

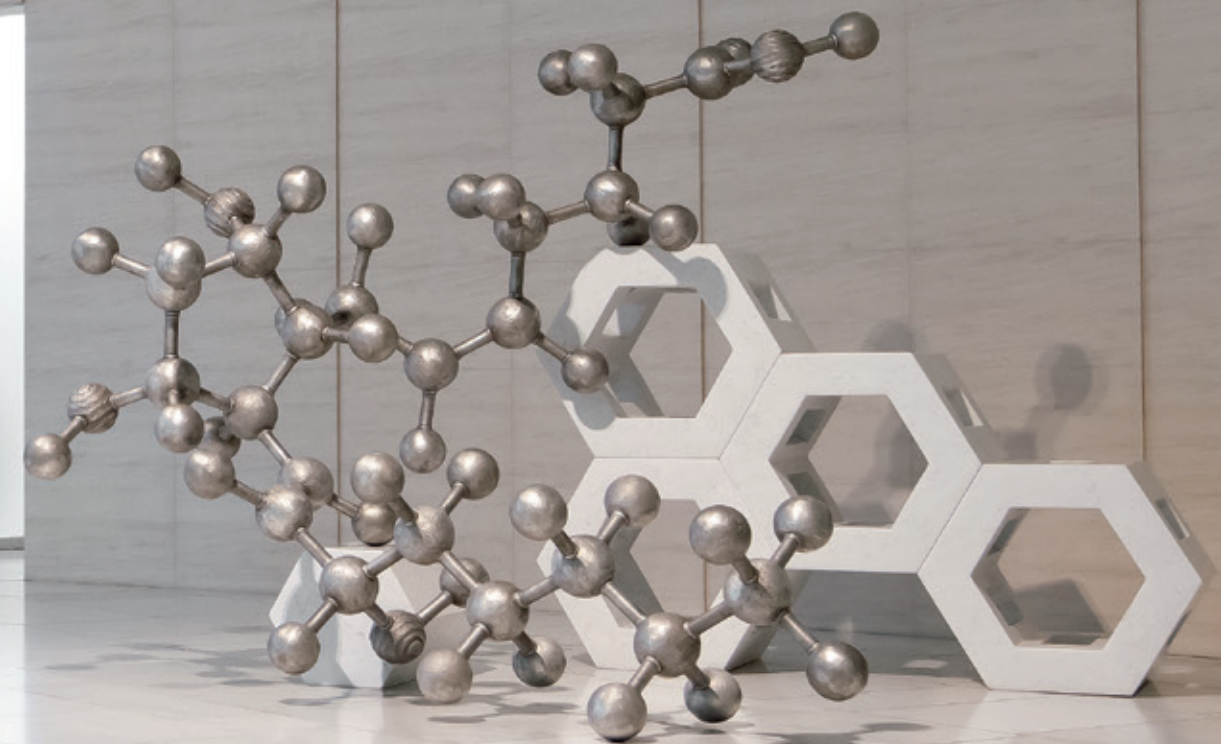


Annual

Report 2013

Year ended March 31, 2013

Dedicated to Man's Fight against Disease and Pain



This is Ono Pharmaceutical's corporate philosophy and the words that were engraved in 1968 on the commemorative plaque at the Minase Research Institute, the hub of our drug discovery and research.

It was in 1717 when Ichibei Fushimiya set up his apothecary in Doshomachi, Osaka, which later evolved into Ono Pharmaceutical. Since then, Ono has dedicated itself to the business of developing and selling pharmaceutical products. Throughout this almost 300-year history, Ono has never wavered in its effort at grappling with disease and pain. Ono will remain true to our corporate philosophy, clearly engraved in stone and in

mind, pursuing our passion for the discovery of original and innovative drugs. Ono will rely on this commitment that has sustained us for nearly three centuries, combined with the technology and know-how we have against disease. Ours is a relentless quest for the development of drugs that deliver true benefit to the health of individuals and genuine contribution to the good of society.

Contents

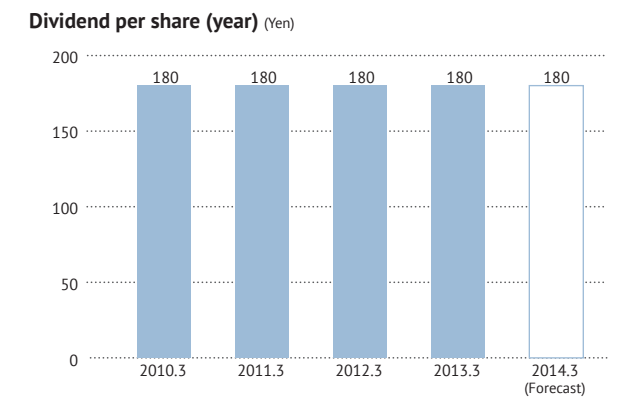
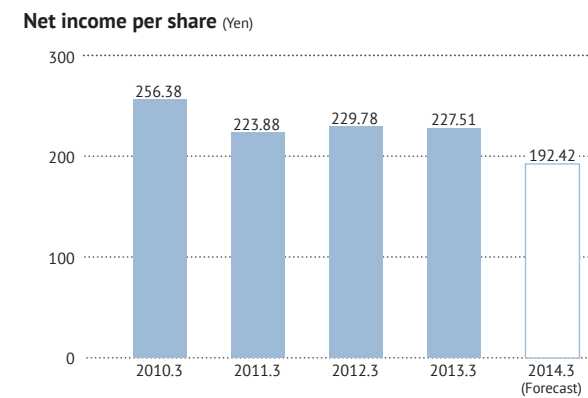
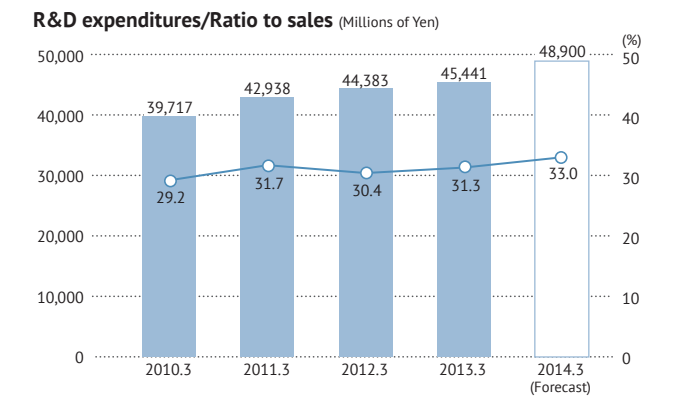
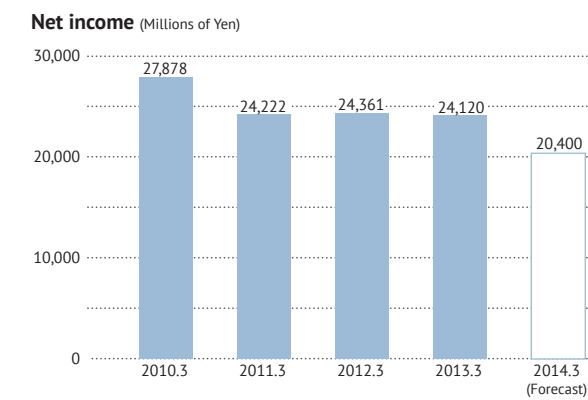
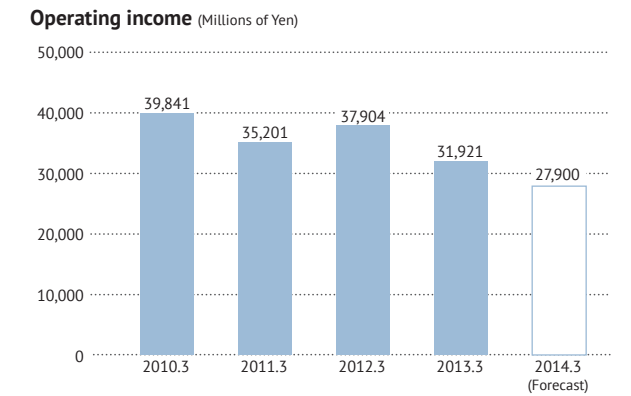
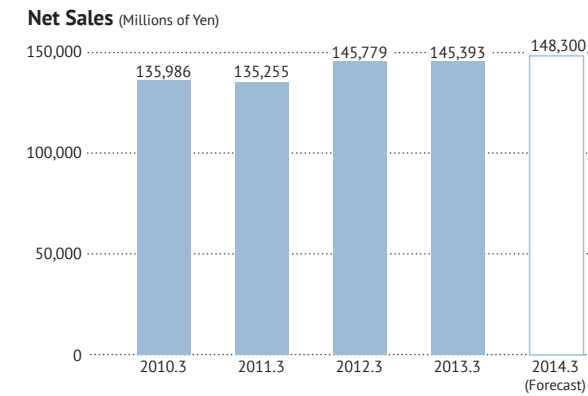
Corporate Philosophy – Contents	01	Marketing	16	Consolidated Statement of Comprehensive Income	29
Financial Highlights	02	Manufacturing	18	Consolidated Statement of Changes in Equity	30
Top Message	04	Corporate Governance	19	Consolidated Statement of Cash Flows	31
Key Product Profiles	06	CSR Activities	20	Notes to Consolidated Financial Statements	32
Thoughts on Corporate Activities	08	Financial Review	24	Independent Auditor's Report	55
Research & Development	10	Consolidated Balance Sheet	26	Corporate Information	56
Status of Development Pipeline	14	Consolidated Statement of Income	28		

Financial Highlights

Ono Pharmaceutical Co., Ltd. And Consolidated Subsidiaries

Fiscal Year					Millions of Yen	Thousands of U.S. Dollars
	2009.3	2010.3	2011.3	2012.3	2013.3	2013.3
Net sales	¥ 136,557	¥ 135,986	¥ 135,255	¥145,779	145,393	1,546,734
R&D expenditures	38,400	39,717	42,938	44,383	45,441	483,415
Operating income	43,472	39,841	35,201	37,904	31,921	339,585
Net income	23,767	27,878	24,222	24,361	24,120	256,596
Comprehensive income	-	-	18,820	26,567	41,424	440,681
Net cash provided by operating activities	24,525	21,301	29,796	21,635	15,662	166,617
Net cash provided by (used in) investment activities	30,727	16,877	11,115	(133)	7,170	76,277
Net cash used in financing activities	(49,018)	(19,568)	(30,336)	(19,073)	(18,847)	(200,500)
End of Fiscal Year						
Property, plant and equipment	50,540	50,010	48,616	47,980	49,630	527,979
Total assets	421,280	433,226	424,443	436,414	455,573	4,846,521
Net assets	390,041	406,109	394,573	400,968	423,291	4,503,096
Working capital	155,097	158,399	165,172	171,194	188,955	2,010,160
Amount per share					Yen	U.S. Dollars
Net income	216.07	256.38	223.88	229.78	227.51	2.42
Net assets	3,555.54	3,701.49	3,685.23	3,753.04	3,961.55	42.14
Cash dividends	180.00	180.00	180.00	180.00	180.00	1.91
Financial indicators						
Equity ratio (%)	91.8	92.9	92.1	91.2	92.2	
ROA (%)	10.4	10.0	8.8	9.4	7.6	
ROE (%)	5.8	7.1	6.1	6.2	5.9	
Payout ratio	83.3	70.2	80.4	78.3	79.1	
Number of employees	2,646	2,661	2,655	2,754	2,807	

U.S. Dollar amounts are translated at a rate of US\$ 1 = ¥94. See Notes to consolidated financial statements.



Top Message

Aiming to be an international pharmaceutical company armed with drug discovery capabilities



“Dedicated to Man’s Fight against Disease and Pain” – upholding this corporate philosophy comes uppermost in the priorities of the Ono Pharmaceutical Group. Steadfast in our resolve, we style ourselves as a “Global Specialty Pharma” following the path of an R&D-oriented international pharmaceutical company. Our emphasis is on creating innovative medicines that are globally viable. Ono focuses on drug discovery leads that are high in certainty and globally competitive. Capitalizing on the technologies and know-how nurtured through our research history, we propel drug development in areas where we can continue to optimize our strengths and in areas where we can effectively utilize the genes we possess as our genetic assets in the field of genomic drug discovery. We are in active pursuit of the discovery and development of drugs that meet the unmet medical needs at the frontline of healthcare. By strengthening strategic alliances globally, we endeavor to bolster our drug discovery capability, introducing breakthrough drug discovery seeds and leading-edge technologies from biopharmaceutical companies, as well as academic and other research establishments in Europe and the USA. We are constantly expanding our development pipeline, directing our efforts toward licensing activities such as the in-licensing of new drug candidates. Under this R&D policy, we are committed to enhancing our corporate social value through the continued development and commercialization of “drugs that deliver true benefit to patients.” We are ready and poised to tackle the global market, armed with all our strengths.

Gyo Sagara
President, Representative Director, and CEO

Consistently holding to high ethical standards as we develop new drugs that deliver true benefit for patients

The Group is “Dedicated to Man’s Fight against Disease and Pain.” Under this corporate philosophy, we are committed to fulfilling unmet medical needs. We aim to develop innovative new drugs that deliver true benefit to patients. We are highly aware of our responsibility as a pharmaceutical company dealing in medicinal drugs upon which human lives depend, and we are working to further strengthen our level of compliance to ensure that all our actions not only fully comply with all legal regulations but also are based on higher ethical standards.

Tackling a range of challenges for sustainable growth and realization of our philosophy

The pharmaceutical industry is faced with a progressive decline in the success rate of drug discovery. R&D costs are mounting for pharmaceutical companies worldwide. In addition public policies are intent on curtailing medical costs through reforms of the healthcare system. We are certainly facing extremely challenging times. In this context, Ono is addressing the following current challenges.

1. Expanding the Development Pipeline

Vital to realizing sustained growth, we must expand our development pipeline and deliver new products to the market in a continuous stream. To that end, we must step up our drug discovery effort to develop original, breakthrough drugs using leading-edge technologies as we continue to move proactively in licensing activities to introduce attractive new drug candidates for the treatment of diseases that pose the greatest medical need, and to introduce new drug candidates that have the highest value in terms of corporate strategy and efficiency, while taking into consideration the development pipeline and existing products. We must also speed up the establishment of proof of concept for this expanded development pipeline, to lift the tempo of drug discoveries.

