



January 31, 2013

Consolidated Financial Results for the First Nine Months of the Fiscal Year Ending March 31, 2013 <under Japanese GAAP>

Listed company name: Daiichi Sankyo Company, Limited

Listed exchanges: First Section of the Tokyo, Osaka, and Nagoya stock exchanges

Stock code number: 4568

URL: <http://www.daiichisankyo.com>

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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 Nine Months of Fiscal 2012

(from April 1, 2012 to December 31, 2012)

(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 nine months of fiscal 2012	745,632	7.1	93,540	1.8	95,686	10.7
First nine months of fiscal 2011	696,403	-6.9	91,872	-23.8	86,418	-33.8

	Net income		Basic net income per share	Diluted net income per share
	Millions of yen	%	Yen	Yen
First nine months of fiscal 2012	51,500	193.6	73.16	73.04
First nine months of fiscal 2011	17,542	-78.0	24.92	24.89

Note: Comprehensive income: First nine months of fiscal 2012: 71,074 million yen [-%]

First nine months of fiscal 2011: -32,331 million yen [-%]

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2012	1,533,699	862,145	54.1	1,178.19
As of March 31, 2012	1,518,479	832,749	53.0	1,143.52

Reference: Equity: As of December 31, 2012: 829,372 million yen As of March 31, 2012: 804,941 million yen

2. Dividends

	Annual dividends per share				
	First quarter	Second quarter	Third quarter	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal 2011	–	30.00	–	30.00	60.00
Fiscal 2012	–	30.00	–		
Fiscal 2012 (Forecast)				30.00	60.00

Note: Revision of the forecasts most recently announced: No

3. Forecasts of Consolidated Financial Results for Fiscal 2012

(from April 1, 2012 to March 31, 2013)

(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	990,000	5.5	100,000	1.8	95,000	24.6	50,000	381.6	71.03

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 8.

(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: Yes

3) Changes in accounting estimates: No

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

Note: For details, please refer to “2. Summary Information (Notes)” on page 8.

(4) Number of common shares issued

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

As of December 31, 2012	709,011,343 shares
As of March 31, 2012	709,011,343 shares

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

As of December 31, 2012	5,076,098 shares
As of March 31, 2012	5,093,137 shares

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

First nine months ended December 31, 2012	703,924,993 shares
First nine months ended December 31, 2011	703,912,858 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) Qualitative Information about Forecasts of Consolidated Results for Fiscal 2012” of “1. Qualitative Information about Consolidated Results for the First Nine Months” on page 7 for assumption that the above forecasts were based on and related matters.

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1. Qualitative Information about Consolidated Results for the First Nine Months

(1) Qualitative Information about Consolidated Operating Results

[Consolidated Financial Results]

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

	First nine months of fiscal 2011	First nine months of fiscal 2012	YoY change
Net sales	696,403	745,632	49,229 7.1%
Operating income	91,872	93,540	1,668 1.8%
Ordinary income	86,418	95,686	9,268 10.7%
Net income	17,542	51,500	33,957 193.6%

<Net sales of global mainstay products>

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

Item name	First nine months of fiscal 2011	First nine months of fiscal 2012	YoY change
Olmesartan Antihypertensive agent	187,851	188,947	1,095 0.6%
Prasugrel Treatment for acute coronary syndromes	7,893	11,503	3,609 45.7%

<Research and development expenses>

(Millions of yen)

	First nine months of fiscal 2011	First nine months of fiscal 2012
Research and development expenses	128,793	131,823
Ratio of research and development expenses to net sales	18.5%	17.7%

<Exchange rates>

(Yen)

	First nine months of fiscal 2011	First nine months of fiscal 2012
Yen/USD	79.00	80.01
Yen/EUR	110.62	102.18
Yen/INR	1.79	1.50

i. Net Sales

In the nine months from April 1 to December 31, 2012, Daiichi Sankyo and its consolidated subsidiaries (“the Group”) posted net sales of ¥745.6 billion, a year-on-year increase of 7.1%.

