



January 29, 2016

Consolidated Financial Results for the First Nine Months of the Fiscal Year Ending March 31, 2016 <under IFRS>

Listed company name: Daiichi Sankyo Company, Limited
 Listed exchange: First Section of the Tokyo Stock Exchange
 Stock code number: 4568
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Scheduled date of Quarterly Report filing: February 4, 2016

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 2015

(from April 1, 2015 to December 31, 2015)

(1) Consolidated Financial Results

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

	Revenue		Operating profit		Profit before tax		Profit for the period	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First nine months of fiscal 2015	758,555	9.2	150,412	50.4	145,433	35.3	109,326	10.0
First nine months of fiscal 2014	694,397	–	99,977	–	107,468	–	99,402	48.5

	Profit attributable to owners of the Company		Total comprehensive income		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Millions of yen	%	Yen	Yen
First nine months of fiscal 2015	110,727	8.3	87,658	–48.2	160.18	159.83
First nine months of fiscal 2014	102,233	43.1	169,063	33.6	145.22	144.92

Note: In fiscal 2014, Ranbaxy Laboratories Ltd. (“Ranbaxy”) was excluded from the scope of consolidation due to its merger with Sun Pharmaceutical Industries Ltd. (“Sun Pharma”).

In the first nine months of fiscal 2014, the Ranbaxy Group was classified as a discontinued operation. Consequently, the amounts of revenue, operating profit and profit before tax have been restated and indicated as only the values for continuing operations excluding the Ranbaxy Group.

Year-on-year changes in revenue, operating profit and profit before tax in the first nine months of fiscal 2014 have not been indicated as the figures of the first nine months of fiscal 2013 have not been restated.

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the Company	Ratio of equity attributable to owners of the Company to total assets	Equity per share attributable to owners of the Company
	Millions of yen	Millions of yen	Millions of yen	%	Yen
As of December 31, 2015	1,949,196	1,296,226	1,293,569	66.4	1,892.88
As of March 31, 2015	1,982,286	1,307,041	1,304,057	65.8	1,852.28

2. Dividends

	Annual dividends per share				
	First quarter	Second quarter	Third quarter	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal 2014	–	30.00	–	30.00	60.00
Fiscal 2015	–	40.00	–		
Fiscal 2015 (Forecast)				30.00	70.00

Note: Revision of the forecasts most recently announced: No

Note: Breakdown of interim dividend for fiscal 2015: ordinary dividend ¥30, commemorative dividend ¥10

3. Forecasts of Consolidated Financial Results for Fiscal 2015

(from April 1, 2015 to March 31, 2016)

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

	Revenue		Operating profit		Profit before tax		Profit attributable to owners of the Company		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	980,000	6.6	130,000	74.7	120,000	50.1	75,000	–76.7	109.75

Note: Revision of the forecasts most recently announced: No

The figure for basic earnings per share reflects the acquisition of treasury shares conducted from May 15 to August 25, 2015.

***Notes**

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in a change in scope of consolidation): None

(2) Changes in accounting policies and changes in accounting estimates

- 1) Changes in accounting policies required by IFRS: Yes
- 2) Changes in accounting policies due to other reasons: None
- 3) Changes in accounting estimates: None

Note: For details, please refer to “(2) Changes in Accounting Policies and Changes in Accounting Estimates” of “2. Summary Information (Notes)” on page 13.

(3) Number of ordinary shares issued

1) Number of shares issued at the end of the period (including treasury share)

As of December 31, 2015	709,011,343
As of March 31, 2015	709,011,343

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

As of December 31, 2015	25,623,711
As of March 31, 2015	4,983,171

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

First nine months ended December 31, 2015	691,272,077
First nine months ended December 31, 2014	703,976,762

* 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 condensed consolidated financial statements are in progress.

* 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 Nine Months” on page 12 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 Nine Months

Daiichi Sankyo Company, Ltd. (“Daiichi Sankyo”) and its consolidated subsidiaries (“the Group”) have adopted IFRS starting in the fiscal year ended March 31, 2014.

(1) Information about Operating Results

1) Overview

[Consolidated Financial Results]

(Millions of yen; all amounts have been rounded down to the nearest million yen.)

	First nine months of fiscal 2014	First nine months of fiscal 2015	YoY change
Revenue	694,397	758,555	64,157 9.2%
Operating profit	99,977	150,412	50,435 50.4%
Profit before tax	107,468	145,433	37,965 35.3%
Profit from continuing operations	66,511	109,326	42,814 64.4%
Profit from discontinued operations	32,890	–	–32,890 –%
Profit attributable to owners of the Company	102,233	110,727	8,493 8.3%

Note: In fiscal 2014, Ranbaxy Laboratories Ltd. was excluded from the scope of consolidation due to its merger with Sun Pharmaceutical Industries Ltd.