2. Expanding Global Reach

We have no greater desire than to see the whole world use the new drugs that we created. This is why we conduct business in the global arena. We are driving clinical developments forward in Asia, as well as Europe and the USA, in addition to out-licensing to overseas partners to launch our original compounds onto overseas markets. We are therefore moving ahead to develop the personnel we anticipate for this overseas business expansion and to strengthen our overseas business locations, as required.

3. Strengthening Corporate Infrastructure

We will focus our efforts on developing and bringing dynamism to our human resources for enhanced global competitiveness. We are also continuing to pursue realization of our innovation goals and to deal with all kinds of changing circumstances by strengthening internal and external collaborative ties and enhancing diversification. We are driving our corporate social responsibilities to a new level across the areas of corporate ethics, contribution to society, environmental awareness, and risk management.

Basic Policy Concerning Dividends

Distribution of profits to all our shareholders is one of our key management policies, and we place great importance on the maintenance of stable dividends based on our business performance for each fiscal year.



Key Product Profiles

GLACTIV® Tablets for the Treatment of Type 2 Diabetes

GLACTIV®, a dipeptidyl-peptidase (DPP) 4 inhibitor, is a new class of oral drug for type 2 diabetes. It regulates blood sugar levels in type 2 diabetes patients with the novel mechanism of action selectively inhibiting DPP-4, an enzyme which metabolites a gastrointestinal hormone, incretins. It thereby enhances the body's own insulin secretion ability in a glucose dependent manner and decreases glucagon release, signaling the liver to reduce its production of glucose.

FY 2012 Sales: 34.8 billion yen



EMEND® Capsules / PROEMEND® Intravenous Injection for the Treatment of Chemotherapy-induced Nausea and Vomiting

EMEND® is the first selective neurokinin (NK) 1 receptor antagonist in the world. The drug is effective for chemotherapy-induced nausea and vomiting. In December 2011, the prodrug form of EMEND® Capsules, PROEMEND® 150mg Intravenous Injection was launched.

FY 2012 Sales: 7.9 billion yen



RECALBON® Tablets for the Treatment of Osteoporosis

RECALBON®, a drug for the treatment of osteoporosis, is the first oral bisphosphonate discovered in Japan. It is one of the most potent bisphosphonates, rapidly preventing bone resorption, and is the first bisphosphonate that demonstrated significant effect in bone fracture prevention over placebo in Japanese osteoporosis patients. In September 2011, a Once Per 4 Weeks 50mg formulation was launched in addition to the Once-Daily 1mg formulation.

FY 2012 Sales: 7.7 billion yen



ONON® Capsules for the Treatment of Bronchial Asthma and Allergic Rhinitis

ONON® Capsules is a leukotriene receptor antagonist. Leukotriene is closely involved in the basic pathologies of bronchial asthma (airway inflammation, contraction, and hypersensitivity) and of allergic rhinitis. It relieves symptoms, namely coughing and breathlessness, and rhinitis symptoms, namely sneezing, runny or blocked nose.

FY 2012 Sales: 16.1 billion yen



FOIPAN® Tablets for the Treatment of Chronic Pancreatitis and Postoperative Reflux Esophagitis

FOIPAN® Tablets inhibits pancreatic enzymes which cause chronic pancreatitis and postoperative reflux esophagitis. It alleviates abdominal pain, nausea, abdominal distension and back pain due to the inflammation of the pancreas and relieves the symptoms and sensations after gastric operations, such as heartburn, backflow and cold or stinging feeling inside.

FY 2012 Sales: 8.8 billion yen



KINEDAK® Tablets for the Treatment of Diabetic Peripheral Neuropathy

KINEDAK® is the first aldose reductase inhibitor marketed in Japan. By blocking aldose reductase, which is activated under hyperglycemia, the drug reduces the production of sorbitol intraneural, which is involved in the development of neurological disorders associated with diabetes, and thereby alleviates accompanying symptoms such as numbness, pain and cramp in hands and feet and controls progress of the disease.

FY 2012 Sales: 8.7 billion yen



STAYBLA® Tablets for the Treatment of Overactive Bladder (OAB)

STAYBLA® is a new anticholinergic, an antagonist selectively binding to M3 and M1 muscarinic receptors. It is available as standard tablets and as orally disintegrating (OD) tablets. By reducing the excessive contraction of the smooth muscle of the bladder, it is effective in symptoms associated with OAB including frequent urination, urinary incontinence, and urgency of urination.

FY 2012 Sales: 6.4 billion yen



RIVASTACH® Patch for the Treatment of Alzheimer's Disease

RIVASTACH® Patch is a transdermal patch for the treatment of Alzheimer's disease. It reduces the progression of deteriorating cognitive functions such as memory loss (forgetfulness) and disorientation (difficulty in recognizing time and place) by inhibiting acetylcholinesterase and thereby increasing the amount of acetylcholine in the brain and enhancing neurotransmission.

FY 2012 Sales: 3.9 billion yen



OPALMON® Tablets for the Treatment of Peripheral Circulatory Disorder

OPALMON® is an orally administered prostaglandin-E1 derivative for the treatment of ischemic symptoms accompanying thromboangiitis obliterans and subjective symptoms and walking disability associated with acquired lumbar spinal canal stenosis. It improves symptoms caused by peripheral circulatory disorder such as numbness, pain or coldness of the hands or feet.

FY 2012 Sales: 33.9 billion yen



ONON® Dry Syrup for the Treatment of Bronchial Asthma and Allergic Rhinitis

ONON® Dry Syrup is a leukotriene receptor antagonist. Leukotriene is closely involved in the pathology of bronchial asthma (airway inflammation, contraction, and hypersensitivity). It is a dry syrup formulation, suitable for use with children. In December 2011, the additional indication for allergic rhinitis was approved.

FY 2012 Sales: 7.3 billion yen



ELASPOL® for Injection for the Treatment of Acute Lung Injury Associated with Systemic Inflammatory Response Syndrome

ELASPOL® is the world's first selective inhibitor of the neutrophil elastase. No medication is yet available for the direct treatment of lung function. This is a therapeutic drug for acute lung injury associated with systematic inflammatory response syndrome arising from the body's reaction to invasive operation or infection.

FY 2012 Sales: 3.9 billion yen



ONOACT® for Injection for the Treatment of Tachyarrhythmia during and post Operation

ONOACT® is a short-acting β_1 blocker that selectively blocks β_1 receptors mainly found in the heart, and thereby slows down the increase of heart rate that occurs during or after operations.

FY 2012 Sales: 3.7 billion yen



Bringing new drugs to everyone in the world – with our hopes

“Dedicated to Man’s Fight against Disease and Pain” is Ono’s corporate philosophy as a pharmaceutical company dedicated to the development of new drugs, a philosophy to which all our divisions, all our people, dedicate themselves with passion and conviction in our R&D, marketing and production efforts, so that we can bring innovative drugs as soon as we possibly can to patients throughout the world.



Research & Development



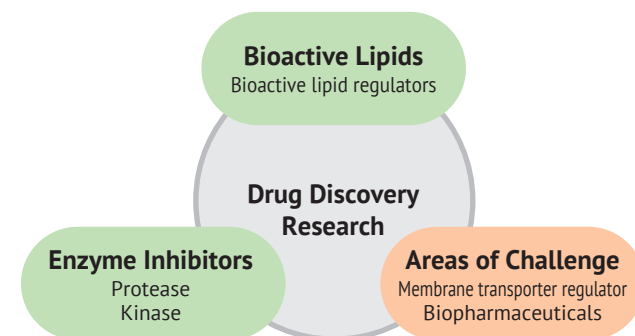
Combining Our Proprietary Technologies with Cutting Edge Science for Drug Discovery

Ono is tackling the diseases that remain unconquered as yet and addressing areas that are high in healthcare needs where patient satisfaction of treatment is still low. Ono's discovery research aims to identify and develop original and breakthrough pharmaceutical products.

Leveraging Our Know-how to Produce Novel and Innovative Drugs

Bioactive lipids and enzyme inhibitors are areas of Ono's strengths within our drug discovery research where we can use the technologies and know-how accumulated through research into prostaglandins/leukotrienes and enzyme inhibitors. We are engaged in drug discovery research involving bioactive lipid signal mediators and protease/kinase inhibitors. In the areas of new challenge, we are utilizing know-how developed through neuroscience research and gene assets obtained through genome research as we resolutely take on the challenge in new areas involving modulators of membrane transport system such as ion-channels and transporters as well as biotechnology based medicines. We are driving R&D forward across all these areas, utilizing world-leading knowledge and technologies, making strides to improve the likelihood of success in discovering novel drugs and the efficiency of drug discovery research.

Target Domains for Drug Discovery Research



Our Mission in Research and Development

Deliver our contribution to society by developing drugs that truly benefit patients

Research

We have collected a rich "library" of novel compounds in the course of our research into bioactive lipids and enzyme inhibitors, and pursued our original path in drug discovery using Compound-Orient, enabling us to identify novel and innovative compounds that act on diverse targets and drugs that are effective against disease or support treatment. As well as maximizing the potential of the well-stocked library, Compound-Orient is being updated with technologies that can pinpoint more accurately and speedily compounds that may be suitable for disease or therapy. Our key aim is to discover innovative drugs that can be used by patients worldwide through Open Innovation, combining our own original drug discovery methods with cutting-edge science and technologies acquired through alliances with Japanese and foreign biopharmaceutical companies and through collaborations with academic and research institutions.

Clinical Development

We are actively engaged in performing clinical studies in Japan, USA and Europe, and facilitate clinical development globally and efficiently, aiming to prove the effectiveness and safety of our novel and innovative drug candidates in shorter time by taking advantage of the results from multinational clinical trials and other international studies.

A Research Structure Combining Knowledge with Technology

The development of original new drugs is driven by the spirit of challenge and motivation of individual scientists and their ability to think along new paths. We set out high but clear targets to enhance such motivation and creative thinking among its researchers.

Our research organization is based on project teams where members converge from different departments, bringing cutting-edge expertise from contrasting backgrounds. The interaction within the teams stimulates and mutually enhances our research achievements.

Drug discovery research coordinates the efforts of three laboratories: the Minase Research Institute, the Tsukuba Research Institute and the Fukui Research Institute. State-of-the-art facilities for genomics and metabolomics technologies, X-ray crystallography, high-throughput synthesis and high-throughput screening are fully deployed in our efficient and speedy discovery research effort.



The Fukui Research Institute

The Institute works with safety of compounds as well as mass production and cost reduction for the clinical and commercial supply of pharmaceutical substances.



The Tsukuba Research Institute

The Institute, in alliance with academic and research institutions, undertakes analysis of disease-causing substances and exploratory research for new compounds that can control these substances, as well as state-of-the-art genomics and metabolomic analysis, and pharmacokinetics of discovered compounds.



The Minase Research Institute

The Institute engages in medicinal chemistry research, research investigating the properties and efficacy of compounds and formulations research that can ensure quality assurance as a pharmaceutical product.



EUROPE

ONO PHARMA UK LTD

In-/out- licensing partners

Novartis Pharma AG (Switzerland)
Helsinn Healthcare, S.A. (Switzerland)
PAION AG (Germany)
Les Laboratoires Servier (France)
Merck KGaA (Germany)
BIAL (Portugal)

Drug Discovery Alliances

Evotec AG (Germany)
Xention Limited (UK)
BioFocus DPI Limited (UK)
Scil Proteins GmbH (Germany)
Domain Therapeutics S.A. (France)



NORTH AMERICA

ONO PHARMA USA, INC.

In-/out- licensing partners

Merck & Co., Inc.
Bristol-Myers Squibb Company (BMY)
Progenics Pharmaceuticals, Inc.
Kadmon Corporation, LLC
Onyx Pharmaceuticals, Inc.
Amgen Inc.

Drug Discovery Alliances

Array BioPharma Inc.
Locus Pharmaceuticals, Inc.
BioSeek LLC
Receptos Inc.



JAPAN

ONO PHARMACEUTICAL CO., LTD.
(HEAD OFFICE)

In-/out- licensing partners

Dainippon Sumitomo Pharma Co., Ltd.
Kissei Pharmaceutical Co., Ltd.
Astellas Pharma Inc.
KYORIN Pharmaceutical Co., Ltd.
Nissan Chemical Industries, Ltd.
OncoTherapy Science, Inc.



Global Clinical Development

While our clinical development efforts are based in Japan, we have established nerve centers for clinical development within the overseas subsidiaries – Ono Pharma USA, Inc. (OPUS) and Ono Pharma UK Ltd (OPUK). Both subsidiaries are strongly pursuing overseas clinical development of our new drug candidates. To propel drug development in Asia, the Asia Development Division, established at Head Office, is making strong contributions to our global clinical development efforts embracing Asia alongside Europe and America. We are driving clinical development on a global footing with energy and determination to deliver new drugs that meet the needs of frontline healthcare as soon as we possibly can, for the sake of patients suffering from disease throughout the world.

Open Innovation

By “open innovation”, we mean active utilization of world-leading technologies and the “seeds” of breakthrough drug discoveries identified at biopharmaceutical companies as well as academic and research institutions across the globe. Even before this term came into use, we have long been driving drug discovery through the adoption of world-leading technologies.

We are engaged in drug discovery collaborations with Array BioPharma Inc., Locus Pharmaceuticals, Inc., BioSeek LLC and Receptos Inc. of the USA, as well as Xention Limited and BioFocus DPI Limited of the UK and Evotec AG of Germany. All these collaborations are ongoing in aid of drug discovery efforts for new drug candidates in the domains of inflammation, autoimmune disease, cancer, cardiovascular diseases and CNS disorders. In May 2012, we embarked on another drug discovery alliance, this time with Scil Proteins GmbH of Germany for discoveries in protein therapeutics. In addition, we have formed alliances for the discovery of new drug candidates, with BioFocus DPI Limited of the UK (September 2012) in the area of CNS disorders and with Domain Therapeutics S.A. of France (October 2012) in the area of G-protein-coupled receptors (GPCR). We have also formed numerous research collaborations with the universities and research institutions that have cutting-edge technologies.

