

**First-Second Quarter (April 1 – September 30, 2011) Flash Report (unaudited)**  
 Six months ended September 30, 2011

## ONO PHARMACEUTICAL CO., LTD.

November 2, 2011

Ono Pharmaceutical Co., Ltd. has announced its consolidated financial results for six months ended September 30, 2011.

This First - Second Quarter Flash Report 2012 (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.			Thousands of US\$
	Millions of yen		Annual	
	1st-2nd Quarter 6 months ended Sep 30 2011	1st-2nd Quarter 6 months ended Sep 30 2010	12 months ended Mar 31 2011	1st-2nd Quarter 6 months ended Sep 30 2011
Net sales	¥ 70,170	¥ 63,778	¥ 135,255	\$ 923,289
Net income	8,383	9,325	24,222	110,303
Total Net assets	394,564	398,411	394,573	5,191,632
Total assets	424,556	423,039	424,443	5,586,263
		Yen		US\$
Net income per common share	¥ 79.07	¥ 85.76	¥ 223.88	\$ 1.04

**First-Second Quarter (April 1 – September 30, 2011) Flash Report (unaudited)**  
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**Consolidated Financial Forecast for the Year  
Ending March 31,2012**

Ono Pharmaceutical Co., Ltd. and Consolidated Subsidiaries

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	<b>Year ending March 31,2012</b>	
	<b>Millions of yen</b>	<b>Thousands of US\$</b>
<b>Net sales</b>	<b>¥ 145,400</b>	<b>\$ 1,913,158</b>
<b>Operating income</b>	<b>36,200</b>	<b>476,316</b>
<b>Ordinary income</b>	<b>38,400</b>	<b>505,263</b>
<b>Net income</b>	<b>21,000</b>	<b>276,316</b>
	<b>Yen</b>	<b>US\$</b>
<b>Net income per common share</b>	<b>198.08</b>	<b>2.61</b>

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(\*)The forecasts for the year ending March 31, 2012 are changed from May 11, 2011.

(\*)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.

**First-Second Quarter (April 1 – September 30, 2011) Flash Report (unaudited)**  
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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 2011	1st-2nd Quarter September 30 2010	Annual March 31 2011	1st-2nd Quarter September 30 2011
<b>Current assets</b>				
Cash and bank deposits	¥ 20,647	¥ 16,084	¥ 22,445	\$ 271,671
Notes and accounts receivable	35,502	30,290	36,704	467,132
Marketable securities	111,260	116,113	103,524	1,463,947
Inventories	13,590	14,163	13,048	178,816
Others	16,249	15,819	15,658	213,803
Allowance for doubtful receivables	(5)	(11)	(9)	(66)
<b>Total current assets</b>	<b>197,243</b>	<b>192,458</b>	<b>191,370</b>	<b>2,595,303</b>
<b>Property, plant and equipment</b>				
Land	22,552	22,554	22,552	296,737
Buildings and structures	22,298	22,916	22,542	293,395
Machinery, equipment and others	2,832	3,257	2,864	37,263
Construction in progress	423	390	658	5,565
<b>Net property, plant and equipment</b>	<b>48,105</b>	<b>49,117</b>	<b>48,616</b>	<b>632,960</b>
<b>Investments and other assets</b>				
Investment securities	161,801	166,872	167,953	2,128,961
Intangible assets	829	909	956	10,908
Others	16,578	13,683	15,548	218,131
<b>Total investments and other assets</b>	<b>179,208</b>	<b>181,464</b>	<b>184,457</b>	<b>2,358,000</b>
<b>Total assets</b>	<b>¥ 424,556</b>	<b>¥ 423,039</b>	<b>¥ 424,443</b>	<b>\$ 5,586,263</b>