As a result of contributions mainly from *Memory*[®], the treatment for Alzheimer’s Disease launched in Japan in June 2011, the treatment for reflux esophagitis, etc. *NEXIUM*[®] launched in Japan in September 2011, and revenue from co-promotion of the treatment for acute coronary syndromes prasugrel, which is sold primarily in Europe and the US, as well as a ¥31.2 billion increase in net sales of subsidiary Ranbaxy Laboratories Ltd. (“Ranbaxy”), net sales defied the effects of NHI price revisions in Japan and other factors to rise by ¥49.2 billion.

Although the antihypertensive agent olmesartan faced a deteriorating environment reflecting the launch of competing generic products and downward price pressure in Europe and the US, net sales

of this agent remained almost at the same level as in the same period of the previous fiscal year.

ii. Operating Income

Operating income increased ¥1.7 billion or 1.8% year on year to ¥93.5 billion, mainly reflecting increased gross profit resulting from higher net sales and group-wide cost cutting efforts.

iii. Ordinary Income

Ordinary income increased ¥9.3 billion or 10.7% year on year to ¥95.7 billion, due to the rise in operating income and partly reflecting gains recorded under non-operating income in association with appreciation in the Indian rupee against the US dollar as of September 30, 2012.

iv. Net Income

With respect to net income, ¥40.3 billion in extraordinary loss was recorded in the same period of the previous year due to a provision by Ranbaxy in connection with its issues with the US Department of Justice. As a result of the absence of such event for the current period, net income increased ¥34.0 billion or 193.6% year on year to ¥51.5 billion.

[Reports by Segment]

i. Daiichi Sankyo Group

The Daiichi Sankyo Group posted net sales of ¥600.6 billion, a year-on-year increase of 3.1%.

a. Japan

Net sales in Japan increased 5.2% year on year to ¥396.4 billion.

Net sales of prescription drugs in Japan increased 5.9% year on year to ¥342.8 billion, reflecting the sales growth of *Memary*[®] and *NEXIUM*[®] after the removal of restrictions on dosing periods, which was led by aggressive sales promotions.

In the current fiscal year, *RANMARK*[®], a treatment for bone complications stemming from multiple myeloma or bone metastases from solid tumors, was launched on April 17, 2012 and *TENELIA*[®], an inhibitor for type 2 diabetes mellitus, was launched on September 10. Looking forward, the Group intends to use the opportunity of the launch of *TENELIA*[®] to strengthen its product franchise in the field of diabetes medicines.

At Daiichi Sankyo Espha Co., Ltd., which was incorporated in April 2010, the product line of generic pharmaceuticals steadily expanded and sales grew.

In addition, the Group is working to expand the vaccine business principally through Kitasato Daiichi Sankyo Vaccine Co., Ltd., which was established in April 2011, and Japan Vaccine Co., Ltd., which commenced operations in July 2012.

Sales from royalty income and exports to overseas fell 5.6% year on year to ¥13.7 billion, mainly due to a decline in exports of the synthetic antibacterial agent levofloxacin.

Net sales of healthcare (OTC) products totaled ¥37.6 billion, gaining 4.0% year on year. This was the result of sales growth in products including anti-inflammatory analgesic *Loxonin S*[®].

<Sales composition in Japan>

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

	First nine months of fiscal 2011	First nine months of fiscal 2012	YoY change
Prescription drugs	323.8	342.8	19.0 5.9%
Royalty income and exports to overseas	14.5	13.7	-0.8 -5.6%
Healthcare (OTC) products	36.1	37.6	1.4 4.0%

<Net sales of Japan company mainstay pharmaceuticals>

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

Product name	First nine months of fiscal 2011	First nine months of fiscal 2012	YoY change
<i>Olmotec</i> [®] Antihypertensive agent	63.5	58.5	-5.0 -7.9%
<i>Rezaltas</i> [®] Antihypertensive agent	9.9	12.6	2.7 27.5%
<i>Loxonin</i> [®] Anti-inflammatory analgesic	47.3	45.9	-1.4 -3.0%
<i>Cravit</i> [®] Synthetic antibacterial agent	27.7	27.1	-0.6 -2.0%
<i>NEXIUM</i> [®] Treatment for reflux esophagitis, etc.	3.2	12.7	9.5 299.7%
<i>Memary</i> [®] Alzheimer's Disease treatment	6.7	17.4	10.7 160.6%
<i>Mevalotin</i> [®] Antihyperlipidemic agent	26.3	19.9	-6.4 -24.4%

