the amount of income taxes.

[Revenue by Geographic Area]

a. Japan

Revenue in Japan increased by 7.2% year on year to ¥131.5 billion.

Revenue in Japan from prescription drugs increased by 7.6% year on year to ¥115.4 billion owing to growth from products such as *NEXIUM*[®], *Memary*[®], *PRALIA*[®], *LIXIANA*[®] and *Effient*[®], despite the impact of increased generic prescribing.

This segment also includes revenue generated by Daiichi Sankyo Espha Co., Ltd., which engages mainly in the generic pharmaceutical business, and revenue generated from the vaccine business of Kitasato Daiichi Sankyo Vaccine Co., Ltd. and Japan Vaccine Co., Ltd.

Revenue from royalty and exports, which centered on exports of the active pharmaceutical ingredients (API) of Levofloxacin, the synthetic antibacterial agent, decreased by 17.3% year on year to ¥4.4 billion.

Revenue from healthcare (OTC) products, which marketed by the Group subsidiary Daiichi Sankyo Healthcare Co., Ltd., increased by 15.3% year on year to ¥10.8 billion.

<Primary revenue composition in Japan>

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

	First three months of fiscal 2014	First three months of fiscal 2015	YoY change
Prescription drugs	107.2	115.4	8.2 7.6%
Royalty and exports	5.4	4.4	-0.9 -17.3%
Healthcare (OTC) products	9.4	10.8	1.4 15.3%

<Domestic revenue from mainstay prescription drugs>

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

Product name	First three months of fiscal 2014	First three months of fiscal 2015	YoY change
<i>Olmetec</i> [®] antihypertensive agent	18.7	18.5	-0.3 -1.4%
<i>NEXIUM</i> [®] ulcer treatment	15.3	19.1	3.8 25.2%
<i>Memary</i> [®] Alzheimer's disease treatment	7.9	10.2	2.4 30.2%
<i>Loxonin</i> [®] anti-inflammatory analgesic (of which <i>Loxonin</i> [®] <i>Tape</i>)	12.2 (7.5)	12.6 (8.3)	0.3 2.7%
<i>Cravii</i> [®] synthetic antibacterial agent	6.9	4.6	-2.3 -32.9%
<i>Rezaltas</i> [®] antihypertensive agent	4.5	4.6	0.1 2.1%
<i>Artist</i> [®] treatment for hypertension, angina pectoris and chronic heart failure	4.8	4.1	-0.7 -14.1%
<i>Omnipaque</i> [®] contrast medium	4.2	4.2	-0.0 -0.4%
<i>Mevalotin</i> [®] antihyperlipidemic agent	4.2	3.6	-0.6 -14.0%
<i>RANMARK</i> [®] treatment for bone complications	2.1	2.9	0.8 38.0%
<i>Urief</i> [®] treatment for dysuria	2.7	2.9	0.1 4.9%
<i>PRALIA</i> [®] treatment for osteoporosis	1.3	2.6	1.3 102.2%
<i>LIXIANA</i> [®] anticoagulant agent	0.1	2.1	2.0 1,985.5%
<i>Efient</i> [®] antiplatelet agent	0.2	1.2	1.0 554.0%
<i>TENELIA</i> [®] type 2 diabetes mellitus inhibitor	1.5	2.4	0.9 59.2%

b. North America

Revenue in North America increased by 28.7% year on year to ¥69.6 billion.

Revenue in local currency terms rose by 8.3% to US\$573 million.

In Daiichi Sankyo Inc., although sales of *Benicar*[®]/*Benicar HCT*[®] and *TRIBENZOR*[®] declined, sales of *AZOR*[®], *Welchol*[®] and *Effient*[®] increased.

Furthermore, in Luitpold Pharmaceuticals Inc., sales of *Venofer*[®] and *Injectafer*[®] increased.

Although US\$6 million in revenue from *SAVAYSA*[™] was recorded for fiscal 2014 after the product was launched in February 2015, in the first three months of fiscal 2015, the product yielded negative revenue due to rebate adjustments and the like.

In addition, co-promotion of *MOVANTIK*[™] started in April 2015.

<Revenue of Daiichi Sankyo, Inc. mainstay products>

(Millions of US\$; all amounts have been rounded to the nearest million US\$.)

