



July 31, 2013

Consolidated Financial Results for the First Three Months of the Fiscal Year Ending March 31, 2014 <under Japanese GAAP>

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>

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Scheduled date of Quarterly Report filing: August 9, 2013

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 2013

(from April 1, 2013 to June 30, 2013)

(1) Consolidated Financial Results

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

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
First three months of fiscal 2013	252,513	4.1	20,759	-36.2	23,315	-42.9
First three months of fiscal 2012	242,618	4.7	32,520	-25.2	40,818	-9.0

	Net income		Basic net income per share	Diluted net income per share
	Millions of yen	%	Yen	Yen
First three months of fiscal 2013	11,019	-46.0	15.65	15.63
First three months of fiscal 2012	20,406	-19.4	28.99	28.95

Note: Comprehensive income: First three months of fiscal 2013: 32,756 million yen [98.7%]
First three months of fiscal 2012: 16,482 million yen [-36.0%]

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2013	1,665,611	927,768	53.6	1,267.43
As of March 31, 2013	1,644,071	915,745	53.7	1,253.86

Reference: Equity: As of June 30, 2013: 892,200 million yen As of March 31, 2013: 882,649 million yen

2. Dividends

	Annual dividends per share				
	First quarter	Second quarter	Third quarter	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal 2012	–	30.00	–	30.00	60.00
Fiscal 2013	–				
Fiscal 2013 (Forecast)		30.00	–	30.00	60.00

Note: Revision of the forecasts most recently announced: No

3. Forecasts of Consolidated Financial Results for Fiscal 2013

(from April 1, 2013 to March 31, 2014)

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

	Net sales		Operating income		Ordinary income		Net income		Basic net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First six months	520,000	7.4	50,000	–12.4	40,000	–19.8	25,000	2.6	35.51
Full year	1,080,000	8.2	110,000	9.4	100,000	0.9	65,000	–2.4	92.34

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): No

Newly included: None Excluded: None

(2) Application of specific accounting methods for preparing the quarterly consolidated financial statements: Yes

Note: For details, please refer to “2. Summary Information (Notes)” on page 9.

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections

1) Changes in accounting policies due to revisions to accounting standards: No

2) Changes in accounting policies due to other reasons: No

3) Changes in accounting estimates: No

4) Restatement of prior period financial statements after error corrections: No

(4) Number of common shares issued

1) Total number of shares issued at the end of the period (including treasury stock)

As of June 30, 2013	709,011,343 shares
As of March 31, 2013	709,011,343 shares

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

As of June 30, 2013	5,066,769 shares
As of March 31, 2013	5,063,530 shares

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

First three months ended June 30, 2013	703,946,478 shares
First three months ended June 30, 2012	703,917,881 shares

* 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 quarterly financial statements in accordance with the Financial Instruments and Exchange Act are incomplete.

* 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 8 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

(1) Information about Operating Results

[Consolidated Financial Results]

(Millions of yen; all amounts have been rounded down to the nearest whole unit)

	First three months of fiscal 2012	First three months of fiscal 2013	YoY change
Net sales	242,618	252,513	9,895 4.1%
Operating income	32,520	20,759	-11,760 -36.2%
Ordinary income	40,818	23,315	-17,503 -42.9%
Net income	20,406	11,019	-9,386 -46.0%

<Net sales of global mainstay products>

(Millions of yen; all amounts have been rounded down to the nearest whole unit)

Item name	First three months of fiscal 2012	First three months of fiscal 2013	YoY change
Olmesartan Antihypertensive agent	59,936	73,126	13,190 22.0%
Prasugrel* Treatment for acute coronary syndromes	3,876	5,806	1,929 49.8%

* Total of revenue from co-promotion with Eli Lilly in Europe and the US and net sales in areas where the product is sold by Daiichi Sankyo.