b. North America

Net sales in North America increased 1.2% year on year to ¥137.8 billion. Net sales in local currency terms fell 0.1% to approximately US\$1,723 million. Sales of *Benicar*[®]/*Benicar HCT*[®], *AZOR*[®], *TRIBENZOR*[™] and *Welchol*[®], in particular, increased, while sales of *Venofer*[®] decreased due to intensifying competition.

<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 nine months of fiscal 2011	First nine months of fiscal 2012	YoY change
<i>Benicar</i> [®] / <i>Benicar HCT</i> [®] Antihypertensive agent	673	698	25 3.7%
<i>AZOR</i> [®] Antihypertensive agent	116	135	18 15.8%
<i>TRIBENZOR</i> [™] Antihypertensive agent	44	59	14 32.4%
<i>Welchol</i> [®] Hypercholesterolemia treatment/ type 2 diabetes mellitus inhibitor	255	298	42 16.6%
<i>Effient</i> [®] Treatment for acute coronary syndromes (co-promotion revenue)	65	94	28 43.3%

<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 nine months of fiscal 2011	First nine months of fiscal 2012	YoY change
<i>Venofer</i> [®] Anemia treatment	278	237	-41 -14.7%

c. Europe

Net sales in Europe decreased 12.0% year on year to ¥43.2 billion. Net sales in local currency terms fell 4.9% to approximately EUR423 million. Sales of *Sevikar* and *Sevikar HCT* increased, while sales of *Olmotec* / *Olmotec plus* decreased due to intensifying competition resulting price decline.

<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 nine months of fiscal 2011	First nine months of fiscal 2012	YoY change
<i>Olmotec</i> [®] / <i>Olmotec Plus</i> [®] Antihypertensive agent	242	226	-15 -6.4%
<i>Sevikar</i> [®] Antihypertensive agent	69	77	8 11.7%
<i>Sevikar HCT</i> [®] Antihypertensive agent	21	31	10 47.0%

d. Other regions

In other regions, net sales rose 13.1% year on year to ¥23.1 billion.

ii. Ranbaxy Group Segment (January to September 2012)

Net sales of the Ranbaxy Group rose 27.4% year on year to ¥145.1 billion, primarily due to contributions from US sales of the generic hypercholesterolemia treatment atorvastatin, which was launched there in December 2011, and the generic anti-diabetic agent pioglitazone, which was launched there in August 2012.

With a focus on emerging markets, the Group is promoting closer sales cooperation between Ranbaxy and Daiichi Sankyo. The Group is also working to achieve further expansion in the sales of Daiichi Sankyo products such as olmesartan and levofloxacin through the Ranbaxy sales network. In addition, through efforts such as focusing on proactively developing the markets of Southeast Asia and Africa for the malaria treatment *Synriam*[™], which was developed by Ranbaxy, the Group is striving to make a significant contribution to improving health in many countries around the world.

Ranbaxy is steadily implementing a program of corrective measures to ensure cGMP compliance and data integrity.

In addition to continued promotion of the establishment of integrated supply chains for its major products across the Group, the Group aims to further develop reliable supply chains that deliver products of consistently high quality through cooperation with Ranbaxy.

[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. Edoxaban

Large-scale, global clinical studies (Phase 3 clinical studies) for the purpose of gaining the indications for edoxaban in the prevention of stroke in atrial fibrillation (AF) patients, and also in prevention of recurrent venous thromboembolism (VTE) in patients with conditions such as deep vein thrombosis (DVT) or pulmonary embolism (PE), have been promoted. All these trials are due to be completed during FY2012 (by March, 2013).