Product name	First three months of fiscal 2014	First three months of fiscal 2015	YoY change
<i>Benicar</i> [®] / <i>Benicar HCT</i> [®] antihypertensive agent	185	163	-21 -11.5%
<i>AZOR</i> [®] antihypertensive agent	40	48	8 19.7%
<i>TRIBENZOR</i> [®] antihypertensive agent	26	26	-1 -2.1%
<i>Welchol</i> [®] hypercholesterolemia treatment/ type 2 diabetes mellitus inhibitor	111	112	1 0.9%
<i>Effient</i> [®] antiplatelet agent (co-promotion revenue)	42	43	1 3.1%
<i>SAVAYSA</i> [™] anticoagulant agent	-	-2	-2 -%
<i>MOVANTI</i> [™] opioid-induced constipation treatment (co-promotion revenue)	-	1	1 -%

<Revenue of Luitpold Pharmaceuticals, Inc. mainstay products>

(Millions of US\$; all amounts have been rounded to the nearest million US\$.)

Product name	First three months of fiscal 2014	First three months of fiscal 2015	YoY change
<i>Venofer</i> [®] anemia treatment	70	75	4 6.3%
<i>Injectafer</i> [®] anemia treatment	14	32	18 125.3%

c. Europe

Revenue in Europe decreased by 18.5% year on year to ¥19.1 billion.

Revenue in local currency terms fell by 14.9% to EUR142 million.

Sales of *Olmotec*[®]/*Olmotec Plus*[®], *Sevikar*[®] and *Sevikar HCT*[®] declined.

<Revenue of Daiichi Sankyo Europe GmbH mainstay products>

(Millions of euro; all amounts have been rounded to the nearest million euro.)

Product name	First three months of fiscal 2014	First three months of fiscal 2015	YoY change
<i>Olmotec</i> [®] / <i>Olmotec Plus</i> [®] antihypertensive agent	79	66	-13 -16.1%
<i>Sevikar</i> [®] antihypertensive agent	38	33	-5 -12.9%
<i>Sevikar HCT</i> [®] antihypertensive agent	24	18	-6 -23.3%

d. Other regions

In other regions, revenue rose by 34.7% year on year to ¥18.3 billion.

Sales of Olmesartan and other mainstay products showed growth in China, Brazil.

2) Sale of Sun Pharma Shares

In April 2014, Daiichi Sankyo concluded an agreement with Sun Pharma for a merger of Ranbaxy with Sun Pharma, under which it would receive 0.8 shares in Sun Pharma for each share of Ranbaxy. Daiichi Sankyo owned shares of approximately 9% in Sun Pharma due to completion of the merger procedures in March 2015, and recorded a gain on the merger of a subsidiary worth ¥278.7 billion (after the application of tax effect accounting) in profit from discontinued operations.

To further increase its corporate value, Daiichi Sankyo sold all of its shares in Sun Pharma for ¥378.5 billion in April 2015. In the consolidated financial results for the first three months of fiscal 2015, ¥30.8 billion (after the application of tax effect accounting) in loss on sale relating to this transaction was recorded in other comprehensive income.

3) R&D Activities

The Daiichi Sankyo Group's R&D program promotes accelerated and sustained generation of innovative medicines. The Group has designated the fields of cardiovascular-metabolic, oncology and frontier medicine as priority areas for its research and development. Efforts continue to develop potential first-in-class and/or best-in-class products.

Through initiatives such as Venture Science Laboratories ("VSL"), which was established within the company, Daiichi Sankyo, together with its subsidiaries Asubio Pharma Co., Ltd., U3 Pharma GmbH and Plexxikon Inc., continues its efforts to cultivate and reinforce R&D capabilities with a rich entrepreneurial culture within the Group.

In addition, the Group is continuing to develop R&D alliances with other companies and to pursue an open innovation approach. At the same time, the Group is reinforcing its R&D activities in preparation for full-scale entry into the biopharmaceutical business, and also promoting vaccine R&D activities.

[Daiichi Sankyo Priority Development Projects]

i. Prasugrel

The drug has been marketed in Japan since 2014 under the brand name *Efient*[®] with indication for ischemic cardiac diseases in patients undergoing percutaneous coronary intervention (PCI). In addition, a Phase III clinical trial is proceeding in Japan to evaluate its efficacy in patients with ischemic stroke.