In the first nine months of fiscal 2014, the Ranbaxy Group was classified as a discontinued operation. Consequently, the amounts of revenue, operating profit and profit before tax have been restated and indicated as only the values for continuing operations excluding the Ranbaxy Group.

<Revenue of global mainstay products>

(Millions of yen; all amounts have been rounded down to the nearest million yen.)

Item name	First nine months of fiscal 2014	First nine months of fiscal 2015	YoY change
Olmesartan antihypertensive agent	219,927	228,453	8,525 3.9%
Prasugrel antiplatelet agent	18,380	23,970	5,589 30.4%
Edoxaban anticoagulant agent	2,142	10,537	8,394 391.8%

<Research and development expenses>

(Millions of yen; all amounts have been rounded down to the nearest million yen.)

	First nine months of fiscal 2014	First nine months of fiscal 2015
Research and development expenses	135,709	138,125
Ratio of research and development expenses to revenue	19.5%	18.2%

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

(Yen)

	First nine months of fiscal 2014	First nine months of fiscal 2015
USD/Yen	106.88	121.70
EUR/Yen	140.31	134.37

i. Revenue

Group revenue in the first nine months of fiscal 2015 increased by ¥64.2 billion, or 9.2% year on year, to ¥758.6 billion.

Increase of the revenue mainly owed to growth in sales of mainstay products in Japan, the U.S., and Asia, and owed to the positive impact of currency movements (valued at about ¥25.9 billion).

ii. Operating Profit

Operating profit increased by ¥50.4 billion, or 50.4% year on year, to ¥150.4 billion.

This operating profit increase reflected not only an increase in gross profit but also decreases in selling, general and administrative expenses.

iii. Profit before Tax

Profit before tax increased by ¥38.0 billion, or 35.3% year on year, to ¥145.4 billion.

This increase was not as substantial as the operating profit increase owing to an increase in financial expenses resulting from factors including the payments with regard to the sale of Sun Pharma shares.

iv. Profit Attributable to Owners of the Company

Profit attributable to owners of the Company increased by ¥8.5 billion, or 8.3% year on year, to ¥110.7 billion.

The increase in profit was less than the increase in profit before tax, despite a decrease in income taxes, because profit from discontinued operations was included in the same quarter of the previous fiscal year.

[Revenue by Geographic Area]

a. Japan

Revenue in Japan increased by 3.9% year on year to ¥436.3 billion.

Revenue in Japan from prescription drugs increased by 4.1% year on year to ¥380.0 billion. This increase was attributable to factors including growth from products such as *NEXIUM*[®], *Menary*[®], *TENELIA*[®], *LIXIANA*[®], *RANMARK*[®], *PRALIA*[®] and *Efient*[®], despite the impact of increased prescription of generic drugs. This segment also includes revenue generated by Daiichi Sankyo Espha Co., Ltd., which engages mainly in the generic pharmaceutical business, and revenue generated from the vaccine business of Kitasato Daiichi Sankyo Vaccine Co., Ltd. and Japan Vaccine Co., Ltd. In addition, sales of OD (orally-disintegrating) tablets of *Olmotec*[®], as well as *Squarekids*[®], a tetravalent combination vaccine (DPT-IPV) for the prevention of diphtheria, pertussis, tetanus, and poliomyelitis were launched in December 2015.

Revenue from royalty and exports, which centered on exports of the active pharmaceutical ingredients (API) of Levofloxacin, the synthetic antibacterial agent, decreased by 12.0% year on year to ¥13.9 billion.

Revenue from the healthcare (OTC) products business of Daiichi Sankyo Healthcare Co., Ltd. increased by 7.8% year on year to ¥39.9 billion. In November 2015, Daiichi Sankyo Healthcare Co., Ltd. acquired all of the shares of Im Co., Ltd. in order to build up a foundation for the mail order business in the skin care field.

<Primary revenue composition in Japan>

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

	First nine months of fiscal 2014	First nine months of fiscal 2015	YoY change
Prescription drugs	365.2	380.0	14.8 4.1%
Royalty and exports	15.8	13.9	-1.9 -12.0%
Healthcare (OTC) products	37.0	39.9	2.9 7.8%