The product was put on sale under the brand name *LIXIANA*[®] in Japan in July 2011, after gaining indication of the prevention of venous thromboembolism in major orthopedic surgery patients.

ii. Prasugrel

In Japan, Phase 3 clinical study focusing on patients with acute coronary syndromes (ACS) who have undergone percutaneous coronary intervention (PCI) has already been completed, while Phase 3 clinical study focusing on elective PCI patients has been promoted, which is due to be completed during FY2012.

In addition, Phase 3 clinical study focusing on ischemic stroke patients is underway with the aim of completion by the end of FY2014.

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 product was put on sale under the brand name *RANMARK*[®] in April 2012 as a treatment for bone complications stemming from multiple myeloma or bone metastases from solid tumors.

In addition, an application was filed in March 2012 for an indication for the treatment of osteoporosis.

iv. Laninamivir

The product was put on sale under the brand name *Inavir*[®] in Japan in October 2010 as an anti-influenza agent (treatment for influenza).

In addition, a new application for an additional indication for prevention of influenza was filed in November 2012.

[Production and Logistics]

The Daiichi Sankyo Group has decided to reorganize three of its Japanese supply chain subsidiaries, Daiichi Sankyo Propharma Co., Ltd., Daiichi Sankyo Chemical Pharma Co., Ltd. and Daiichi Sankyo Logistics Co., Ltd. into a two-company system consisting of a company that handles active pharmaceutical ingredients and a company that operates a pharmaceutical and logistics business by April 2015 in order to build a competitive production system in the entire Group. As part of the measures to implement this decision, two plants of Daiichi Sankyo Propharma and Daiichi Sankyo Chemical Pharma both located in Odawara will be integrated into one plant in April 2013.

(2) Qualitative Information about Consolidated Financial Position

As of December 31, 2012, net assets were ¥862.1 billion (up ¥29.4 billion from the previous year-end), total assets stood at ¥1,533.7 billion (up ¥15.2 billion from the previous year-end), and the equity ratio was 54.1% (53.0% for the previous year-end).

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

The increase in total assets was comparatively smaller than the rise in net assets, primarily because of debt repayments and decreases in payables.

(3) Qualitative Information about Forecasts of Consolidated Results for Fiscal 2012

The differences from the forecasts of consolidated results for FY2012 publicly announced on October 31, 2012 are shown below.

Full 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
Previous forecasts (A)	980,000	100,000	100,000	50,000	71.03
Revised forecasts (B)	990,000	100,000	95,000	50,000	71.03
Change (B-A)	10,000	0	-5,000	0	
Percentage of change (%)	1.0	0.0	-5.0	0.0	
(Reference) Results of previous fiscal year (FY2011)	938,677	98,202	76,217	10,383	14.75

Reason for the revision

The net sales forecast has been upwardly revised from the previously announced figure, by ¥10.0 billion to ¥990.0 billion.

The revision was made taking into account the factors that we forecast downward pressure on sales due to intensified competition in the Japanese prescription drugs market, while on the other hand we expect that net sales of *Benicar*[®] in the US will be higher than initially forecasted and anticipate increased income in association with depreciation in the yen in the fourth quarter.

The ordinary income forecast has been revised to ¥95.0 billion, down ¥5.0 billion from the previously announced figure, mainly in consideration of losses to be recorded under non-operating expenses in association with depreciation in the Indian rupee against the US dollar in the fourth quarter.

There are no changes in the operating income and net income forecasts from the previously announced figures.

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 nine months under review, and next by multiplying the quarterly net income before income taxes and minority interests by such estimated effective tax rate.

(3) Changes in Accounting Policies, Changes in Accounting Estimates, and Restatement of Prior Period Financial Statements after Error Corrections

Changes in Accounting Policies

Change in depreciation method of property, plant and equipment

Previously, at the Company and some of its domestic consolidated subsidiaries, the declining balance method was employed for the depreciation of property, plant and equipment. However, this has been changed to the straight-line method, effective April 1, 2012.