Separately, a Phase III clinical trial is being conducted in the U.S. to evaluate its efficacy for the treatment of pediatric patients with sickle cell disease.

ii. Edoxaban

In Europe, this product has been marketed in Switzerland from May 2015 with indications both for the prevention of stroke and systemic embolism in non-valvular atrial fibrillation, and for the treatment and prevention of recurrent venous thromboembolism (deep vein thrombosis and pulmonary embolism). In June 2015, approval was also obtained for this product for the same indication in the European Union. In addition to these areas, applications for approval are underway in Taiwan, Korea and Brazil, and an application for approval was filed in Thailand in July 2015.

Furthermore, the Hokusai-VTE Cancer study for patients with venous thromboembolism associated with cancer was initiated in June 2015.

iii. Denosumab

Denosumab is an antibody drug for conditions related to bone metabolism. The Company has obtained the rights to develop and market this product in Japan from Amgen Inc. of the U.S. The product has been on sale under the brand name *RANMARK*[®] as a treatment for bone complications

since April 2012, and under the brand name *PRALIA*[®] as a treatment for osteoporosis since June 2013. Denosumab is also currently undergoing global phase III clinical studies for postoperative adjuvant breast cancer therapy and phase III clinical studies in Japan for rheumatoid arthritis.

iv. Mirogabalin

Phase III clinical trials are undergoing in the U.S. and Europe to evaluate the efficacy of mirogabalin in patients with fibromyalgia. In Japan and Asia, phase III clinical trials are undergoing to evaluate its efficacy on patients with diabetic peripheral neuropathic pain (DPNP) and patients with postherpetic neuralgia (PHN).

v. Vaccines

In April 2015, an application was filed in Japan for manufacturing and sales approval of intradermal seasonal influenza vaccine which was co-developed by Daiichi Sankyo Group and Terumo Corporation. The Group continues to promote multiple vaccine R&D projects targeting areas of high medical need.

[Major R&D Alliances]

i. Application for Marketing Authorization for Lacosamide in Japan for the Treatment of Epilepsy

Daiichi Sankyo and UCB signed an agreement in November 2014 for joint commercialization of lacosamide, an epilepsy treatment developed by UCB. In June 2015, UCB Japan Co., Ltd. filed an application for marketing authorization in Japan as adjunctive therapy used with other antiepileptic drugs in the treatment of partial onset seizures in adult patients. UCB will manufacture and supply the product, while Daiichi Sankyo will perform sales and distribution. The two companies will jointly carry out promotion activities.

ii. Cooperative Sales Agreement for the Influenza HA Vaccine “Kaketsuken”

Daiichi Sankyo and The Chemo-Sero-Therapeutic Research Institute signed a cooperative sales agreement in May 2015 for “Kaketsuken,” an influenza HA vaccine manufactured and sold by the institute.

(2) Information about Financial Position

Total equity as of June 30, 2015 equaled ¥1,281.1 billion (a decrease of ¥25.9 billion compared with the previous fiscal year-end), and total assets amounted to ¥1,926.9 billion (a decrease of ¥55.4 billion compared with the previous fiscal year-end). Ratio of equity attributable to owners of the Company to total assets was 66.3% at this date (compared with 65.8% at the previous fiscal year-end).

Total equity decreased due mainly to acquisition of treasury shares despite the recording of profit for the period.

The decrease in total assets was larger than that in total equity, mainly reflecting a decrease in trade and other payables.

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

The differences from the forecasts of consolidated financial results for fiscal 2015, which were publicly announced on May 14, 2015, are shown below.

1) Revisions to the forecasts of consolidated financial results for fiscal 2015 (from April 1, 2015 to March 31, 2016)

	Revenue	Operating profit	Profit before tax	Profit attributable to owners of the Company	Basic earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecasts (A)	920,000	100,000	95,000	60,000	85.22
Revised forecasts (B)	950,000	120,000	115,000	75,000	108.12
Change (B-A)	30,000	20,000	20,000	15,000	
Percentage of change (%)	3.3	20.0	21.1	25.0	
(Reference) Fiscal 2014	919,372	74,422	79,936	322,119 (portion from continuing operations) 46,473	457.56 (portion from continuing operations) 66.01

*Since first six months of fiscal 2015 of the assumed exchange rate USD/Yen=120 EUR/Yen=130

2) Reason for the revision

In terms of revenue, the launch of a generic product following the expiry of the patent for *Welchol*[®] at Daiichi Sankyo, Inc. in the U.S. is now expected to be delayed more than previously anticipated. In addition, further expansion in sales of products including *Injectafer*[®] at Luitpold Pharmaceuticals is expected. In light of these circumstances, the forecast for revenue has been revised upward by ¥30.0 billion from the previous forecast to ¥950.0 billion.