(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 2011	1st-2nd Quarter September 30 2010	Annual March 31 2011	1st-2nd Quarter September 30 2011
<b>Current liabilities</b>				
Current portion of long-term debt	¥ 2	¥ 2	¥ 2	\$ 26
Notes and accounts payable	4,077	3,778	5,325	53,645
Income tax payable	6,489	5,061	7,422	85,382
Others	15,441	12,200	13,449	203,171
<b>Total current liabilities</b>	<b>26,009</b>	<b>21,041</b>	<b>26,198</b>	<b>342,224</b>
<b>Long-term liabilities</b>				
Long-term debt, less current portion	12	13	12	158
Liabilities for retirement benefits	864	441	547	11,368
Asset retirement obligations	53	51	52	697
Others	3,054	3,082	3,061	40,184
<b>Total long-term liabilities</b>	<b>3,983</b>	<b>3,587</b>	<b>3,672</b>	<b>52,407</b>
<b>Equity</b>				
Common stock	17,358	17,358	17,358	228,395
Capital surplus	17,080	17,080	17,080	224,737
Retained earnings	419,351	430,425	435,536	5,517,776
Treasury stock-at cost	(59,200)	(63,446)	(74,219)	(778,947)
<b>Total equity</b>	<b>394,589</b>	<b>401,417</b>	<b>395,755</b>	<b>5,191,961</b>
<b>Other comprehensive income</b>				
Unrealized gain on securities (*)	5,145	2,417	4,163	67,697
Land revaluation surplus	(8,939)	(8,938)	(8,938)	(117,618)
Foreign currency translation adjustments	(264)	(216)	(267)	(3,474)
<b>Total other comprehensive income</b>	<b>(4,058)</b>	<b>(6,737)</b>	<b>(5,042)</b>	<b>(53,395)</b>
<b>Minority interests</b>	<b>4,033</b>	<b>3,731</b>	<b>3,860</b>	<b>53,066</b>
<b>Total net assets</b>	<b>394,564</b>	<b>398,411</b>	<b>394,573</b>	<b>5,191,632</b>
<b>Total liabilities and total net assets</b>	<b>¥ 424,556</b>	<b>¥ 423,039</b>	<b>¥ 424,443</b>	<b>\$ 5,586,263</b>

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

## First-Second Quarter (April 1 – September 30, 2011) Flash Report (unaudited)

Six months ended September 30, 2011

### 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 2011	1st-2nd Quarter 6 months ended Sep 30 2010	Annual 12 months ended Mar 31 2011	1st-2nd Quarter 6 months ended Sep 30 2011
<b>Net sales</b>	¥ <b>70,170</b>	¥ 63,778	¥ 135,255	\$ <b>923,289</b>
<b>Cost of sales</b>	<b>13,494</b>	11,182	24,759	<b>177,552</b>
Gross profit	<b>56,676</b>	52,596	110,496	<b>745,737</b>
<b>Selling, general and administrative expenses</b>	<b>38,997</b>	39,497	75,295	<b>513,119</b>
Operating income	<b>17,679</b>	13,099	35,201	<b>232,618</b>
<b>Other income (expenses)</b>				
Interest and dividend income	<b>1,550</b>	1,626	2,947	<b>20,395</b>
Interest expenses	(0)	(0)	(1)	(0)
Other, net	<b>(3,891)</b>	(121)	(1,247)	<b>(51,197)</b>
	<b>(2,341)</b>	1,505	1,699	<b>(30,802)</b>
Income before income taxes and minority interests	<b>15,338</b>	14,604	36,900	<b>201,816</b>
<b>Income taxes</b>	<b>6,782</b>	5,171	12,420	<b>89,237</b>
Income before minority interests	<b>8,556</b>	9,433	24,480	<b>112,579</b>
<b>Minority interests</b>	<b>(173)</b>	(108)	(258)	<b>(2,276)</b>
<b>Net income</b>	¥ <b>8,383</b>	¥ 9,325	¥ 24,222	\$ <b>110,303</b>
<b>Per share of common stock</b>				
Basic net income	¥ <b>79.07</b>	¥ 85.76	¥ 223.88	\$ <b>1.04</b>
Cash dividends applicable to the period	¥ <b>90.00</b>	¥ 90.00	¥ 180.00	\$ <b>1.18</b>