The change in method was made following a study into unifying the depreciation method with the method employed at overseas consolidated subsidiaries, which was implemented in response to the globalization of the Group's businesses and a rise in the ratio of overseas sales to total sales. The study found that manufacturing and research facilities and the like are no longer expected to sharply deteriorate or become obsolete economically. It also found that, since items of property, plant and equipment used by the Group are generally in operation stably within their useful lives, investment effects are likely to be realized at a constant rate over time. In light of these results, the change was made with the aim of matching costs and revenues more appropriately.

With this change, in comparison with the amounts that would have occurred under the previous method, operating income has increased by ¥3,042 million, while ordinary income and income before income taxes and minority interests have each increased by ¥2,996 million.

3. Quarterly Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2012	As of December 31, 2012
ASSETS		
Current assets		
Cash and time deposits	128,926	141,536
Trade notes and accounts receivable	228,505	246,919
Marketable securities	191,336	158,174
Inventories	169,660	172,421
Deferred tax assets	93,999	95,008
Other current assets	51,252	51,788
Allowance for doubtful accounts	(2,152)	(2,114)
Total current assets	861,530	863,734
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	129,330	136,200
Machinery, equipment and vehicles, net	48,051	54,220
Land	35,688	35,367
Construction in progress	33,660	49,038
Other, net	14,512	16,663
Total property, plant and equipment	261,242	291,491
Intangible assets		
Goodwill, net	82,742	74,090
Other intangible assets, net	150,546	140,696
Total intangible assets	233,288	214,787
Investments and other assets		
Investment securities	104,560	106,021
Deferred tax assets	43,186	41,677
Other	14,978	16,543
Allowance for doubtful accounts	(307)	(555)
Total investments and other assets	162,417	163,687
Total non-current assets	656,949	669,965
Total assets	1,518,479	1,533,699

(Millions of yen)

	As of March 31, 2012	As of December 31, 2012
LIABILITIES		
Current liabilities		
Trade notes and accounts payable	61,824	67,215
Short-term bank loans	71,079	63,433
Income taxes payable	5,313	9,171
Allowance for sales returns	578	3,620
Allowance for sales rebates	2,928	2,204
Provision for loss on disaster	767	44
Provision for settlement expenses	39,138	38,852
Other current liabilities	213,335	214,864
Total current liabilities	394,965	399,404
Long-term liabilities		
Bonds payable	100,000	100,000
Long-term debt	104,000	87,127
Deferred tax liabilities	52,081	51,201
Accrued employees' severance and retirement benefits	10,060	12,401
Accrued directors' severance and retirement benefits	184	199
Provision for environmental measures	1,246	–
Other long-term liabilities	23,191	21,219
Total long-term liabilities	290,764	272,149
Total liabilities	685,729	671,553
NET ASSETS		
Shareholders' equity		
Common stock	50,000	50,000
Capital surplus	105,194	105,194
Retained earnings	742,409	751,641
Treasury stock, at cost	(14,558)	(14,501)
Total shareholders' equity	883,045	892,334
Accumulated other comprehensive income		
Net unrealized gain or loss on investment securities	22,308	23,279
Deferred gains or losses on hedges	198	932
Foreign currency translation adjustments	(100,611)	(87,173)
Total accumulated other comprehensive income	(78,104)	(62,961)
Subscription rights to shares	3,495	4,040
Minority interests	24,312	28,732
Total net assets	832,749	862,145
Total liabilities and net assets	1,518,479	1,533,699

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

(Millions of yen)

	First nine months of fiscal 2011 (From April 1, 2011 to December 31, 2011)	First nine months of fiscal 2012 (From April 1, 2012 to December 31, 2012)
Net sales	696,403	745,632
Cost of sales	200,540	230,229
Gross profit	495,862	515,403
Selling, general and administrative expenses	403,990	421,862
Operating income	91,872	93,540
Non-operating income		
Interest income	2,059	3,267
Dividend income	2,642	2,361
Gain on valuation of derivatives	–	4,668
Other income	3,556	2,804
Total non-operating income	8,257	13,101
Non-operating expenses		
Interest expense	3,053	3,638
Foreign exchange losses	3,772	5,577
Equity in net losses of affiliated companies	163	195
Loss on valuation of derivatives	4,155	–
Other expenses	2,565	1,544
Total non-operating expenses	13,711	10,955
Ordinary income	86,418	95,686
Extraordinary income		
Gain on sales of non-current assets	1,814	2,532
Gain on sales of investment securities	–	612
Other income	317	47
Total extraordinary income	2,131	3,192