<Domestic revenue from mainstay prescription drugs>

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

Product name	First nine months of fiscal 2014	First nine months of fiscal 2015	YoY change
<i>NEXIUM</i> [®] ulcer treatment	55.7	62.0	6.2 11.2%
<i>Olmetec</i> [®] antihypertensive agent	58.4	60.5	2.1 3.6%
<i>Loxonin</i> [®] anti-inflammatory analgesic (of which <i>Loxonin</i> [®] Tape)	38.7 (24.3)	38.2 (25.2)	-0.4 -1.1%
<i>Memary</i> [®] Alzheimer's disease treatment	27.5	32.7	5.2 18.8%
<i>Cravii</i> [®] synthetic antibacterial agent	23.0	14.6	-8.4 -36.5%
<i>Rezaltas</i> [®] antihypertensive agent	14.1	14.1	0.0 0.3%
<i>Omnipaque</i> [®] contrast medium	13.3	13.2	-0.1 -0.9%
<i>Artist</i> [®] treatment for hypertension, angina pectoris and chronic heart failure	14.1	12.1	-2.0 -14.5%
<i>TENELIA</i> [®] type 2 diabetes mellitus inhibitor	5.5	11.9	6.4 117.6%
<i>Mevalotin</i> [®] antihyperlipidemic agent	12.6	10.8	-1.8 -14.3%
<i>LIXIANA</i> [®] anticoagulant agent	2.1	9.6	7.5 347.7%
<i>RANMARK</i> [®] treatment for bone complications	7.6	9.4	1.8 23.6%
<i>Urief</i> [®] treatment for dysuria	8.7	9.0	0.3 4.0%
<i>PRALIA</i> [®] treatment for osteoporosis	5.1	9.0	3.9 76.6%
<i>Efient</i> [®] antiplatelet agent	0.5	3.3	2.8 552.8%
<i>Inavir</i> [®] anti-influenza treatment	8.2	2.5	-5.6 -69.0%

b. North America

Revenue in North America increased by 26.8% year on year to ¥214.3 billion.

Revenue in local currency terms rose by 11.4% to US\$1,761 million.

At Daiichi Sankyo, Inc., overall sales increased with the contribution from higher sales of *Benicar*[®]/*Benicar HCT*[®], *AZOR*[®], and *Effient*[®], as well as *SAVAYSA*[™] which was launched in February 2015, and *MOVANTIK*[™], which co-promotion started in April 2015, despite the *TRIBENZOR*[®] and *Welchol*[®] sales declined.

At Luitpold Pharmaceuticals Inc., sales of *Injectafer*[®] contributed significantly to the increase in sales though *Venofer*[®] declined..

In addition, Daiichi Sankyo, Inc. decided to reorganize its commercial structure to prepare for launching new products in the U.S. market in highly specialized areas including pain, oncology, and cardiovascular-metabolic. As part of the transition to a more efficient and flexible organization, the company plans to reduce its personnel by between 1,000 and 1,200 positions.

<Revenue of Daiichi Sankyo, Inc. mainstay products>

(Millions of US\$; all amounts have been rounded to the nearest million US\$.)

Product name	First nine months of fiscal 2014	First nine months of fiscal 2015	YoY change
<i>Benicar</i> [®] / <i>Benicar HCT</i> [®] antihypertensive agent	514	519	4 0.8%
<i>AZOR</i> [®] antihypertensive agent	125	129	3 2.7%
<i>TRIBENZOR</i> [®] antihypertensive agent	80	79	-1 -1.1%
<i>Welchol</i> [®] hypercholesterolemia treatment/ type 2 diabetes mellitus inhibitor	329	310	-19 -5.8%
<i>Effient</i> [®] antiplatelet agent (co-promotion revenue)	123	135	12 10.1%
<i>SAVAYSA</i> [™] anticoagulant agent	-	2	2 -%
<i>MOVANTIK</i> [™] opioid-induced constipation treatment (co-promotion revenue)	-	10	10 -%

<Revenue of Luitpold Pharmaceuticals, Inc. mainstay products>

(Millions of US\$; all amounts have been rounded to the nearest million US\$.)

Product name	First nine months of fiscal 2014	First nine months of fiscal 2015	YoY change
<i>Venofer</i> [®] anemia treatment	213	200	-13 -6.0%
<i>Injectafer</i> [®] anemia treatment	48	106	58 122.1%

c. Europe

Revenue in Europe decreased by 9.6% year on year to ¥55.0 billion.

Revenue in local currency terms fell by 5.6% to EUR409 million.

Sales of *Sevikar HCT*[®] increased, but sales of *Olmotec*[®]/*Olmotec Plus*[®], *Sevikar*[®] and *Effient*[®] decreased.

Moreover, *LIXIANA*[®] were launched in Switzerland, the U.K., Germany, Ireland, and the Netherlands in the fiscal year under review.

<Revenue of Daiichi Sankyo Europe GmbH mainstay products>

(Millions of euro; all amounts have been rounded to the nearest million euro.)