**First-Second Quarter (April 1 – September 30, 2011) Flash Report (unaudited)**

Six months ended September 30, 2011

**Consolidated Statements of Comprehensive 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\$
	<b>1st-2nd Quarter 6 months ended Sep 30 2011</b>	1st-2nd Quarter 6 months ended Sep 30 2010	Annual 12 months ended Mar 31 2011	<b>1st-2nd Quarter 6 months ended Sep 30 2011</b>
<b>Net income before minority interests</b>	<b>¥ 8,556</b>	¥ 9,433	¥ 24,480	<b>\$ 112,579</b>
<b>Other comprehensive income</b>				
Unrealized loss on available-for-sale securities	<b>986</b>	(7,289)	(5,563)	<b>12,974</b>
Foreign currency translation adjustments	<b>3</b>	(42)	(93)	<b>39</b>
Share of other comprehensive income in associates	<b>(1)</b>	(4)	(4)	<b>(13)</b>
Total other comprehensive income	<b>988</b>	(7,335)	(5,660)	<b>13,000</b>
<b>Comprehensive income</b>	<b>9,544</b>	2,098	18,820	<b>125,579</b>
<b>Total comprehensive income attributable to</b>				
Owners of the parent	<b>9,367</b>	1,993	18,585	<b>123,250</b>
Minority interests	<b>177</b>	105	235	<b>2,329</b>

## First-Second Quarter (April 1 – September 30, 2011) Flash Report (unaudited)

Six months ended September 30, 2011

### 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\$
	Ist-2nd Quarter 6 months ended Sep 30 2011	Ist-2nd Quarter 6 months ended Sep 30 2010	Annual 12 months ended Mar 31 2011	Ist-2nd Quarter 6 months ended Sep 30 2011
<b>Operating activities:</b>				
Income before income taxes and minority interests	¥ 15,338	¥ 14,604	¥ 36,900	\$ 201,816
Adjustments for:				
Depreciation and amortization	1,422	1,470	3,052	18,711
Decrease in allowance for doubtful receivables	(1)	(2)	(4)	(13)
Increase (decrease) in provision for retirement benefits, net	362	(159)	(52)	4,763
Interest and dividend income	(1,551)	(1,626)	(2,947)	(20,408)
Loss on valuation of investment securities	3,854	138	614	50,711
Interest expenses	0	0	1	0
Increase in notes and accounts receivable	1,202	1,334	(5,082)	15,816
(Increase) decrease in inventories	(542)	463	1,580	(7,132)
Increase (decrease) in trade notes and accounts payable	(1,413)	1,332	2,952	(18,592)
Others	1,061	4,483	3,277	13,960
Interest and dividend income received	1,647	1,749	3,178	21,671
Interest paid	0	(0)	(1)	0
Income taxes paid	(7,767)	(8,594)	(13,672)	(102,198)
<b>Net cash (used in) provided by operating activities</b>	<b>13,612</b>	<b>15,192</b>	<b>29,796</b>	<b>179,105</b>
<b>Investing activities:</b>				
Payments for purchases of marketable securities	(17,195)	(12,804)	(35,548)	(226,250)
Proceeds from sales of marketable securities	37,090	22,300	63,550	488,026
Payments for purchases of property, plant and equipment	(1,067)	(530)	(1,294)	(14,039)
Payments for purchases of investment securities	(12,846)	(4,473)	(15,321)	(169,026)
Proceeds from sales of investment securities	176	9	14	2,316
Other payments	(91)	(143)	(286)	(1,198)
<b>Net cash generated from provided by (used in) investment</b>	<b>6,067</b>	<b>4,359</b>	<b>11,115</b>	<b>79,829</b>
<b>Financing activities:</b>				
Repayment of current portion of long-term debt	(1)	(1)	(2)	(13)
Payments for obtaining treasury stock	(5)	(6)	(10,779)	(66)
Cash dividends	(9,528)	(9,783)	(19,555)	(125,368)
<b>Net cash used in financing activities</b>	<b>(9,534)</b>	<b>(9,790)</b>	<b>(30,336)</b>	<b>(125,447)</b>
<b>Foreign currency translation adjustments</b>				
<b>on cash and cash equivalents</b>	<b>5</b>	<b>(41)</b>	<b>(95)</b>	<b>66</b>
<b>Net decrease in cash and cash equivalents</b>	<b>10,150</b>	<b>9,720</b>	<b>10,480</b>	<b>133,553</b>
<b>Cash and cash equivalents, beginning</b>	<b>82,577</b>	<b>72,097</b>	<b>72,097</b>	<b>1,086,539</b>
<b>Cash and cash equivalents, ending</b>	<b>¥ 92,727</b>	<b>¥ 81,817</b>	<b>¥ 82,577</b>	<b>\$ 1,220,092</b>

**First-Second Quarter (April 1 – September 30, 2011) Flash Report (unaudited)**  
Six months ended September 30, 2011

## **Notes to Consolidated Financial Statements**

Ono Pharmaceutical Co., Ltd. and Consolidated Subsidiaries

Note 1 This First-Second Quarter Flash Report 2012 (unaudited) is a summary information extracted from the financial statements announced by the Company on November 2, 2011.

