

# Results Briefing

## Results for 3Q FY2013 (April 1 – December 31, 2013)

DAIICHI SANKYO CO., LTD

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Friday, January 31, 2014 15:00 ~ 16:00

# Overview 3Q **YTD** Results



## Consolidated Income Statement

	FY2012 3Q Results	FY2013 3Q Results	YoY
Net Sales	745.6	807.1	+61.4 <sup>+8.2%</sup>
Cost of Sales	230.2	266.6	+36.3
SG&A Expenses	421.9	440.4	+18.6
R&D Expenses	131.8	137	+5.1
Other Expenses	290	303.5	+13.4
Operating Income	93.5	100.1	+6.5 <sup>+7.0%</sup>
Ordinary Income	95.7	88.5	-7.2 <sup>-7.6%</sup>
Net Income	51.5	74.9	+23.4 <sup>+45.4%</sup>

## Ranbaxy Group

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Note : Figures of Ranbaxy are pre-adjusted before consolidation

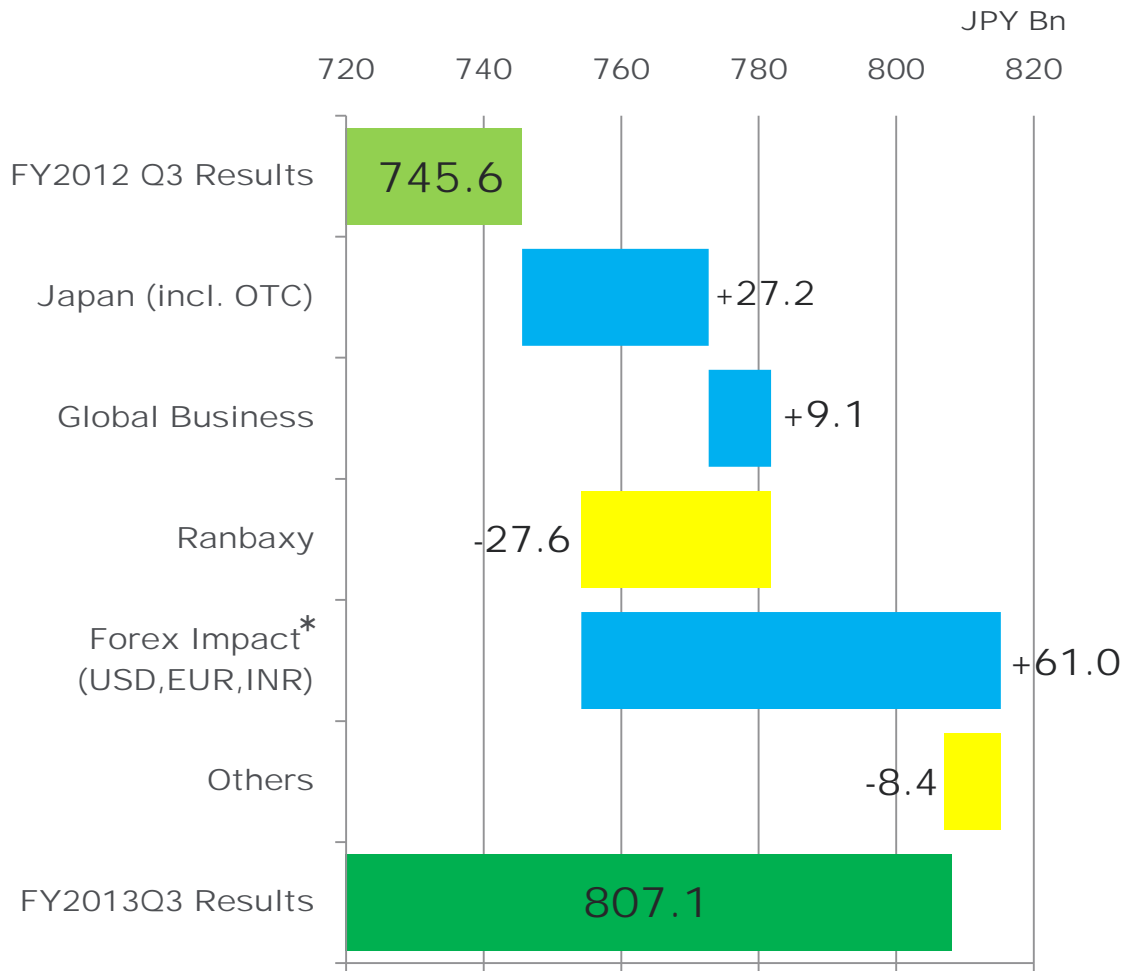
FY2012 (Jan-Sep) Results	FY2013 (Jan-Sep) Results	YoY
146.3	133.6	-12.8 <sup>-8.7%</sup>
61.0	71.1	+10.1
63.0	59.0	-4.0
6.1	7.3	+1.2
57.0	51.7	-5.2
22.3	3.5	-18.8 <sup>-84.4%</sup>
23.0	-11.1	-34.1
15.5	-9.2	-24.7