With respect to operating profit and profit before tax, in light of an expected gross profit increase due to the expansion in revenue, the forecasts for operating profit and profit before tax have both

been revised upward by ¥20.0 billion from the previous forecast to ¥120.0 billion and 115.0 billion, respectively.

Profit attributable to owners of the Company has been revised upward by ¥15.0 billion from the previous forecast to ¥75.0 billion in light of an increase in profit for the year resulting from the profit before tax, among other factors. This will be a substantial increase of ¥46.5 billion against profit attributable to owners of the Company of continuing operations in fiscal 2014.

Note: The forecasted statements shown above 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.

2. Summary Information (Notes)

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

Not applicable.

(2) Changes in Accounting Policies and Changes in Accounting Estimates

(Changes in accounting policies required by IFRS)

Significant accounting policies for the condensed consolidated financial statements of the Group are the same as the accounting policies for its consolidated financial statements for the previous fiscal year except for the following.

The Group has adopted the following standard starting in the fiscal year ending March 31, 2016. Adoption of the standard does not materially impact the condensed consolidated financial statements.

IFRS		Description
IAS 19	Employee Benefits	Simplification of accounting treatment related to contributions from employees or third parties not dependent on years of service

3. Condensed Consolidated Financial Statements

(1) Condensed Consolidated Statement of Financial Position

(Millions of yen)

	Fiscal 2014 (as of March 31, 2015)	Fiscal 2015 (as of June 30, 2015)
ASSETS		
Current assets		
Cash and cash equivalents	189,372	238,412
Trade and other receivables	241,547	246,381
Other financial assets	186,457	468,689
Inventories	150,093	154,943
Other current assets	14,697	21,378
Subtotal	782,168	1,129,805
Assets held for sale	3,165	–
Total current assets	785,334	1,129,805
Non-current assets		
Property, plant and equipment	266,491	266,212
Goodwill	71,366	72,472
Intangible assets	199,411	214,925
Investments accounted for using the equity method	1,347	1,114
Other financial assets	593,944	175,851
Deferred tax assets	45,330	47,441
Other non-current assets	19,059	19,063
Total non-current assets	1,196,951	797,082
Total assets	1,982,286	1,926,888

(Millions of yen)

	Fiscal 2014 (as of March 31, 2015)	Fiscal 2015 (as of June 30, 2015)
LIABILITIES AND EQUITY		
Current liabilities		
Trade and other payables	235,546	219,116
Bonds and borrowings	20,000	20,000
Other financial liabilities	7,576	1,034
Income taxes payable	7,767	7,691
Provisions	19,444	19,939
Other current liabilities	6,735	7,786
Subtotal	297,070	275,567
Liabilities directly associated with assets held for sale	426	–
Total current liabilities	297,496	275,567
Non-current liabilities		
Bonds and borrowings	201,000	201,000
Other financial liabilities	8,337	8,232
Post-employment benefit liabilities	11,631	11,973
Provisions	2,713	2,722
Deferred tax liabilities	88,357	77,911
Other non-current liabilities	65,707	68,368
Total non-current liabilities	377,747	370,208
Total liabilities	675,244	645,776
Equity		
Equity attributable to owners of the Company		
Share capital	50,000	50,000
Capital surplus	105,267	104,114
Treasury shares	(14,198)	(38,279)
Other components of equity	169,034	189,667
Retained earnings	993,953	972,343
Total equity attributable to owners of the Company	1,304,057	1,277,845
Non-controlling interests		
Non-controlling interests	2,984	3,266
Total equity	1,307,041	1,281,112
Total liabilities and equity	1,982,286	1,926,888

(2) Condensed Consolidated Statement of Profit or Loss and Condensed Consolidated Statement of Comprehensive Income

Condensed Consolidated Statement of Profit or Loss

(Millions of yen)