Forging Ahead with Licensing Initiatives

Although the discovery of new pharmaceuticals is becoming a harder achievement for companies worldwide, we continue to forge ahead with licensing activities to introduce attractive new drug candidates that meet high therapeutic need, and that have the highest value in terms of corporate strategy and efficiency, while taking into consideration the development pipeline and existing products. Our aim is to expand the development pipeline so as to provide a continuous stream of new market launches.

In 2011 we acquired exclusive licenses for development and marketing in Japan of a hepatocellular carcinoma vaccine from OncoTherapy Science, Inc. of Japan; a novel chronic heart failure drug from Les Laboratoires Servier of France; and a drug for secondary hyperparathyroidism from Amgen Inc. of the USA (formerly KAI Pharmaceuticals, Inc.). In the same year, we acquired co-development and co-marketing rights in Japan of a rheumatoid arthritis drug from Bristol-Myers Squibb Company (BMY) of the USA and a non-small cell lung cancer drug from Merck KGaA of Germany. In April 2013, we acquired exclusive licenses for development and marketing in Japan of a drug for the treatment of symptom reemergence due to levodopa “wearing-off” in Parkinson’s disease from BIAL of Portugal.

These licensing arrangements demonstrate the ongoing enhancement of our development pipeline.

Status of Development Pipeline

New Drugs in Development (As of August 2013)

New Drugs in Development in Japan

Product (Development Code)	Proposed Indication	Pharmacological Action, etc.	Development Stage				
			PI	PII	PIII	Filed	
GLACTIV® Tablets 12.5 mg (ONO-5435) / MK-0431	Type 2 diabetes (Additional formulation)	DPP-4 inhibitor	→	→			Co-development with Merck & Co., Inc., USA
ONOACT® 50 for Injection (ONO-1101)	Tachyarrhythmia in low cardiac function	Short acting β ₁ blocker	→	→			In-house
OPALMON® Tablets (OP-1206)	Peripheral circulatory disorder (Stability-improved formulation)	Blood vessel dilation	→	→			Co-development with Dainippon Sumitomo Pharma Co., Ltd.
GLACTIV® Tablets (ONO-5435) / MK-0431	Type 2 diabetes (combination therapy with rapid-acting insulin secretagogue)	DPP-4 inhibitor	→	→			Co-development with Merck & Co., Inc., USA
GLACTIV® and metformin Combination Tablets (ONO-5435A) / MK-0431A	Type 2 diabetes	DPP-4 inhibitor and hepatic gluconeogenesis inhibitor, improving insulin resistance	→	→			Co-development with Merck & Co., Inc., USA
PROEMEND® for i.v. infusion (ONO-7847) / MK-0517	Chemotherapy-induced nausea and vomiting in pediatrics patients	Neurokinin 1 receptor antagonist	→	→			In-licensed from Merck & Co., Inc., USA
RIVASTACH® Patch (ONO-2540) / ENA713D	Alzheimer's disease (Additional dosing regimen)	Dual inhibitor of AChE and BuChE	→	→			Co-development with Novartis Pharma AG
ONO-4538 / BMS-936558	Renal cell carcinoma	Fully human anti-PD-1 antibody	→	→			In-house
ORENCIA® IV (ONO-4164IV) / BMS-188667IV	Juvenile idiopathic arthritis	T-cell activation inhibitor	→	→			Co-development with Bristol-Myers Squibb Company
ORENCIA® IV (ONO-4164IV) / BMS-188667IV	Lupus nephritis	T-cell activation inhibitor	→	→			Co-development with Bristol-Myers Squibb Company
ONO-2745 / CNS 7056	General anesthetic	Short acting GABA _A receptor modulator	→	→			In-licensed from PAION AG
ONO-7165 / EMD531444	Non-small cell lung cancer	Therapeutic cancer peptide vaccine targeting the tumor antigen MUC-1	→	→			Co-development with Merck KGaA, Germany
ONO-4641	Multiple sclerosis	S1P receptor agonist	→	→			In-house
ONO-3849 / Methylxanthone bromide	Opioid-induced constipation	μ opioid receptor antagonist	→	→			In-licensed from Progenics Pharmaceuticals, Inc.
ONO-7643 / RC-1291	Cancer anorexia / cachexia	Ghrelin mimetic	→	→			In-licensed from Helsinn Healthcare, S.A.
ONO-4538 / BMS-936558	Melanoma	Fully human anti-PD-1 antibody	→	→			In-house
ONO-4538 / BMS-936558	Non-small cell lung cancer	Fully human anti-PD-1 antibody	→	→			In-house
ONO-7057 / Carfilzomib	Multiple myeloma	Proteasome inhibitor	→	→			In-licensed from Onyx Pharmaceuticals, Inc.
ONO-5163 / AMG-416	Secondary hyperparathyroidism (SHPT)	Calcium sensing receptor agonist	→	→			In-licensed from Amgen Inc.
ONO-6950	Bronchial asthma	Leukotriene receptor antagonist	→	→			In-house

Product (Development Code)	Proposed Indication	Pharmacological Action, etc.	Development Stage				
			PI	PII	PIII	Filed	
ONO-7056 / Salirasib	Solid tumor	Ras signal inhibitor	→				In-licensed from Kadmon Corporation, LLC
ONO-7268MX1	Hepatocellular carcinoma	Therapeutic cancer peptide vaccine	→				In-licensed from OncoTherapy Science, Inc.
ONO-1162 / Ivabradine	Chronic heart failure	If channel inhibitor	→				In-licensed from Les Laboratoires Servier
ONO-2160 / CD	Parkinson's disease	Levodopa pro-drug	→				In-house

New Drugs in Development Overseas

Product (Development Code)	Proposed Indication	Pharmacological Action, etc.	Development Stage				
			PI	PII	PIII	Filed	
ONO-4538 / BMS-936558	Renal cell cancer	Fully human anti-PD-1 antibody	→	→			Out-licensed to Bristol-Myers Squibb Company
ONO-4538 / BMS-936558	Non-small cell lung cancer	Fully human anti-PD-1 antibody	→	→			Out-licensed to Bristol-Myers Squibb Company
ONO-4538 / BMS-936558	Melanoma	Fully human anti-PD-1 antibody	→	→			Out-licensed to Bristol-Myers Squibb Company
ONO-4641	Multiple sclerosis	S1P receptor agonist	→	→			Out-licensed to Merck KGaA, Germany
ONO-6950	Bronchial asthma	Leukotriene receptor antagonist	→	→			In-house
ONO-4053	Allergic rhinitis	Prostaglandin D2 receptor antagonist	→	→			In-house
ONO-2952	Irritable bowel syndrome	TSPO (translocator protein) antagonist	→	→			In-house
ONO-8539	Gastroesophageal reflux disease	Prostaglandin receptor (EP1) antagonist	→	→			In-house
ONO-4538 / BMS-936558	Hepatitis C	Fully human anti-PD-1 antibody	→	→			Out-licensed to Bristol-Myers Squibb Company
ONO-7746	Thrombocytopenia	Thrombopoietin receptor agonist	→	→			In-licensed from Nissan Chemical Industries, Ltd.
ONO-9054	Glaucoma, ocular hypertension	Prostaglandin receptor (FP/EP3) agonist	→	→			In-house
ONO-4059	B-cell lymphoma	Bruton's tyrosine kinase (Btk) inhibitor	→	→			In-house
ONO-8055	Underactive bladder	Prostaglandin receptor (EP2/EP3) agonist	→	→			In-house
ONO-4538 / BMS-936558	Hematological cancer	Fully human anti-PD-1 antibody	→	→			Out-licensed to Bristol-Myers Squibb Company
ONO-4538 / BMS-936558	Hepatocellular carcinoma	Fully human anti-PD-1 antibody	→	→			Out-licensed to Bristol-Myers Squibb Company
ONO-1266	Portal hypertension	S1P receptor antagonist	→	→			In-house



True Value of Drugs Enhanced by Proper Drug Information Supply, Gathering and Feedback

Even if a drug is an excellent product, it is of no value unless it can be used correctly in medical treatment and can be delivered to those who are suffering from disease. Moreover, drugs could determine life or death. It is of paramount importance that accurate information is supplied appropriately. Our Medical Representatives (MRs) shoulder this all important role of communicating drug information. The MRs visit medical practitioners to provide and gather information on appropriate drug usage, as well as drug efficacy and safety. The mission of MRs is to contribute to society by providing healthcare support in collaboration with medical practitioners for the benefit of patient treatment, in accordance with high ethical standards.



The Path to Delivering Drugs that Truly Benefit Patients

Our MRs take good care to support the effectiveness of treatment for patients. They do so by promptly and precisely relaying drug-related information to the healthcare frontline, gathering information back from the frontline, analyzing it in house, then providing appropriate feedback on the results of that analysis. MRs also do on-site training in medical institutions that enables them to ascertain the needs of patients and their family members and thereby to provide information that offers patients close support.

Information Sharing System Architecture

MRs not only provide information but also uphold the importance of exchanging information with medical practitioners to ascertain whether our drugs truly benefit each individual patient and their family members throughout the course of the patient's treatment. Ono's information-sharing system enables MRs to share the valuable information they gather from the frontline of healthcare across the company. We have created a system that gives all MRs access via mobile PC at all times to this useful information on Ono's proprietary MR support website, information that includes the "Product Q&A," a resource based on analysis of all information gathered to date, as well as safety information, promotional materials, information on academic societies, conferences and research papers, and information on sponsored seminars. All MRs also carry smartphones with functions that enable them to send useful information quickly and also to instantly find selection- and combination-based drug interactions. The system thereby allows us to respond rapidly to the needs of frontline healthcare.

Relaying Up-to-date Drug Information to the Frontline of Healthcare

Medical technology undergoes daily advance and the same is true of pharmaceutical products. It is one of the roles of drug manufacturers to relay as quickly as possible up-to-date information about such drugs and to provide opportunities for information exchange. Ono does this by hosting workshops and lectures in over 3,000 regions annually, as well as organizing symposiums and seminars in conjunction with the academic conferences held in Japan. In keeping with this IT age, Ono now holds webinars. We also established a Scientific Academic Relations in October 2012 to support MR activities in the highly specialized fields of cancer and immunity. We plan to fully staff this division and construct a system that enables rapid responses to the high-level demands of specialists in academia and specialist institutions.



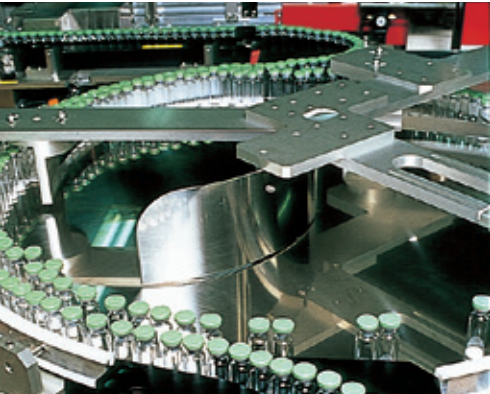
On-site training at the Frontline of Healthcare – Placing Importance on the Views of Patients and Family Members

We are continuing to enhance training programs for MRs as we increase the investment in our MRs, for the sake of their development. It goes without saying that we provide our MRs with training in our products and related diseases, but more than that, they do on-site training at the medical institutions to enable them to identify the needs of patients and family members and so, to deliver drugs that truly benefit patients. All our MRs completed the "Dementia Supporter Training course" in 2012. The aims of the course are to get the facts straight on dementia, support people with dementia and their family members, and to carry on improving the everyday amenity of our communities for all members of society. The MRs receive an "orange bracelet" as a sign of course completion and their support for people with dementia. All our MRs learn a lot through face-to-face interactions with dementia sufferers and their family members as well as medical practitioners and caregivers during this training at medical institutions. They then go on to put what they learn during that training into use in their daily work. Ono therefore enjoys the support of medical institutions for these efforts,

which enable MRs to incorporate the viewpoints of patients and family members into their work. We have secured the cooperation of healthcare institutions that support our training initiatives such as the training we are currently conducting at a specialist diabetes facility. Our MRs gain experience through this practical on-site training that cannot be gained through theoretical study. It is experience that energizes them, that truly benefits patients, and is incorporated into marketing work that distinguishes Ono Pharmaceutical Medical Representatives from the rest.



Manufacturing



For the Stable Supply of Drugs that Can Be Used with Peace of Mind

Drugs are used to protect precious life. We who are involved in the manufacture of drugs share the mission of delivering drugs whose quality is assured and that can be used by patients with peace of mind.

At Ono, all divisions involved in manufacturing cooperate closely with each other, we consistently uphold a sense of responsibility and high ethical values, perform duties that are a matter of course as a matter of course, and continuously sustain maximum effort toward the stable supply of drugs whose quality is assured.

Production System Optimization

Ono continually reviews production systems and invests in suitable plant and equipment for further optimization of marketed products, while keeping in mind the timing of marketing, quantities and product features relevant to the production system structure for products destined for market launch.

Quality Assurance

Ono delivers only products that have been ascertained to have assured quality, through market information on safety and efficacy, visual inspection and production/testing record checks for all products.

Productivity Improvement

Ono strives to improve productivity, driving labor-saving initiatives such as automation of production processes, as well as carefully examining cost structures, from pharmaceutical substance to pharmaceutical production, by coordinating these efforts with the formulation and synthesis research efforts at our Research Institutes.

Human Resources Development

As well as investing in plant and equipment, we invest effort in developing our human resources, through specialist training for operators, passing skills from veteran technicians to young employees, and training in anticipation of globalization.

Risk Management

Ono has established a risk management system aimed at maintaining stable drug supply. Our system includes mechanisms for coping with power failure caused by disaster, such as equipping production centers with independent electric power plant.

Production Centers with Established High Quality and Productivity

Ono's production centers in Shizuoka and Osaka are GMP compliant manufacturing plants. (GMP is a set of standards relating to the manufacturing control and quality control of pharmaceuticals.)

The key production center, Fujiyama Plant was constructed in Fujinomiya City, Shizuoka Prefecture in 1975. Since then, its facilities have been continually improved and expanded so that today the plant boasts computer-controlled manufacturing facilities.