INR/JPY Average Currency rate

1.50	1.69
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Currency Rate	USD/JPY (average)	80.01	99.39
	EUR/JPY (average)	102.18	132.24

# 3Q YTD Net Sales



Positive Factors(+)

Negative Factors(-)

## Japan

Nexium +27.5, Memary +6.5,  
Ranmark +2.8, Vaccines +2.1  
Mevalotin -2.8

## Global business

- Daiichi Sankyo Inc. (DSI) -0.4
- Luitpold Pharmaceuticals, Inc. (LPI) -8.0
- Daiichi Sankyo Europe GmbH (DSE) +3.3
- Asia, South and Central America (ASCA) +14.2\*

\*including currency impact

## Ranbaxy (RLL)

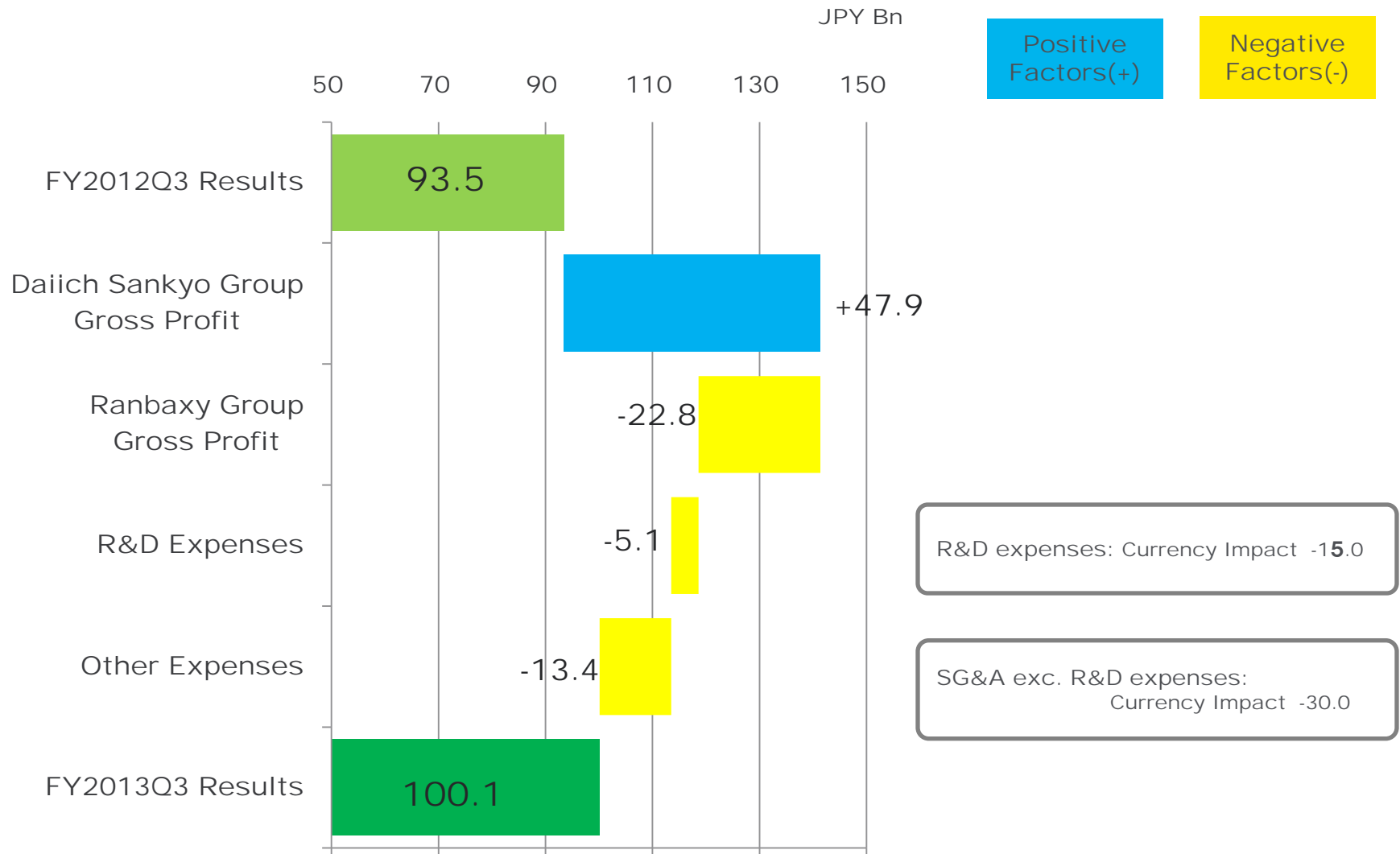
FY2012 3Q: Contribution of Atorvastatin etc.