<Research and development expenses>

(Millions of yen; all amounts have been rounded down to the nearest whole unit)

	First three months of fiscal 2012	First three months of fiscal 2013
Research and development expenses	42,026	49,966
Ratio of research and development expenses to net sales	17.3%	19.8%

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

(Yen)

	First three months of fiscal 2012	First three months of fiscal 2013
Yen/USD	80.21	98.76
Yen/EUR	102.91	128.96
Yen/INR	1.59	1.71

i. Net Sales

In the first three months of fiscal 2013, net sales of Daiichi Sankyo and its consolidated subsidiaries (“the Group”) increased ¥9.9 billion to ¥252.5 billion, a year-on-year increase of 4.1%.

There was a substantial decline in net sales at Ranbaxy in comparison with the same period of the previous fiscal year, in which sales had benefited from exclusive sales of the generic antihyperlipidemic treatment atorvastatin. This decline was offset, however, by sales growth for the ulcer treatment *NEXIUM*[®], the Alzheimer’s Disease treatment *Memary*[®] and the anti-inflammatory analgesic *Loxonin*[®] Tape in Japan in addition to the antihypertensive agent olmesartan and the acute coronary syndrome treatment prasugrel in Europe and the US, as well as the depreciation of the yen.

As a result, net sales of the Group as a whole increased.

ii. Operating Income

The Group's operating income in the first three months of fiscal 2013 decreased ¥11.8 billion or 36.2% year on year to ¥20.8 billion. Although operating income at the Daiichi Sankyo Group increased, there was a substantial impact from a decline at Ranbaxy (down 94.4% year on year), resulting in an overall decrease. An increase in selling, general and administrative expenses in line with the depreciation of the yen also had an effect.

iii. Ordinary Income

The Group's ordinary income in the first three months of fiscal 2013 decreased ¥17.5 billion or 42.9% year on year to ¥23.3 billion. This mainly reflected a decrease in gain on valuation of derivatives and the recording of foreign exchange losses at Ranbaxy.

iv. Net Income

The Group's net income in the first three months of fiscal 2013 decreased ¥9.4 billion or 46.0% year on year to ¥11.0 billion, mainly because of the decline in ordinary income and the recording of extraordinary losses in connection with business restructuring in Europe.

[Reports by Segment]

i. Daiichi Sankyo Group

The Daiichi Sankyo Group posted net sales of ¥210.2 billion, a year-on-year increase of ¥26.7 billion or 14.6%.

Operating income increased of ¥1.2 billion or 6.1% year on year to ¥21.3 billion (prior to consolidated adjustments).

a. Japan

Net sales in Japan increased 7.3% year on year to ¥124.8 billion.

Net sales of prescription drugs in Japan increased 8.8% year on year to ¥109.2 billion, reflecting the sales growth of *NEXIUM*[®], *Memary*[®] and *Loxonin*[®] *Tape*, while sales of *Olmotec*[®] and *Mevalotin*[®] decreased.

Net sales from royalty income and exports to overseas increased 2.9% year on year to ¥5.1 billion.

Net sales of healthcare (OTC) products totaled ¥9.8 billion, declining 4.6% year on year, mainly because of a decrease in sales of cold remedies.

In terms of new product launches and approval applications in the current fiscal year, the main development was the launch of the osteoporosis treatment *PRALIA*[®] on June 11, 2013. Following this, on June 19, Kitasato Daiichi Sankyo Vaccine Co., Ltd. filed an application to manufacture and market a cell culture-based pandemic influenza vaccine in Japan.

<Sales composition in Japan>

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

	First three months of fiscal 2012	First three months of fiscal 2013	YoY change
Prescription drugs	100.4	109.2	8.8 8.8%
Royalty income and exports to overseas	5.0	5.1	0.1 2.9%
Healthcare (OTC) products	10.2	9.8	-0.5 -4.6%

