



October 31, 2013

Consolidated Financial Results for the First Six 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 dividend payments: December 2, 2013

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 Six Months of Fiscal 2013

(from April 1, 2013 to September 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 six months of fiscal 2013	516,413	6.7	55,666	-2.5	47,011	-5.7
First six months of fiscal 2012	484,169	6.2	57,076	-8.2	49,862	-24.8

	Net income		Basic net income per share	Diluted net income per share
	Millions of yen	%	Yen	Yen
First six months of fiscal 2013	30,832	26.6	43.80	43.72
First six months of fiscal 2012	24,356	-34.3	34.60	34.55

Note: Comprehensive income: First six months of fiscal 2013: 49,638 million yen [386.6%]
First six months of fiscal 2012: 10,201 million yen [-38.7%]

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2013	1,763,362	944,610	51.7	1,294.30
As of March 31, 2013	1,644,071	915,745	53.7	1,253.86

Reference: Equity: As of September 30, 2013: 911,137 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	–	30.00			
Fiscal 2013 (Forecast)			–	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
Full year	1,110,000	11.2	105,000	4.5	90,000	–9.2	65,000	–2.4	92.33

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 September 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 September 30, 2013	5,047,109 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 six months ended September 30, 2013	703,953,537 shares
First six months ended September 30, 2012	703,919,403 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 Six 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 Six Months

(1) Information about Operating Results

[Consolidated Financial Results]

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

	First six months of fiscal 2012	First six months of fiscal 2013	YoY change
Net sales	484,169	516,413	32,244 6.7%
Operating income	57,076	55,666	-1,409 -2.5%
Ordinary income	49,862	47,011	-2,850 -5.7%
Net income	24,356	30,832	-6,475 26.6%

<Net sales of global mainstay products>

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

Item name	First six months of fiscal 2012	First six months of fiscal 2013	YoY change
Olmesartan Antihypertensive agent	120,672	147,536	26,864 22.3%
Prasugrel* Treatment for acute coronary syndromes	7,484	10,843	3,358 44.9%

* 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 six months of fiscal 2012	First six months of fiscal 2013
Research and development expenses	87,243	94,895
Ratio of research and development expenses to net sales	18.0%	18.4%

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

(Yen)

	First six months of fiscal 2012	First six months of fiscal 2013
Yen/USD	79.42	98.86
Yen/EUR	100.64	130.01
Yen/INR	1.54	1.74

i. Net Sales

In the six months from April 1 to September 30, 2013, net sales of Daiichi Sankyo and its consolidated subsidiaries (“the Group”) increased ¥32.2 billion to ¥516.4 billion, a year-on-year increase of 6.7%.

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. On the other hand, there was sales growth for the ulcer treatment *NEXIUM*[®], the Alzheimer’s Disease treatment *Memary*[®] and the anti-inflammatory analgesic *Loxonin*[®] *Tape* in Japan and for the antihypertensive agent olmesartan and the acute

coronary syndrome treatment prasugrel in Europe and the US. With additional contribution from yen depreciation, net sales of the Group as a whole increased.

ii. Operating Income

The Group's operating income in the first six months of fiscal 2013 decreased ¥1.4 billion or 2.5% year on year to ¥55.7 billion. Although operating income at the Daiichi Sankyo Group increased (up 35.7% year on year, prior to Ranbaxy's consolidated adjustments), there was a substantial impact from a decline at Ranbaxy (down 83.1% year on year, prior to consolidated adjustments), resulting in an overall decrease.

iii. Ordinary Income

The Group's ordinary income in the first six months of fiscal 2013 decreased ¥2.9 billion or 5.7% year on year to ¥47.0 billion. This mainly reflected a decline at Ranbaxy due to the recording of foreign exchange losses and other factors.

iv. Net Income

The Group's net income in the first six months of fiscal 2013 increased ¥6.5 billion or 26.6% year on year to ¥30.8 billion. Although the Group recorded extraordinary losses related to business restructuring in Europe, net income rose due to the realization of gain on sales of investment securities, and a decline in tax expenses related to an increase in tax deductions for experiment and research expenses.