Product name	First nine months of fiscal 2014	First nine months of fiscal 2015	YoY change
<i>Olmotec</i> [®] / <i>Olmotec Plus</i> [®] antihypertensive agent	207	185	-22 -10.5%
<i>Sevikar</i> [®] antihypertensive agent	96	90	-6 -6.6%
<i>Sevikar HCT</i> [®] antihypertensive agent	55	55	1 1.5%
<i>Effient</i> [®] antiplatelet agent (co-promotion revenue)	26	24	-2 -6.0%
<i>LIXIANA</i> [®] anticoagulant agent	-	5	5 -%

d. Other regions

In other regions, revenue rose by 19.1% year on year to ¥53.0 billion.

Mainstay products showed growth in China, South Korea, and other countries.

2) Sale of Sun Pharma Shares

In April 2014, Daiichi Sankyo concluded an agreement with Sun Pharma for a merger of Ranbaxy with Sun Pharma, under which it would receive 0.8 shares in Sun Pharma for each share of Ranbaxy. Daiichi Sankyo owned shares of approximately 9% in Sun Pharma due to completion of the merger procedures in March 2015, and recorded a gain on the merger of a subsidiary worth ¥278.7 billion (after the application of tax effect accounting) in profit from discontinued operations.

To further increase its corporate value, Daiichi Sankyo sold all of its shares in Sun Pharma for ¥378.5 billion in April 2015. In the consolidated financial results for the first nine months of fiscal 2015, ¥30.8 billion (after the application of tax effect accounting) in loss on sale relating to this transaction was recorded in other comprehensive income.

3) R&D Activities

The Daiichi Sankyo Group's R&D program promotes accelerated and sustained generation of innovative medicines. The Group has designated the fields of cardiovascular-metabolic, oncology and frontier medicine as priority areas for its research and development. Efforts continue to develop potential first-in-class and/or best-in-class products.

Daiichi Sankyo continues its efforts to cultivate and reinforce R&D capabilities with a rich entrepreneurial culture within the Group through initiatives such as Venture Science Laboratories ("VSL") established within the company and the subsidiaries as Asubio Pharma Co., Ltd. and Plexikon Inc.

In addition, the Group is continuing to develop R&D alliances with other companies and to pursue an open innovation approach. At the same time, the Group is reinforcing its R&D activities in preparation for full-scale entry into the biopharmaceutical business, and also promoting vaccine R&D activities.

Meanwhile, as part of efforts to bolster its R&D capabilities, the Group is working to convert the R&D unit to a low-cost structure and boost the investment efficiency of development projects. As a part of this effort, the Group reviewed its global R&D platform and decided to close the subsidiary U3 Pharma GmbH.

[Daiichi Sankyo Priority Development Projects]

i. Prasugrel

Prasugrel has been in Japanese market since 2014 under the brand name *Efient*® with indication for ischemic cardiac diseases in patients undergoing percutaneous coronary intervention (PCI). In addition, a Phase III clinical trial is proceeding in Japan to evaluate its efficacy in patients with ischemic stroke.

Separately, in the U.S., the Phase III clinical trial was conducted to evaluate its efficacy for the treatment of pediatric patients with sickle cell disease with the results that intended purpose was not achieved. Daiichi Sankyo abandoned application for approval, but the trial results were submitted to the U.S. Food and Drug Administration (FDA) as a supplemental new drug application (supplemental NDA). As a result, the market exclusivity is expected to be extended 180 days.

ii. Edoxaban

Edoxaban was launched in Switzerland, the U.K., Germany, Ireland and the Netherlands from the fiscal year under review. In the U.K. especially, the National Institute for Health and Care Excellence (NICE) issued a guidance recommending its use on the U.K. National Health Service (NHS). It also obtained approval in South Korea, and applications for approval are underway in China, Hong Kong, Taiwan, Thailand, Australia, Canada, Brazil and Turkey.

Furthermore, the Hokusai-VTE Cancer study for patients with venous thromboembolism associated with cancer has been underway since June 2015.

iii. Mirogabalin

Phase III clinical trials are undergoing in the U.S. and Europe to evaluate the efficacy of mirogabalin in patients with fibromyalgia (FM). In Japan and Asia, phase III clinical trials are undergoing to evaluate its efficacy on patients with diabetic peripheral neuropathic pain (DPNP) and patients with postherpetic neuralgia (PHN).

iv. Pexidartinib

Phase III clinical trials are being conducted in the U.S. and Europe to evaluate its efficacy in patients with tenosynovial giant cell tumor (TGCT). In October 2015 the FDA designated Pexidartinib's treatment of TGCT as a "Breakthrough Therapy."

In addition, Phase I/IIa trials are being conducted to evaluate its efficacy in cancer patients with advanced solid tumors as combination therapies with other drugs, such as anti-PD-1 antibodies.

v. Vaccines

In April 2015, an application was filed in Japan for manufacturing and sales approval of intradermal seasonal influenza vaccine which was co-developed with Terumo Corporation.

