

Results Briefing

Results for Q1 FY2011
(April 1 - June 30, 2011)

Manabu Sakai
Executive Officer,
Global Corporate Finance Officer
July 29, 2011 3:00pm~3:45pm

Products	SPRIX [®] (US) NSAID Nasal Spray	May Launch
	Memary [®] (Japan) Treatment for Alzheimer's Disease	June Launch
	Lixiana [®] (Japan) Direct Oral Factor Xa Inhibitor	April Approval July Launch
Business Operation	Kitasato Daiichi Sankyo Vaccine	April Business Commencement
	Plexxikon	April Acquisition Completed
Recovery Plan	Onahama Factory	September Resuming Production

Financial Overview

Consolidated Income Statement

	FY2010 Q1 Results	FY2011 Q1 Results	FY2011	
			Forecast	Progress
Net Sales	256.4	231.7	970.0	24%
Cost of Sales	64.1	59.9	290.0	21%
SG&A Expenses	131.3	128.3	590.0	22%
R&D Expenses	43.6	41.0	200.0	21%
Other Expenses	87.7	87.3	390.0	22%
Operating Income	61.1	43.5	90.0	48%
Ordinary Income	70.1	44.8	90.0	50%
Net Income	33.1	25.3	50.0	51%

Currency Rate	USD/JPY	92.02	81.75	82.00
	EUR/JPY	117.00	117.40	115.00
	INR/JPY	1.98	1.83	1.90