In 1999, a large-scale injection manufacturing plant was newly constructed within the grounds of the Fujiyama Plant, equipped with high-performance automation facilities. In 2009, a solid formulation manufacturing plant was added, equipped with state-of-the-art manufacturing facilities.

The injection manufacturing plant is equipped with high-performance facilities that comply not only with Japanese, but also European and USA GMP standards and its software is world-class. Computers are used for giving all the necessary operational commands in the manufacturing process, checking of such operations, and data gathering and recording. Industrial robots are used in all the processes from the receiving of pharmaceutical substances to the dispatch of finished products. The solid formulation manufacturing plant utilizes high-speed, high-performance machinery for performing thorough quality assurance.



Corporate Governance

Highly Transparent Management and Strict Upholding of Corporate Ethics Enhance Corporate Value

To enhance corporate value, Ono believes that our important management tasks are not only in achieving strict compliance with laws and regulations, but also in improving transparency in corporate management and in strengthening the function of management control.

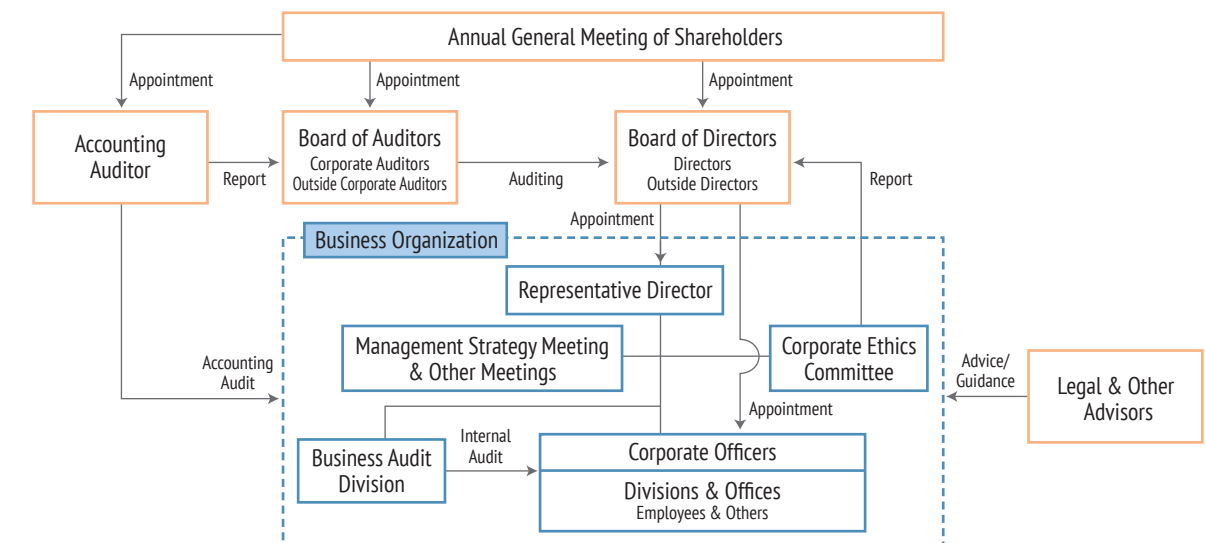
To this end, Ono has adopted an Auditor-based (Board) organizational framework as a part of endeavors to bolster corporate governance focusing on enhancement of the functions of the Board of Directors and the Board of Auditors. The Board of Directors aims to boost corporate dynamism, expedite decision-making and endeavors to ensure that the Board is comprised of the appropriate number of directors. Also, from June 2013, to ensure operational management remains sound, administration remains surefooted and improvements are made, Ono invited two outside directors with expert knowledge and depth of experience onto the Board for further enhancement of corporate governance. Important matters related to operational management and executive decisions are discussed and made in various meetings. The Management Strategy Meeting is attended by the Directors and Corporate Officers, who variously take responsibility for each division, up to the President and Representative Director, as well as the managers of those divisions. The Directors and Corporate Officers also variously preside over meetings according to the significance and details of the management issues at hand, to deliberate and make executive decisions on those issues. We strive to achieve appropriate operational management, that

takes into consideration provision for supervisory functions by employing such checks and balances.

Furthermore, Ono also includes attendance at Management Strategy Meetings and inspection of the Board minutes within the scope of the Auditors' work. Introduction of the Corporate Officer System seeks to enhance operational management functions while allowing members of the Board of Directors to participate directly in important operational management as Corporate Officers, to implement continuous and stable business operations. Meanwhile, the Board of Auditors fulfills its role through its members (four) attending the Board of Directors meeting and other key meetings, and auditing the execution of duties by directors via reports from directors and discussions thereof.

As to outside corporate auditors, a lawyer and a certified public accountant are on the Board, providing audit from objective and expert perspectives. With regard to our system of internal control, the Board of Directors meeting held on May 9, 2006 resolved that "a system for ensuring appropriateness of the company's operations" should be in place. To this end, such a system was created and is constantly under review, so as to strengthen and improve operational compliance as well as overall internal control. Furthermore, we adopt a firm stance fighting against any antisocial force or organizations that may threaten social order or security.

Corporate Governance Structure



Corporate Social Responsibility

Ono has established an unbroken and undaunted history in the pharmaceutical industry spanning almost 300 years since foundation in 1717.

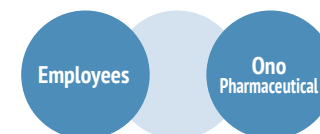
“Dedicated to Man’s Fight against Disease and Pain” is Ono’s corporate philosophy, the philosophy upon which we will continue to fulfill our corporate social responsibilities and increase our value as a social entity, by single-mindedly pursuing the development of drugs that truly benefit patients.



Moving Forward Together with the Community

Each individual employee carries with them the awareness of being a member of society and actively engages in a range of community-based activities to develop communication with people in the local community.

- Local area cleanups (Each plant and research institutes)
- Hosting Special Education School practical training (Fujiyama Plant)
- Participating in and supporting summer festivals by joining organizing committees (Fukui Research Institute)
- Joining the Imperial Villa Spring (Rikyu no Mizu) Conservation Society to protect the famous water source (Minase Research Institute)
- Participating in firefighting training as private fire brigade members (Fukui and Minase Research Institutes)
- Selling through handmade bread and cookie stalls for work centers that support the independence of disabled people (Head Office)



Moving Forward Together with Employees

Ono’s approach to employee relations is to ensure improvement of working conditions such as safety and hygiene and to provide a good welfare and benefits system.

Ono values a society where human rights are fully respected. Ono believes that no discrimination should be allowed due to race, nationality, ethnicity, gender, age, religion, belief/philosophy, academic background, disability or illness.

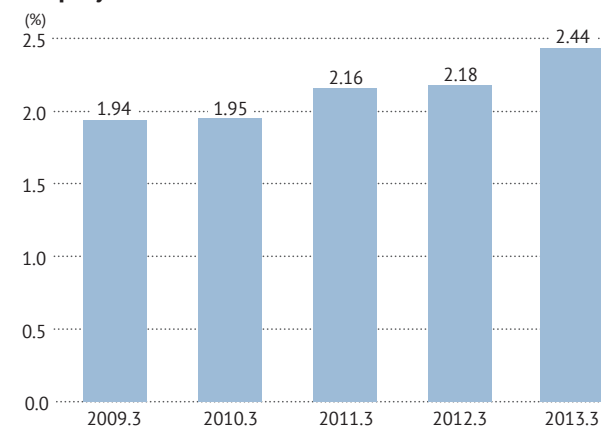
Ono believes that “People make the company.” Ono actively supports development of individual abilities and positive action taken without fear of failure, promoting a corporate climate where the company and its employees can live in harmony and where individual abilities blossom to their full extent.

Employment of Persons with Disabilities

Ono respects diversity and aims to create a workplace where everyone can achieve their full potential. This year, for example, Ono employed sign-language interpreters in the workplace. The employment rate of people with disabilities has been increasing year on year at Ono. As of March 31 2013 it was 2.44%, which exceeds the legally stipulated rate amended April 1 this year (1.80% to 2.00%).

Ono aims to continue active recruitment.

Employment Rate of Persons with Disabilities



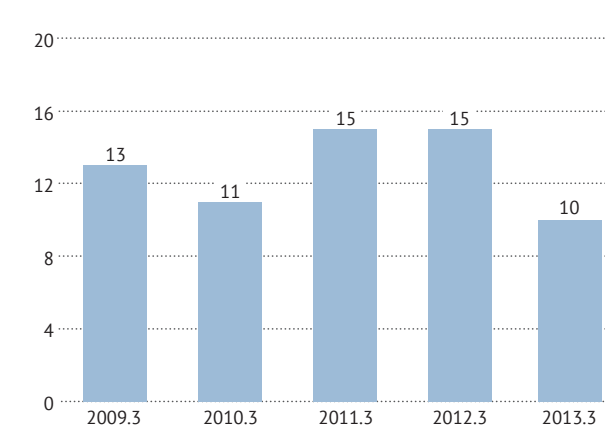
Industrial Accidents and Workplace Health and Safety Activities

Ono regularly holds health and safety committee meetings particularly in plants and research institutes.

The “health and safety patrol” reports on issues and proposes improvements. Ono endeavors to identify areas for improvement, while making employees fully aware of health and safety procedures.

Checks are carried out for all establishments every year. This includes inspections of fire and other disaster prevention, fire extinguishing and first aid equipment, safe handling of machinery, implementation of safety procedures, transfer operations, and cleaning and housekeeping.

Numbers of Industrial Accidents



Please see the Ono website for specific details regarding Ono Pharmaceutical’s Corporate Social Responsibility.
<http://www.ono.co.jp/eng/csr/index.html>



Protecting the Environment

As awareness of environmental problems grows throughout the world, protection of the environment and limited natural resources has become not only the clear responsibility but also a social mission of every company doing business. As part of our company-wide efforts to make environmental protection a top priority, Ono established an Environmental Management Office in July 1998 and formulated an Environmental Self-regulating Action Plan, which delineates Ono's course of action in environmental protection. Certification of compliance with ISO 14001 environmental management standards has been obtained for both the Fujiyama Plant (November 2002) and the Joto Plant (February 2004). We remain committed to maintaining our environmental management system and engaging in environmental protection throughout our operations.

Medium- to Long-Term Vision on Environmental Protection

Because we do not conduct any synthesis of pharmaceutical substances at Ono, our discharge volumes of CO₂, wastes and chemical substances have remained lower than the industry average and are within ranges that do not cause concerns to society. Nevertheless, the Kyoto Protocol adopted by the Third United Nations Framework Convention on Climate Change set the target of reducing the total emission of six greenhouse gases to below 1990 levels, to be achieved during the period between 2008 and 2012. In view of this target, the volumes of CO₂, waste and chemical substances discharged at Ono are all higher than the 1990 levels.

This is attributable to the company's growth resulting in the doubling of sales and tripling of R&D investment compared to those in 1990. Despite our continued efforts to reduce environmental impact, increase of environmental impact associated with company growth has exceeded the volume that has been reduced. We recognize that future reduction of the environmental impact measured by total volume will continue to be an agenda for Ono to tackle.

We will continue our efforts to consider all aspects of environmental action and achieve the new targets for 2020 (see next page for target figures).

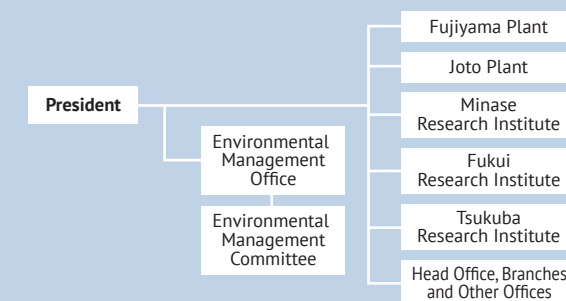
Environmental Guidelines

We recognize that our company has a social responsibility regarding the environment, and we will work to protect and preserve the global environment in all of our business operations.

- In addition to fully complying with all environment-related laws and regulations, we will establish targets and action plans in a continuous effort to protect and preserve the environment and natural resources.
- In all of our business operations we will implement environment-focused measures such as saving resource and energy, recycling, reducing waste and preventing pollution.
- We will endeavor to produce eco-friendly products and will cooperate with society.
- With the participation of every employee, we will strive to further understand environmental issues and to promote environment-related activities.

Environmental Management Organization

The Environmental Management Office is responsible for all environment-related issues at Ono. Meanwhile, the Environmental Management Committee consisting of members from sections across the company gauges the current situation and promotes environmental management. In addition, facilities that have greater environmental impact such as a research institute or a manufacturing plant has a subcommittee at each site working on environmental issues.



Environmental Self-regulating Action Plan

In compliance with the Environmental Guidelines, we have set specific action plans and targets in 6 areas and strive to achieve these targets.

Objectives	Targets
Low-carbon economy plan	The CO ₂ emissions for 2020 shall be 23% less than that of the 2005 level.
Control of chemical substances	Discharge and displacement of PRTR Class I Designated Chemical Substances is around 10 tons or less. However, we will not only strengthen compliance with the laws and regulations but also tackle as much discharge reduction as possible.
Waste reduction measures	By 2015 final disposal of wastes will be reduced to 40% of the volume disposed in 2010.
Measures against air and water pollution	Emission standards will be thoroughly complied with and our efforts will continue so as to prevent any environmental accident or complaint from local communities.
Environmental accounting	Environmental accounting has been disclosed in accordance with the guidelines of the Ministry of the Environment.
Community relations	In local communities, we participate in cleanup activities. We endeavor to prevent any workplace accidents involving employee injury.

Ono Pharmaceutical produces an Environmental Report each year detailing our work in this area. Please see the Ono website for specific details regarding Ono Pharmaceutical's Environmental Management. http://www.ono.co.jp/eng/csr/environmental_management.html

Financial Section

Financial Review

The following is a summary of the consolidated business results for the fiscal year ended March 31, 2013.

Area of Business

Ono Pharmaceutical Co., Ltd. and its subsidiaries are engaged in the pharmaceuticals business.
(See Notes 2 & 19 of the Notes to Consolidated Financial Statements.)