[Reports by Segment]

i. Daiichi Sankyo Group

The Daiichi Sankyo Group posted net sales of ¥428.4 billion, a year-on-year increase of ¥51.0 billion or 13.5%.

Operating income increased ¥14.4 billion or 35.7% year on year to ¥54.8 billion (prior to consolidated adjustments).

a. Japan

Net sales in Japan increased 5.7% year on year to ¥260.6 billion.

Net sales of prescription drugs in Japan increased 6.7% year on year to ¥226.5 billion, reflecting the sales growth of *NEXIUM*[®], *Memary*[®] and *Loxonin*[®] Tape.

Net sales from royalty income and exports to overseas increased 1.1% year on year to ¥9.5 billion.

Net sales of healthcare (OTC) products totaled ¥22.9 billion, declining 0.6% year on year.

In the period under review, the Group launched 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 six months of fiscal 2012	First six months of fiscal 2013	YoY change
Prescription drugs	212.3	226.5	14.1 6.7%
Royalty income and exports to overseas	9.4	9.5	0.1 1.1%
Healthcare (OTC) products	23.0	22.9	-0.1 -0.6%

<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 six months of fiscal 2012	First six months of fiscal 2013	YoY change
<i>Olmotec</i> [®] Antihypertensive agent	37.6	37.6	-0.0 -0.0%
<i>Loxonin</i> [®] Anti-inflammatory analgesic (of which <i>Loxonin</i> [®] Tape)	29.7 (16.4)	30.7 (18.4)	0.9 3.1%
<i>NEXIUM</i> [®] Ulcer treatment	4.4	24.0	19.6 445.9%
<i>Cravit</i> [®] Synthetic antibacterial agent	16.5	15.7	-0.8 -4.7%
<i>Memary</i> [®] Alzheimer's Disease treatment	10.8	14.4	3.6 33.7%
<i>Artist</i> [®] Treatment for hypertension, angina pectoris and chronic heart failure	11.2	11.1	-0.2 -1.4%
<i>Mevalotin</i> [®] Antihyperlipidemic agent	13.3	11.1	-2.2 -16.4%

b. North America

Net sales in North America increased 18.1% year on year to ¥104.6 billion. Net sales in local currency terms fell 5.1% to approximately US\$1,058 million.

At Daiichi Sankyo, Inc. in the US, although there were increases in sales of *Welchol*[®], *Effient*[®] and others, sales of other products including *Benicar*[®]/*Benicar HCT*[®] and *AZOR*[®] declined. As a consequence, that company's net sales were roughly level with the same period of the previous fiscal year at US\$863 million.

On the other hand, at Luitpold Pharmaceuticals, Inc. in the US, sales of *Venofer*[®] and others decreased, resulting in overall net sales of US\$185 million (down 23.0% year on year) for that company. As a result, sales decreased overall in North America in local currency terms.

Luitpold Pharmaceuticals, Inc. launched *Injectafer*[®] for the treatment of iron deficiency anemia in August 2013.

<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 six months of fiscal 2012	First six months of fiscal 2013	YoY change
<i>Benicar</i> [®] / <i>Benicar HCT</i> [®] Antihypertensive agent	448	445	-4 -0.8%
<i>AZOR</i> [®] Antihypertensive agent	88	85	-3 -3.2%
<i>TRIBENZOR</i> [®] Antihypertensive agent	39	45	6 15.9%
<i>Welchol</i> [®] Hypercholesterolemia treatment/ type 2 diabetes mellitus inhibitor	195	213	18 9.0%
<i>Effient</i> [®] Treatment for acute coronary syndromes (co-promotion revenue)	60	77	17 28.7%

<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 six months of fiscal 2012	First six months of fiscal 2013	YoY change
<i>Venofer</i> [®] Anemia treatment	134	118	-16 -11.8%

c. Europe

Net sales in Europe increased 45.0% year on year to ¥39.6 billion. Net sales in local currency terms increased 12.7% to approximately EUR305 million. *Olmotec*[®] / *Olmotec plus*[®] and *Sevikar HCT*[®] contributed to 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 six months of fiscal 2012	First six months of fiscal 2013	YoY change
<i>Olmotec</i> [®] / <i>Olmotec Plus</i> [®] Antihypertensive agent	145	164	20 13.7%
<i>Sevikar</i> [®] Antihypertensive agent	48	47	-1 -2.6%
<i>Sevikar HCT</i> [®] Antihypertensive agent	19	29	10 53.0%

d. Other regions

In other regions, net sales rose 57.1% year on year to ¥23.5 billion.

