

# Results Briefing

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## Results for Q1 FY2010

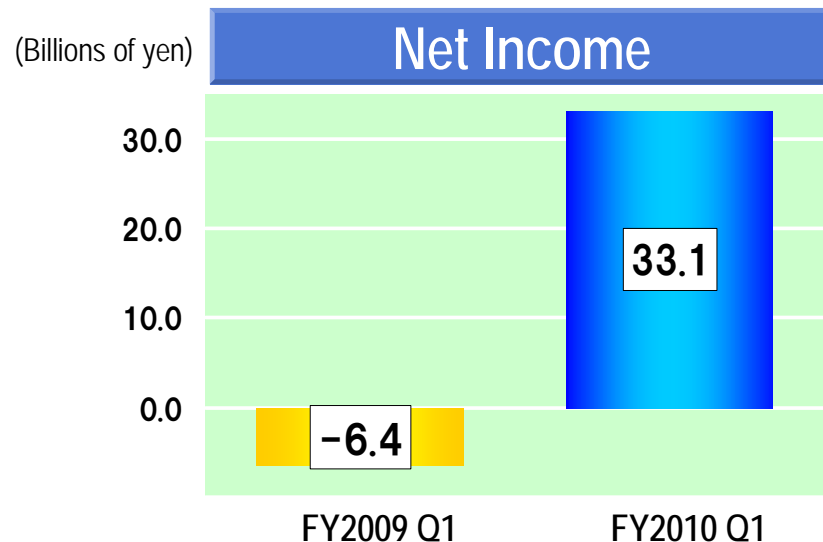
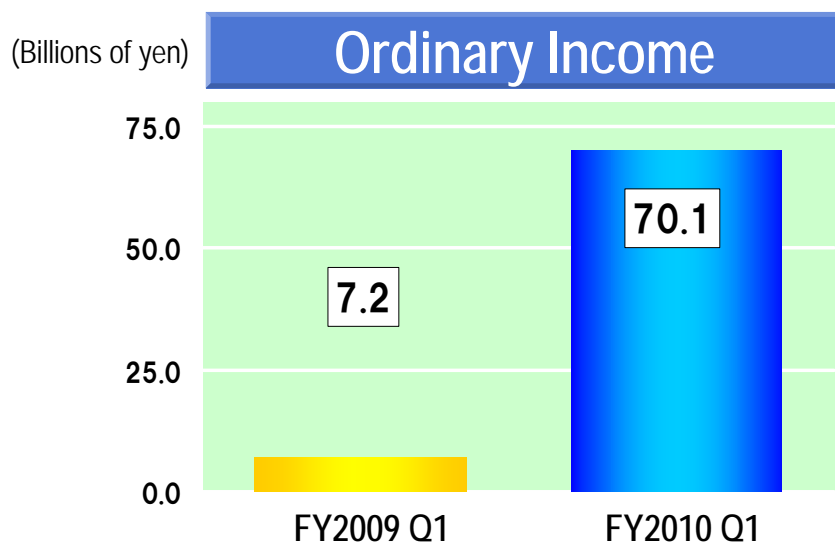
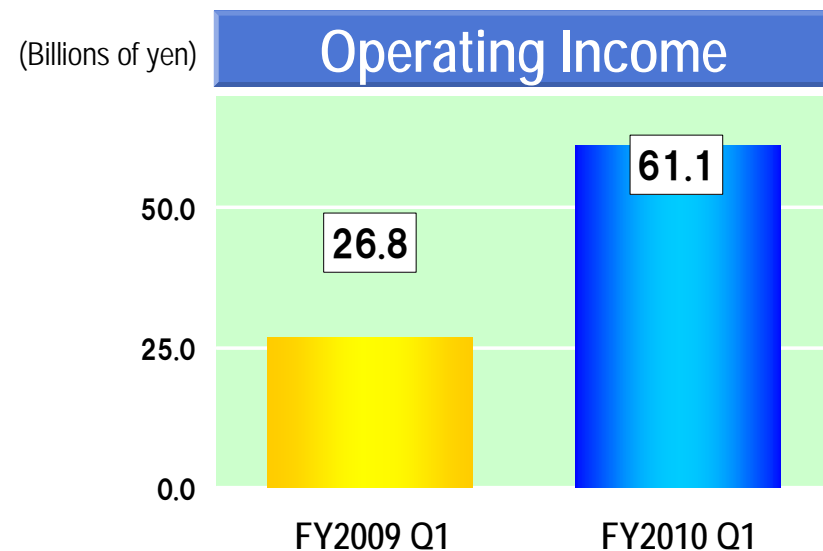
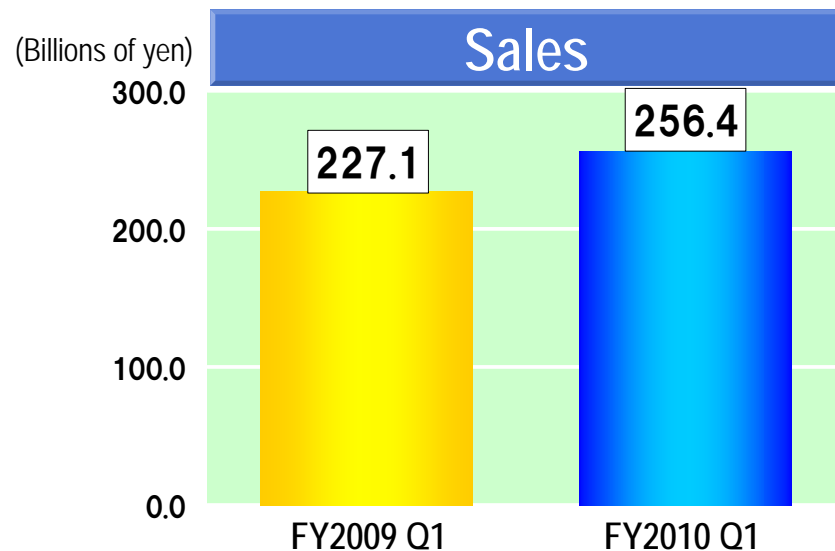
(April 1 - June 30, 2010)