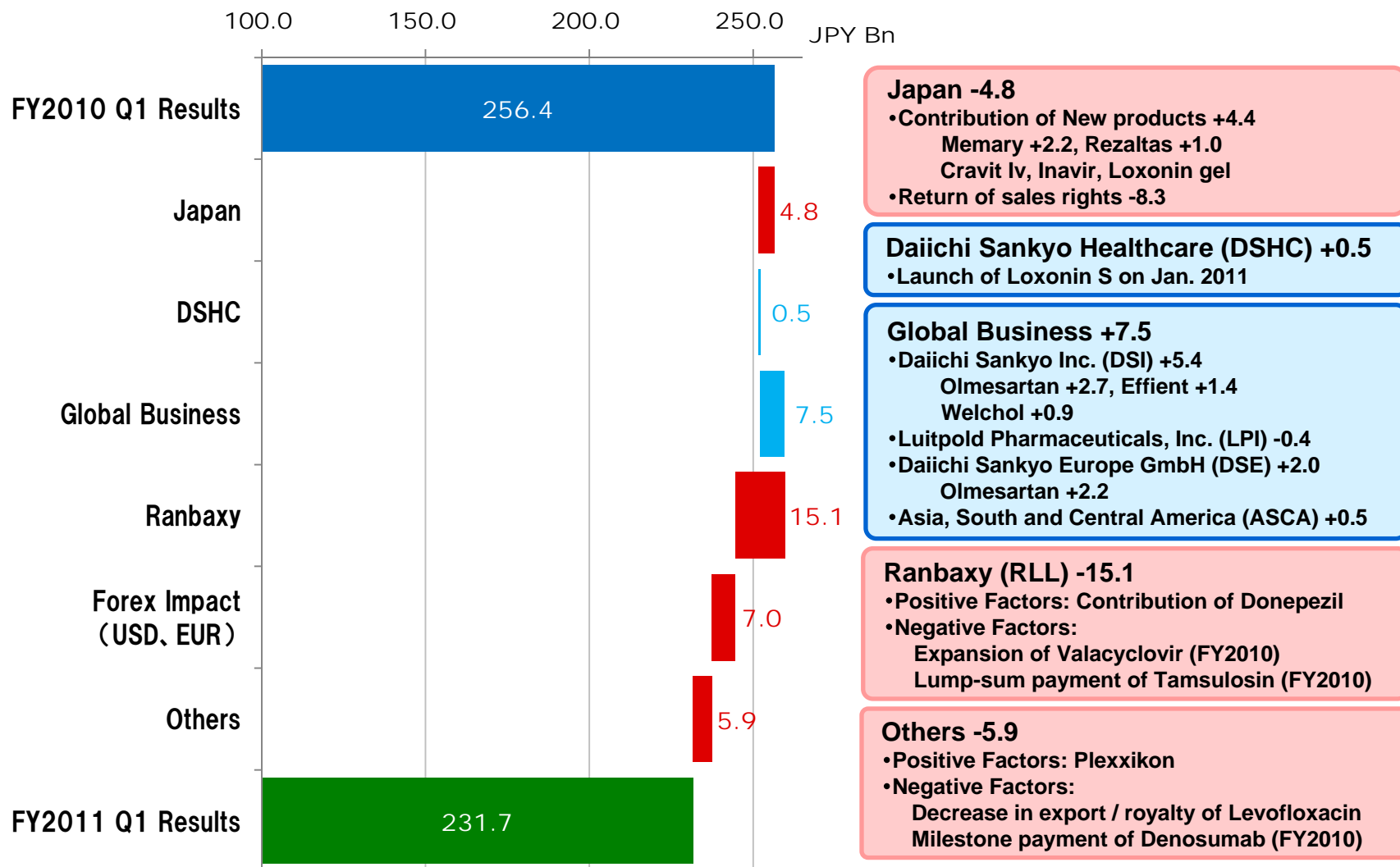
Ranbaxy Group

Note : Figures of Ranbaxy are pre-adjusted before consolidation

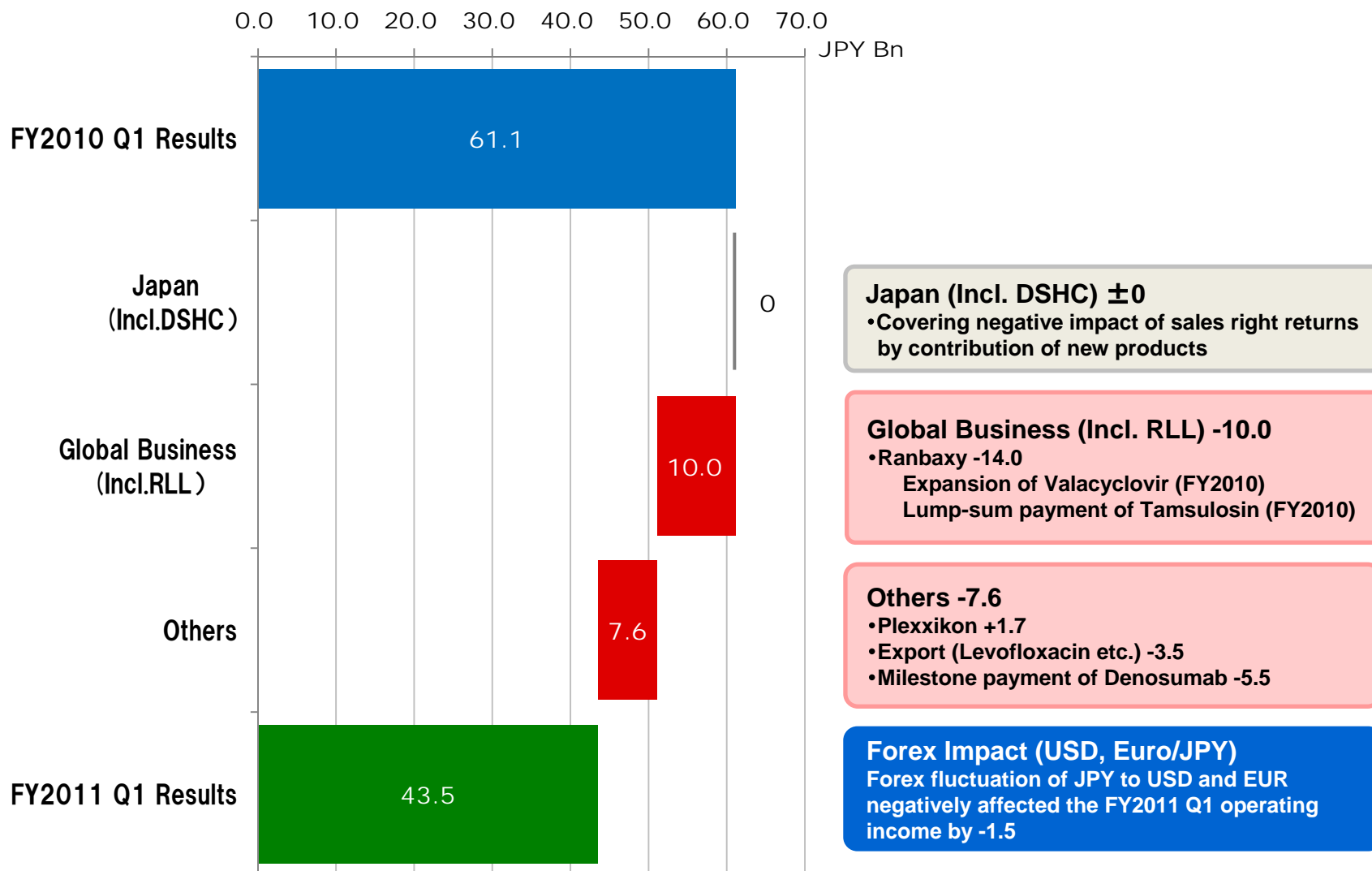
FY2010 (Jan-Mar) Results	FY2011 (Jan-Mar) Results	FY2011 (Jan-Dec)	
		Plan	Progress
54.9	40.0	162.0	25%
19.2	18.8		
16.4	15.9		
3.3	2.3		
13.1	13.7		
19.3	5.3		
28.3	5.8		
18.4	6.9		