Sales grew strongly year on year in China, South Korea, Brazil and Venezuela.

In China, sales of Olmesartan grew further, while sales of *Mevalotin*[®], *Loxonin*[®], and cough suppressant *Asmeton*[®] also expanded. In the period under review, the Group also launched silodosin, a treatment for dysuria, in China in April 2013.

Sales of Olmesartan and other mainstay products are growing in South Korea, Brazil and Venezuela.

ii. Ranbaxy Group Segment (January to June 2013)

The Ranbaxy Group reported net sales of ¥88.0 billion, a year-on-year decrease of 17.6%.

Operating income decreased 83.1% year on year to ¥3.3 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.

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

	First six months of fiscal 2012	First six months of fiscal 2013	YoY change
North America	35,645	15,408	-20,237 -56.8%
India	10,275	10,853	578 5.6%
Eastern Europe and CIS	6,032	6,865	833 13.8%
Western Europe	4,991	3,975	-1,016 -20.4%
Africa and Middle East	5,099	5,811	712 14.0%

[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

In Japan, an application was filed for manufacturing and marketing approval as an indication for ischemic heart disease related to percutaneous coronary intervention (PCI) on June 18, 2013. Sales are expected to begin in fiscal 2014. In addition, a Phase III clinical trial to evaluate the efficacy of prasugrel in patients with ischemic stroke is currently proceeding. The Group plans to file an application for approval for this indication in fiscal 2015.

ii. Edoxaban

The Group announced the results of the Hokusai-VTE clinical study for the prevention of recurrent venous thromboembolism (VTE) in patients who have had deep vein thrombosis (DVT) or pulmonary embolism (PE) at the European Society of Cardiology in September 2013. The trial demonstrated non-inferiority for primary efficacy and superiority for safety compared with the comparator drug warfarin.

The Group also plans to announce the results of the ENGAGE AF-TIMI 48 study for the prevention of stroke in atrial fibrillation (AF) at the annual American Heart Association (AHA) Scientific Sessions in November 2013.

The Group intends to file applications for approval for both indications in Japan, the US and Europe during fiscal 2013.

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. In April 2012, the drug was launched under the brand name RANMARK® for the indication of bone complications stemming from multiple myeloma or bone metastases from solid tumors. On June 11, 2013, it was also launched under the brand name PRALIA® as a treatment for osteoporosis.

In August 2013, a revised application for approval for giant cell tumor of bone was submitted.

Denosumab is also currently undergoing global phase III clinical studies for postoperative adjuvant breast cancer therapy and preparations are underway for domestic phase III clinical studies in Japan for rheumatoid arthritis.

(2) Management Issues to Be Noted

Ranbaxy entered into a consent decree with the US Food and Drug Administration (FDA) in January 2012. Since then, under the leadership of CEO Arun Sawhney and other members of the senior management team, Ranbaxy has worked to instill the importance of quality across the company.

On September 16, 2013, however, the FDA prohibited the import to the US of products made at Ranbaxy's Mohali Facility. The Mohali Facility was added to the scope of the above-mentioned consent decree, which was originally for the facilities in Paonta Sahib and Dewas.

In view of this situation, the Group has rebuilt the framework through which it supports Ranbaxy and is redoubling its efforts to fully address the concerns of the FDA through additional quantitative and qualitative steps to improve quality further.

(3) Information about Financial Position

As of September 30, 2013, net assets were ¥944.6 billion (up ¥28.9 billion from the previous year-end), total assets stood at ¥1,763.4 billion (up ¥119.3 billion from the previous year-end), and the equity ratio was 51.7% (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.

Total assets increased considerably more than the increase in net assets due to the issuance of unsecured bonds and an increase in borrowings offsetting decreases in payables.

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

The differences from the forecasts of consolidated financial results for fiscal 2013 publicly announced on July 31, 2013 are shown below.