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 2012 (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 76 = US\$ 1, the approximate exchange rate prevailing on September 30, 2011.



## First-Second Quarter (April 1 – September 30, 2011) Flash Report (unaudited)

Six months ended September 30, 2011

### Sales of Major Products

Supplemental Data

For information purpose only

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

		1st-2nd Quarter 6 months ended Sep 30 2011		
		Results	Increase/Decrease	
<b>Opalmon</b>	Circulatory system agent	¥ 201	¥ ▲ 3	▲1.3%
<b>Glactiv</b>	Agent for type II diabetes	128	+94	274.6%
<b>Onon</b>	Agent for bronchial asthma and allergic rhinitis	88	▲ 3	▲3.8%
<b>Kinedak</b>	Agent for diabetic peripheral neuropathy	59	▲ 10	▲14.6%
<b>Foipan</b>	Agent for chronic pancreatitis and postoperative reflux esophagitis	52	▲ 4	▲7.2%
<b>Onon dry syrup</b>	Agent for pediatric bronchial asthma	33	▲ 4	▲11.9%
<b>Emend</b>	Agent for Chemotherapy-induced nausea and vomiting	32	+12	60.9%
<b>Staybla</b>	Agent for overactive bladder (pollakiuria and urinary incontinence)	29	+2	9.2%
<b>Elaspol</b>	Agent for acute lung injury associated with SIRS	21	▲ 3	▲13.6%
<b>Onoact</b>	Agent for tachyarrhythmia during and post operation	17	▲ 0	▲2.2%
<b>Recalbon</b>	Agent for osteoporosis	13	+4	40.2%
<b>Rivastach</b>	Agent for Alzheimer's disease	4	—	—

Note: 1 Sales of products are shown in a gross sales basis.

2 Rivastach was launched in Fiscal 2011, and year-on-year changes in value and percentage are therefore not available.

## First-Second Quarter (April 1 –September 30, 2011) Flash Report (unaudited)

Six months ended September 30, 2011

### Supplemental Information

## Status of Development Pipeline

as of November 2, 2011

### Developments in Japan

#### *NDA approved (New Chemical Entities)*

- **Proemend® for i.v. infusion (ONO-7847 / MK-0517)**  
(In-licensed from Merck & Co., Inc.)  
Chemotherapy-induced nausea and vomiting  
[NK1 receptor antagonist]

#### *NDA approved (Additional Indications)*

- **Glactiv® Tablets (ONO-5435 / MK-0431)**  
(Co-development with Merck & Co., Inc.)  
Type II diabetes: combination therapy with an insulin product  
[DPP-4 inhibitor]

#### *NDA filed (Additional Indications):*

- **Emend® Capsules (ONO-7436 / MK-0869)**  
(In-licensed from Merck & Co., Inc.)  
Chemotherapy-induced nausea and vomiting in pediatric patients [NK1 receptor antagonist]

