

First-Second Quarter (April 1 – September 30, 2009) Flash Report (unaudited)
 Six months ended September 30, 2009

ONO PHARMACEUTICAL CO., LTD.

November 5, 2009

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

This First-Second Quarter Flash Report 2010 (unaudited) is summary information extracted from financial statements announced, and the financial statements contained herein are prepared for 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.			Thousands of US\$
	Millions of yen		Annual	
	1st-2nd Quarter 6 months ended Sep 30 2009	1st-2nd Quarter 6 months ended Sep 30 2008	12 months ended Mar 31 2009	1st-2nd Quarter 6 months ended Sep 30 2009
Net sales	¥ 67,184	¥ 65,994	¥ 136,557	\$ 746,489
Net income	15,914	13,883	23,767	176,822
Total Net assets	405,759	402,752	390,041	4,508,433
Total assets	435,783	442,757	421,280	4,842,033
		Yen		US\$
Net income per common share	¥ 146.35	¥ 125.00	¥ 216.07	\$ 1.63

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**Consolidated Financial Forecast for the Year
Ending March 31,2010**

Ono Pharmaceutical Co., Ltd. and Consolidated Subsidiaries

	Year ending March 31,2010	
	Millions of yen	Thousands of US\$
Net sales	¥ 137,900	\$ 1,532,222
Operating income	40,500	450,000
Ordinary income	42,900	476,667
Net income	28,300	314,444
	Yen	US\$
Net income per common share	260.26	2.89

(*)The forecasts for the year ending March 31, 2010 are 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-2nd Quarter September 30 2009	1st-2nd Quarter September 30 2008	Annual March 31 2009	1st-2nd Quarter September 30 2009
Current assets				
Cash and bank deposits	¥ 12,581	¥ 15,677	¥ 14,103	\$ 139,789
Notes and accounts receivable	33,908	35,532	39,480	376,756
Marketable securities	111,115	106,948	102,908	1,234,611
Inventories	13,413	10,503	10,059	149,033
Others	14,418	16,095	14,016	160,200
Allowance for doubtful receivables	(8)	(9)	(9)	(89)
Total current assets	185,427	184,746	180,557	2,060,300
Property, plant and equipment				
Land	22,539	22,546	22,539	250,433
Buildings and structures	23,527	24,415	24,335	261,411
Machinery, equipment and others	2,749	3,314	2,920	30,545
Construction in progress	1,675	411	746	18,611
Net property, plant and equipment	50,490	50,686	50,540	561,000
Investments and other assets				
Investment securities	190,062	200,689	178,334	2,111,800
Intangible assets	1,048	1,006	1,033	11,644
Others	8,756	5,630	10,816	97,289
Total investments and other assets	199,866	207,325	190,183	2,220,733
Total assets	¥ 435,783	¥ 442,757	¥ 421,280	\$ 4,842,033

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

LIABILITIES AND EQUITY	Millions of yen			Thousands of US\$
	1st-2nd Quarter September 30 2009	1st-2nd Quarter September 30 2008	Annual March 31 2009	1st-2nd Quarter September 30 2009
Current liabilities				
Current portion of long-term debt	¥ 2	¥ 1	¥ 2	\$ 22
Notes and accounts payable	6,248	3,239	3,423	69,422
Income tax payable	8,071	8,359	9,130	89,678
Others	12,477	10,741	12,905	138,634
Total current liabilities	26,798	22,340	25,460	297,756
Long-term liabilities				
Long-term debt, less current portion	15	16	16	167
Liabilities for retirement benefits	142	10,441	2,240	1,578
Others	3,069	7,208	3,523	34,099
Total long-term liabilities	3,226	17,665	5,779	35,844
Equity				
Common stock	17,358	17,358	17,358	192,867
Capital surplus	17,080	17,080	17,080	189,778
Retained earnings	428,693	422,464	422,565	4,763,256
Treasury stock-at cost	(63,432)	(63,406)	(63,425)	(704,801)
Total equity	399,699	393,496	393,578	4,441,100
Other comprehensive income				
Unrealized gain on securities (*)	11,554	14,848	2,171	128,378
Land revaluation surplus	(8,923)	(8,919)	(8,923)	(99,144)
Foreign currency translation adjustments	(136)	(26)	(204)	(1,512)
Total other comprehensive income	2,495	5,903	(6,956)	27,722
Minority interests				
Total net assets	405,759	402,752	390,041	4,508,433
Total liabilities and total net assets	¥ 435,783	¥ 442,757	¥ 421,280	\$ 4,842,033