1. 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	100,000	65,000	92.34
Revised forecasts (B)	1,110,000	105,000	90,000	65,000	92.33
Change (B-A)	30,000	-5,000	-10,000	0	
Percentage of change (%)	2.8	-4.5	-10.0	0.0	
(Reference) Results of previous fiscal year (FY2012)	997,852	100,516	99,147	66,621	94.64

2. Reason for the revision

The net sales forecast has been revised to ¥1,110.0 billion, up ¥30.0 billion due to increased sales of the Daiichi Sankyo Group and the consolidation of 15 months of operating results of the Ranbaxy Group (January 1, 2013 to March 31, 2014) accompanying a change in its accounting period. The revised full-year net sales forecast for the Ranbaxy Group does not include the sales of first-to-file (FTF) generics that the Ranbaxy Group holds exclusive sales rights to in the US, which were included in the previous projection.

The operating income forecast has been revised to ¥105.0 billion, down ¥5.0 billion due to the expected impact of the non-inclusion of sales of the Ranbaxy Group's FTF products mentioned above, despite continued group-wide cost cutting efforts.

The ordinary income forecast has been revised to ¥90.0 billion, down ¥10.0 billion due to the decrease in operating income and in light of the recording of foreign exchange losses by Ranbaxy for the first nine months of its operating results.

The net income forecast is unchanged from the previous announcement at ¥65.0 billion, primarily due to expected extraordinary income from sales of asset holdings.

Note: The forecasted statements shown above 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.

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 six 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 September 30, 2013
ASSETS		
Current assets		
Cash and time deposits	160,956	148,746
Trade notes and accounts receivable	238,495	239,497
Securities	211,346	304,142
Merchandise and finished goods	113,187	120,681
Work in process	21,830	26,628
Raw materials and supplies	39,413	41,410
Deferred tax assets	111,118	111,602
Other current assets	49,981	56,378
Allowance for doubtful accounts	(2,686)	(3,016)
Total current assets	943,643	1,046,071
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	138,274	140,219
Machinery, equipment and vehicles, net	63,483	63,581
Land	35,789	36,253
Construction in progress	47,865	55,380
Other, net	18,021	20,694
Total property, plant and equipment	303,434	316,129
Intangible assets		
Goodwill, net	73,543	70,303
Other intangible assets, net	149,912	149,345
Total intangible assets	223,455	219,649
Investments and other assets		
Investment securities	129,186	129,589
Deferred tax assets	32,547	39,111
Other	12,140	13,161
Allowance for doubtful accounts	(337)	(349)
Total investments and other assets	173,537	181,512
Total non-current assets	700,428	717,291
Total assets	1,644,071	1,763,362

(Millions of yen)

	As of March 31, 2013	As of September 30, 2013
LIABILITIES		
Current liabilities		
Trade notes and accounts payable	59,798	64,902
Short-term loans payable	66,073	64,128
Current portion of bonds payable	–	60,000
Income taxes payable	23,230	12,266
Provision for loss on business restructuring	–	7,408
Allowance for sales returns	600	2,289
Allowance for sales rebates	1,979	2,952
Provision for settlement expenses	43,742	–
Provision for environmental measures	1,344	–
Accrued expenses	88,989	103,277
Other current liabilities	150,352	128,295
Total current liabilities	436,111	445,522
Long-term liabilities		
Bonds payable	107,900	88,200
Long-term loans payable	93,017	194,030
Deferred tax liabilities	45,109	46,400
Accrued employees' severance and retirement benefits	13,877	12,183
Accrued directors' severance and retirement benefits	218	243
Other long-term liabilities	32,091	32,170
Total long-term liabilities	292,214	373,229
Total liabilities	728,326	818,752
NET ASSETS		
Shareholders' equity		
Common stock	50,000	50,000
Capital surplus	105,194	105,194
Retained earnings	766,740	776,432
Treasury stock, at cost	(14,460)	(14,405)
Total shareholders' equity	907,474	917,221
Accumulated other comprehensive income		
Net unrealized gain or loss on investment securities	34,211	34,217
Deferred gains or losses on hedges	937	930
Foreign currency translation adjustments	(59,974)	(41,231)
Total accumulated other comprehensive income	(24,825)	(6,083)
Subscription rights to shares	4,085	4,412
Minority interests	29,010	29,059
Total net assets	915,745	944,610
Total liabilities and net assets	1,644,071	1,763,362