<Net sales of Japan company mainstay pharmaceuticals>

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

Product name	First three months of fiscal 2012	First three months of fiscal 2013	YoY change
<i>Olmetec</i> [®] Antihypertensive agent	18.2	16.6	-1.6 -8.9%
<i>Loxonin</i> [®] Anti-inflammatory analgesic (of which <i>Loxonin</i> [®] Tape)	14.1 (7.6)	14.9 (9.0)	0.8 5.8%
<i>NEXIUM</i> [®] Ulcer treatment	1.7	10.9	9.3 562.1%
<i>Cravit</i> [®] Synthetic antibacterial agent	8.1	7.6	-0.4 -5.4%
<i>Memary</i> [®] Alzheimer's Disease treatment	5.1	6.6	1.5 28.7%
<i>Artist</i> [®] Treatment for hypertension, angina pectoris and chronic heart failure	5.6	5.4	-0.2 -3.4%
<i>Mevalotin</i> [®] Antihyperlipidemic agent	6.5	5.2	-1.3 -20.5%

b. North America

Net sales in North America increased 15.8% year on year to ¥54.6 billion. Net sales in local currency terms fell 6.0% to approximately US\$553 million. Sales of *Benicar*[®]/*Benicar HCT*[®], *AZOR*[®], *TRIBENZOR*[®], *Welchol*[®] and *Effient*[®] increased, while sales of Luitpold Pharmaceuticals, Inc.'s *Venofer*[®] decreased.

<Net sales of Daiichi Sankyo, Inc. mainstay products>

(Millions of US\$; all amounts have been rounded off to the nearest whole unit)

Product name	First three months of fiscal 2012	First three months of fiscal 2013	YoY change
<i>Benicar</i> [®] / <i>Benicar HCT</i> [®] Antihypertensive agent	235	241	6 2.4%
<i>AZOR</i> [®] Antihypertensive agent	44	47	3 6.9%
<i>TRIBENZOR</i> [®] Antihypertensive agent	19	23	4 21.3%
<i>Welchol</i> [®] Hypercholesterolemia treatment/ type 2 diabetes mellitus inhibitor	103	115	12 11.6%
<i>Effient</i> [®] Treatment for acute coronary syndromes	30	41	10 34.0%

(co-promotion revenue)			
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<Net sales of Luitpold Pharmaceuticals, Inc. mainstay products>

(Millions of US\$; all amounts have been rounded off to the nearest whole unit)

Product name	First three months of fiscal 2012	First three months of fiscal 2013	YoY change
<i>Venofer</i> [®] Anemia treatment	85	50	-35 -41.2%

c. Europe

Net sales in Europe increased 50.7% year on year to ¥19.5 billion. Net sales in local currency terms increased 20.1% to approximately EUR151 million. *Olmetec*[®] / *Olmetec plus*[®] and *Sevikar HCT*[®] contributed the sales growth.

<Net sales of Daiichi Sankyo Europe GmbH mainstay products>

(Millions of euro; all amounts have been rounded off to the nearest whole unit)

Product name	First three months of fiscal 2012	First three months of fiscal 2013	YoY change
<i>Olmetec</i> [®] / <i>Olmetec Plus</i> [®] Antihypertensive agent	62	76	13 21.6%
<i>Sevikar</i> [®] Antihypertensive agent	24	23	-1 -4.6%
<i>Sevikar HCT</i> [®] Antihypertensive agent	9	12	3 29.4%

d. Other regions

In other regions, net sales rose 60.4% year on year to ¥11.2 billion.

Sales of Olmesartan increased in China, South Korea and Venezuela.

Also during the period under review, the Group launched silodosin, a treatment of dysuria, in China in April 2013.

ii. Ranbaxy Group Segment (January to March 2013)

The Ranbaxy Group reported net sales of ¥42.3 billion, a year-on-year decrease of 28.4%.

Operating income decreased 94.4% year on year to ¥0.8 billion (prior to consolidated adjustments).

Although sales grew in major emerging countries and regions such as India, Eastern Europe and the Commonwealth of Independent States (CIS), and Africa and Middle East, overall sales at Ranbaxy decreased because of a substantial decline in North America in comparison with the previous fiscal year, in which sales had benefited from exclusive sales of an atorvastatin generic product.

Ranbaxy reached an agreement with the US Department of Justice in May 2013 to conclude investigation regarding certain facilities in India. Ranbaxy will strive to operate its business in accordance with higher standards of compliance in line with a consent decree made with the US Food and Drug Administration in January 2012.