Results for Fiscal Year Ended March 31, 2013

The Japanese economy in the current consolidated fiscal year received a boost from demand driven by the Great East Japan Earthquake recovery. The change of government in November last year prompted a significant rise in expectations of broader economic recovery spearheaded by reassuring economic policy changes, as well as sustained correction of the strong yen and low share prices.

Meanwhile, the Group continued to face difficult business conditions. Prices for drugs on the Japanese market decreased in April last year, and the government strengthened measures to control healthcare costs with additional measures to promote the use of generics.

The Group holds to the goals of developing breakthrough, novel drugs and on enhancing product value. We continue to focus on reinforcing our scientific information effort, especially for our key products, and further enhancing our R&D effort, which encompasses the utilization of world-leading knowledge and technology. We have also maintained our efforts to implement further business-wide efficiencies.

The business results for the current consolidated fiscal year are as follows.

	Millions of Yen	Thousands of U.S. Dollars
Net sales	¥ 145,393	\$ 1,546,734
Operating income	31,921	339,585
Net income	24,120	256,596

Sales

Net sales totaled ¥145,393 million (US\$1,546,734 thousand), which was a decrease of ¥386 million (US\$4,106 thousand), down 0.3% over the previous consolidated fiscal year.

- We continued to provide information actively through lectures, seminars and briefings. Sales of key new products did increase, however, drug price revision and generic promotion measures forced down sales of long-term listed products: the increase in sales did not manage to make up for the decrease in the long-term listed products and in license revenue from the previous consolidated fiscal year.
- Key new products performed well. *GLACTIV*® Tablets for the treatment of Type 2 diabetes showed solid sales growth with a 24.7% increase over the previous fiscal year to ¥34.8 billion (US\$370,213 thousand), and an 18.0% increase over the previous fiscal year in sales of *EMEND*® Capsules / *PROEMEND*® Intravenous Injection for the treatment of chemotherapy-induced nausea and vomiting to ¥7.9 billion (US\$84,043 thousand). Sales of *RIVASTACH*® Patch for the treatment of Alzheimer's disease, whose dosage period limitation was lifted in August last year, saw an increase of 216.9% over the previous fiscal year to ¥3.9 billion (US\$41,489 thousand), while the dosage period limitation for *RECALBON*® Tablets 50mg, the once-per-4-week osteoporosis drug, was also lifted in October last year, resulting in a 117.6% increase in sales over the previous fiscal year to ¥7.7 billion (US\$81,915 thousand).
- Sales of the main long-term listed products were down. Sales of *OPALMON*® Tablets for the treatment of peripheral circulatory disorder were down 14.1% over the previous fiscal year to ¥33.9 billion (US\$360,638 thousand); sales of *ONON*® Capsules for the treatment of bronchial asthma and allergic rhinitis were down 15.6% over the previous fiscal year to ¥16.1 billion (US\$171,277 thousand); and sales of *KINEDAK*® Tablets for the treatment of diabetic peripheral neuropathy were down 22.6% over the previous fiscal year to ¥8.7 billion (US\$92,553 thousand).

Profit and Loss

Operating income for the current consolidated fiscal year was ¥31,921 million (US\$339,585 thousand), a decrease of ¥5,983 million (US\$63,649 thousand), or 15.8% year on year. Current net income before tax was down 13.4%, or ¥5,351 million (US\$56,926 thousand), from the previous consolidated fiscal year to ¥34,659 million (US\$368,713 thousand).

- The cost of sales was up 17.2%, or ¥4,996 million (US\$53,149 thousand), from the previous consolidated fiscal year to ¥33,983 million (US\$361,521 thousand).
- Selling, general and administrative (SG&A) costs were up 0.8%, or ¥601 million (US\$6,394 thousand), from the previous consolidated fiscal year to ¥79,489 million (US\$845,628 thousand).
- R&D expenditure was up 2.4%, or ¥1,054 million (US\$11,213 thousand), from the previous consolidated fiscal year to ¥45,437 million (US\$483,372 thousand).

Income taxes were down ¥5,058 million (US\$53,809 thousand) due to a lowering of the corporate tax rate and a decrease in pre-tax current net income, attributable to the reduction of deferred tax assets from the previous consolidated fiscal year.

As a result, current net income was down 1.0%, or ¥241 million (US\$2,564 thousand), from the previous consolidated fiscal year to ¥24,120 million (US\$256,596 thousand).

(See Notes 9, 10 & 13 of the Notes to Consolidated Financial Statements.)

Consolidated Cash Flow

The cash and cash equivalents balance at the end of the consolidated fiscal year was up ¥4,050 million (US\$43,085 thousand) from last year's figure of ¥85,067 million (US\$904,968 thousand). The main factors were cash flow from financing activities ending in a negative balance of ¥18,847 million (US\$200,500 thousand) due to dividend payments but cash flow from operating activities ending in a positive cash flow balance of ¥15,662 million (US\$166,617 thousand), and cash flow from investing activities ending in a positive cash flow balance of ¥7,170 million (US\$76,277 thousand). The final result was a 4.8% increase from the previous consolidated fiscal year to ¥89,117 million (US\$948,053 thousand).

■ Cash Flow from Operating Activities

Cash flow from operating activities for the current consolidated fiscal year ended in a positive cash flow balance of ¥15,662 million (US\$166,617 thousand), with a decrease in income from the previous year of ¥5,973 million (US\$63,543 thousand). The main factors were current net income before tax of ¥34,659 million (US\$368,713 thousand), depreciation costs of ¥2,845 million (US\$30,266 thousand), an increase in inventory of ¥4,772 million (US\$50,766 thousand), and payments for income taxes of ¥15,097 million (US\$160,606 thousand).

■ Cash Flow from Investing Activities

Cash flow from investing activities for the current consolidated fiscal year ended in a positive balance of ¥7,170 million (US\$76,277 thousand), with an increase in income of ¥7,303 million (US\$77,691 thousand) compared to the previous year. The main factors were income of ¥11,989 million (US\$127,543 thousand) attributable to the margin between investment security acquisitions and redemptions, but on the other hand, expenditure for acquisition of fixed assets amounting to ¥4,578 million (US\$48,702 thousand) and other expenditures of ¥241 million (US\$2,564 thousand).

■ Cash Flow from Financing Activities

Cash flow from financing activities for the current consolidated fiscal year ended in a negative balance of ¥18,847 million (US\$200,500 thousand), a decrease in expenditure of ¥226 million (US\$2,404 thousand) from the previous year. The main factor was dividend payments of ¥19,056 million (US\$202,723 thousand).

Investment in Plant and Equipment

Plant and equipment investment during the current consolidated fiscal year totaled ¥4,490 million (US\$47,766 thousand). This included investment in enhancement and maintenance of manufacturing facilities (¥2,275 million, US\$24,202 thousand), investment in maintenance of research facilities (¥515 million US\$5,479 thousand) and investment in enhancement and maintenance of business facilities (¥1,700 million, US\$18,085 thousand).

Voluntary adoption of International Financial Reporting Standards (IFRS)

The Group resolved to voluntarily adopt International Financial Reporting Standards (IFRS), replacing the conventional Japan Generally Accepted Accounting Principles, for consolidated financial statements after March 31, 2014.

The Group has been facilitating business development such as research and development and licensing activities globally in the USA, Europe and Asian regions as well as in Japan. Additionally, foreign investors remain a large proportion of all investors, accounting for about 30% of the total shareholders as at March 31, 2013. Considering this situation, we have decided to voluntarily adopt IFRS to disclose financial information based on international standards, improve comparability and enhance convenience of stakeholders including shareholders, investors and business partners.

Consolidated Balance Sheet

Ono Pharmaceutical Co., Ltd. and Subsidiaries
Year ended March 31, 2013

ASSETS	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2013	2012	2013
Current assets:			
Cash and cash equivalents (Notes 2.b & 3)	¥89,117	¥85,067	\$948,053
Time deposits	1,000	1,000	10,638
Marketable securities (Notes 3 & 4)	40,022	39,707	425,766
Notes and accounts receivable (Note 3):			
Trade	37,823	37,853	402,372
Other	5,520	4,507	58,723
Allowance for doubtful receivables	(6)	(6)	(64)
Inventories (Note 5)	23,409	18,638	249,032
Deferred tax assets (Note 9)	17,153	14,809	182,479
Prepaid expenses and other current assets	704	661	7,490
Total current assets	214,742	202,236	2,284,489
Property, plant and equipment:			
Land	23,479	22,550	249,777
Buildings and structures	66,934	66,173	712,064
Machinery, equipment and others	26,375	25,593	280,585
Construction in progress	1,438	262	15,297
Total	118,226	114,578	1,257,723
Accumulated depreciation	(68,596)	(66,598)	(729,744)
Net property, plant and equipment	49,630	47,980	527,979
Investments and other assets:			
Investment securities (Notes 3 & 4)	179,199	167,758	1,906,372
Investments in affiliated companies (Note 3)	1,001	933	10,649
Long-term loans to employees	13	15	138
Intangible assets	1,384	995	14,723
Deferred tax assets (Note 9)	35	4,579	372
Prepaid pension costs (Note 7)	3,366	5,774	35,809
Other assets	6,203	6,144	65,990
Total investments and other assets	191,201	186,198	2,034,053
Total	¥455,573	¥436,414	\$4,846,521

See accompanying notes to consolidated financial statements.

LIABILITIES AND EQUITY	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2013	2012	2013
Current liabilities:			
Current portion of long-term debt (Note 6)	¥ 104	¥ 2	\$ 1,106
Notes and accounts payable (Note 3):			
Trade	4,064	5,717	43,234
Construction	165	28	1,755
Affiliated companies	15	22	160
Income taxes payable (Notes 3 & 9)	5,606	8,876	59,638
Accrued expenses	14,763	14,631	157,053
Other current liabilities	1,070	1,766	11,383
Total current liabilities	25,787	31,042	274,329
Long-term liabilities:			
Long-term debt, less current portion (Note 6)	176	11	1,872
Long-term accounts payable	73	73	777
Liability for retirement benefits (Note 7)	1,076	1,628	11,447
Deferred tax liabilities (Note 9)	5,070	2,593	53,936
Asset retirement obligations	54	53	574
Other non-current liabilities	46	46	490
Total long-term liabilities	6,495	4,404	69,096
Commitments and contingent liabilities (Notes 11, 12 & 15)			
Equity (Notes 8 & 18):			
Common stock, authorized, 300,000,000 shares; issued, 117,847,500 shares in 2013 and 2012	17,358	17,358	184,660
Capital surplus	17,080	17,080	181,702
Retained earnings	430,824	425,787	4,583,234
Treasury stock-at cost 11,831,010 shares in 2013 and 11,828,952 shares in 2012	(59,214)	(59,204)	(629,936)
Accumulated other comprehensive income:			
Unrealized gain on available-for-sale securities	22,451	5,725	238,840
Land revaluation difference (Note 14)	(8,577)	(8,577)	(91,245)
Foreign currency translation adjustments	67	(277)	713
Total	419,989	397,892	4,467,968
Minority interests	3,302	3,076	35,128
Total equity	423,291	400,968	4,503,096
Total	¥ 455,573	¥ 436,414	\$ 4,846,521

Consolidated Statement of Income

Ono Pharmaceutical Co., Ltd. and Subsidiaries
Year ended March 31, 2013

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2013	2012	2013
Net sales	¥ 145,393	¥ 145,779	\$ 1,546,734
Cost of sales (Note 10)	33,983	28,987	361,521
Gross profit	111,410	116,792	1,185,213
Selling, general and administrative expenses (Note 10)	79,489	78,888	845,628
Operating income	31,921	37,904	339,585
Other income (expenses)			
Interest and dividend income	2,575	2,800	27,394
Interest expense	(2)	(1)	(21)
Other-net (Note 13)	165	(693)	1,755
Other income-net	2,738	2,106	29,128
Income before income taxes and minority interests	34,659	40,010	368,713
Income taxes (Note 9):			
Current	11,859	15,526	126,160
Deferred	(1,541)	(150)	(16,394)
Total income taxes	10,318	15,376	109,766
Net income before minority interests	24,341	24,634	258,947
Minority interests in income	(221)	(273)	(2,351)
Net income	¥ 24,120	¥ 24,361	\$ 256,596
Per share of common stock (Notes 2.p & 17):	Yen		U.S. Dollars (Note 1)
Basic net income	¥ 227.51	¥ 229.78	\$ 2.42
Cash dividends applicable to the year	180.00	180.00	1.91

See accompanying notes to consolidated financial statements.

Consolidated Statement of Comprehensive Income

Ono Pharmaceutical Co., Ltd. and Subsidiaries
Year ended March 31, 2013

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2013	2012	2013
Net income before minority interests	¥24,341	¥24,634	\$258,947
Other comprehensive income (Note 16)			
Unrealized gain on available-for-sale securities	16,722	1,578	177,894
Land revaluation difference	—	361	—
Foreign currency translation adjustments	344	(10)	3,660
Share of other comprehensive income in associates	17	4	180
Total other comprehensive income	17,083	1,933	181,734
Comprehensive income	¥41,424	¥26,567	\$440,681
Total comprehensive income attributable to			
Owners of the parent	¥ 41,190	¥ 26,274	\$ 438,192
Minority interests	234	293	2,489

See accompanying notes to consolidated financial statements.