In May 2015, Daiichi Sankyo signed a cooperative sales agreement for the influenza HA vaccine "Kaketsuken," which is manufactured and sold by The Chemo-Sero-Therapeutic Research Institute. It was launched in October 2015.

Furthermore, in September 2015, Daiichi Sankyo signed a licensing agreement with U.S. company MedImmune, LLC, a subsidiary of AstraZeneca, regarding development and commercialization in Japan of a live attenuated influenza vaccine administered as a nasal spray.

[Major R&D Alliances]

i. Application for Marketing Authorization for Lacosamide in Japan for the Treatment of Epilepsy

Daiichi Sankyo and UCB signed an agreement in November 2014 for joint commercialization of lacosamide, an epilepsy treatment developed by UCB. In June 2015, UCB Japan Co., Ltd. filed an application for marketing authorization in Japan as adjunctive therapy in the treatment of partial onset seizures with or without secondary generalization in patients who have not obtained sufficient response to other antiepileptic drugs. The clinical trial results for this drug were presented at the 2015 Annual Meeting of the American Epilepsy Society (AES2015) with the drug meeting the primary endpoint in efficacy. UCB will manufacture and supply the product, while Daiichi Sankyo will perform sales and distribution. The two companies will jointly carry out promotion activities.

ii. Introduction of Thrombus Dissolving Agent DS-9231/TS23

Daiichi Sankyo signed an exclusive licensing agreement in September 2015 with US-based Translational Sciences, Inc. regarding Translational Sciences, Inc.'s thrombus dissolving agent, TS23, which is currently undergoing Phase I clinical trials. Under the agreement, Daiichi Sankyo will hold the exclusive rights to globally develop and commercialize TS23, and will take over the development work on the drug. It will develop the drug as its own drug DS-9231.

In the field of thrombosis, Daiichi Sankyo has the antiplatelet agent Prasugrel and the anticoagulant agent Edoxaban for treatment of disease in its chronic phase. As acute phase drugs, Daiichi Sankyo now has DS-9231 in addition to its own drug under development, DS-1040, as thrombus dissolving agents. In this way, Daiichi Sankyo has enhanced its acute thrombosis therapy development pipeline and filled out its antithrombosis agent portfolio.

iii. Combination Treatment for Pain and OINV CL-108

In August 2014, Daiichi Sankyo in-licensed CL-108, a combination drug for the treatment of pain and opioid-induced nausea and vomiting (OINV), from U.S.-based Charleston Laboratories, Inc. The Phase III trial for the treatment of moderate to severe acute pain and reducing OINV was completed in October 2015 and met two of the primary endpoints. NDA submission is anticipated to be made by the end of March 2016.

iv. Etanercept Biosimilar

Daiichi Sankyo achieved major objectives in the Phase 3 international joint trial (RApsody) of CHS-0214, an investigational etanercept (genetical recombination) biosimilar under development with the U.S. company, Coherus BioSciences, Inc. The trial compared the efficacy and safety of CHS-0214 with *Enbrel*[®] in rheumatoid arthritis (RA) patients with inadequate response to methotrexate. No significant difference was noted between CHS-0214 and the reference product group, so that the primary endpoint met the criteria of equivalence as defined in advance.

Daiichi Sankyo will continue the development of CHS-0214 to apply for approval in Japan.

4) Return to Shareholders

In order to secure sustainable growth in corporate value, one of the fundamental business policies of Daiichi Sankyo is to decide profit distributions based on a comprehensive consideration of the investments essential for implementing its growth strategy and returning profits to shareholders.

Under this basic policy, to increase shareholder returns and enhance capital efficiency, the Daiichi Sankyo acquired approximately 20,650 thousand of its own shares for approximately ¥50.0 billion from May 15 to August 25, 2015.

Daiichi Sankyo marked its 10th founding anniversary on September 28, 2015. To commemorate this event and show appreciation for continued support of its shareholders, the Company paid a commemorative dividend of ¥10 per share in addition to the ordinary dividend of ¥30 to all shareholders as of September 30, 2015, totaling a dividend of ¥40 on December 1, 2015. The year-end dividend for the fiscal year ending March 31, 2016 is forecast at ¥30 per share, for a forecast annual dividend of ¥70 per share for the fiscal year ending March 31, 2016.

(2) Information about Financial Position

Total equity as of December 31, 2015 equaled ¥1,296.2 billion (a decrease of ¥10.8 billion compared with the previous fiscal year-end), and total assets amounted to ¥1,949.2 billion (a decrease of ¥33.1 billion compared with the previous fiscal year-end). Ratio of equity attributable to owners of the Company to total assets was 66.4% at this date (compared with 65.8% at the previous fiscal year-end).