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July 30, 2010

# Results Overview

# Overview of FY2010 Q1 Results



# Overview of FY2010 Q1 Results - compared with FY2009 Q1 results -

(Billions of yen, ratio to sales)

	FY2009 Q1 Results (1)	FY2010 Q1 Results (2)	YoY (2)-(1)
Net Sales	100% 227.1	100% 256.4	29.3
Cost of Sales	27.5% 62.5	25.0% 64.1	1.5
SG&A expenses	40.8% 92.7	34.2% 87.7	-5.0
R&D expenses	19.9% 45.1	17.0% 43.6	-1.5
Total Expense	60.7% 137.8	51.2% 131.3	-6.5
Operating Income	11.8% 26.8	23.8% 61.1	34.3
Ordinary Income	3.2% 7.2	27.3% 70.1	62.9
Net Income	-2.8% -6.4	12.9% 33.1	39.5

FY2009 Q1 Ranbaxy Jan-Mar Results (3)	FY2010 Q1 Ranbaxy Jan-Mar Results (4)	YoY (4)-(3)
100% 29.7	100% 54.9	25.2
57.7% 17.1	35.0% 19.2	2.1
41.3% 12.3	23.8% 13.1	0.8
7.1% 2.1	6.0% 3.3	1.2
48.4% 14.4	29.9% 16.4	2.0
-6.1% -1.8	35.2% 19.3	21.1
-79.2% -23.5	51.5% 28.3	51.8
-57.0% -16.9	33.4% 18.4	35.3

# Year on Year Comparisons

1. Net Sales                      ¥256.4 billion (+¥29.3 billion, +12.9%)

■ Positive factors:

- Valacyclovir and other products from Ranbaxy (+¥25.1 billion)
- Olmesartan (+¥4.2 billion)    ● Loxonin (+¥1.8 billion)
- Milestone payment received on the approval of Denosumab in the European Union

■ Negative factors: (including forex impact of approximately -¥5.5 billion)

- Levofloxacin (-¥2.8 billion)    ● Pravastatin (-¥2.8 billion)

2. Operating Income            ¥61.1 billion (+¥34.3 billion, +128.1%)

■ Factors

- Ranbaxy-related (+¥21.1 billion)
- Lower advertising and other SGA (-¥5.8 billion)
- R&D expenses (-¥2.7 billion)

# Year on Year Comparisons

## 3. Ordinary Income      ¥70.1 billion (+¥62.9 billion, +877.7%)

- Non-operating income (+¥7.9 billion)

- Ranbaxy-related (+¥9.1 billion)

- Gain on valuation of derivatives and forex gains etc.

- Non-operating expenses (-¥20.7 billion)

- Ranbaxy-related (-¥21.6 billion)

- Loss in previous term on valuation of derivatives and forex losses etc.

## 4. Net Income      ¥33.1 billion (+¥39.5 billion)

- Extraordinary income (-¥1.3 billion)

- Extraordinary losses (+¥4.2 billion)

- Loss on valuation of investment securities, etc.

- Income taxes (+2.6 billion)

- Minority interests: (+¥15.4 billion) Ranbaxy-related

# Overview of FY2010 Forecast

(Billions of yen, ratio to sales)

		FY2010 Forecast			
		1st half Forecast		Full year Forecast	
		Q1 Results (1)	Progress (1)/(2)		(2)
Net Sales		100.0% 256.4	26.2%	100.0% 490.0	100.0% 980.0
Cost of Sales		25.0% 64.1	22.1%	29.4% 144.0	29.6% 290.0
	SG&A expenses	34.2% 87.7	22.5%	39.6% 194.0	39.8% 390.0
	R&D expenses	17.0% 43.6	20.8%	20.8% 102.0	21.4% 210.0
Total Expense		51.2% 131.3	21.9%	60.4% 296.0	61.2% 600.0
Operating Income		23.8% 61.1	67.8%	10.2% 50.0	9.2% 90.0
Ordinary Income		27.3% 70.1	82.5%	9.8% 48.0	8.7% 85.0
Net Income		12.9% 33.1	73.5%	5.1% 25.0	4.6% 45.0