<Net sales of Ranbaxy Group by major country and region>

(Millions of Indian rupee)

	First three months of fiscal 2012	First three months of fiscal 2013	YoY change
North America	20,929	6,892	-14,037 -67.1%
India	4,887	5,427	540 11.0%
Eastern Europe and CIS	2,922	3,604	680 23.3%
Western Europe	2,284	2,018	-266 -11.6%
Africa and Middle East	2,438	2,983	545 22.4%

[R&D Activities]

In R&D, the Group has designated oncology, cardiovascular-metabolic, frontier fields and others as prioritized areas for innovative drug development. Efforts are ongoing to further develop the R&D portfolio through the active use of outside resources.

i. Prasugrel

Prasugrel yielded good results in two Phase III clinical trials conducted in Japan to evaluate its efficacy in patients with acute coronary syndrome (ACS) undergoing percutaneous coronary intervention (PCI) and in elective PCI patients. Based on these trial data, an application was filed for manufacturing and marketing approval as an indication for ischemic heart disease related to PCI on June 18, 2013.

A further Phase III clinical trial to evaluate the efficacy of prasugrel in patients with ischemic stroke is currently proceeding in Japan. This trial is scheduled to end in fiscal 2014.

ii. Edoxaban

Global Phase III clinical trials aimed at gaining indications for the prevention of recurrent venous thromboembolism (VTE) and to prevent stroke or systemic embolism associated with atrial fibrillation (AF) have both been completed. In fiscal 2013, the Group plans to file related applications for regulatory approval in major countries worldwide. In the case of the VTE field, the trial results are scheduled to be announced to the European Society of Cardiology on September 1, 2013. For the AF field, the results are scheduled to be announced to major international institutes from the autumn.

The drug is already on sale in Japan under the brand name *LIXIANA*[®] and is indicated for the prevention of VTE in patients undergoing major orthopedic surgery.

iii. Denosumab

Denosumab is an antibody drug related to bone metabolism. The Company has obtained the rights to develop and market this product in Japan from Amgen Inc. of the US.

The drug was launched on June 11, 2013, under the brand name *PRALIA*[®] as a treatment for osteoporosis.

Denosumab is already on sale under the brand name *RANMARK*[®] and is currently indicated for bone complications stemming from multiple myeloma or bone metastases from solid tumors.

(2) Information about Financial Position

As of June 30, 2013, net assets were ¥927.8 billion (up ¥12.0 billion from the previous year-end), total assets stood at ¥1,665.6 billion (up ¥21.5 billion from the previous year-end), and the equity ratio was 53.6% (53.7% for the previous year-end).

The increase in net assets was mainly due to the recording of net income and an increase in foreign currency translation adjustments from yen depreciation.

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

The differences from the forecasts of financial results publicly announced on May 13, 2013 are shown below.

The revisions to the forecasts of consolidated financial results for the first six months of fiscal 2013 (from April 1, 2013 to September 30, 2013).

	Net sales	Operating income	Ordinary income	Net income	Basic net income per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecasts (A)	520,000	50,000	50,000	30,000	42.62
Revised forecasts (B)	520,000	50,000	40,000	25,000	35.51
Change (B-A)	0	0	-10,000	-5,000	
Percentage of change (%)	0.0	0.0	-20.0	-16.7	
(Reference) Results of first six months of previous fiscal year (FY2012)	484,169	57,076	49,862	24,356	34.60

The revisions to the forecasts of consolidated financial results for fiscal 2013 (from April 1, 2013 to March 31, 2014).

	Net sales	Operating income	Ordinary income	Net income	Basic net income per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecasts (A)	1,080,000	110,000	110,000	68,000	96.60
Revised forecasts (B)	1,080,000	110,000	100,000	65,000	92.34
Change (B-A)	0	0	-10,000	-3,000	
Percentage of change (%)	0.0	0.0	-9.1	-4.4	
(Reference) Results of previous fiscal year (FY2012)	997,852	100,516	99,147	66,621	94.64

Reason for the revision

In the second quarter the Ranbaxy Group is expected to record loss on valuation of derivatives because of depreciation in the Indian rupee against the US dollar. As a consequence, for the Group, the forecast for ordinary income for the first six months of fiscal 2013 has been revised to ¥40.0 billion, down ¥10.0 billion and the forecast for net income has been revised to ¥25.0 billion, down ¥5.0 billion.