Total equity decreased due mainly to acquisition of treasury shares despite the recording of profit for the period.

The decrease in total assets was larger than that in total equity, mainly reflecting repayment of borrowings.

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

The differences from the forecasts of consolidated financial results for fiscal 2015, which were publicly announced on October 30, 2015, are shown below.

1) Revisions to the forecasts of consolidated financial results for fiscal 2015 (from April 1, 2015 to March 31, 2016)

	Revenue	Operating profit	Profit before tax	Profit attributable to owners of the Company	Basic earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecasts (A)	980,000	120,000	115,000	75,000	109.75
Revised forecasts (B)	980,000	130,000	120,000	75,000	109.75
Change (B-A)	0	10,000	5,000	0	
Percentage of change (%)	0.0	8.3	4.3	0.0	
(Reference) Fiscal 2014	919,372	74,422	79,936	322,119 (portion from continuing operations) 46,473	457.56 (portion from continuing operations) 66.01

* Assumed exchange rate for the fourth quarter: USD/Yen = 120 EUR/Yen = 130

2) Reason for the revision

The forecast for revenue remains unchanged from the previous forecast at ¥980.0 billion.

Operating profit was upwardly revised by ¥10.0 billion to ¥130.0 billion as the estimated overall expenses are now lower than the previous forecast although the estimated expenses associated with business structural reforms such as revision of the U.S. sales system are unchanged.

Foreign-currency valuation losses are expected in the emerging countries' markets. Accordingly, profit before tax was upwardly revised by ¥5.0 billion to ¥120.0 billion.

The forecast for profit attributable to owners of the Company remains unchanged from the previous forecast at ¥75.0 billion.

The figures for basic earnings per share reflect the acquisition of treasury shares conducted from May 15 to August 25, 2015.

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) Changes in Accounting Policies and Changes in Accounting Estimates

(Changes in accounting policies required by IFRS)

Significant accounting policies for the condensed consolidated financial statements of the Group are the same as the accounting policies for its consolidated financial statements for the previous fiscal year except for the following.

The Group has adopted the following standard starting in the fiscal year ending March 31, 2016. Adoption of the standard does not materially impact the condensed consolidated financial statements.

IFRS		Description
IAS 19	Employee Benefits	Simplification of accounting treatment related to contributions from employees or third parties not dependent on years of service

3. Condensed Consolidated Financial Statements

(1) Condensed Consolidated Statement of Financial Position

(Millions of yen)

	Fiscal 2014 (as of March 31, 2015)	Fiscal 2015 (as of December 31, 2015)
ASSETS		
Current assets		
Cash and cash equivalents	189,372	240,099
Trade and other receivables	241,547	301,290
Other financial assets	186,457	430,043
Inventories	150,093	153,608
Other current assets	14,697	15,537
Subtotal	782,168	1,140,579
Assets held for sale	3,165	–
Total current assets	785,334	1,140,579
Non-current assets		
Property, plant and equipment	266,491	265,810
Goodwill	71,366	82,346
Intangible assets	199,411	211,116
Investments accounted for using the equity method	1,347	1,450
Other financial assets	593,944	186,789
Deferred tax assets	45,330	43,501
Other non-current assets	19,059	17,601
Total non-current assets	1,196,951	808,616
Total assets	1,982,286	1,949,196

(Millions of yen)

	Fiscal 2014 (as of March 31, 2015)	Fiscal 2015 (as of December 31, 2015)
LIABILITIES AND EQUITY		
Current liabilities		
Trade and other payables	235,546	232,090
Bonds and borrowings	20,000	20,899
Other financial liabilities	7,576	997
Income taxes payable	7,767	7,764
Provisions	19,444	26,688
Other current liabilities	6,735	10,098
Subtotal	297,070	298,539
Liabilities directly associated with assets held for sale	426	–
Total current liabilities	297,496	298,539
Non-current liabilities		
Bonds and borrowings	201,000	183,076
Other financial liabilities	8,337	8,780
Post employment benefit liabilities	11,631	11,919
Provisions	2,713	2,584
Deferred tax liabilities	88,357	84,461
Other non-current liabilities	65,707	63,607
Total non-current liabilities	377,747	354,430
Total liabilities	675,244	652,969
Equity		
Equity attributable to owners of the Company		
Share capital	50,000	50,000
Capital surplus	105,267	103,927
Treasury shares	(14,198)	(64,169)
Other components of equity	169,034	184,920
Retained earnings	993,953	1,018,890
Total equity attributable to owners of the Company	1,304,057	1,293,569
Non-controlling interests		
Non-controlling interests	2,984	2,657
Total equity	1,307,041	1,296,226
Total liabilities and equity	1,982,286	1,949,196