Consolidated Statement of Changes in Equity

Ono Pharmaceutical Co., Ltd. and Subsidiaries
Year ended March 31, 2013

	Thousands	Millions of Yen									
	Outstanding Number of Shares of Common Stock	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income			Total	Minority Interests	Total Equity
						Unrealized Gain on Available-for-sale Securities	Land Revaluation Difference	Foreign Currency Translation Adjustments			
BALANCE, APRIL 1, 2011	106,021	¥ 17,358	¥ 17,080	¥ 435,536	¥ (74,219)	¥ 4,163	¥ (8,938)	¥ (267)	¥ 390,713	¥ 3,860	¥ 394,573
Net income				24,361					24,361		24,361
Cash dividends, ¥ 180 per share				(19,084)					(19,084)		(19,084)
Purchase of treasury stock	(2)				(11)				(11)		(11)
Retirement of treasury stock				(15,026)	15,026						
Net change in the year						1,562	361	(10)	1,913	(784)	1,129
BALANCE, MARCH 31, 2012	106,019	17,358	17,080	425,787	(59,204)	5,725	(8,577)	(277)	397,892	3,076	400,968
Net income				24,120					24,120		24,120
Cash dividends, ¥ 180 per share				(19,083)					(19,083)		(19,083)
Purchase of treasury stock	(3)				(10)				(10)		(10)
Net change in the year						16,726		344	17,070	226	17,296
BALANCE, MARCH 31, 2013	106,016	¥ 17,358	¥ 17,080	¥ 430,824	¥ (59,214)	¥ 22,451	¥ (8,577)	¥ 67	¥ 419,989	¥ 3,302	¥ 423,291

	Thousands of U.S. Dollars (Note 1)									
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income			Total	Minority Interests	Total Equity
					Unrealized Gain on Available-for-sale Securities	Land Revaluation Difference	Foreign Currency Translation Adjustments			
BALANCE, MARCH 31, 2012	\$ 184,660	\$ 181,702	\$ 4,529,649	\$ (629,830)	\$ 60,904	\$ (91,245)	\$ (2,947)	\$ 4,232,893	\$ 32,724	\$ 4,265,617
Net income			256,596					256,596		256,596
Cash dividends, \$1.91 per share			(203,011)					(203,011)		(203,011)
Purchase of treasury stock				(106)				(106)		(106)
Net change in the year					177,936		3,660	181,596	2,404	184,000
BALANCE, MARCH 31, 2013	\$ 184,660	\$ 181,702	\$ 4,583,234	\$ (629,936)	\$ 238,840	\$ (91,245)	\$ 713	\$ 4,467,968	\$ 35,128	\$ 4,503,096

See accompanying notes to consolidated financial statements.

Consolidated Statement of Cash Flows

Ono Pharmaceutical Co., Ltd. and Subsidiaries
Year ended March 31, 2013

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2013	2012	2013
Operating activities:			
Income before income taxes and minority interests	¥ 34,659	¥ 40,010	\$ 368,713
Adjustments for:			
Income taxes paid	(15,097)	(14,103)	(160,606)
Depreciation and amortization	2,845	3,005	30,266
Increase (decrease) in allowance for doubtful receivables	0	(0)	0
Increase (decrease) in liability for retirement benefits	(552)	1,080	(5,872)
Decrease (increase) in prepaid pension costs	2,408	(1,983)	25,617
Gain on negative goodwill	—	(273)	—
Loss (gain) on sales of investment securities	(771)	491	(8,202)
Loss on devaluation of investment securities	66	226	702
Changes in assets and liabilities, net of effects:			
Decrease in interest and dividends receivable	174	163	1,851
Decrease (increase) in notes and accounts receivable	31	(1,147)	330
Increase in inventories	(4,772)	(5,589)	(50,766)
Increase (decrease) in notes and accounts payable	(1,660)	450	(17,660)
Others - net	(1,669)	(695)	(17,756)
Net cash provided by operating activities	15,662	21,635	166,617
Investing activities:			
Payments for purchases of marketable securities	(23,012)	(33,002)	(244,809)
Proceeds from sales and redemption of marketable securities	50,591	66,370	538,202
Payments for purchases of property, plant and equipment	(4,578)	(2,023)	(48,702)
Payments for purchases of investment securities	(20,004)	(30,882)	(212,808)
Proceeds from sales and redemption of investment securities	4,414	469	46,958
Others - net	(241)	(1,065)	(2,564)
Net cash provided by (used in) investing activities	7,170	(133)	76,277
Financing activities:			
Repayments of long-term debt	(77)	(2)	(819)
Proceeds from long-term debt	300	—	3,191
Payments for purchases of treasury stock	(9)	(10)	(96)
Cash dividends	(19,056)	(19,057)	(202,723)
Cash dividends to minority shareholders	(4)	(4)	(42)
Others - net	(1)	—	(11)
Net cash used in financing activities	(18,847)	(19,073)	(200,500)
Foreign currency translation adjustments on cash and cash equivalents	65	61	691
Net increase in cash and cash equivalents	4,050	2,490	43,085
Cash and cash equivalents, beginning of year	85,067	82,577	904,968
Cash and cash equivalents, end of year	¥ 89,117	¥ 85,067	\$ 948,053

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Ono Pharmaceutical Co., Ltd. and Subsidiaries
Year ended March 31, 2013

Note 1

Basis of Presenting Consolidated Financial Statements

The accompanying consolidated financial statements of Ono Pharmaceutical Co., Ltd. (the "Company") and its subsidiaries have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations, and in accordance with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to

readers outside Japan. In addition, certain reclassifications have been made in the 2012 consolidated financial statements to conform to the classifications used in 2013.

The consolidated financial statements are stated in Japanese Yen, the currency of the country in which the Company is incorporated and principally operates. The translations of Japanese Yen amounts into U.S. Dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥94 to \$1, the approximate rate of exchange at March 31, 2013. Such translations should not be construed as representations that the Japanese Yen amounts could be converted into U.S. Dollars at that or any other rate.

Note 2

Summary of Significant Accounting Policies

a. Consolidation and investments in affiliates

The consolidated financial statements include the accounts of the Company and its four subsidiaries, two domestic and two foreign, at March 31, 2013 (together, the "Group"). Under the control or influence concept, those companies in which the Company, directly or indirectly, is able to exercise control over operations are fully consolidated, and those companies over which the Company has the ability to exercise significant influence are accounted for by the equity method. Investments in two affiliated companies are accounted for by the equity method.

All significant intercompany transactions and accounts and unrealized intercompany profits are eliminated in consolidation. The difference between the cost and underlying net assets of investments in subsidiaries at the time of acquisition is charged to income because it is immaterial.

b. Cash Equivalents

Cash equivalents are short-term investments that are readily convertible into cash and that are exposed to insignificant risk of changes in value.

Cash equivalents include time deposits and bond funds, all of which mature or become due within three months of the date of acquisition.

c. Marketable and investment securities

Marketable and investment securities are classified and accounted for, depending on management's intent, as follows:

- i) held-to-maturity debt securities, which are expected to be held to maturity with the positive intent and ability to hold to maturity are reported at amortized cost, and
- ii) available-for-sale securities, which are not classified as the aforementioned securities, are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of shareholders' equity. Nonmarketable available-for-sale securities are stated at cost determined by the moving-average method. For other-than-temporary declines in fair value, investment securities are reduced to net realizable value by a charge to income.

d. Inventories

Inventories are stated principally at the lower of cost, determined by the first-in, first-out method, or net selling value.

e. Property, Plant and Equipment and Intangible assets

Property, plant and equipment are stated at cost. Depreciation of property, plant and equipment is principally computed using the declining-balance method at rates based on the estimated useful lives of the assets, which are principally as stated below.

Buildings and structures: 15 - 50 years

Machinery and equipment: 4 - 15 years

Those buildings, excluding structures, which were acquired on or after April 1, 1998, are depreciated using the straight-line method.

Maintenance and repairs including minor renewals and improvements are charged to income as incurred.

Intangible assets are amortized using the straight-line method.

Lease assets are depreciated using the straight-line method over the terms of their respective leases with a zero residual value.

Prior to April 1, 2012, the estimated useful life for machinery for its depreciation was 8 years. Effective with the fiscal year ended March 31, 2013, the estimate was changed to 15 years and the new estimated useful life for machinery was prospectively applied. The effect of this change was not material.

f. Long-lived assets

The Group reviews its long-lived assets for impairment whenever events or changes in circumstance indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss would be recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

g. Retirement benefits and pension plans

The employees whose service with the Company and its domestic subsidiaries is terminated are, under most circumstances, entitled to a combination of lump-sum severance indemnities and pension payments, determined by reference to current basic rate of pay, length of service and conditions under which the termination occurs. Certain subsidiaries provide a reserve for retirement allowances for directors, executive officers and corporate auditors in required amounts calculated based on bylaws.

Notes to Consolidated Financial Statements

h. Asset Retirement Obligations

In March 2008, the Accounting Standards Board of Japan (the "ASBJ") published the accounting standard for asset retirement obligations, ASBJ Statement No.18 "Accounting Standard for Asset Retirement Obligations" and ASBJ Guidance No.21 "Guidance on Accounting Standard for Asset Retirement Obligations". Under this accounting standard, an asset retirement obligation is defined as a legal obligation imposed either by law or contract that results from the acquisition, construction, development and the normal operation of a tangible fixed asset and is associated with the retirement of such tangible fixed asset. The asset retirement obligation is recognized as the sum of the discounted cash flows required for the future asset retirement and is recorded in the period in which the obligation is incurred if a reasonable estimate can be made. If a reasonable estimate of the asset retirement obligation cannot be made in the period the asset retirement obligation is incurred, the liability should be recognized when a reasonable estimate of the asset retirement obligation can be made. Upon initial recognition of a liability for an asset retirement obligation, an asset retirement cost is capitalized by increasing the carrying amount of the related fixed asset by the amount of the liability. The asset retirement cost is subsequently allocated to expense through depreciation over the remaining useful life of the asset. Over time, the liability is accreted to its present value each period. Any subsequent revisions to the timing or the amount of the original estimate of undiscounted cash flows are reflected as an increase or a decrease in the carrying amount of the liability and the capitalized amount of the related asset retirement cost.

i. Research and development costs

Expenses and costs relating to research and development activities are charged to income as incurred.

j. Leases

In March 2007, the ASBJ issued ASBJ Statement No.13, "Accounting Standard for Lease Transactions", which revised the previous accounting standard for lease transactions issued in June 1993. Under the previous accounting standard, finance leases that were deemed to transfer ownership of the leased property to the lessee were capitalized. However, other finance leases were permitted to be accounted for as operating lease transactions if certain "as if capitalized" information was disclosed in the notes to the lessee's financial statements. The revised accounting standard requires that all finance lease transactions be capitalized to recognize lease assets and lease obligations in the balance sheet. The Company applied the revised accounting standard effective April 1, 2008.

k. Bonuses to directors and corporate auditors

Bonuses to directors and corporate auditors are accrued at the year-end to which such bonuses are attributable.

l. Income taxes

The provision for income taxes is computed based on the pretax income included in the consolidated statement of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the financial statement basis and the tax basis of assets and liabilities. Deferred taxes are measured by applying currently enacted tax laws to the temporary differences.

m. Foreign Currency Transactions

All short-term and long-term monetary receivables and payables denominated in foreign currencies are translated into Japanese Yen at the exchange rates at the balance sheet date. The foreign exchange gains and losses from translation are recognized in the income statement to the extent that they are not hedged by forward exchange contracts.

n. Foreign Currency Financial Statements

The balance sheet accounts of the foreign subsidiaries are translated into Japanese Yen at the current exchange rate as of the balance sheet date except for equity, which is translated at the historical rate. Differences arising from such translation are shown as "Foreign currency translation adjustments" in a separate component of equity. Revenue and expense accounts of foreign subsidiaries are translated into Yen at the average exchange rate.

o. Derivatives and Hedging Activities

The Company uses derivative financial instruments to manage its exposures to fluctuations in foreign exchange. Foreign exchange forward contracts are utilized by the Company to reduce foreign currency exchange risks. The Company does not enter into derivatives for trading or speculative purposes. If the derivatives qualify for hedge accounting because of high correlation and effectiveness between the hedging instruments and the hedged items, gains or losses on derivatives are deferred until maturity of the hedged transactions.

p. Per share information

Basic net income per share is computed by dividing net income available to common shareholders by the weighted-average number of common shares outstanding for the period, retroactively adjusted for stock splits. Cash dividends per share presented in the accompanying consolidated statements of income are dividends applicable to the respective years including dividends to be paid after the end of the year.

q. Accounting Changes and Error Corrections

In December 2009, the ASBJ issued ASBJ Statement No. 24, "Accounting Standard for Accounting Changes and Error Corrections" and ASBJ Guidance No. 24, "Guidance on Accounting Standard for Accounting Changes and Error Corrections." Accounting treatments under this standard and guidance are as follows:

(1) Changes in Accounting Policies

When a new accounting policy is applied with revision of accounting standards, the new policy is applied retrospectively unless the revised accounting standards include specific transitional provisions. When the revised accounting standards include specific transitional provisions, an entity shall comply with the specific transitional provisions.

(2) Changes in Presentations

When the presentation of financial statements is changed, prior-period financial statements are reclassified in accordance with the new presentation.

(3) Changes in Accounting Estimates

A change in an accounting estimate is accounted for in the period of the change if the change affects that period only, and is accounted for prospectively if the change affects both the period of the change and future periods.

(4) Corrections of Prior-Period Errors

When an error in prior-period financial statements is discovered, those statements are restated.

r. New Accounting Pronouncements

Accounting Standard for Retirement Benefits

On May 17, 2012, the ASBJ issued ASBJ Statement No. 26, "Accounting Standard for Retirement Benefits" and ASBJ Guidance No. 25, "Guidance on Accounting Standard for Retirement Benefits," which replaced the Accounting Standard for Retirement Benefits that had been issued by the Business Accounting Council in 1998 with an effective date of April 1, 2000, and the other related practical guidance, and followed by partial amendments from time to time through 2009.

Major changes are as follows:

(a) *Treatment in the balance sheet*

Under the current requirements, actuarial gains and losses and past service costs that are yet to be recognized in profit or loss are not recognized in the balance sheet, and the difference between retirement benefit obligations and plan assets (hereinafter, "deficit or surplus"), adjusted by such unrecognized amounts, are recognized as a liability or asset.

Under the revised accounting standard, actuarial gains and losses and past service costs that are yet to be recognized in profit or loss shall be recognized within equity (accumulated other comprehensive income), after adjusting for tax effects, and any resulting deficit or surplus shall be recognized as a liability (liability for retirement benefits) or asset (asset for retirement benefits).

(b) *Treatment in the statement of income and the statement of comprehensive income*

The revised accounting standard does not change how to recognize actuarial gains and losses and past service costs in profit or loss. Those amounts would be recognized in profit or loss over a certain period no longer than

the expected average remaining working lives of the employees. However, actuarial gains and losses and past service costs that arose in the current period and have not yet been recognized in profit or loss shall be included in other comprehensive income and actuarial gains and losses and past service costs that were recognized in other comprehensive income in prior periods and then recognized in profit or loss in the current period shall be treated as reclassification adjustments.