JPY Bn

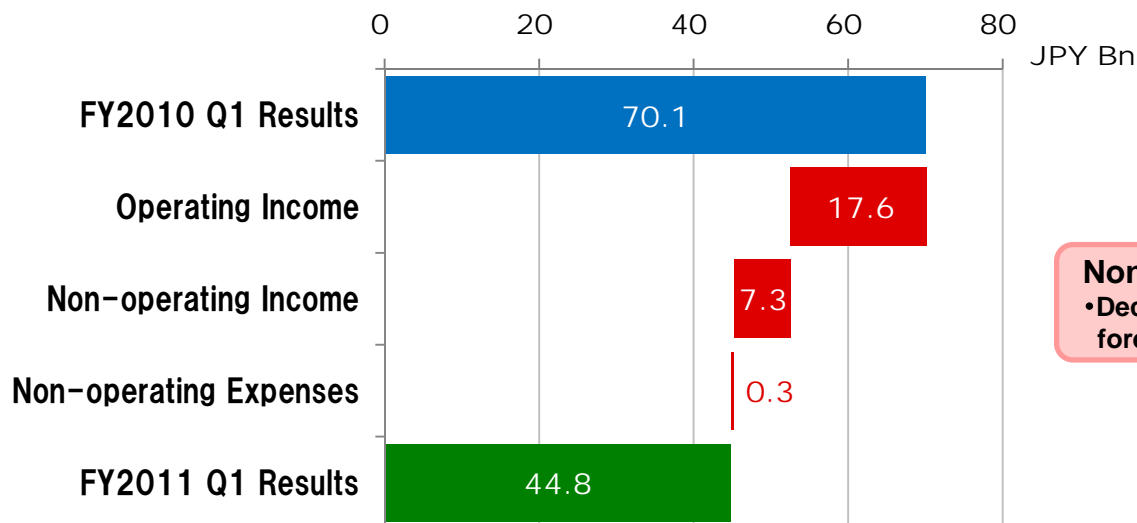
Net Sales factors



Operating Income factors



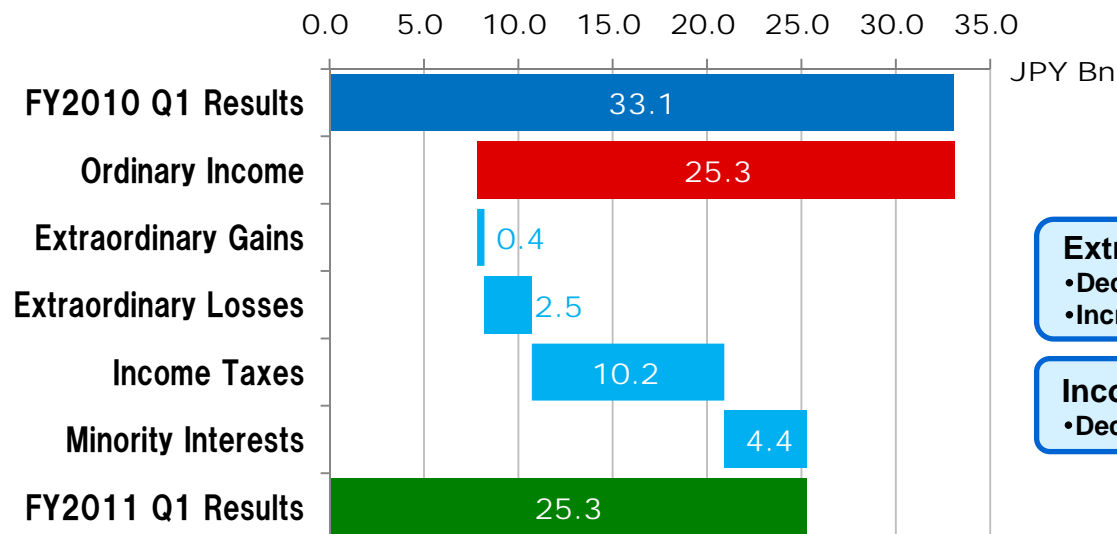
Ordinary Income factors



Non-operating income/Expenses -7.7

- Decrease in forex derivative valuation gain and forex gain of Ranbaxy

Net Income factors



Extraordinary income/expenses +2.9

- Decrease in loss of investment securities
- Increase in loss on disaster

Income taxes etc.