(2) Condensed Consolidated Statement of Profit or Loss and Condensed Consolidated Statement of Comprehensive Income

Condensed Consolidated Statement of Profit or Loss

(Millions of yen)

	First nine months of fiscal 2014 (From April 1, 2014 to December 31, 2014)	First nine months of fiscal 2015 (From April 1, 2015 to December 31, 2015)
Revenue	694,397	758,555
Cost of sales	220,927	237,721
Gross profit	473,469	520,834
Selling, general and administrative expenses	237,782	232,297
Research and development expenses	135,709	138,125
Operating profit	99,977	150,412
Financial income	11,303	4,102
Financial expenses	3,056	8,966
Share of loss of investments accounted for using the equity method	755	114
Profit before tax	107,468	145,433
Income taxes	40,956	36,107
Profit from continuing operations	66,511	109,326
Profit from discontinued operations	32,890	-
Profit for the period	99,402	109,326
Profit attributable to:		
Owners of the Company	102,233	110,727
Non-controlling interests	(2,831)	(1,400)
Profit for the period	99,402	109,326
Earnings per share		
Basic earnings per share (Yen)		
Continuing operations	145.22	160.18
Discontinued operations	97.93	160.18
Discontinued operations	47.29	-
Diluted earnings per share (Yen)		
Continuing operations	144.92	159.83
Discontinued operations	97.73	159.83
Discontinued operations	47.19	-

Condensed Consolidated Statement of Comprehensive Income

(Millions of yen)

	First nine months of fiscal 2014 (From April 1, 2014 to December 31, 2014)	First nine months of fiscal 2015 (From April 1, 2015 to December 31, 2015)
Profit for the period	99,402	109,326
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	10,999	(19,113)
Remeasurements of defined benefit plans	(105)	–
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	58,714	(2,553)
Share of other comprehensive income of investments accounted for using the equity method	53	–
Other comprehensive income (loss), net of taxes	69,661	(21,667)
Total comprehensive income	169,063	87,658
Total comprehensive income attributable to:		
Owners of the Company	169,033	89,118
Non-controlling interests	30	(1,460)
Total comprehensive income	169,063	87,658

(3) Condensed Consolidated Statement of Changes in Equity

(Millions of yen)

	Equity attributable to owners of the Company						
	Share capital	Capital surplus	Treasury shares	Subscription rights to shares	Other components of equity		
					Exchange differences on translation of foreign operations	Cash flow hedges	Financial assets measured at fair value through other comprehensive income
Balance as of April 1, 2014	50,000	105,267	(14,408)	1,680	80,252	-	39,821
Profit for the period	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	55,915	-	10,989
Total comprehensive income	-	-	-	-	55,915	-	10,989
Purchase of treasury shares	-	-	(17)	-	-	-	-
Cancellation of treasury shares	-	-	202	(98)	-	-	-
Share-based payments	-	-	-	197	-	-	-
Dividends	-	-	-	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	-	-	-	-	66
Others	-	-	-	-	(12)	-	(0)
Total transactions with the owners	-	-	184	98	(12)	-	66
Balance as of December 31, 2014	50,000	105,267	(14,223)	1,778	136,155	-	50,878
Balance as of April 1, 2015	50,000	105,267	(14,198)	1,760	106,202	(4,347)	65,419
Profit for the period	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	(2,494)	-	(19,113)
Total comprehensive income	-	-	-	-	(2,494)	-	(19,113)
Purchase of treasury shares	-	(201)	(50,031)	-	-	-	-
Cancellation of treasury shares	-	-	60	(30)	-	-	-
Share-based payments	-	-	-	220	-	-	-
Dividends	-	-	-	-	-	-	-
Acquisition of non-controlling interests	-	(1,138)	-	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	-	-	(6)	4,347	32,962
Others	-	-	-	-	-	-	-
Total transactions with the owners	-	(1,339)	(49,971)	190	(6)	4,347	32,962
Balance as of December 31, 2015	50,000	103,927	(64,169)	1,950	103,702	-	79,267

(Millions of yen)