(*) 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-2nd Quarter 6 months ended Sep 30 2009	1st-2nd Quarter 6 months ended Sep 30 2008	Annual 12 months ended Mar 31 2009	1st-2nd Quarter 6 months ended Sep 30 2009
Net sales	¥ 67,184	¥ 65,994	¥ 136,557	\$ 746,489
Cost of sales	9,963	10,283	21,319	110,700
Gross profit	57,221	55,711	115,238	635,789
Selling, general and administrative expenses	34,838	35,000	71,766	387,089
Operating income	22,383	20,711	43,472	248,700
Other income (expenses)				
Interest and dividend income	1,642	1,833	3,319	18,244
Interest expenses	(0)	(0)	(1)	(0)
Other, net	289	6	(6,519)	3,212
	1,931	1,839	(3,201)	21,456
Income before income taxes and minority interests	24,314	22,550	40,271	270,156
Income taxes	8,265	8,511	16,269	91,834
Income before minority interests	16,049	14,039	24,002	178,322
Minority interests	(135)	(156)	(235)	(1,500)
Net income	¥ 15,914	¥ 13,883	¥ 23,767	\$ 176,822
Per share of common stock				
Basic net income	¥ 146.35	¥ 125.00	¥ 216.07	\$ 1.63
Cash dividends applicable to the period	¥ 90.00	¥ 90.00	¥ 180.00	\$ 1.00

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Six months ended September 30, 2009

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-2nd Quarter 6 months ended Sep 30 2009	1st-2nd Quarter 6 months ended Sep 30 2008	Annual 12 months ended Mar 31 2009	1st-2nd Quarter 6 months ended Sep 30 2009
Operating activities:				
Income before income taxes and minority interests	¥ 24,314	¥ 22,550	¥ 40,271	\$ 270,156
Adjustments for:				
Depreciation and amortization	1,388	1,461	3,005	15,422
Decrease in allowance for doubtful receivables	(1)	(1)	(1)	(11)
Interest and dividend income	(1,642)	(1,833)	(3,319)	(18,244)
Interest expenses	0	0	1	0
Contribution to retirement benefits trust	5,000	—	10,000	55,556
Gain on sales of investment securities	—	(1,297)	(1,327)	—
Decrease in trade notes and accounts receivable	5,572	5,603	1,649	61,911
Increase in inventories	(3,355)	(531)	(88)	(37,278)
Increase in trade notes and accounts payable	3,013	37	44	33,478
Others	(4,437)	1,133	1,621	(49,300)
Interest and dividend income received	1,784	1,957	3,560	19,822
Interest paid	(0)	(0)	(1)	(0)
Payments for contribution to retirement benefits trust	(5,000)	—	(10,000)	(55,556)
Income taxes paid	(9,361)	(13,982)	(20,890)	(104,012)
Net cash provided by provided by operating activities	17,275	15,097	24,525	191,944
Investing activities:				
Payments for purchases of marketable securities	(21,689)	(26,710)	(93,655)	(240,989)
Proceeds from sales of marketable securities	52,100	72,858	158,963	578,889
Payments for purchases of property, plant and equipment	(1,298)	(686)	(1,509)	(14,422)
Payments for purchases of investment securities	(14,606)	(15,723)	(34,969)	(162,289)
Proceeds from sales of investment securities	5	2,153	2,205	56
Other payments	(360)	(117)	(308)	(4,000)
Net cash provided by investment activities	14,152	31,775	30,727	157,245
Financing activities:				
Repayment of current portion of long-term debt	(1)	(1)	(1)	(11)
Payments for obtaining treasury stock	(6)	(26,545)	(26,563)	(67)
Cash dividends	(9,779)	(12,684)	(22,454)	(108,655)
Net cash used in financing activities	(9,786)	(39,230)	(49,018)	(108,733)
Foreign currency translation adjustments				
on cash and cash equivalents	64	(36)	(206)	711
Net decrease in cash and cash equivalents	21,705	7,606	6,028	241,167
Cash and cash equivalents, beginning	53,461	47,433	47,433	594,011
Cash and cash equivalents, ending	¥ 75,166	¥ 55,039	¥ 53,461	\$ 835,178

