

First-Third Quarter (April 1 – December 31, 2009) Flash Report (unaudited)

Nine months ended December 31, 2009

ONO PHARMACEUTICAL CO., LTD.

February 4, 2010

Ono Pharmaceutical Co., Ltd. has announced its consolidated financial results for nine months ended December 31, 2009.

This First-Third 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			
	1st-3rd Quarter 9 months ended Dec 31 2009	1st-3rd Quarter 9 months ended Dec 31 2008	Annual 12 months ended Mar 31 2009	1st-3rd Quarter 9 months ended Dec 31 2009
Net sales	¥ 106,325	¥ 104,254	¥ 136,557	\$ 1,155,707
Net income	24,593	20,853	23,767	267,315
Total Net assets	400,647	391,214	390,041	4,354,859
Total assets	428,078	428,441	421,280	4,653,022
		Yen		US\$
Net income per common share	¥ 226.17	¥ 188.94	¥ 216.07	\$ 2.46

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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	¥ 139,300	\$ 1,514,130
Operating income	40,700	442,391
Ordinary income	43,500	472,826
Net income	28,700	311,957
	Yen	US\$
Net income per common share	263.94	2.87

(*)The forecasts for the year ending March 31, 2010 are changed from November 5, 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-3rd Quarter December 31 2009	1st-3rd Quarter December 31 2008	Annual March 31 2009	1st-3rd Quarter December 31 2009
Current assets				
Cash and bank deposits	¥ 15,387	¥ 16,064	¥ 14,103	\$ 167,250
Notes and accounts receivable	41,129	46,381	39,480	447,054
Marketable securities	98,230	98,097	102,908	1,067,717
Inventories	13,986	9,700	10,059	152,022
Others	17,999	16,184	14,016	195,641
Allowance for doubtful receivables	(13)	(10)	(9)	(141)
Total current assets	186,718	186,416	180,557	2,029,543
Property, plant and equipment				
Land	22,539	22,546	22,539	244,989
Buildings and structures	23,862	24,047	24,335	259,370
Machinery, equipment and others	3,383	3,138	2,920	36,772
Construction in progress	845	740	746	9,185
Net property, plant and equipment	50,629	50,471	50,540	550,316
Investments and other assets				
Investment securities	180,856	184,321	178,334	1,965,826
Intangible assets	1,004	1,068	1,033	10,913
Others	8,871	6,165	10,816	96,424
Total investments and other assets	190,731	191,554	190,183	2,073,163
Total assets	¥ 428,078	¥ 428,441	¥ 421,280	\$ 4,653,022

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

LIABILITIES AND EQUITY	Millions of yen			Thousands of US\$
	1st-3rd Quarter December 31 2009	1st-3rd Quarter December 31 2008	Annual March 31 2009	1st-3rd Quarter December 31 2009
Current liabilities				
Current portion of long-term debt	¥ 2	¥ 2	¥ 2	\$ 22
Notes and accounts payable	4,565	3,180	3,423	49,620
Income tax payable	3,740	7,153	9,130	40,652
Others	15,845	11,967	12,905	172,228
Total current liabilities	24,152	22,302	25,460	262,522
Long-term liabilities				
Long-term debt, less current portion	15	16	16	163
Liabilities for retirement benefits	201	11,391	2,240	2,185
Others	3,063	3,518	3,523	33,293
Total long-term liabilities	3,279	14,925	5,779	35,641
Equity				
Common stock	17,358	17,358	17,358	188,674
Capital surplus	17,080	17,080	17,080	185,652
Retained earnings	427,585	419,648	422,565	4,647,663
Treasury stock-at cost	(63,436)	(63,418)	(63,425)	(689,522)
Total equity	398,587	390,668	393,578	4,332,467
Other comprehensive income				
Unrealized gain on securities (*)	7,580	6,132	2,171	82,391
Land revaluation surplus	(8,923)	(8,919)	(8,923)	(96,989)
Foreign currency translation adjustments	(186)	(54)	(204)	(2,022)
Total other comprehensive income	(1,529)	(2,841)	(6,956)	(16,620)
Minority interests				
Total net assets	400,647	391,214	390,041	4,354,859
Total liabilities and total net assets	¥ 428,078	¥ 428,441	¥ 421,280	\$ 4,653,022