	Equity attributable to owners of the Company					
	Other components of equity		Retained earnings	Total equity attributable to owners of the Company	Non-controlling interests	Total equity
	Remeasurements of defined benefit plans	Total other components of equity				
Balance as of April 1, 2014	-	121,753	717,320	979,933	27,594	1,007,527
Profit for the period	-	-	102,233	102,233	(2,831)	99,402
Other comprehensive income	(105)	66,800	-	66,800	2,861	69,661
Total comprehensive income	(105)	66,800	102,233	169,033	30	169,063
Purchase of treasury shares	-	-	-	(17)	-	(17)
Cancellation of treasury shares	-	(98)	(102)	0	-	0
Share-based payments	-	197	-	197	208	405
Dividends	-	-	(42,238)	(42,238)	-	(42,238)
Transfer from other components of equity to retained earnings	105	172	(172)	-	-	-
Others	-	(12)	-	(12)	173	161
Total transactions with the owners	105	258	(42,513)	(42,070)	382	(41,688)
Balance as of December 31, 2014	-	188,812	777,040	1,106,896	28,006	1,134,903
Balance as of April 1, 2015	-	169,034	993,953	1,304,057	2,984	1,307,041
Profit for the period	-	-	110,727	110,727	(1,400)	109,326
Other comprehensive income	-	(21,608)	-	(21,608)	(59)	(21,667)
Total comprehensive income	-	(21,608)	110,727	89,118	(1,460)	87,658
Purchase of treasury shares	-	-	-	(50,232)	-	(50,232)
Cancellation of treasury shares	-	(30)	(29)	0	-	0
Share-based payments	-	220	-	220	-	220
Dividends	-	-	(48,456)	(48,456)	-	(48,456)
Acquisition of non-controlling interests	-	-	-	(1,138)	1,138	-
Transfer from other components of equity to retained earnings	-	37,303	(37,303)	-	-	-
Others	-	-	-	-	(5)	(5)
Total transactions with the owners	-	37,494	(85,790)	(99,607)	1,133	(98,473)
Balance as of December 31, 2015	-	184,920	1,018,890	1,293,569	2,657	1,296,226

(4) Condensed Consolidated Statement of Cash Flows

(Millions of yen)

	First nine months of fiscal 2014 (From April 1, 2014 to December 31, 2014)	First nine months of fiscal 2015 (From April 1, 2015 to December 31, 2015)
Cash flows from operating activities		
Profit before tax from continuing operations	107,468	145,433
Depreciation and amortization	31,368	33,037
Impairment loss	221	6
Financial income	(11,303)	(4,102)
Financial expenses	3,056	8,966
Share of (profit) loss of investments accounted for using the equity method	755	114
(Gain) loss on sale and disposal of fixed assets	(1,669)	(8,500)
(Increase) decrease in trade and other receivables	(40,278)	(58,602)
(Increase) decrease in inventories	2,710	(5,797)
Increase (decrease) in trade and other payables	226	6,637
Others, net	7,107	3,098
Subtotal	99,664	120,292
Interest and dividends received	2,952	3,119
Interest paid	(1,500)	(1,109)
Income taxes paid	(13,712)	(29,303)
Cash flows from operating activities of discontinued operations	9,023	–
Net cash flows from operating activities	96,428	92,998
Cash flows from investing activities		
Purchase of time deposits	(40,726)	(448,869)
Proceeds from maturities in time deposits	48,240	260,631
Acquisition of securities	(196,887)	(257,711)
Proceeds from sale of securities	338,546	577,445
Settlement of forward foreign exchange contract for sale of securities	–	(7,024)
Acquisitions of property, plant and equipment	(23,809)	(23,525)
Proceeds from sale of property, plant and equipment	40	2,547
Acquisition of intangible assets	(33,633)	(28,316)
Acquisition of subsidiary	(33,476)	(11,771)
Proceeds from sale of subsidiary	–	7,004
Payments for loans receivable	(1,221)	(1,367)
Proceeds from collection of loans receivable	1,008	1,410
Others, net	2,968	8,375
Cash flows from investing activities of discontinued operations	(3,169)	–
Net cash flows from investing activities	57,879	78,827

(Millions of yen)

	First nine months of fiscal 2014 (From April 1, 2014 to December 31, 2014)	First nine months of fiscal 2015 (From April 1, 2015 to December 31, 2015)
Cash flows from financing activities		
Proceeds from bonds and borrowings	–	0
Repayments of bonds and borrowings	(90,000)	(20,000)
Purchase of treasury shares	(17)	(50,232)
Proceeds from sale of treasury shares	0	0
Dividends paid	(42,258)	(48,514)
Others, net	(705)	(1,030)
Cash flows from financing activities of discontinued operations	973	–
Net cash flows from financing activities	(132,007)	(119,777)
Net increase (decrease) in cash and cash equivalents	22,300	52,048
Cash and cash equivalents at the beginning of the period	183,070	189,372
Effect of exchange rate change on cash and cash equivalents	21,665	(1,320)
Cash and cash equivalents at the end of the period	227,036	240,099

(5) Notes to Consolidated Financial Statements

(Note Related to Going Concern Assumption)

Not applicable.

(Segment Information)

As the Group consists of a single segment, the “Daiichi Sankyo Group,” information by reportable segment is omitted.