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Notes to Consolidated Financial Statements

Ono Pharmaceutical Co., Ltd. and Consolidated Subsidiaries

Note 1 This First-Second Quarter Flash Report 2010 (unaudited) is summary information extracted from the financial statements announced by the Company on November 5, 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-Second Quarter Flash Report 2010 (unaudited) are prepared for 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 90 = US\$ 1, the approximate exchange rate prevailing on September 30, 2009.

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Six months ended September 30, 2009

Ono Pharmaceutical Co., Ltd. and
Consolidated Subsidiaries

Sales of Major Products

Supplemental Data

For information purpose only

		Hundred Millions of yen		
		1st-2nd Quarter 6 months ended Sep 30 2009	1st-2nd Quarter 6 months ended Sep 30 2008	Annual 12 months ended Mar 31 2009
Opalmon	Circulatory system agent	¥ 208	¥ 191	¥ 381
Onon	Agent for bronchial asthma and allergic rhinitis	111	106	244
Kinedak	Agent for diabetic peripheral neuropathy	77	82	158
Foipan	Agent for chronic pancreatitis and postoperative reflux esophagitis	61	62	121
Onon dry syrup	Agent for pediatric bronchial asthma	37	39	89
Elaspol	Agent for acute lung injury associated with SIRS	24	24	50
Staybla	Agent for overactive bladder (pollakiuria and urinary incontinence)	18	6	22
Onoact	Agent for tachyarrhythmia during and post operation	14	13	27
Recalbon	Agent for osteoporosis	2	—	—

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Ono Pharmaceutical Co., Ltd. and
Consolidated Subsidiaries

Supplemental Information

Status of Development Pipeline

as of November 5, 2009

Developments in Japan

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 Bristol-Myers Squibb)
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 First Quarter Flash Report for the Fiscal Year ended March 2010 announced on August 4, 2009

(In Japan)

- Glactiv® Tablets, a type 2 oral antidiabetic drug, was approved in Japan on October 16, 2009.
- An antiemetic drug, EMEND® Capsule, a selective neurokinin-1 (NK1) receptor antagonist, was approved in Japan on October 16, 2009.

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Supplemental Information

New Drugs in Development

as of November 5, 2009

In our ongoing effort to create products that will promote the health of more people worldwide, Ono has many new drug formulations under development, including the following major drugs:

ONO-2540 / ENA713D (transdermal patch)

ONO-2540 or rivastigmine patch is a drug for the treatment of Alzheimer's disease with an inhibitory action on both acetylcholinesterase (AChE) and butyrylcholinesterase (BuChE). The drug inhibits not only AChE which is known as an enzyme deeply involved in Alzheimer's disease, but also BuChE which reportedly increases as the disease progresses. Therefore, the drug is expected to have an effect in patients who do not respond to existing drugs. The rivastigmine patch is the first transdermal system developed for the disease and is expected to provide greater convenience, e.g. caregivers can easily confirm the administration of the drug.

Japan: Phase III / Alzheimer's disease (co-development with Novartis Pharma K.K.)

Europe & US: Marketed (Novartis AG)

ONO-7847 / MK-0517 (injection)

ONO-7847 is a neurokinin (NK) 1 antagonist, and is the prodrug of ONO-7436 (Emend® Capsules) available in injectable form. The development for prevention of chemotherapy-induced nausea and vomiting has been pursued.

Japan: Phase III / Chemotherapy-induced nausea and vomiting

Overseas: Phase III / Chemotherapy-induced nausea and vomiting (Merck & Co., Inc.)

