

First Quarter (April 1 – June 30, 2009) Flash Report (unaudited)

Three months ended June 30, 2009

ONO PHARMACEUTICAL CO., LTD.

August 4, 2009

Ono Pharmaceutical Co., Ltd. has announced its consolidated financial results for three months ended June 30, 2009.

This First Quarter Flash Report 2010 (unaudited) is summary information extracted from financial statements announced, and the financial statements contained herein are prepared for the reference only for the convenience of readers outside Japan with certain modifications and reclassifications made from the original financial statements presented in Japanese language.

Financial Highlights

Ono Pharmaceutical Co., Ltd. and Consolidated Subsidiaries

	(Note) All yen amounts are rounded off to the nearest million yen.			
	Millions of yen			Thousands of US\$
	1st Quarter 3 months ended Jun 30 2009	1st Quarter 3 months ended Jun 30 2008	Annual 12 months ended Mar 31 2009	1st Quarter 3 months ended Jun 30 2009
Net sales	¥ 36,449	¥ 35,660	¥ 136,557	\$ 379,677
Net income	11,174	8,721	23,767	116,396
Total Net assets	399,107	416,675	390,041	4,157,365
Total assets	430,803	463,862	421,280	4,487,531
		Yen		US\$
Net income per common share	¥ 102.76	¥ 77.61	¥ 216.07	\$ 1.07

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**Consolidated Forecast of Consolidated Results for the Six Months
Ending September 30, 2009 and for the Year Ending March 31, 2010**

Ono Pharmaceutical Co., Ltd. and Consolidated Subsidiaries

	Six months ending		Year ending	
	September 30, 2009		March 31, 2010	
	Millions of yen	Thousands of US\$	Millions of yen	Thousands of US\$
Net sales	¥ 66,500	\$ 692,708	¥ 137,900	\$ 1,436,458
Operating income	20,500	213,542	40,500	421,875
Ordinary income	21,700	226,042	42,900	446,875
Net income	13,500	140,625	27,000	281,250
	Yen	US\$	Yen	US\$
Net income per common share	124.15	1.29	248.31	2.59

(*)The forecast for the six months ending September 30, 2009 is changed from May 13, 2009.

(*)The foregoing are forward-looking statements based on a number of assumptions and beliefs in light of the information currently available to management and are subject to risks and uncertainties. Actual financial results may differ materially depending on a number of economic factors, including conditions and currency exchange rate fluctuations.

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Consolidated Balance Sheets

Ono Pharmaceutical Co., Ltd. and Consolidated Subsidiaries

(Note) All amounts are rounded off to the nearest million yen.

ASSETS	Millions of yen			Thousands of US\$
	1st Quarter June 30 2009	1st Quarter June 30 2008	Annual March 31 2009	1st Quarter June 30 2009
Current assets				
Cash and bank deposits	¥ 14,791	¥ 30,340	¥ 14,103	\$ 154,073
Notes and accounts receivable	41,531	45,415	39,480	432,615
Marketable securities	100,080	83,272	102,908	1,042,500
Inventories	9,865	9,589	10,059	102,760
Others	14,800	16,920	14,016	154,167
Allowance for doubtful receivables	(9)	(9)	(9)	(94)
Total current assets	181,058	185,527	180,557	1,886,021
Property, plant and equipment				
Land	22,539	22,546	22,539	234,781
Buildings and structures	23,924	24,815	24,335	249,208
Machinery, equipment and others	2,788	3,252	2,920	29,042
Construction in progress	1,014	301	746	10,563
Net property, plant and equipment	50,265	50,914	50,540	523,594
Investments and other assets				
Investment securities	190,223	220,783	178,334	1,981,490
Intangible assets	1,116	1,018	1,033	11,625
Others	8,141	5,620	10,816	84,801
Total investments and other assets	199,480	227,421	190,183	2,077,916
Total assets	¥ 430,803	¥ 463,862	¥ 421,280	\$ 4,487,531

(Note) All amounts are rounded off to the nearest million yen.