	First three months of fiscal 2014 (From April 1, 2014 to June 30, 2014)	First three months of fiscal 2015 (From April 1, 2015 to June 30, 2015)
Revenue	213,706	238,417
Cost of sales	64,586	73,961
Gross profit	149,119	164,456
Selling, general and administrative expenses	74,918	71,636
Research and development expenses	41,410	43,693
Operating profit	32,790	49,126
Financial income	2,180	1,638
Financial expenses	1,932	5,378
Share of loss of investments accounted for using the equity method	342	191
Profit before tax	32,695	45,194
Income taxes	11,802	11,104
Profit from continuing operations	20,892	34,090
Loss from discontinued operations	(2,345)	-
Profit for the period	18,546	34,090
Profit attributable to:		
Owners of the Company	19,986	34,932
Non-controlling interests	(1,440)	(842)
Profit for the period	18,546	34,090
Earnings per share		
Basic earnings per share (Yen)		
Continuing operations	28.39	49.76
Discontinued operations	30.64	49.76
Discontinued operations	(2.25)	-
Diluted earnings per share (Yen)		
Continuing operations	28.34	49.66
Discontinued operations	30.58	49.66
Discontinued operations	(2.25)	-

Condensed Consolidated Statement of Comprehensive Income

(Millions of yen)

	First three months of fiscal 2014 (From April 1, 2014 to June 30, 2014)	First three months of fiscal 2015 (From April 1, 2015 to June 30, 2015)
Profit for the period	18,546	34,090
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	3,281	(26,811)
Remeasurements of defined benefit plans	(8)	–
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	(6,522)	12,054
Share of other comprehensive income of investments accounted for using the equity method	(11)	–
Other comprehensive income (loss), net of taxes	(3,261)	(14,756)
Total comprehensive income	15,285	19,333
Total comprehensive income attributable to:		
Owners of the Company	16,952	20,185
Non-controlling interests	(1,667)	(851)
Total comprehensive income	15,285	19,333

(3) Condensed Consolidated Statement of Changes in Equity

(Millions of yen)

	Equity attributable to owners of the Company						
	Equity attributable to owners of the Company			Other components of equity			
	Share capital	Capital surplus	Treasury shares	Subscription rights to shares	Exchange differences on translation of foreign operations	Cash flow hedges	Financial assets measured at fair value through other comprehensive income
Balance as of April 1, 2014	50,000	105,267	(14,408)	1,680	80,252	-	39,821
Profit for the period	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	(6,305)	-	3,280
Total comprehensive income	-	-	-	-	(6,305)	-	3,280
Acquisition of treasury shares	-	-	(4)	-	-	-	-
Disposal of treasury shares	-	-	9	(4)	-	-	-
Share-based payments	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	-	-	-	-	78
Other	-	-	-	-	(0)	-	(0)
Total transactions with the owners	-	-	4	(4)	(0)	-	78
Balance as of June 30, 2014	50,000	105,267	(14,403)	1,676	73,946	-	43,179
Balance as of April 1, 2015	50,000	105,267	(14,198)	1,760	106,202	(4,347)	65,419
Profit for the period	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	12,063	-	(26,811)
Total comprehensive income	-	-	-	-	12,063	-	(26,811)
Acquisition of treasury shares	-	(14)	(24,123)	-	-	-	-
Disposal of treasury shares	-	-	42	(14)	-	-	-
Share-based payments	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-
Acquisition of non-controlling interests	-	(1,138)	-	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	-	-	-	4,347	31,047
Other	-	-	-	-	-	-	-
Total transactions with the owners	-	(1,153)	(24,080)	(14)	-	4,347	31,047
Balance as of June 30, 2015	50,000	104,114	(38,279)	1,745	118,266	-	69,655

(Millions of yen)