ONO-7643 / RC-1291 (tablet)

ONO-7643 is a small molecule ghrelin mimetic and the development is underway in cancer anorexia / cachexia. The drug is a low molecular weight substance having similar pharmacological actions to ghrelin, which is a circulating peptide hormone that has multiple physiological actions, including appetite stimulation and muscle-building (anabolic) effects. The compound is therefore expected to be a breakthrough drug that would improve patient quality of life (QOL) impaired by exhausted general conditions based on anorexia and loss of body fat and muscle mass associated with progression of cancer

Japan: Phase I / Cancer anorexia / cachexia

US, etc.: Phase II / Cancer anorexia / cachexia (Helsinn Therapeutics (U.S.), Inc.)

ONO-5334 (tablet)

ONO-5334, a cathepsin K inhibitor, is being developed for osteoporosis with a novel mechanism of action. Unlike bisphosphonates, the drug only inhibits bone resorption without having impact on bone formation.

Japan: Phase I / Osteoporosis

Europe: Phase II / Osteoporosis

ONO-8539 (tablet)

ONO-8539 is a selective antagonist of EP1, one of subtype receptors of prostaglandin E2, and overactive bladder is the first indication for its clinical development program. It is expected that the drug can be given to the patients who are complicated with glaucoma for which use of anticholinergics is limited due to its mechanism of actions and with lower urinary obstruction including benign prostatic hypertrophy.

Japan: Phase I / Overactive bladder

Europe: Phase II / Overactive bladder

ONO-4641 (tablet)

ONO-4641 is a sphingosine-1-phosphate (S1P) receptor agonist, being developed for the treatment of multiple sclerosis. The drug is a low molecular weight substance that keeps lymphocytes in lymph nodes and reduces the lymphocyte count in the blood, as a result inhibiting the infiltration of lymphocytes into lesions. The compound is therefore expected to be an innovative drug for the treatment of autoimmune diseases such as multiple sclerosis, which is regarded as an intractable disease.

Japan: Phase I / Multiple sclerosis

US: Phase I / Multiple sclerosis

ONO-4538 / MDX-1106 (injection)

ONO-4538, a fully human anti-PD-1 antibody, is expected to be a potential treatment for cancer and other diseases. PD-1 is one of the receptors expressed on activated lymphocytes, and is involved in the negative regulatory system to suppress the activated lymphocytes. It has been reported that tumor cells utilize this system to escape from the host immune responses. It is anticipated that blockade of the negative regulatory signal mediated by PD-1 will

promote the host's immune response, in which tumor cells and viruses are recognized as foreign and eliminated.

Japan: Phase I / Cancer

US: Phase I / Cancer and hepatitis C (co-development with Bristol-Myers Squibb)

ONO-3849 (injection)

ONO-3849 is a peripherally acting mu-opioid receptor antagonist, and is developed for opioid-induced constipation. Opioid pain medications are mainly used for the treatment of pain in cancer and other advanced illnesses, but often cause constipation in many of these patients. ONO-3849 is expected to decrease the constipating effects of opioid pain medications in the gastrointestinal tract without affecting their ability to relieve pain.

Japan: Phase I / Opioid-induced constipation

Overseas: Marketed / Opioid-induced constipation (Wyeth)

ONO-7746 (capsule)

ONO-7746 is an orally active low molecule compound which may increase platelet count by activating a receptor of thrombopoietin, which is a hematopoietic factor to accelerate platelet production. The compound will be developed as a new drug which may reduce the risk of bleeding in various diseases with thrombocytopenia and overcome risk of infection associated with platelet transfusion.

US: Phase I / Thrombocytopenia

<New Dosage Regimen>

ONO-5920 / YM529 (tablet)

ONO-5920 is a drug for the treatment of osteoporosis, and is intermittently administered oral formulation of Recalbon[®] Tablets.

Japan: Phase III / Osteoporosis (co-development with Astellas Pharma Inc.)

<Additional Indications>

Emend[®] Capsules (MK-0869)

Japan: Phase III / Chemotherapy-induced nausea and vomiting in children

Glactiv[®] Tablets (MK-0431)

Japan: Phase III / Type II diabetes: combination therapy (co-development with Banyu Pharmaceutical Co., Ltd.)

- with an alpha-glucosidase inhibitor
- with an insulin

Onoact[®] for Injection

Japan: Phase III / Improvement of multislice CT coronary imaging ability

Elaspol[®] for Injection

Japan: Phase II / Acute respiratory failure associated with community-acquired pneumonia