#### *Ongoing clinical studies (New Chemical Entities):*

- **ONO-7165 / EMD531444 (injection)**  
(Co-development with Merck KGaA)  
Non-small cell lung cancer (Phase II) [Therapeutic cancer peptide vaccine targeting the tumor antigen MUC-1]
- **ONO-4641 (tablet)**  
Multiple sclerosis (Phase II) [S1P receptor agonist]
- **ONO-3849 / Methylnaltrexone bromide (injection)**  
(In-licensed from Progenics Pharmaceuticals, Inc.)  
Opioid-induced constipation (Phase II)  
[Mu-opioid receptor antagonist]
- **ONO-7643 / RC-1291 (tablet)**  
(In-licensed from Helsinn Therapeutics (U.S.), Inc.)  
Cancer anorexia / cachexia (Phase II)  
[Ghrelin mimetic]
- **ONO-2745 / CNS 7056 (injection)**  
(In-licensed from PAION AG)  
Short acting general anesthetic (Phase II)  
[GABA<sub>A</sub> receptor modulator]
- **ONO-4538 / BMS-936558 (injection)**  
Melanoma (Phase II) [Fully human anti-PD-1 antibody]
- **ONO-7057 / Carfilzomib (injection)**  
(In-licensed from Onyx Pharmaceuticals, Inc.)  
Multiple Myeloma (Phase I / II) [Proteasome inhibitor]
- **ONO-5334 (tablet)**  
Osteoporosis (Phase I) [Cathepsin K inhibitor]
- **ONO-3951 / Asimadoline (tablet)**  
(In-licensed from Tioga Pharmaceuticals, Inc.)  
Irritable bowel syndrome (Phase I)  
[Kappa-opioid receptor agonist]
- **ONO-6950 (tablet)**  
Bronchial asthma (Phase I) [LT receptor antagonist]

#### *Ongoing clinical studies (Additional Indications):*

- **Glactiv® Tablets (ONO-5435 / MK-0431)**  
(Co-development with Merck & Co., Inc.)  
Type II diabetes: combination therapy with a rapid-acting insulin secretagogue (Phase III) [DPP-4 inhibitor]
- **Onoact® for Injection (ONO-1101)**  
Tachyarrhythmia in low cardiac function (Phase II / III)  
[Short acting beta-1 blocker]
- **Opalmon® Tablets (OP-1206)**  
(Co-development with Daiinippon Sumitomo Pharma Co., Ltd.)  
Carpal-tunnel Syndrome (Phase II) [PGE<sub>1</sub> analogue]

#### *Ongoing clinical studies (New Formulations):*

- **ONO-4164 SC / BMS-188667SC**  
(Co-development with Bristol-Myers Squibb Company)  
Rheumatoid Arthritis (Phase III) [T-cell activation inhibitor]

### Developments abroad

#### *Ongoing clinical studies (New Chemical Entities):*

- **ONO-5334 (tablet)**  
Osteoporosis (Phase II) [Cathepsin K inhibitor]
- **ONO-4641 (tablet)**  
(Out-licensed to Merck KGaA)  
Multiple sclerosis (Phase II) [S1P receptor agonist]
- **ONO-4538 / BMS-936558 (injection)**  
(Out-licensed to Bristol-Myers Squibb Company)  
Renal Cell Cancer (Phase II)  
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]
- **ONO-6950 (tablet)**  
Bronchial asthma (Phase I) [LT receptor antagonist]
- **ONO-2952 (tablet)**  
Irritable bowel syndrome (Phase I) [TSPO antagonist]
- **ONO-4053 (tablet)**  
Allergic rhinitis (Phase I) [PGD<sub>2</sub> receptor antagonist]

### Changes from the First Quarter Flash Report for the Fiscal Year ending March 2012 announced on August 2, 2011

- An NDA of Glactiv® Tablets (ONO-5435 / MK-0431) for combination therapy with an insulin product in type II diabetes patients was approved by the Ministry of Health, Labour and Welfare of Japan on September 16, 2011 (additional indication).
- An NDA of Proemend® for i.v. infusion (ONO-7847 / MK-0517) for chemotherapy-induced nausea and vomiting was approved by the Ministry of Health, Labour and Welfare of Japan on September 26, 2011.
- An NDA of Emend® Capsules (ONO-7436 / MK-0869) for chemotherapy-induced nausea and vomiting in pediatric patients was filed to the Ministry of Health, Labour and Welfare of Japan (additional indication).
- Phase III study of Glactiv® Tablets (ONO-5435 / MK-0431) was commenced for combination therapy with a rapid-acting insulin secretagogue in type II diabetes patients in Japan (additional indication).
- Co-development of ONO-4164SC / BMS-188667SC, a drug for the treatment of rheumatoid arthritis, was commenced with Bristol-Myers Squibb Company in Japan under the collaboration agreement.
- Co-development of ONO-7165 / EMD531444, a drug for non-small cell cancer, was commenced with Merck KGaA in Japan under the license agreement. Phase II study is currently ongoing in Japan.
- Phase II study of ONO-4538 / BMS-936558, fully human anti-PD-1 antibody, was commenced for the treatment of melanoma was commenced in Japan.