- Decrease in Ranbaxy's tax expense

Sales of Major Products

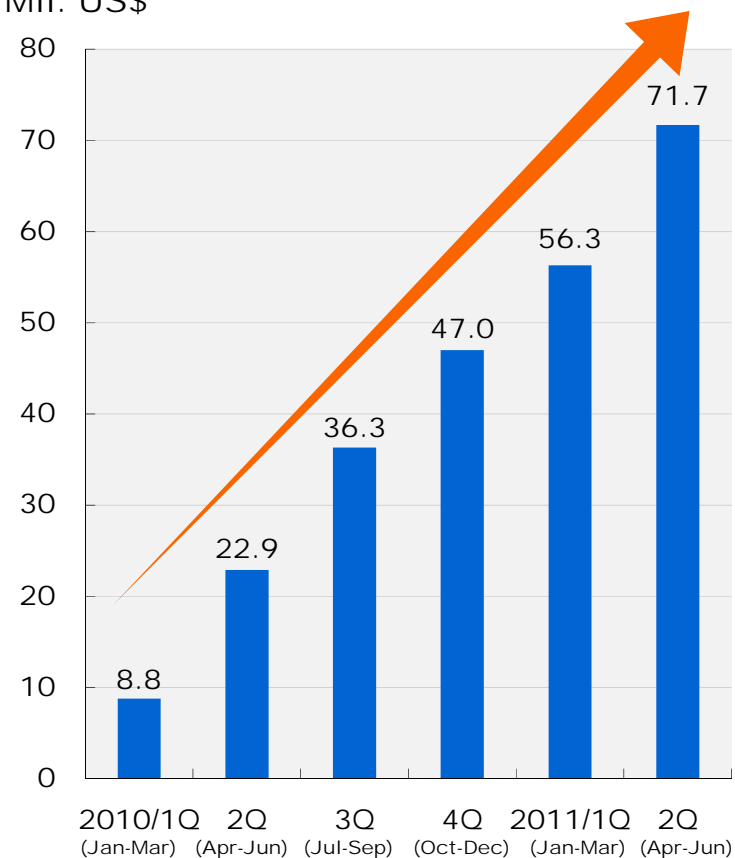
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JPY Bn

		FY2010 Q1 Results	FY2011 Q1 Results	FY2011	
				Plan	Progress
Global	Olmesartan	60.2	63.3	270.0	24%
	Levofloxacin	17.0	13.5	53.0	26%
	Pravastatin	11.9	10.2	38.0	27%
	Prasugrel (alliance revenue)	0.8	2.2	-	-
Japan	Loxonin	13.0	14.4	58.0	25%
	Artist	6.1	6.1	23.0	27%
	Omnipaque	6.4	5.7	23.0	25%
	Calblock	3.7	3.2	15.0	21%
	Urief	2.5	2.6	11.0	24%
	Memary	-	2.2	-	-
U.S.	Welchol	7.0	7.0	32.0	22%
	Venofer	8.4	7.4	25.0	30%

Prasugrel Global Sales

Mil. US\$



*Source: financial announcements of Lilly

Purchase Price Allocation

Impact on an annual basis

Purchase cost \$953Mn	Book value of assets and liabilities \$62Mn		B/S	
	Fair value of assets \$578Mn	Intangible assets (IPR&D) \$976Mn	B/S	Amortization \$57Mn
		Deferred tax liabilities -\$398Mn	B/S	Income taxes Adjustment -\$23Mn
	Goodwill \$313Mn		B/S	Amortization \$21Mn

※Provisional accounting method (as of July)

In consideration of the financial results of Q1, Daiichi Sankyo revised its interim and annual forecasts.