## Currency Impact

USD: +32.0 EUR: +14.0 INR: +15.0

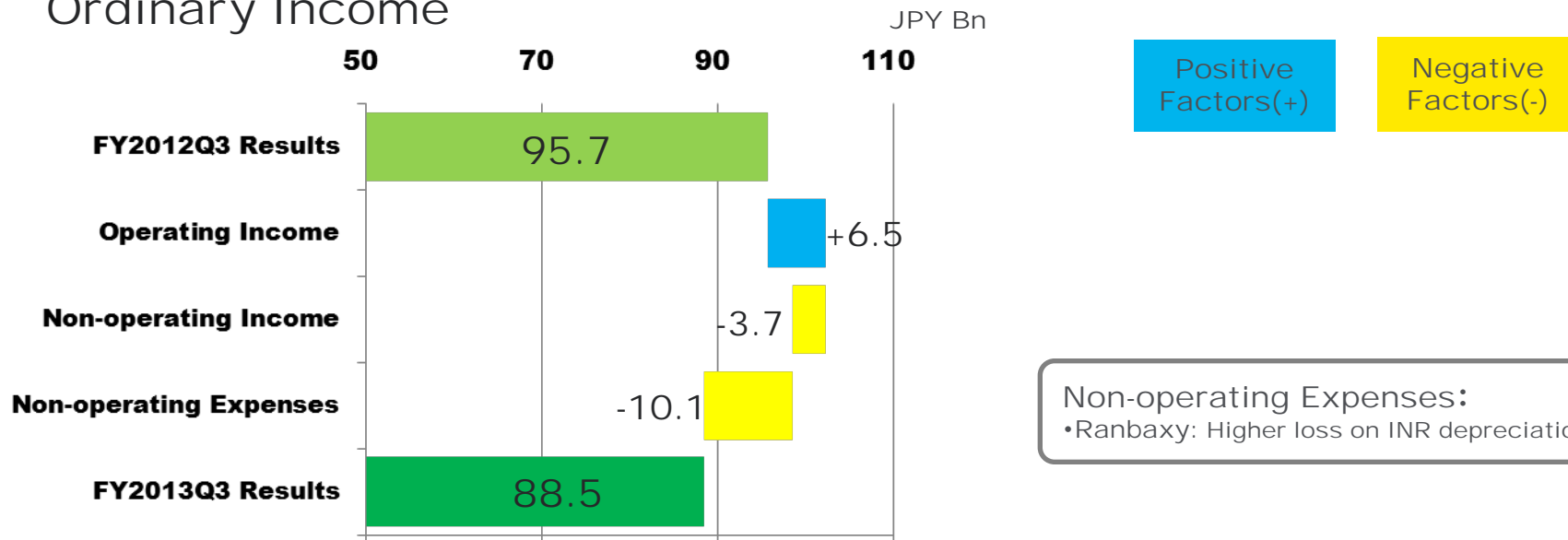
	FY2012 3Q Results	FY2013 3Q Results
*Currency Rate		
USD/JPY (average)	80.01	99.39
EUR/JPY (average)	102.18	132.24
INR/JPY (average)	1.50	1.69

