

For Immediate Release

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Daiichi Sankyo Revises Fiscal 2014 Consolidated Forecasts

Tokyo, Japan (April 28, 2015) – In light of recent business trends, Daiichi Sankyo Company, Limited (hereafter, Daiichi Sankyo) has revised its forecasts of consolidated financial results (continuing operations) for fiscal 2014, announced on January 30, 2015. Details are as follows.

1. Revisions to the forecasts

Revisions to the forecasts of consolidated financial results for fiscal 2014 (from April 1, 2014 to March 31, 2015)

During fiscal 2014, consolidated subsidiary Ranbaxy Laboratories Limited (“Ranbaxy”) had been expected to be absorbed by Sun Pharmaceutical Industries Ltd. (“Sun Pharma”) through a merger and become discontinued operation in Daiichi Sankyo Consolidated results. In light of such expectation, Daiichi Sankyo has continued to communicate the forecast of consolidated financial results for fiscal 2014 only for continuing operations, which exclude the Ranbaxy business.

	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)	900,000	100,000	100,000	65,000	92.33
Revised forecasts (B)	919,000	74,000	79,000	46,000	65.34
Change (B-A)	19,000	-26,000	-21,000	-19,000	
Percentage of change (%)	2.1	-26.0	-21.0	-29.2	
(Reference) Results of previous fiscal year (FY2013)	899,126	112,922	112,950	60,943	86.57

Though the numbers in the row of “(Reference) Results of previous fiscal year (FY 2013)” above are numbers for only continuing operation, only “Profit attributable to owners of the Company” includes both continuing and discontinued operations.

2. Reason for the revision

We now forecast revenue of ¥919 billion, higher than the previous forecast, partly due to a boost from the weak yen.

We revise down our forecast for operating profit by ¥26 billion to ¥74 billion due to an expected write-off loss of approximately ¥35 billion on goodwill related to anticancer agent Zelboraf, sold by consolidated subsidiary Plexxikon Inc.

We also forecast profit before tax of ¥79 billion, a reduction of ¥21 billion, reflecting the downward revision to operating profit, and profit attributable to owners of the Company (continuing operations) of ¥46 billion, a reduction of ¥19 billion.

We will disclose Revenue, Operating income, Profit before Tax only for continuing operations, and will disclose Profit for the year and Profit attributable to owner including both continuing and discontinued operations for fiscal 2014 (from April 1, 2014 to March 31, 2015).

As shown in the attached table, we project approximately ¥321 billion for profit attributable to the owners of the Company including discontinued operations, comprising ¥46 billion in profit for the period from continuing operations and ¥275 billion profit from discontinued operations, which was calculated by adjusting roughly ¥85 billion for profit/loss and tax expenses from ¥360 billion in gain on merger of subsidiary*.

* On March 25, 2015, we projected a gain on merger of subsidiary of approximately ¥340 billion (before tax effects), but accounting processes have resulted in a confirmed amount of roughly ¥360 billion.

Attached table

The projection of Fiscal 2014 (from April 1, 2014 to March 31, 2015)

	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
Results of previous fiscal year (FY2013) (A)	899,126	112,922	112,950	60,943	86.57
Projection of Fiscal 2014 (B)	919,000	74,000	79,000	321,000	455.95
Change (B-A)	19,873	-38,922	-33,950	260,056	—
Percentage of change (%)	2.2	-34.5	-30.1	426.7	—