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- Net sales forecasts remains unchanged as the Group intends to off set the decline in sales from yen appreciation* by expanding its mainstays and new products.
* Change in USD/JPY assumption ¥83⇒¥82
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- Both operating income and ordinary income for the interim period are upwardly revised by ¥10.0 billion respectively, due to the improvement in a cost-to-sales ratio on the account of product composition, and expenses partially carried forward to Q3 or later being affected by the earthquake and other factors.
No revision is made on the annual forecasts.
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- Net income is upwardly revised by ¥11.0 billion for the interim period, and by ¥5.0 billion for the full year period of FY2011, taking in consideration the revision in ordinary income, as well as reduced tax expenses at Ranbaxy and gain on sales of underutilized real estate.
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Therapeutic Area	Phase 1	Phase 2	Phase 3	Application
Cardiovascular-Metabolics	<ul style="list-style-type: none"> ■ CS-3150 (Antihypertensive) ■ DS-7309 (Anti-diabetes) 	<ul style="list-style-type: none"> ■ DU-176b (US/EU) (Edoxaban / post surgical VTE / oral factor Xa inhibitor) ■ CS-747 (JP) (Prasugrel / ischemic stroke / anti-platelet agent) 	<ul style="list-style-type: none"> ■ DU-176b (US/EU/JP/Asia) (Edoxaban / AF / oral factor Xa inhibitor) ■ DU-176b (US/EU/JP/Asia) (Edoxaban / VTE / oral factor Xa inhibitor) ■ CS-747 (US/EU/Asia) (Prasugrel / ACS-MM / anti-platelet agent) ■ CS-747 (JP) (Prasugrel / ACS-PCI / anti-platelet agent) 	
Oncology	<ul style="list-style-type: none"> ■ CS-7017(JP/Asia) (Efatazone / PPAR γ agonist) ■ U3-1565 (US/JP) (Anti-HB-EGF antibody) ■ U3-1287(JP) (Anti-HER3 antibody) ■ DS-2248(US) (Hsp90 inhibitor) ■ DS-7423(US) (PI3K/mTOR inhibitor) 	<ul style="list-style-type: none"> ■ U3-1287 (US/EU) (Anti-HER3 antibody) ■ CS-1008 (US/EU/JP/Asia) (Tigatuzumab / anti-DR5 antibody) ■ CS-7017 (US/EU) (Efatazone / PPAR γ agonist) ■ DE-766 (JP) (Nimotuzumab / anti-EGFR antibody) ■ PLX3397 (US) (Fms/Kit/Flt3-ITD inhibitor) 	<ul style="list-style-type: none"> ■ ARQ 197 (US/EU) (Tivantinib / NSCLC / c-Met inhibitor) ■ AMG 162 (JP) (Denosumab / breast cancer adjuvant / anti-RANKL antibody) 	<ul style="list-style-type: none"> ■ PLX4032 (US/EU) (Vemurafenib / Melanoma / BRAF inhibitor) ■ AMG 162 (JP) (Denosumab / bone metastases of cancer / anti-RANKL antibody)
Infectious diseases	<ul style="list-style-type: none"> ■ CS-8958(US/EU) (Laninamivir / anti-influenza / co-development with Biota) ■ CS-4771 (Anti-Sepsis) ■ DS-8587 (Broad spectrum antibacterial agent) 		<ul style="list-style-type: none"> ■ CS-8958 (JP) (Laninamivir / anti-influenza, prophylactic / Neuraminidase inhibitor) 	
Bone/Joint diseases	<ul style="list-style-type: none"> ■ PLX5622 (Rheumatoid arthritis) 	<ul style="list-style-type: none"> ■ AMG 162 (JP) (Denosumab / rheumatoid arthritis / anti-RANKL antibody) 	<ul style="list-style-type: none"> ■ AMG 162 (JP) (Denosumab / osteoporosis / anti-RANKL antibody) 	
Immunological allergic diseases	<ul style="list-style-type: none"> ■ CS-0777 (Immunomodulator) 	<ul style="list-style-type: none"> ■ SUN13834 (US) (Chymase inhibitor) 		
Others	<ul style="list-style-type: none"> ■ DS-5565 (Chronic pain) ■ SUN13837 (Spinal cord injury) 	<ul style="list-style-type: none"> ■ SUN11031 (US/EU) (Human ghrelin / COPD cachexia) 	<ul style="list-style-type: none"> ■ SUN11031 (JP) (Human ghrelin / anorexia nervosa) ■ DD-723-B (JP) (Perflubutane / Contrast agents in ultrasound for prostate cancer and breast tumor/ ultrasound contrast agent) 	<ul style="list-style-type: none"> ■ KMD-3213 (China) (Silodosin / treatment of dysuria associated with benign prostatic hyperplasia/ Selective alpha 1A blocker)

◆ Change from the announcement in May 2011

□ New DS-7423 (PI3K/mTOR inhibitor / US / P1), U3-1565 (Anti-HB-EGF antibody / JP / P1)

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Each numerical value regarding the future prospect in this material is derived from our judgment and assumptions based on the currently available information and may include risk and uncertainty.

For this reason, the actual performance data, etc. may differ from the prospective value.