LIABILITIES AND EQUITY	Millions of yen			Thousands of US\$
	1st Quarter June 30 2009	1st Quarter June 30 2008	Annual March 31 2009	1st Quarter June 30 2009
Current liabilities				
Current portion of long-term debt	¥ 2	¥ 2	¥ 2	\$ 21
Notes and accounts payable	3,406	3,280	3,423	35,479
Income tax payable	5,776	5,307	9,130	60,167
Others	16,221	16,759	12,905	168,968
Total current liabilities	25,405	25,348	25,460	264,635
Long-term liabilities				
Long-term debt, less current portion	16	17	16	167
Liabilities for retirement benefits	3,217	9,560	2,240	33,510
Others	3,058	12,262	3,523	31,854
Total long-term liabilities	6,291	21,839	5,779	65,531
Equity				
Common stock	17,358	17,358	17,358	180,813
Capital surplus	17,080	17,080	17,080	177,917
Retained earnings	423,953	417,302	422,565	4,416,177
Treasury stock-at cost	(63,429)	(52,462)	(63,425)	(660,719)
Total equity	394,962	399,278	393,578	4,114,188
Other comprehensive income				
Unrealized gain on securities (*)	9,730	23,109	2,171	101,354
Land revaluation surplus	(8,923)	(8,919)	(8,923)	(92,948)
Foreign currency translation adjustments	(156)	(125)	(204)	(1,625)
Total other comprehensive income	651	14,065	(6,956)	6,781
Minority interests				
Total net assets	3,494	3,332	3,419	36,396
Total liabilities and total net assets	¥ 430,803	¥ 463,862	¥ 421,280	\$ 4,487,531

(*) Unrealized gain on securities classified as available for sale, net of tax

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Consolidated Statements of Income

Ono Pharmaceutical Co., Ltd. and Consolidated Subsidiaries

(Note) All amounts are rounded off to the nearest million yen.

	Millions of yen			Thousands of US\$
	1st Quarter 3 months ended Jun 30 2009	1st Quarter 3 months ended Jun 30 2008	Annual 12 months ended Mar 31 2009	1st Quarter 3 months ended Jun 30 2009
Net sales	¥ 36,449	¥ 35,660	¥ 136,557	\$ 379,677
Cost of sales	5,483	5,830	21,319	57,115
Gross profit	30,966	29,830	115,238	322,562
Selling, general and administrative expenses	15,140	17,391	71,766	157,708
Operating income	15,826	12,439	43,472	164,854
Other income (expenses)				
Interest and dividend income	1,235	1,387	3,319	12,865
Interest expenses	—	—	(1)	—
Other, net	(98)	330	(6,519)	(1,021)
	1,137	1,717	(3,201)	11,844
Income before income taxes and minority interests	16,963	14,156	40,271	176,698
Income taxes	5,714	5,342	16,269	59,521
Income before minority interests	11,249	8,814	24,002	117,177
Minority interests	(75)	(93)	(235)	(781)
Net income	¥ 11,174	¥ 8,721	¥ 23,767	\$ 116,396
	Yen			US\$
Per share of common stock				
Basic net income	¥ 102.76	¥ 77.61	¥ 216.07	\$ 1.07
Cash dividends applicable to the period	¥ —	¥ —	¥ 180.00	\$ —

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Consolidated Statements of Cash Flows

Ono Pharmaceutical Co., Ltd. and Consolidated Subsidiaries

(Note) All amounts are rounded off to the nearest million yen.