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

(Millions of yen)

	First six months of fiscal 2012 (From April 1, 2012 to September 30, 2012)	First six months of fiscal 2013 (From April 1, 2013 to September 30, 2013)
Net sales	484,169	516,413
Cost of sales	143,819	166,516
Gross profit	340,350	349,896
Selling, general and administrative expenses		
Advertising and promotional expenses	44,271	50,238
Salaries and bonuses	55,777	62,484
Severance and retirement costs	4,672	6,953
Research and development expenses	87,243	94,895
Other	91,308	79,658
Total selling, general and administrative expenses	283,273	294,230
Operating income	57,076	55,666
Non-operating income		
Interest income	2,224	1,928
Dividend income	1,218	1,213
Gain on valuation of derivatives	—	3,088
Other income	1,544	1,215
Total non-operating income	4,987	7,446
Non-operating expenses		
Interest expense	2,492	2,417
Equity in net losses of affiliated companies	372	479
Foreign exchange losses	6,869	11,612
Loss on valuation of derivatives	1,477	—
Other expenses	988	1,591
Total non-operating expenses	12,201	16,100
Ordinary income	49,862	47,011
Extraordinary income		
Gain on sales of non-current assets	2,480	2,929
Gain on sales of investment securities	—	3,810
Other income	14	870
Total extraordinary income	2,494	7,610
Extraordinary losses		
Loss on disposal of non-current assets	883	735
Loss on impairment of long-lived assets	3,855	349
Loss on business restructuring	758	10,755
Loss on valuation of investment securities	1,283	152
Environmental expenses	24	133
Loss on sales of investment securities	149	—
Loss on abandonment of inventories	104	—
Other losses	95	265
Total extraordinary losses	7,154	12,393

(Millions of yen)

	First six months of fiscal 2012 (From April 1, 2012 to September 30, 2012)	First six months of fiscal 2013 (From April 1, 2013 to September 30, 2013)
Income before income taxes and minority interests	45,201	42,228
Income taxes	19,758	13,359
Income before minority interests	25,443	28,869
Minority interests in net income (loss) of consolidated subsidiaries	1,086	(1,963)
Net income	24,356	30,832

Consolidated Statements of Comprehensive Income (cumulative)

(Millions of yen)

	First six months of fiscal 2012 (From April 1, 2012 to September 30, 2012)	First six months of fiscal 2013 (From April 1, 2013 to September 30, 2013)
Income before minority interests	25,443	28,869
Other comprehensive income		
Net unrealized gain or loss on investment securities	384	0
Deferred gains or losses on hedges	582	(10)
Foreign currency translation adjustments	(16,124)	20,753
Share of other comprehensive income of associates accounted for using equity method	(85)	25
Total other comprehensive income	(15,242)	20,768
Comprehensive income	10,201	49,638
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	9,081	49,562
Comprehensive income attributable to minority interests	1,119	75

(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 six months of fiscal 2012 (from April 1, 2012 to September 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	377,408	106,760	484,169
Inter-segment sales and transfers	618	974	1,593
Total	378,027	107,734	485,762
Segment profit	36,270	11,947	48,217

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	48,217
Amortization of allocated acquired cost	(1,402)
Amortization of goodwill	(1,204)
Elimination of inter-segment transactions	(243)
Other consolidated adjustments	(165)
Income before income taxes and minority interests stated in consolidated statements of income	45,201

II. First six months of fiscal 2013 (from April 1, 2013 to September 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	428,428	87,984	516,413
Inter-segment sales and transfers	778	636	1,414
Total	429,207	88,620	517,828
Segment profit (loss)	49,879	(7,273)	42,606

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	42,606
Amortization of allocated acquired cost	(1,584)
Amortization of goodwill	(1,201)
Elimination of inter-segment transactions	255
Other consolidated adjustments	2,153
Income before income taxes and minority interests stated in consolidated statements of income	42,228