(*) 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-3rd Quarter 9 months ended Dec 31 2009	1st-3rd Quarter 9 months ended Dec 31 2008	Annual 12 months ended Mar 31 2009	1st-3rd Quarter 9 months ended Dec 31 2009
Net sales	¥ 106,325	¥ 104,254	¥ 136,557	\$ 1,155,707
Cost of sales	16,555	16,121	21,319	179,946
Gross profit	89,770	88,133	115,238	975,761
Selling, general and administrative expenses	55,229	52,983	71,766	600,315
Operating income	34,541	35,150	43,472	375,446
Other income (expenses)				
Interest and dividend income	2,581	2,902	3,319	28,054
Interest expenses	(0)	(0)	(1)	(0)
Other, net	358	(2,756)	(6,519)	3,891
	2,939	146	(3,201)	31,945
Income before income taxes and minority interests	37,480	35,296	40,271	407,391
Income taxes	12,721	14,241	16,269	138,271
Income before minority interests	24,759	21,055	24,002	269,120
Minority interests	(166)	(202)	(235)	(1,805)
Net income	¥ 24,593	¥ 20,853	¥ 23,767	\$ 267,315
		Yen		US\$
Per share of common stock				
Basic net income	¥ 226.17	¥ 188.94	¥ 216.07	\$ 2.46
Cash dividends applicable to the period	¥ 90.00	¥ 90.00	¥ 180.00	\$ 0.98

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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-3rd Quarter 9 months ended Dec 31 2009	1st-3rd Quarter 9 months ended Dec 31 2008	Annual 12 months ended Mar 31 2009	1st-3rd Quarter 9 months ended Dec 31 2009
Operating activities:				
Income before income taxes and minority interests	¥ 37,480	¥ 35,296	¥ 40,271	\$ 407,391
Adjustments for:				
Depreciation and amortization	2,189	2,223	3,005	23,793
Increase (decrease) in allowance for doubtful receivables	3	(1)	(1)	33
Interest and dividend income	(2,581)	(2,902)	(3,319)	(28,054)
Interest expenses	0	0	1	0
Contribution to retirement benefits trust	5,000	-	10,000	54,348
Gain on sales of investment securities	-	(1,327)	(1,327)	-
Decrease (increase) in trade notes and accounts receivable	(1,649)	(5,257)	1,649	(17,924)
Decrease (increase) in inventories	(3,927)	272	(88)	(42,685)
Increase (decrease) in trade notes and accounts payable	1,356	(88)	44	14,739
Others	(4,650)	5,346	1,621	(50,543)
Interest and dividend income received	2,798	3,053	3,560	30,413
Interest paid	(0)	(0)	(1)	(0)
Payments for contribution to retirement benefits trust	(5,000)	-	(10,000)	(54,348)
Income taxes paid	(18,078)	(20,873)	(20,890)	(196,500)
Net cash provided by provided by operating activities	12,941	15,742	24,525	140,663
Investing activities:				
Payments for purchases of marketable securities	(29,030)	(70,119)	(93,655)	(315,543)
Proceeds from sales of marketable securities	73,970	122,608	158,963	804,022
Payments for purchases of property, plant and equipment	(1,970)	(1,178)	(1,509)	(21,413)
Payments for purchases of investment securities	(18,518)	(21,489)	(34,969)	(201,283)
Proceeds from sales of investment securities	7	2,201	2,205	76
Other payments	(436)	(307)	(308)	(4,739)
Net cash provided by investment activities	24,023	31,716	30,727	261,120
Financing activities:				
Repayment of current portion of long-term debt	(1)	(1)	(1)	(11)
Payments for obtaining treasury stock	(10)	(26,556)	(26,563)	(109)
Cash dividends	(18,994)	(21,848)	(22,454)	(206,457)
Net cash used in financing activities	(19,005)	(48,405)	(49,018)	(206,577)
Foreign currency translation adjustments				
on cash and cash equivalents	16	(77)	(206)	174
Net decrease in cash and cash equivalents	17,975	(1,024)	6,028	195,380
Cash and cash equivalents, beginning	53,461	47,433	47,433	581,098
Cash and cash equivalents, ending	¥ 71,436	¥ 46,409	¥ 53,461	\$ 776,478

