

For Immediate Release

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**DAIICHI SANKYO Records Valuation Loss, Goodwill Write-down, on Investment in Ranbaxy Laboratories**

**Tokyo, January 5, 2009** - Daiichi Sankyo Company Limited today announced that it plans to record a valuation loss and one-time write-down of goodwill on its investment in Group subsidiary Ranbaxy Laboratories Limited for the fiscal third-quarter ended December 31, 2008.

On a non-consolidated basis, Daiichi Sankyo plans to record a non-cash valuation loss of 359.5 billion yen on its shares in Ranbaxy in its fiscal third-quarter to reflect a more than 50% decline in the market value of these securities versus the purchase price.

On a consolidated basis, Daiichi Sankyo estimates a non-cash loss of 354.0 billion yen related to the write-down of goodwill associated with its investment in Ranbaxy in line with the valuation loss on Ranbaxy shares accounted for on a non-consolidated basis.

Daiichi Sankyo sees no impact on its forecasts for non-consolidated net sales, operating income or ordinary income for the fiscal third-quarter as a result of these anticipated extraordinary losses. The Company also sees no impact on cash flow. However, these items will have a significant negative impact on the Company's consolidated financial results forecasts for net income for the nine-month period ended December 31, 2008 and for fiscal year 2008 ending March 31, 2009.

Daiichi Sankyo remains committed to a year-on-year increase in its shareholder dividend for fiscal year 2008, in step with the Company's current dividend policy.

**Background**

Daiichi Sankyo has based its estimates for the one-time write-down of goodwill on its investment in Ranbaxy to fully reflect the impact of the current unprecedented turmoil in global equities markets. The Company has taken this step to meet the strictest accounting standards to ensure it remains on the firmest financial footing.

A further review of valuations at the end of the current fiscal year in March 2009 and the finalization at that time of allocations under Purchase Price Allocation (PPA) rules prescribed by the "Accounting Standards for Business Combinations" may result in a change to the amount of the valuation loss.

Daiichi Sankyo considers its investment in Ranbaxy as essential in ensuring sustainable business growth and fully realizing the Group's long-term business strategy. Daiichi Sankyo remains absolutely committed to pursuing its unique hybrid model dedicated to the needs of patients in developed and emerging markets. Those needs encompass innovative new medicines and established off-patent products.

Daiichi Sankyo and Ranbaxy initiated full-fledged cooperation following the appointment on December 19, 2008 of a new Board of Directors at Ranbaxy that includes Daiichi Sankyo CEO Takashi Shoda and Senior Executive Officer Tsutomu Une.

Daiichi Sankyo is currently reviewing the impact of the consolidation of Ranbaxy's financial results (including the anticipated extraordinary losses outlined above) on the Group's financial forecasts following its change of status to Group subsidiary. The Company plans to report consolidated financial results that fully reflect Ranbaxy's contribution when it reports results for the third quarter of fiscal year 2008.