(Millions of yen)

	First nine months of fiscal 2011 (From April 1, 2011 to December 31, 2011)	First nine months of fiscal 2012 (From April 1, 2012 to December 31, 2012)
Extraordinary losses		
Loss on disposal of non-current assets	1,812	1,812
Loss on impairment of long-lived assets	308	8,594
Loss on valuation of investment securities	175	1,105
Loss on business restructuring	1,279	766
Loss on sales of investment securities	–	598
Provision for environmental measures	–	383
Loss on abandonment of inventories	1,677	104
Environmental expenses	319	46
Provision for settlement expenses	40,330	–
Loss on disaster	2,237	–
Other losses	–	95
Total extraordinary losses	48,139	13,505
Income before income taxes and minority interests	40,410	85,373
Income taxes	37,921	29,942
Income before minority interests	2,489	55,430
Minority interests in net income (loss) of consolidated subsidiaries	(15,053)	3,930
Net income	17,542	51,500

Consolidated Statements of Comprehensive Income (cumulative)

(Millions of yen)

	First nine months of fiscal 2011 (From April 1, 2011 to December 31, 2011)	First nine months of fiscal 2012 (From April 1, 2012 to December 31, 2012)
Income before minority interests	2,489	55,430
Other comprehensive income		
Net unrealized gain or loss on investment securities	(104)	968
Deferred gains or losses on hedges	(822)	1,153
Foreign currency translation adjustments	(33,523)	13,534
Share of other comprehensive income of associates accounted for using equity method	(370)	(12)
Total other comprehensive income	(34,820)	15,643
Comprehensive income	(32,331)	71,074
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	(13,558)	66,625
Comprehensive income attributable to minority interests	(18,773)	4,448

(3) Notes related to Assumption of Going-Concern

Not applicable.

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

Not applicable.

(5) Segment Information

I. First nine months of fiscal 2011 (from April 1, 2011 to December 31, 2011)

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	582,550	113,853	696,403
Inter-segment sales and transfers	464	672	1,137
Total	583,014	114,526	697,540
Segment profit	85,796	1,185	86,982

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	86,982
Amortization of allocated acquired cost	(2,445)
Amortization of goodwill	(1,809)
Provision for settlement expenses	(40,330)
Elimination of inter-segment transactions	(1,702)
Other consolidated adjustments	(285)
Income before income taxes and minority interests stated in consolidated statements of income	40,410

II. First nine months of fiscal 2012 (from April 1, 2012 to December 31, 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	600,554	145,078	745,632
Inter-segment sales and transfers	1,305	1,263	2,568
Total	601,859	146,341	748,201
Segment profit	66,627	22,972	89,599

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	89,599
Amortization of allocated acquired cost	(2,049)
Amortization of goodwill	(1,805)
Elimination of inter-segment transactions	(200)
Other consolidated adjustments	(170)
Income before income taxes and minority interests stated in consolidated statements of income	85,373

3. Changes related to reporting segments

(Change in depreciation method)

As described in “Change in depreciation method of property, plant and equipment” of “Changes in Accounting Policies,” previously, at the Company and some of its domestic consolidated subsidiaries, the declining balance method was employed for the depreciation of property, plant and equipment. However, this has been changed to the straight-line method, effective April 1, 2012. With this change, in comparison with the amount that would have occurred under the previous method, segment profit of the Daiichi Sankyo Group for the first nine months of fiscal 2012 has increased by ¥2,996 million.

4. Information about loss on impairment of non-current assets, or goodwill or negative goodwill by reporting segment

(Material loss on impairment of non-current assets)

The Daiichi Sankyo Group segment recognized loss on impairment of certain rights of trademark and patent rights. Since the segment no more expected that those rights would generate revenue as initially anticipated, it reduced the carrying amount to the recoverable value and recognized ¥7,340 million of loss on impairment for the first nine months of fiscal 2012.