	Millions of yen			Thousands of US\$
	1st Quarter 3 months ended Jun 30 2009	1st Quarter 3 months ended Jun 30 2008	Annual 12 months ended Mar 31 2009	1st Quarter 3 months ended Jun 30 2009
Operating activities:				
Income before income taxes and minority interests	¥ 16,963	¥ 14,156	¥ 40,271	\$ 176,698
Adjustments for:				
Depreciation and amortization	685	724	3,005	7,135
(Decrease) increase in allowance for doubtful receivables	(1)	(1)	(1)	(10)
Interest and dividend income	(1,235)	(1,387)	(3,319)	(12,865)
Interest expenses	—	—	1	—
Gain on sales of investment securities	—	(443)	(1,327)	—
(Increase)decrease in notes and accounts receivable	(2,050)	(4,347)	1,649	(21,354)
Decrease (increase) in inventories	194	383	(88)	2,021
Increase (decrease) in notes and accounts payable	92	274	44	958
Others	2,348	2,814	1,621	24,459
Interest and dividend income received	1,294	1,426	3,560	13,479
Interest paid	—	—	(1)	—
Income taxes paid	(9,012)	(13,770)	(20,890)	(93,875)
Net cash (used in) provided by operating activities	9,278	(171)	24,525	96,646
Investing activities:				
Payments for purchases of marketable securities	(9,344)	(6,975)	(93,655)	(97,333)
Proceeds from sales of marketable securities	31,850	51,898	158,963	331,771
Payments for purchases of property, plant and equipment	(827)	(355)	(1,509)	(8,615)
Payments for purchases of investment securities	(8,379)	(11,613)	(34,969)	(87,281)
Proceeds from sales of investment securities	2	624	2,205	21
Other payments	(123)	(203)	(308)	(1,282)
Net cash generated from provided by (used in) investment	13,179	33,376	30,727	137,281
Financing activities:				
Repayment of current portion of long-term debt	—	—	(1)	—
Payments for obtaining treasury stock	(4)	(15,600)	(26,563)	(42)
Cash dividends	(8,794)	(11,302)	(22,454)	(91,604)
Net cash used in financing activities	(8,798)	(26,902)	(49,018)	(91,646)
Foreign currency translation adjustments				
on cash and cash equivalents	42	(66)	(206)	438
Net decrease in cash and cash equivalents	13,701	6,237	6,028	142,719
Cash and cash equivalents, beginning	53,461	47,433	47,433	556,885
Cash and cash equivalents, ending	¥ 67,162	¥ 53,670	¥ 53,461	\$ 699,604

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Notes to Consolidated Financial Statements

Ono Pharmaceutical Co., Ltd. and Consolidated Subsidiaries

- Note 1 This First Quarter Flash Report 2010 (unaudited) is a summary information extracted from the financial statements announced by the Company on August 4, 2009. The financial statements announced have been prepared and stated in accordance with accounting principles generally accepted in Japan. The financial statements and figures contained in this First Quarter Flash Report 2010 (unaudited) are prepared for the reference only for the convenience of readers outside Japan with certain modifications and reclassifications made from the original financial statements presented in Japanese language.
- Note 2 All amounts expressed herein in millions of Japanese yen are rounded off to the nearest million yen, which are to follow the basis of presentation in the above original announcement.
- Note 3 U.S. Dollar amounts herein are given solely for the convenience of readers outside Japan and are stated, as a matter of arithmetical computation only, at the rate of Japanese yen 96 = US\$ 1, the approximate exchange rate prevailing on June 30, 2009.

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Ono Pharmaceutical Co., Ltd. and
Consolidated Subsidiaries

Sales of Major Products

Supplemental Data

For information purpose only

		Hundred Millions of yen					
		1st Quarter 3 months ended Jun 30 2009		1st Quarter 3 months ended Jun 30 2008		Annual 12 months ended Mar 31 2009	
Opalmon	Circulatory system agent	¥	107	¥	98	¥	381
Onon	Agent for bronchial asthma and allergic rhinitis		65		62		244
Kinedak	Agent for diabetic peripheral neuropathy		41		43		158
Foipan	Agent for chronic pancreatitis and postoperative reflux esophagitis		32		33		121
Onon dry syrup	Agent for pediatric bronchial asthma		21		22		89
Elaspol	Agent for acute lung injury associated with SIRS		13		13		50
Onoact	Agent for tachyarrhythmia during and post operation		6		6		27
Staybla	Agent for overactive bladder (pollakiuria and urinary incontinence)		10		3		22
Recalbon	Agent for osteoporosis		2		—		—

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Consolidated Subsidiaries

Supplemental Information

Status of Development Pipeline

as of August 4, 2009

Developments in Japan

NDA filed (New Chemical Entities):

- **Emend® Capsules (ONO-7436 / MK-0869)**
(in-licensed from Merck & Co., Inc.)
Chemotherapy-induced nausea and vomiting
[NK1 antagonist]
- **Glactiv® Tablets (ONO-5435 / MK-0431)**
(co-development with Banyu Pharmaceutical Co., Ltd.)
Type II diabetes [DPP-IV inhibitor]