## No revision to forecast at this stage

- We have reflected Ranbaxy's Q1 results (Jan-Mar 2010) in our consolidated forecast so far, and would need to carefully examine Ranbaxy's business performance after Q2 to determine the impact of potential revision in our overall forecast.
- After Ranbaxy announce its second-quarter results (Aug 12), we plan to further review the Group's overall performance, including those of Daiichi Sankyo, and once the impact to our annual and / or interim forecast has been clarified, we will consider revising our forecast.

# Sales of Major Products

(Billions of yen)

			FY2010 Forecast				
			Q1 Results (1)	Progress (1)/(2)	Comparison with FY09 Q1	Full Year Forecast (2)	Comparison with FY09
GLOBAL	Olmesartan	antihypertensive	60.2	23.2%	4.2	260.0	21.7
	Levofloxacin	synthetic antibacterial agent	17.0	24.2%	-2.8	70.0	-17.2
	Pravastatin	antihyperlipidemic agent	11.9	27.0%	-2.8	44.0	-11.0
	Prasugrel	antiplatelet * alliance revenue	0.8	-	-	-	-
Japan	Calblock	antihypertensive	3.7	26.3%	0.2	14.0	0.3
	Artist	antihypertensive	6.1	27.3%	0.1	22.5	-0.8
	Kremezin	treatment for chronic renal failure	3.5	27.2%	0.2	13.0	-0.3
	Loxonin	anti-inflammatory analgesic	13.0	25.5%	1.8	51.0	4.0
	Omnipaque	contrast agent	6.4	27.9%	-0.7	23.0	-4.3
	Urief	treatment for dysuria	2.5	21.5%	0.2	11.5	2.5
U.S.	Venofer	treatment for iron deficiency anemia	8.4	31.2%	0.4	27.0	-5.2
	Welchol	antihyperlipidemic agent / treatment for type 2 diabetes	7.0	24.6%	0.1	28.5	1.0

# Sales of Major Products (Local Currency Basis)

		FY2010 Forecast				
		Q1 Results			Full Year	
		(1)	Progress (1)/(2)	YoY Change	(2)	YoY Change
Daichi Sankyo, Inc. <US> (Mil \$)	Benicar/Benicar HCT	<b>233</b>	23.4%	6	994	37
	Azor	42	28.8%	10	144	7
	Welchol	76	24.1%	5	317	20
Daichi Sankyo Europe GmbH (Mil euro)	Olmetec/Olmetec Plus	68	19.9%	5	342	37
	Sevikar	14	18.0%	7	79	31
Luitpold Pharmaceuticals, Inc. <US> (Mil \$)	Venofer	92	30.5%	9	300	-46

# R&D Pipeline Update

## ➤ Progress from May 2010

- **Loxoprofen sodium hydrate / Gel (Japan)**

Anti-inflammatory and analgesic **Application → Approval**

- **CS-8635 (US):**

**US Trade Name : TRIBENZOR™**

Three-in-One Combination Product

(Olmesartan Medoxomil, Amlodipine, Hydrochlorothiazide) **Application → Approval**

- **DS-8587**

Broad Spectrum Antibacterial **Newly listed on P1**

# Development Pipeline

	Phase 1	Phase 2	Phase 3	Application
Cardiovascular diseases	- DB-772d		- Prasugrel (ACS-MM) - Edoxaban(AF/VTE)	- Edoxaban (JPN) - CS-8635(EU)
Diabetes mellitus		-CS-1036		
Malignant neoplasm	- U3-1287	- Tigatuzumab - Nimotuzumab (#) - ARQ 197 - CS-7017		
Infectious diseases	-CS-4771 -DS-8587			- Levofloxacin inj (JPN) - Laninamivir(JPN)
Bone / joint diseases			- Denosumab (#)	
Immunological allergic diseases	- CS-0777	- SUN 13834		
Others		- DD-723-B (#)	- Human ghrelin	- Silodosin (China) - Memantine (JPN)

- Only the most advanced stages are described for the projects under global development
- # : Developed only in JPN

# FY2010 Daiichi Sankyo Briefings

	Date (JST)
Ranbaxy 2010 Q2 Financial Results	August 12, 2010
FY2010 Q2 Financial Results	October 29, 2010
FY2010 2Q Financial Results Meeting	November 1, 2010 (14:00 Media Relations / 16:30 Investors Relations)
R&D Meeting	December, 2010
FY2010 Q3 Financial Results	January 31, 2011

Contact address regarding this material

**DAIICHI SANKYO CO., LTD.**

**Corporate Communications Department**

**TEL: +81-3-6225-1126 Public Relations**

**+81-3-6225-1125 Investor Relations**

**FAX: +81-3-6225-1132**

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.