	Equity attributable to owners of the Company					
	Other components of equity		Retained earnings	Total equity attributable to owners of the Company	Non-controlling interests	Total equity
	Remeasurements of defined benefit plans	Total other components of equity				
Balance as of April 1, 2014	-	121,753	717,320	979,933	27,594	1,007,527
Profit for the period	-	-	19,986	19,986	(1,440)	18,546
Other comprehensive income	(8)	(3,033)	-	(3,033)	(227)	(3,261)
Total comprehensive income	(8)	(3,033)	19,986	16,952	(1,667)	15,285
Acquisition of treasury shares	-	-	-	(4)	-	(4)
Disposal of treasury shares	-	(4)	(4)	0	-	0
Share-based payments	-	-	-	-	84	84
Dividends	-	-	(21,118)	(21,118)	-	(21,118)
Transfer from other components of equity to retained earnings	8	86	(86)	-	-	-
Other	-	(0)	-	(0)	(202)	(202)
Total transactions with the owners	8	82	(21,210)	(21,123)	(118)	(21,241)
Balance as of June 30, 2014	-	118,802	716,096	975,763	25,808	1,001,572
Balance as of April 1, 2015	-	169,034	993,953	1,304,057	2,984	1,307,041
Profit for the period	-	-	34,932	34,932	(842)	34,090
Other comprehensive income	-	(14,747)	-	(14,747)	(8)	(14,756)
Total comprehensive income	-	(14,747)	34,932	20,185	(851)	19,333
Acquisition of treasury shares	-	-	-	(24,137)	-	(24,137)
Disposal of treasury shares	-	(14)	(27)	0	-	0
Share-based payments	-	-	-	-	-	-
Dividends	-	-	(21,120)	(21,120)	-	(21,120)
Acquisition of non-controlling interests	-	-	-	(1,138)	1,138	-
Transfer from other components of equity to retained earnings	-	35,394	(35,394)	-	-	-
Other	-	-	-	-	(5)	(5)
Total transactions with the owners	-	35,380	(56,543)	(46,396)	1,133	(45,263)
Balance as of June 30, 2015	-	189,667	972,343	1,277,845	3,266	1,281,112

(4) Condensed Consolidated Statement of Cash Flows

(Millions of yen)

	First three months of fiscal 2014 (From April 1, 2014 to June 30, 2014)	First three months of fiscal 2015 (From April 1, 2015 to June 30, 2015)
Cash flows from operating activities		
Profit before tax from continuing operations	32,695	45,194
Depreciation and amortization	9,988	10,570
Impairment loss	114	–
Financial income	(2,180)	(1,638)
Financial expenses	1,932	5,378
Share of (profit) loss of investments accounted for using the equity method	342	191
(Gain) loss on sale and disposal of fixed assets	130	(3,766)
(Increase) decrease in trade and other receivables	6,954	(703)
(Increase) decrease in inventories	(8,165)	(5,187)
Increase (decrease) in trade and other payables	(16,306)	(16,331)
Other, net	(3,771)	1,458
Subtotal	21,733	35,167
Interest and dividends received	1,357	1,356
Interest paid	(779)	(398)
Income taxes paid	(4,650)	(10,404)
Cash flows from operating activities of discontinued operations	(402)	–
Net cash flows from operating activities	17,258	25,721
Cash flows from investing activities		
Purchase of time deposits	(13,443)	(219,836)
Proceeds from maturities in time deposits	20,000	40,549
Acquisition of securities	(75,997)	(141,700)
Proceeds from sale of securities	134,539	417,581
Settlement of forward foreign exchange contract for sale of securities	–	(7,024)
Acquisitions of property, plant and equipment	(7,533)	(7,419)
Proceeds from sale of property, plant and equipment	7	46
Acquisition of intangible assets	(5,051)	(19,567)
Proceeds from sale of subsidiary	–	7,004
Payments for loans receivable	(487)	(820)
Proceeds from collection of loans receivable	366	572
Other, net	(114)	4,025
Cash flows from investing activities of discontinued operations	(1,499)	–
Net cash flows from investing activities	50,786	73,412

(Millions of yen)

	First three months of fiscal 2014 (From April 1, 2014 to June 30, 2014)	First three months of fiscal 2015 (From April 1, 2015 to June 30, 2015)
Cash flows from financing activities		
Proceeds from bonds and borrowings	–	0
Repayments of bonds and borrowings	(60,000)	(0)
Purchase of treasury shares	(4)	(24,123)
Proceeds from sale of treasury shares	0	0
Dividends paid	(21,130)	(21,156)
Other, net	(249)	(7,924)
Cash flows from financing activities of discontinued operations	(2,429)	–
Net cash flows from financing activities	(83,813)	(53,203)
Net increase (decrease) in cash and cash equivalents	(15,768)	45,929
Cash and cash equivalents at the beginning of the period	183,070	189,372
Effect of exchange rate change on cash and cash equivalents	(1,618)	3,111
Cash and cash equivalents at the end of the period	165,683	238,412

(5) Notes to Consolidated Financial Statements

(Note Related to Going Concern Assumption)

Not applicable.

(Segment Information)

As the Group consists of a single segment, the “Daiichi Sankyo Group,” information by reportable segment is omitted.