For the full fiscal year, the forecast for ordinary income has been revised to ¥100.0 billion, down ¥10.0 billion. The forecast for net income has been revised to ¥65.0 billion, down ¥3.0 billion, mainly in consideration of expected gains on sales of unutilized assets.

2. Summary Information (Notes)

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

Not applicable.

(2) Application of Specific Accounting Methods for Preparing the Quarterly Consolidated Financial Statements

Taxes are computed first by reasonably estimating the effective tax rate after applying tax effect accounting against income before income taxes and minority interests for the fiscal year including the three months under review, and next by multiplying the quarterly net income before income taxes and minority interests by such estimated effective tax rate.

3. Quarterly Consolidated Financial Statements

(1) Consolidated Balance Sheets

	(Millions of yen)	
	As of March 31, 2013	As of June 30, 2013
ASSETS		
Current assets		
Cash and time deposits	160,956	161,695
Trade notes and accounts receivable	238,495	228,591
Securities	211,346	199,458
Inventories	174,431	184,299
Deferred tax assets	111,118	115,053
Other current assets	49,981	56,283
Allowance for doubtful accounts	(2,686)	(2,965)
Total current assets	943,643	942,414
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	138,274	138,668
Machinery, equipment and vehicles, net	63,483	65,936
Land	35,789	36,735
Construction in progress	47,865	53,921
Other, net	18,021	20,480
Total property, plant and equipment	303,434	315,742
Intangible assets		
Goodwill, net	73,543	72,129
Other intangible assets, net	149,912	154,672
Total intangible assets	223,455	226,801
Investments and other assets		
Investment securities	129,186	132,950
Deferred tax assets	32,547	35,183
Other	12,140	12,864
Allowance for doubtful accounts	(337)	(346)
Total investments and other assets	173,537	180,652
Total non-current assets	700,428	723,196
Total assets	1,644,071	1,665,611

(Millions of yen)

	As of March 31, 2013	As of June 30, 2013
LIABILITIES		
Current liabilities		
Trade notes and accounts payable	59,798	65,607
Short-term loans payable	66,073	64,008
Current portion of bonds payable	–	60,000
Income taxes payable	23,230	4,280
Provision for settlement expenses	43,742	47,929
Provision for loss on business restructuring	–	10,074
Allowance for sales returns	600	2,292
Allowance for sales rebates	1,979	1,937
Provision for environmental measures	1,344	626
Accrued expenses	88,989	118,008
Other current liabilities	150,352	124,726
Total current liabilities	436,111	499,492
Long-term liabilities		
Bonds payable	107,900	48,700
Long-term loans payable	93,017	95,168
Deferred tax liabilities	45,109	46,999
Accrued employees' severance and retirement benefits	13,877	12,369
Accrued directors' severance and retirement benefits	218	239
Other long-term liabilities	32,091	34,873
Total long-term liabilities	292,214	238,350
Total liabilities	728,326	737,843
NET ASSETS		
Shareholders' equity		
Common stock	50,000	50,000
Capital surplus	105,194	105,194
Retained earnings	766,740	756,641
Treasury stock, at cost	(14,460)	(14,466)
Total shareholders' equity	907,474	897,369
Accumulated other comprehensive income		
Net unrealized gain or loss on investment securities	34,211	35,709
Deferred gains or losses on hedges	937	950
Foreign currency translation adjustments	(59,974)	(41,829)
Total accumulated other comprehensive income	(24,825)	(5,168)
Subscription rights to shares	4,085	4,425
Minority interests	29,010	31,141
Total net assets	915,745	927,768
Total liabilities and net assets	1,644,071	1,665,611

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
Consolidated Statements of Income (cumulative)

(Millions of yen)