(c) *Amendments relating to the method of attributing expected benefit to periods and relating to the discount rate and expected future salary increases.*

The revised accounting standard also made certain amendments relating to the method of attributing expected benefit to periods and relating to the discount rate and expected future salary increases.

This accounting standard and the guidance for (a) and (b) above are effective for the end of annual periods beginning on or after April 1, 2013, and for (c) above are effective for the beginning of annual periods beginning on or after April 1, 2014, or for the beginning of annual periods beginning on or after April 1, 2015, subject to certain disclosure in March 2015, both with earlier application being permitted from the beginning of annual periods beginning on or after April 1, 2013. However, no retrospective application of this accounting standard to consolidated financial statements in prior periods is required.

The Company expects to apply the revised accounting standard for (a) and (b) above from the end of the annual period beginning on April 1, 2013, and for (c) above from the beginning of the annual period beginning on April 1, 2014, and is in the process of measuring the effects of applying the revised accounting standard in future applicable periods.

Note 3

Financial Instruments and related disclosures

(1) Group policy for financial instruments

The Group manages its funds through investment in bonds (mainly government bonds). Highly liquid financial instruments are preferred in order to meet short-term capital needs to conduct daily pharmaceutical business activities. Derivatives are used to manage the impact of financial risks of foreign exchange rate fluctuation for payables denominated in foreign currencies including those for foreign clinical trials, but not for speculative dealings.

(2) Financial instruments, their associated risks and the risk management

Receivables, such as trade notes and trade accounts are exposed to customer credit risk. In order to reduce such risks, due dates and amounts outstanding are strictly managed for each client in accordance with the Group's standards pertaining to the management of sales and the credit standing of major clients is monitored

semiannually.

Marketable and investment securities are mainly held-to-maturity securities and equity instruments of business partners of the Group, and are exposed to the risk of market price fluctuations. Fair values of those investments are regularly monitored by the officers. Derivatives are managed according to the Company's regulations. In order to reduce credit risk, the counterparties to these derivatives are limited to major international financial institutions with high credit ratings. Please see Note 12 for more detail about derivatives.

(3) Fair value of financial instruments

Carrying amount, fair value and net unrealized gain/loss of the financial instruments as of March 31, 2013 and 2012, are shown in the table below. Such amounts do not include items for which the fair value is recognized to be infeasible to accurately determine (See (b) below).

Notes to Consolidated Financial Statements

March 31, 2013	Millions of Yen		
	Carrying amount	Fair value	Unrealized gain
Cash and cash equivalents	¥ 89,117	¥ 89,117	—
Notes and accounts receivable	37,817	37,817	—
Marketable and investment securities			
Held-to-maturity	106,137	106,828	¥ 691
Available-for-sale	112,071	112,071	—
Accounts receivable-other	5,520	5,520	—
Notes and accounts payable	4,244	4,244	—
Accounts payable-other	4,863	4,863	—
Income taxes payable	5,606	5,606	—
Derivative transactions	27	27	—

March 31, 2012			
Cash and cash equivalents	¥ 85,067	¥ 85,067	—
Notes and accounts receivable	37,847	37,847	—
Marketable and investment securities			
Held-to-maturity	117,779	118,657	¥ 878
Available-for-sale	88,679	88,679	—
Accounts receivable-other	4,507	4,507	—
Notes and accounts payable	5,767	5,767	—
Accounts payable-other	3,810	3,810	—
Income taxes payable	8,876	8,876	—
Derivative transactions	—	—	—

March 31, 2013	Thousands of U.S. Dollars		
	Carrying amount	Fair value	Unrealized gain
Cash and cash equivalents	\$ 948,053	\$ 948,053	—
Notes and accounts receivable	402,308	402,308	—
Marketable and investment securities			
Held-to-maturity	1,129,117	1,136,468	\$ 7,351
Available-for-sale	1,192,245	1,192,245	—
Accounts receivable-other	58,723	58,723	—
Notes and accounts payable	45,149	45,149	—
Accounts payable-other	51,734	51,734	—
Income taxes payable	59,638	59,638	—
Derivative transactions	287	287	—

(a) Calculation of the fair value of financial instruments, and matters pertaining to securities and derivative transactions

Cash and cash equivalents

The carrying values of cash and cash equivalents approximate fair value because of their short maturities.

Marketable and investment securities

The fair values of marketable and investment securities are measured at the quoted market price of the stock exchange for equity instruments, and at the quoted price obtained from financial institutions or notice by the Japan Securities Dealers Association for certain debt instruments.

Fair value information for marketable and investment securities by classification is included in Note 4.

Notes and accounts receivable, accounts receivable-other, notes and accounts payable, accounts payable-other, and income taxes payable

The carrying values of notes and accounts receivable, accounts receivable-other, notes and accounts payable, accounts payable-other and income taxes payable approximate fair value because of their short maturities.

Derivatives

Fair value information for derivatives is included in Note 12.

(b) Carrying amount of financial instruments whose fair value cannot be reliably determined

March 31, 2013	Carrying amount	
	Millions of Yen	Thousands of U.S. Dollars
Investments in affiliated companies	¥ 1,001	\$ 10,649
Investments in equity instruments that do not have a quoted market price in an active market	1,013	10,776
March 31, 2012		
Investments in affiliated companies	¥ 933	
Investments in equity instruments that do not have a quoted market price in an active market	1,007	

The above financial instruments are not included in marketable and investment securities because they have no market price and their fair value cannot be reliably determined.

Notes to Consolidated Financial Statements

(4) Maturity analysis for financial assets and securities with contractual maturities

	Millions of Yen			
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
March 31, 2013				
Cash and cash equivalents	¥ 89,117	—	—	—
Notes and accounts receivable	37,817	—	—	—
Marketable and investment securities				
Held-to-maturity	27,990	¥ 77,981	—	—
Available-for-sale	12,000	1,500	—	—
Accounts receivable-other	5,520	—	—	—
Total	¥ 172,444	¥ 79,481	—	—

	Thousands of U.S. Dollars			
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
March 31, 2013				
Cash and cash equivalents	\$ 948,053	—	—	—
Notes and accounts receivable	402,308	—	—	—
Marketable and investment securities				
Held-to-maturity	297,766	\$ 829,585	—	—
Available-for-sale	127,660	15,958	—	—
Accounts receivable-other	58,723	—	—	—
Total	\$ 1,834,510	\$ 845,543	—	—

Note 4

Marketable and investment securities

Marketable and investment securities as of March 31, 2013 and 2012, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
Current:			
Government and corporate bonds	¥ 39,550	¥ 39,707	\$ 420,745
Trust fund investments and other	472	—	5,021
Total	¥ 40,022	¥ 39,707	\$ 425,766
Non-current:			
Marketable and other equity securities	¥ 98,648	¥ 74,565	\$ 1,049,447
Government and corporate bonds	77,671	90,810	826,287
Trust fund investments and other	2,880	2,383	30,638
Total	¥ 179,199	¥ 167,758	\$ 1,906,372

The costs and aggregate fair values of marketable and investment securities at March 31, 2013 and 2012, were as follows:

	Millions of Yen			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
March 31, 2013				
Securities classified as:				
Available-for-sale:				
Equity securities	¥ 65,348	¥ 33,537	¥ (1,061)	¥ 97,824
Debt securities	13,498	2	—	13,500
Trust fund investments and other	607	142	(2)	747
Held-to-maturity	106,137	693	(2)	106,828
March 31, 2012				
Securities classified as:				
Available-for-sale:				
Equity securities	¥ 64,147	¥ 13,214	¥ (3,619)	¥ 73,742
Debt securities	12,766	1	(29)	12,738
Trust fund investments and other	2,080	148	(29)	2,199
Held-to-maturity	117,779	881	(2)	118,658

Notes to Consolidated Financial Statements

March 31, 2013	Thousands of U.S. Dollars			Fair Value
	Cost	Unrealized Gains	Unrealized Losses	
Securities classified as:				
Available-for-sale:				
Equity securities	\$ 695,191	\$ 356,777	\$ (11,287)	\$ 1,040,681
Debt securities	143,596	21	—	143,617
Trust fund investments and other	6,457	1,511	(21)	7,947
Held-to-maturity	1,129,117	7,372	(21)	1,136,468

The information regarding available-for-sale and held-to-maturity securities whose fair value is not readily determinable as of March 31, 2013 and 2012, is disclosed in Note 3.

The information for available-for-sale securities which were sold during the years ended March 31, 2013 and 2012, was as follows:

March 31, 2013	Millions of Yen		
	Proceeds	Realized gains	Realized losses
Available-for-sale:			
Equity securities	¥ 1,273	¥ 614	—
Debt securities	1,500	1	—
Trust fund investments and other	1,623	156	—
Total	¥ 4,396	¥ 771	—

March 31, 2012

March 31, 2012	Millions of Yen		
	Proceeds	Realized gains	Realized losses
Available-for-sale:			
Equity securities	¥ 288	—	¥ (491)
Total	¥ 288	—	¥ (491)

March 31, 2013	Thousands of U.S. Dollars		
	Proceeds	Realized gains	Realized losses
Available-for-sale:			
Equity securities	\$ 13,543	\$ 6,532	—
Debt securities	15,957	11	—
Trust fund investments and other	17,266	1,659	—
Total	\$ 46,766	\$ 8,202	—

The information for held-to-maturity securities which were sold during the year ended March 31, 2012, was as follows:

March 31, 2012	Millions of Yen		
	Cost	Proceeds	Realized losses
Held-to-maturity			
Debt securities	¥ 206	¥ 171	¥ (35)
Total	¥ 206	¥ 171	¥ (35)

The Company sold held-to-maturity securities due to significant deterioration in the issuer's creditworthiness.

For the year ended March 31, 2012, held-to-maturity securities with a fair value of ¥194 million were reclassified as available-for-sale securities due to significant deterioration in the issuer's creditworthiness. As a result, investment securities and unrealized gain on available-for-sale securities decreased by ¥6 million and ¥4 million, respectively.

For the years ended March 31, 2013 and 2012, losses on write-downs of securities totaled ¥66 million (\$702 thousand) and ¥226 million, respectively (Note 13). In evaluating security values, a security whose value has declined by more than 30% is considered to have experienced "significant deterioration." If a security has a strong chance of regaining its value, the security is not written down.

Note 5

Inventories

Inventories at March 31, 2013 and 2012, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
Merchandise	¥ 645	¥ 612	\$ 6,862
Finished products	8,637	7,601	91,883
Semi-finished products	6,812	4,998	72,468
Work in process	4,122	2,578	43,851
Raw materials and supplies	3,193	2,849	33,968
Total	¥ 23,409	¥ 18,638	\$ 249,032

Notes to Consolidated Financial Statements

Note 6

Long-term debt

Long-term loans payable at March 31, 2013 and 2012, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
Unsecured loans from financial institutions			
Due 2013 to 2026, with a weighted-average interest rate of 0.8% (2013) and due 2012 to 2026, with a weighted-average interest rate of 3.3% (2012).	¥ 236	¥ 13	\$ 2,511
Lease obligations			
Due 2013 to 2027, with a weighted-average interest rate of 4.0% (2013)	44	—	467
Total	280	13	2,978
Less current portion	(104)	(2)	(1,106)
Long-term debt, less current portion	¥ 176	¥ 11	\$ 1,872

At March 31, 2013, the annual maturities of loans from financial institutions were as follows:

Years ending March 31	Millions of Yen	Thousands of U.S. Dollars
2014	¥ 101	\$ 1,074
2015	102	1,085
2016	27	287
2017	1	11
2018	1	11
2019 and thereafter	4	43
Total	¥ 236	\$ 2,511

At March 31, 2013, the annual maturities of lease obligations were as follows:

Years ending March 31	Millions of Yen	Thousands of U.S. Dollars
2014	¥ 3	\$ 32
2015	3	32
2016	2	21
2017	2	21
2018	3	32
2019 and thereafter	31	329
Total	¥ 44	\$ 467

Note 7

Retirement benefits and pension

The liability for retirement benefits at March 31, 2013 and 2012, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
Projected benefit obligation	¥ 38,440	¥ 37,057	\$ 408,936
Fair value of plan assets (including a pension trust)	(40,901)	(41,103)	(435,117)
Unrecognized actuarial loss	104	(151)	1,107
Net liability for retirement benefits, employees	(2,357)	(4,197)	(25,074)
Prepaid pension costs	3,366	5,774	35,809
Liability for retirement benefits, officers	67	51	712
Liability for retirement benefits, total	¥ 1,076	¥ 1,628	\$ 11,447

Net periodic benefit cost for the years ended March 31, 2013 and 2012, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
Service cost	¥ 1,565	¥ 1,501	\$ 16,649
Interest cost	520	506	5,532
Expected return on plan assets	(523)	(526)	(5,564)
Amortization of prior service cost	—	(3,697)	—
Recognized actuarial loss	314	1,383	3,340
Net periodic benefit cost	1,876	(833)	19,957
Others	257	247	2,734
Total	¥ 2,133	¥ (586)	\$ 22,691

Actuarial assumptions used for the years ended March 31, 2013 and 2012, are set forth as follows:

Periodic allocation method for projected benefits	Straight line
Discount rate	1.4%
Expected rate of return on plan assets	1.0% - 1.4%
Amortization period of prior service cost	Expensed in the fiscal year incurred
Recognition period of actuarial gain/loss	Expensed in the year of next fiscal year incurred

Notes to Consolidated Financial Statements

Note 8

Equity

Japanese companies are subject to the Companies Act of Japan (the "Companies Act"). The significant provisions in the Companies Act that affect financial and accounting matters are summarized below:

(a) Dividends

Under the Companies Act, companies can pay semiannual interim dividends once a year in addition to the year-end dividend upon resolution by the Board of Directors if the articles of incorporation of the company so stipulate. The Companies Act provides certain limitations on the amounts available for dividends or the purchase of treasury stock. The limitation is defined as the amount available for distribution to the shareholders, but the amount of net assets after dividends must be maintained at no less than ¥3 million.