# 3Q YTD Operating Income

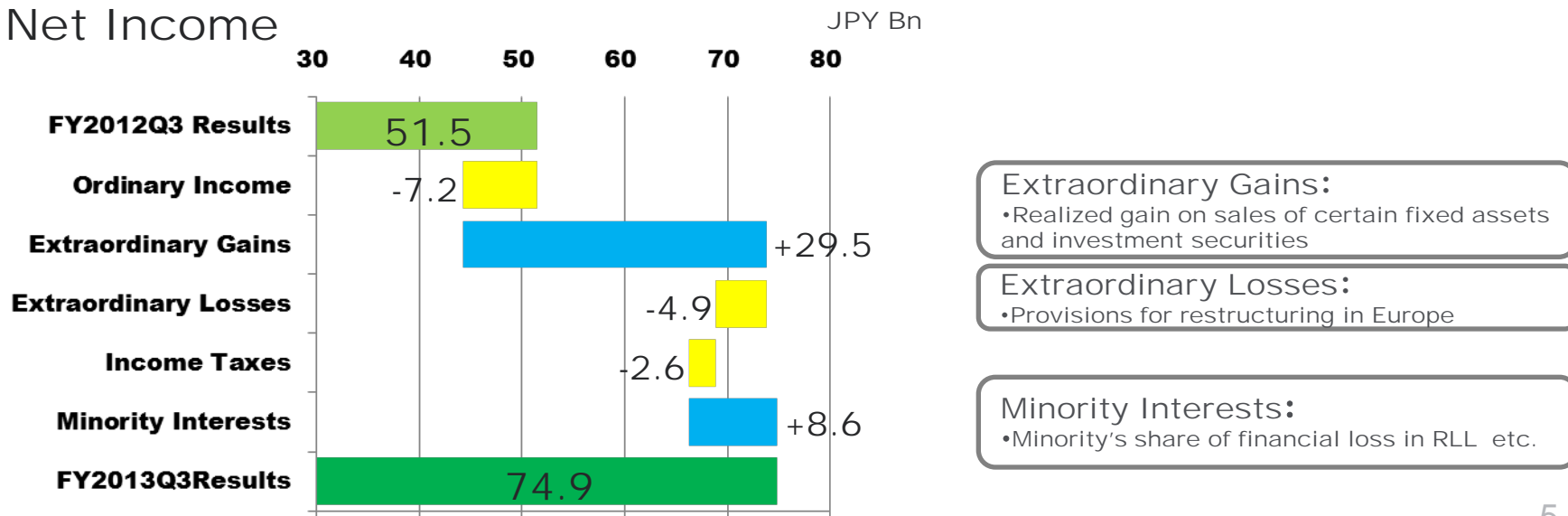


# 3Q YTD Ordinary Income / Net Income

## Ordinary Income



## Net Income



# Major Products in Japan

## Sales results and Outlook

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		FY2012 3Q Results	FY2013 3Q Results	FY2013	
				Outlook	Progress
Olmetec	anti-hypertension	58.5	60.4	83.0	73%
Rezaltas	anti-hypertension	12.6	14.1	21.0	67%
Loxonin	analgesic and anti-inflammatory	45.9	46.8	61.0	77%
Nexium	anti-ulcer (Proton Pump Inhibitor)	12.7	40.2	52.0	77%
Cravit	antibacterial	27.1	25.9	35.0	74%
Memary	treatment for Alzheimer	17.4	23.9	34.0	70%
Artist	anti-hypertension	17.1	17.1	22.0	78%
Mevalotin	anti-hyperlipidemia	19.9	17.0	22.0	77%
Omnipaque	contrast medium	15.5	15.5	19.0	82%
Urief	treatment for dysuria	8.4	8.8	12.0	73%
Ranmark	treatment for bone metastasis	3.0	5.8	7.0	83%