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Nine months ended December 31, 2009

Notes to Consolidated Financial Statements

Ono Pharmaceutical Co., Ltd. and Consolidated Subsidiaries

Note 1 This First-Third Quarter Flash Report 2010 (unaudited) is summary information extracted from the financial statements announced by the Company on February 4, 2010.

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-Third 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 92 = US\$ 1, the approximate exchange rate prevailing on December 31, 2009.

First-Third Quarter (April 1 – December 31, 2009) Flash Report (unaudited)

Nine months ended December 31, 2009

Sales of Major Products

Supplemental Data

For information purpose only

		Hundred Millions of yen					
		1st-3rd Quarter 9 months ended Dec 31 2009		1st-3rd Quarter 9 months ended Dec 31 2008		Annual 12 months ended Mar 31 2009	
Opalmon	Circulatory system agent	¥	325	¥	299	¥	381
Onon	Agent for bronchial asthma and allergic rhinitis		173		170		244
Kinedak	Agent for diabetic peripheral neuropathy		119		126		158
Foipan	Agent for chronic pancreatitis and postoperative reflux esophagitis		94		97		121
Onon dry syrup	Agent for pediatric bronchial asthma		64		68		89
Elaspol	Agent for acute lung injury associated with SIRS		38		39		50
Staybla	Agent for overactive bladder (pollakiuria and urinary incontinence)		30		14		22
Onoact	Agent for tachyarrhythmia during and post operation		23		22		27
Recalbon	Agent for osteoporosis		4		-		-

(*) We launched Glactiv Tablets and Emend Capsules on December 11, 2009, and their sales in December were over ¥ 11 hundred million and under ¥ 1 hundred million respectively.

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Ono Pharmaceutical Co., Ltd. and
Consolidated Subsidiaries

Supplemental Information

Status of Development Pipeline

as of February 4, 2010

Developments in Japan

NDA filed (New Formulations):

- **Staybla® OD Tablets (ONO-8025OD / KRP-197OD) (co-development with Kyorin Pharmaceutical Co., Ltd.)**
Overactive bladder (pollakiuria and urinary incontinence)
[M₃ muscarinic receptor blocker]

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 receptor antagonist]
- **ONO-4641 (tablet)**
Multiple sclerosis (Phase II) [S1P receptor agonist]
- **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 receptor antagonist]
- **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]
- **ONO-2745 / CNS 7056 (injection) (In licensed from PAION AG)**
Short-acting general anesthetic (Phase I)
[GABAA receptor agonist]

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 receptor 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 receptor antagonist]
- **ONO-4641 (tablet)**
Multiple sclerosis (Phase II) [S1P receptor agonist]
- **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-7746 (capsule) (in-licensed from Nissan Chemical Industries, Ltd.)**
Thrombocytopenia (Phase I) [TPO receptor agonist]

Changes from the Semi-annual Flash Report for the Fiscal Year ended March 2010 announced on November 5, 2009

- An NDA of Staybla® OD Tablets (ONO-8025OD / KRP-197OD) for the treatment of overactive bladder was submitted with the Ministry of Health, Labour and Welfare of Japan (Announced on January 7, 2010).
- We commenced Phase II study of ONO-4641, a drug for multiple sclerosis. It is a multi-national study performed in Japan, North America. and Europe.
- We commenced Phase I study of ONO-2745, a short-acting general anesthetic in Japan.