	First three months of fiscal 2012 (From April 1, 2012 to June 30, 2012)	First three months of fiscal 2013 (From April 1, 2013 to June 30, 2013)
Net sales	242,618	252,513
Cost of sales	66,650	83,747
Gross profit	175,967	168,766
Selling, general and administrative expenses	143,447	148,006
Operating income	32,520	20,759
Non-operating income		
Interest income	1,066	1,152
Dividend income	1,203	1,189
Gain on valuation of derivatives	5,559	3,438
Foreign exchange gains	1,450	—
Other income	1,016	724
Total non-operating income	10,295	6,505
Non-operating expenses		
Interest expense	1,211	1,204
Equity in net losses of affiliated companies	295	242
Foreign exchange losses	—	2,047
Other expenses	489	456
Total non-operating expenses	1,996	3,949
Ordinary income	40,818	23,315
Extraordinary income		
Gain on sales of non-current assets	2,017	965
Other income	—	609
Total extraordinary income	2,017	1,574
Extraordinary losses		
Loss on disposal of non-current assets	173	482
Loss on impairment of long-lived assets	130	144
Loss on business restructuring	833	10,809
Loss on valuation of investment securities	6	50
Environmental expenses	—	12
Loss on sales of investment securities	131	—
Other losses	179	160
Total extraordinary losses	1,455	11,659
Income before income taxes and minority interests	41,380	13,230
Income taxes	16,793	1,918
Income before minority interests	24,586	11,311
Minority interests in net income of consolidated subsidiaries	4,180	292
Net income	20,406	11,019

Consolidated Statements of Comprehensive Income (cumulative)

(Millions of yen)

	First three months of fiscal 2012 (From April 1, 2012 to June 30, 2012)	First three months of fiscal 2013 (From April 1, 2013 to June 30, 2013)
Income before minority interests	24,586	11,311
Other comprehensive income		
Net unrealized gain or loss on investment securities	(807)	1,492
Deferred gains or losses on hedges	571	20
Foreign currency translation adjustments	(7,940)	19,829
Share of other comprehensive income of associates accounted for using equity method	72	101
Total other comprehensive income	(8,103)	21,444
Comprehensive income	16,482	32,756
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	10,434	30,667
Comprehensive income attributable to minority interests	6,048	2,088

(3) Notes to Quarterly Consolidated Financial Statements

(Notes related to Assumption of Going-Concern)

Not applicable.

(Notes on Substantial Changes in the Amount of Shareholders' Equity)

Not applicable.

(Segment Information)

I. First three months of fiscal 2012 (from April 1, 2012 to June 30, 2012)

1. Information concerning net sales and profit or loss by reporting segment

(Millions of yen)

	Daiichi Sankyo Group	Ranbaxy Group	Total
Net sales			
Outside customers	183,502	59,115	242,618
Inter-segment sales and transfers	302	688	990
Total	183,805	59,804	243,609
Segment profit	21,764	21,130	42,895

2. Differences between the total amount of profit or loss amounts of reporting segments and the amount stated in consolidated statements of income, and major breakdown of such differences
(Reconciliation)

(Millions of yen)

Profit	Amount
Reporting segment total	42,895
Amortization of allocated acquired cost	(724)
Amortization of goodwill	(602)
Elimination of inter-segment transactions	(67)
Other consolidated adjustments	(121)
Income before income taxes and minority interests stated in consolidated statements of income	41,380

II. First three months of fiscal 2013 (from April 1, 2013 to June 30, 2013)

1. Information concerning net sales and profit or loss by reporting segment

(Millions of yen)

	Daiichi Sankyo Group	Ranbaxy Group	Total
Net sales			
Outside customers	210,211	42,302	252,513
Inter-segment sales and transfers	360	307	668
Total	210,571	42,610	253,181
Segment profit	12,456	2,118	14,574

2. Differences between the total amount of profit or loss amounts of reporting segments and the amount stated in consolidated statements of income, and major breakdown of such differences (Reconciliation)

(Millions of yen)

Profit	Amount
Reporting segment total	14,574
Amortization of allocated acquired cost	(778)
Amortization of goodwill	(600)
Elimination of inter-segment transactions	44
Other consolidated adjustments	(9)
Income before income taxes and minority interests stated in consolidated statements of income	13,230