# Major R&D Pipeline

Therapeutic area	Phase 1	Phase 2	Phase 3	Application
Cardiovascular-Metabolics	<ul style="list-style-type: none"> <li>■ DS-7309 (Anti-diabetes / Glucokinase activator)</li> <li>■ DS-8500 (Anti-diabetes / GPR119 agonist)</li> <li>■ DS-1442 (Dyslipidemia / CETP inhibitor)</li> <li>■ DS-1040 (Acute ischemic stroke / TAFIa inhibitor)</li> </ul>	<ul style="list-style-type: none"> <li>■ CS-3150 (JP) (Anti-hypertensive/DM nephropathy / MR antagonist)</li> </ul>	<ul style="list-style-type: none"> <li>■ CS-747 (JP) (prasugrel / ischemic stroke / anti-platelet agent)</li> <li>■ CS-747 (US) (prasugrel / Sickle Cell Disease / anti-platelet agent)</li> </ul>	<ul style="list-style-type: none"> <li>■ CS-747 (JP) (prasugrel / PCI / anti-platelet agent)</li> <li>■ DU-176b (Global) (edoxaban / AF / oral factor Xa inhibitor)</li> <li>■ DU-176b (Global) (edoxaban / VTE / oral factor Xa inhibitor)</li> </ul>
Oncology	<ul style="list-style-type: none"> <li>■ U3-1565 (US/JP) (Anti-HB-EGF antibody)</li> <li>■ DS-2248 (US) (HSP90 inhibitor)</li> <li>■ DS-7423 (US/JP) (PI3K/mTOR inhibitor)</li> <li>■ DS-3078 (US/EU) (mTOR inhibitor)</li> <li>■ DS-3032 (US) (MDM2 inhibitor)</li> <li>■ PLX7486(US) (Fms/Trk inhibitor)</li> <li>■ DS-8895 (H) (Anti-EPHA2 antibody)</li> </ul>	<ul style="list-style-type: none"> <li>■ U3-1287 (US/EU) (patritumab / anti-HER3 antibody)</li> <li>■ PLX4032 (US/EU) (vemurafenib / BRAF inhibitor)</li> <li>■ PLX3397 (US) (Fms/Kit/Flt3-ITD inhibitor)</li> </ul>	<ul style="list-style-type: none"> <li>■ ARQ 197 (US/EU) (tivantinib / HCC / Met inhibitor)</li> <li>■ AMG 162 (JP) (denosumab / breast cancer adjuvant / anti-RANKL antibody)</li> <li>■ DE-766 (JP) (nimotuzumab / NSCLC / anti-EGFR antibody)</li> <li>■ DE-766 (JP) (nimotuzumab / Gastric cancer / anti-EGFR antibody)</li> </ul>	<ul style="list-style-type: none"> <li>■ AMG 162 (JP) (denosumab / Giant Cell tumor / anti-RANKL antibody)</li> </ul>
Others	<ul style="list-style-type: none"> <li>■ DS-8587 (Anti-bacterial / Topoisomerase inhibitor)</li> <li>■ CS-4771 (Anti-sepsis / TLR4 inhibitor)</li> <li>■ PLX5622 (Rheumatoid arthritis / FMS kinase inhibitor)</li> <li>■ CS-0777 (Immunomodulator / S1P receptor modulator)</li> <li>■ DS-1093 (Anemia of chronic kidney disease/HIF-PH inhibitor)</li> </ul>	<ul style="list-style-type: none"> <li>■ DS-5565 (Global) (Chronic pain / <math>\alpha 2\delta</math> ligand)</li> <li>■ SUN13837 (US/EU) (Spinal cord injury / Modulator of bFGF signaling system)</li> <li>■ ASB17061 (US) (Atopic Dermatitis / chymase inhibitor)</li> <li>■ CS-8958 (US/EU) (laninamivir / anti-influenza / Outlicensing with Biota)</li> </ul>	<ul style="list-style-type: none"> <li>■ DR-3355 (JP) (levofloxacin / anti-infection / New quinolone)</li> <li>■ AMG 162 (JP) (denosumab / rheumatoid arthritis / anti-RANKL anti-body)</li> <li>■ DS-7113 (hydromorphone / Narcotic analgesic / opioid mu-receptor regulator)</li> </ul>	

◆ Change of stage from announcement in Oct 2013

# Consolidated Forecasts for the FY2013

*Differences Between Japanese GAAP and IFRS (Rough Estimate)*



JPY Bn

	Japanese GAAP	IFRS (estimate)	Difference
Net Sales	1,110.0	1,110.0	0
Operating Income	105.0	105.0	0
Income before income taxes <sup>1</sup>	102.0	95.0	-7.0
Net Income <sup>2</sup>	65.0	65.0	0

1. Financial items under non-operating income/expenses and extraordinary income/losses are recorded as finance income/costs in IFRS and non-financial items are included in operating income.
2. Net income under IFRS is expressed as profit attributable to owners of the parent company in order to adjust it to a basis for comparison with Japanese GAAP.



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