Ongoing clinical studies (New Chemical Entities):

- **Rivastach™ (ONO-2540 / ENA713D) (transdermal patch)**
(co-development with Novartis Pharma K.K.)
Alzheimer's disease (Phase III)
[dual inhibitor of AChE and BuChE]
- **ONO-7847 / MK-0517 (injection)**
(in-licensed from Merck & Co., Inc.)
Chemotherapy-induced nausea and vomiting (Phase III)
[NK1 antagonist]
- **ONO-7643 / RC-1291 (tablet)**
(in-licensed from Helsinn Therapeutics (U.S.), Inc.)
Cancer anorexia / cachexia (Phase I)
[ghrelin mimetic]
- **ONO-5334 (tablet)**
Osteoporosis (Phase I) [cathepsin K inhibitor]
- **ONO-8539 (tablet)**
Overactive bladder (Phase I) [EP 1 antagonist]
- **ONO-4641 (tablet)**
Multiple sclerosis (Phase I) [S1P receptor agonist]
- **ONO-4538 / MDX-1106 (injection)**
Cancer (Phase I)
[fully human anti-PD-1 antibody]
- **ONO-3849 (injection)**
(in-licensed from Progenics Pharmaceuticals, Inc.)
Opioid-induced constipation (Phase I)
[mu-opioid receptor antagonist]

Ongoing clinical studies (Additional Indications):

- **Glactiv® Tablets (ONO-5435 / MK-0431)**
(co-development with Banyu Pharmaceutical Co., Ltd.)
Type II diabetes: combination therapy [DPP-IV inhibitor]
 - with alpha-glucosidase inhibitor (Phase III)
 - with insulin (Phase III)
- **Onoact® for Injection**
Improvement of multislice CT coronary imaging ability
(Phase III) [short-acting β1 blocker]
- **Emend® Capsules (ONO-7436 / MK-0869)**
(in-licensed from Merck & Co., Inc.)
Chemotherapy-induced nausea and vomiting in children
(Phase III) [NK1 antagonist]

- **Elaspol® for Injection**
Acute respiratory failure associated with community-acquired pneumonia (Phase II)
[neutrophil elastase inhibitor]

Ongoing clinical studies (New Dosage Regimen):

- **ONO-5920 / YM529 (once-monthly oral tablet)**
(co-development with Astellas Pharma Inc.)
Osteoporosis (Phase III)
[bone resorption inhibitor (bisphosphonate)]

Developments abroad

Ongoing clinical studies (New Chemical Entities):

- **ONO-5334 (tablet)**
Osteoporosis (Phase II) [cathepsin K inhibitor]
- **ONO-8539 (tablet)**
Overactive bladder (Phase II) [EP 1 antagonist]
- **ONO-4538 / MDX-1106 (injection)**
(co-development with Medarex, Inc.)
Cancer (Phase I)
Hepatitis C (Phase I)
[fully human anti-PD-1 antibody]
- **ONO-4641 (tablet)**
Multiple sclerosis (Phase I) [S1P receptor agonist]
- **ONO-7746 (capsule)**
(in-licensed from Nissan Chemical Industries, Ltd.)
Thrombocytopenia (Phase I) [TPO receptor agonist]

Changes from the Annual Flash Report for the Fiscal Year ended March 2009 announced on May 13, 2009

(In Japan)

- Trade name candidate for ONO-2540, a drug for Alzheimer's disease, has been decided to be "Rivastach™".
- We commenced Phase III studies of ONO-7847 (injection), a drug for chemotherapy-induced nausea and vomiting. This is the prodrug of ONO-7436 (Emend® Capsules) available in injectable form.
- We commenced Phase III studies of Onoact® for Injection for improvement of multislice CT coronary imaging ability as an additional indication.
- We commenced Phase III studies of Emend® Capsules (ONO-7436) for chemotherapy-induced nausea and vomiting in children as an additional indication.

(Outside of Japan)

- We commenced Phase I studies of ONO-7746, a drug for thrombocytopenia in the U.S.