(b) Increases / decreases and transfer of common stock, reserve and surplus

The Companies Act requires that an amount equal to 10% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-

in capital (a component of capital surplus) depending on the equity account charged upon the payment of such dividends until the total of aggregate amount of legal reserve and additional paid-in capital equals 25% of the common stock. Under the Companies Act, the total amount of additional paid-in capital and legal reserve may be reversed without limitation. The Companies Act also provides that common stock, legal reserve, additional paid-in capital, other capital surplus and retained earnings can be transferred among the accounts under certain conditions upon resolution of the shareholders.

(c) Treasury stock and treasury stock acquisition rights

The Companies Act also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders which is determined by specific formula.

Note 9

Income taxes

The Company and its domestic subsidiaries are subject to Japanese national and local income taxes which, in the aggregate, resulted in a normal effective statutory tax rate of approximately 38.0% for the year ended March 31, 2013, and 40.6% for the year ended March 31, 2012.

The tax effects of significant temporary differences, which resulted in deferred tax assets and liabilities at March 31, 2013 and 2012, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
Deferred tax assets:			
Current assets:			
Prepaid R&D expenditures	¥ 13,047	¥ 10,643	\$ 138,798
Accrued bonuses	1,655	1,590	17,606
Depreciation and amortization	541	536	5,755
Accrued enterprise taxes	535	786	5,691
Others	1,375	1,254	14,628
Non-current assets:			
Prepaid R&D expenditures	4,068	4,332	43,277
Loss on devaluation of investment securities	3,561	3,845	37,883
Provision for retirement benefits	2,910	3,218	30,957
Depreciation and amortization	779	692	8,287
Others	401	419	4,267
Less valuation allowance	(3,858)	(3,853)	(41,043)
Total	25,014	23,462	266,106
Deferred tax liabilities:			
Current liabilities:			
Others	(1)	(1)	(11)
Long-term liabilities:			
Unrealized gain on available-for-sale securities	(10,074)	(3,843)	(107,170)
Revaluation of land	(2,570)	(2,570)	(27,340)
Others	(251)	(253)	(2,670)
Total	(12,896)	(6,667)	(137,191)
Net deferred tax assets	¥12,118	¥16,795	\$128,915

Notes to Consolidated Financial Statements

A reconciliation between the statutory tax rate and the effective income tax rates reflected for the years ended March 31, 2013 and 2012, was as follows:

	2013	2012
Statutory tax rate	38.0%	40.6%
Expenses not permanently deductible for income tax purposes, such as entertainment expenses	2.1	5.2
Income not permanently taxable for income tax purposes, such as dividend income	(1.0)	(0.9)
Tax credit for experiment and research expenses	(9.1)	(10.8)
Change in valuation allowance	0.0	(0.0)
Adjustment on deferred tax assets due to change in income tax rate	—	5.0
Other - net	(0.2)	(0.7)
Effective tax rates	29.8%	38.4%

On December 2, 2011, new tax reform laws were enacted in Japan, which changed the normal effective statutory tax rate from approximately 40.6% to 38.0% effective for the fiscal years beginning on or after April 1, 2012 through March 31, 2015, and to 35.6% afterwards.

Note 10

R&D expenditures

Research and development expenditures for the years ended March 31, 2013 and 2012, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
Selling, general and administrative expenses	¥ 45,437	¥ 44,383	\$ 483,372
Cost of sales	4	0	43
Total	¥ 45,441	¥ 44,383	\$ 483,415

Note 11

Leases

The Group leases certain buildings, equipment, computers, office space and other assets.

The minimum rental commitments under noncancelable operating leases at March 31, 2013, were as follows:

(lessee)

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
Due within one year	¥ 109	¥ 92	\$ 1,159
Due after one year	590	415	6,277
Total	¥ 699	¥ 507	\$ 7,436

(lessor)

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
Due within one year	¥ 2	¥ 2	\$ 21
Due after one year	24	26	256
Total	¥ 26	¥ 28	\$ 277

Notes to Consolidated Financial Statements

Note 12

Derivatives

The Group enters into forward foreign exchange contracts to hedge against the risk of foreign exchange rate fluctuation for payables denominated in foreign currencies, but does not use derivative transactions for speculative purposes or for gaining quick profits from sales of financial instruments. Because the counterparties to these derivatives are limited to major international financial institutions, the Group

believes there is little credit risk in dealing with them. The Group utilizes forward foreign exchange contracts within the normal transaction range established for these financial institutions. These forward foreign exchange contracts are entered into by the Accounting Department and the results of settlement of the contracts are regularly monitored by the Board of Directors.

Derivative transactions to which hedge accounting is not applied at March 31, 2013

March 31, 2013	Millions of Yen			
	Contract Amount	Contract Amount due after One Year	Fair Value	Unrealized Loss
Foreign currency forward contracts:				
Buying Euro	¥ 1,233	—	¥ (27)	¥ (27)

March 31, 2013	Thousands of U.S. Dollars			
	Contract Amount	Contract Amount due after One Year	Fair Value	Unrealized Loss
Foreign currency forward contracts:				
Buying Euro	\$ 13,117	—	\$ (287)	\$ (287)

The fair value of derivative transactions is measured at the quoted price obtained from the financial institution.

The Group did not have derivatives transactions to which hedge accounting was applied at March 31, 2013. The Group did not have any open derivatives transactions at March 31, 2012.

Note 13

Other income and expenses

'Other-net' of other income (expenses) for the years ended March 31, 2013 and 2012, in the consolidated statements of income consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars	
	2013	2012	2013	2012
Contribution	¥ (997)	¥ (643)	\$ (10,606)	\$ (8,202)
Gain on negative goodwill	—	273	—	2,734
Loss on devaluation of investment securities	(66)	(226)	(702)	(2,260)
Gain (loss) on sales of investment securities	771	(491)	8,202	(5,000)
Others, net	457	394	4,861	4,861
Total	¥ 165	¥ (693)	\$ 1,755	\$ (1,755)

Note 14

Land revaluation difference

In accordance with the Act concerning Revaluation of Land, land used for businesses owned by the Company was revalued. The unrealized gain or loss, net of deferred tax, was excluded from earnings and reported as "Land revaluation difference" in changes in equity, and the relevant deferred tax was included as "Deferred tax liabilities" in liabilities. Related information is shown as follows:

Date of revaluation: March 31, 2002

	Millions of Yen	Thousands of U.S. Dollars
Difference between book value of land after revaluation and fair value at March 31, 2013	¥ (3,547)	\$ (37,734)

Note 15

Contingent liabilities

There were no material contingent liabilities at March 31, 2013.

Notes to Consolidated Financial Statements

Note 16

Comprehensive income

The components of other comprehensive income for the years ended March 31, 2013 and 2012, were as follows:

	Millions of Yen		Thousands of U.S. Dollars	
	2013	2012	2013	
Unrealized gain on available-for-sale securities:				
Gains arising during the year	¥ 23,658	¥ 1,049	\$ 251,681	
Reclassification adjustments to profit or loss	(705)	717	(7,500)	
Amount before income tax effect	22,953	1,766	244,181	
Income tax effect	(6,231)	(188)	(66,287)	
Total	¥ 16,722	¥ 1,578	\$ 177,894	
Land revaluation surplus:				
Reclassification adjustments to profit or loss	—	—	—	
Amount before income tax effect	—	—	—	
Income tax effect	—	¥361	—	
Total	—	¥361	—	
Foreign currency translation adjustments:				
Adjustments arising during the year	¥ 344	¥ (10)	\$ 3,660	
Total	¥ 344	¥ (10)	\$ 3,660	
Share of other comprehensive income in associates—				
Gains arising during the year	¥ 17	¥ 4	\$ 180	
Total	¥ 17	¥ 4	\$ 180	
Total other comprehensive income	¥ 17,083	¥ 1,933	\$ 181,734	

Note 17

Net income per share

Net income after giving effect to the diluted potential of common stock has not been presented since there are no such potential shares to be issued.

Information for the computation of net income per share ("EPS") is as follows:

	Millions of Yen		Thousands of shares		Yen		Dollars	
	Net income	Weighted-average shares	Net income	Weighted-average shares	EPS			
For the year ended March 31, 2013:								
Basic EPS								
Net income available to common shareholders	¥ 24,120	106,017	¥ 227.51	\$ 2.42				
For the year ended March 31, 2012:								
Basic EPS								
Net income available to common shareholders	¥ 24,361	106,020	¥ 229.78					

Note 18

Subsequent event

Appropriation of Retained Earnings

The following appropriation of retained earnings at March 31, 2013, was approved at the Company's shareholders meeting held on June 26, 2013:

	Millions of Yen	Thousands of U.S. Dollars
Year-end cash dividends, ¥90 (\$0.96) per share	¥ 9,541	\$ 101,500

Note 19

Segment information

Segment information is omitted as the Group operated solely in the 'pharmaceutical-related business' at March 31, 2013 and 2012.

Note 20

Related party transactions

There were no material related party transactions for the year ended March 31, 2013.

Related party transactions for the year ended March 31, 2012, were as follows:

A director of the Group and primary institutional shareholders

Type	Name	Address	Common stock	Business or title	Voting interest	Business relationship	Detail of transaction	Transaction amount
Director	Isao Ono	–	–	Director of the Company	Directly 0.2%	Purchase of subsidiary's shares	Purchase of subsidiary's shares	¥ 17 million
Close relative of the director	Koki Ono	–	–	Close relative of the director of the Company	Directly 0.0%	Purchase of subsidiary's shares	Purchase of subsidiary's shares	¥ 106 million
Close relative of the director	Setsuko Ono	–	–	Close relative of the director of the Company	Directly 0.0%	Purchase of subsidiary's shares	Purchase of subsidiary's shares	¥ 187 million
Company in which close relative of the director own a majority of voting rights	Marukawa Co., Ltd.	Ashiya-city, Hyogo Pref.	¥ 44 million	Real estate leasing business	Directly 0.2%	Purchase of subsidiary's shares	Purchase of subsidiary's shares	¥ 182 million

- * 1. The transaction amounts are exclusive of consumption taxes.
- * 2. The purchase price was determined based on the financial position of the subsidiary at the time of the transaction.
- * 3. Marukawa Co., Ltd. is a company in which close relative of the director, Isao Ono, owns a majority of voting rights.

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Ono Pharmaceutical Co., Ltd.:

We have audited the accompanying consolidated balance sheet of Ono Pharmaceutical Co., Ltd. and its subsidiaries as of March 31, 2013, and the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Ono Pharmaceutical Co., Ltd. and its subsidiaries as of March 31, 2013, and the consolidated results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Convenience Translation

Our audit also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in accordance with the basis stated in Note 1 to the consolidated financial statements. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Deloitte Touche Tohmatsu LLC

June 26, 2013

Corporate Information

Management (as of June 26, 2013)

Members of the Board of Directors

President, Representative Director, and Chief Executive Officer	Gyo Sagara	
Member of the Board of Directors, Vice President Executive Officer/ Executive Director, Clinical Development	Hiroshi Awata	
Member of the Board of Directors, Senior Executive Officer/ Executive Director, Corporate Management	Kei Sano	
Member of the Board of Directors, Executive Officer/ Executive Director, Discovery and Research & Minase Research Institute	Kazuhiro Kawabata, Ph.D	
Member of the Board of Directors, Executive Officer/ Executive Director, Sales and Marketing	Shinji Fujiyoshi	
Member of the Board of Directors, Corporate Officer/ Director, Environment Management	Isao Ono	
Member of the Board of Directors, Corporate Officer/ Director, Tsukuba Research Institute and Advanced Medicinal Research	Daikichi Fukushima, Ph.D	
Member of the Board of Directors, Outside Director	Yutaka Kato	Professor, Graduate School of Business, Doshisha University Outside Director, Bando Chemical Industries, Ltd.
Member of the Board of Directors, Outside Director	Jun Kurihara	Research Director, The Canon Institute for Global Studies Visiting Professor, School of Policy Studies, Kwansei Gakuin University

Corporate Auditors

Corporate Auditor (full time)	Katsuyoshi Nishimura	
Corporate Auditor (full time)	Michio Tezuka	
Outside Corporate Auditor	Narihito Maishi	Attorney-at-law Outside Corporate Auditor, SUMITOMO DENSETSU CO., LTD. Outside Corporate Auditor, OSAKA MONORAIL CO., LTD.
Outside Corporate Auditor	Yasuo Araki	CPA

Corporate Officers

Corporate Officer/ Director, R&D Strategy Planning	Shozo Matsuoka, Ph.D
Corporate Officer/ Director, Nagoya Branch	Hiroshi Ichikawa
Corporate Officer/ Director, Tokyo First Branch	Shinpei Futami
Corporate Officer/ Executive Director, Corporate Development & Strategy	Toichi Takino, Ph.D
Corporate Officer/ Executive Director, Production & Distribution	Sadanobu Yamashita

Profile (as of March 31, 2013)

Company Name	Ono Pharmaceutical Co., Ltd.
Founded	1717
Date of Incorporation	July 4, 1947
Paid-in Capital	¥17,358 million
Number of Shareholders	13,943
Number of Employees	2,807 (consolidated) 2,540 (unconsolidated)

Head Office

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Tel : +81-6-6263-5670 Fax : +81-6-6263-2950
(Registered Office)
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Branches in Japan

Sapporo, Sendai, Tokyo I, Tokyo II, Kitakanto, Koshinetsu,
Yokohama, Nagoya, Kyoto, Osaka, Kobe, Takamatsu,
Hiroshima, Fukuoka



Seoul Branch

#1205, Samyoung Building, 70 Sogong-Dong, Chung-Ku,
Seoul,
100-070, Korea
Tel : +82-2-928-8423 Fax : +82-2-925-2151

Research Institutes

Minase Research Institute, Osaka, Japan
Fukui Research Institute, Fukui, Japan
Tsukuba Research Institute, Ibaraki, Japan

Manufacturing Plants

Fujiyama Plant, Shizuoka, Japan
Joto Plant, Osaka, Japan

Subsidiaries & Affiliates

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Ono Pharma UK Ltd

MidCity Place, 71 High Holborn, London WC1V 6EA UK
Tel : +44-20-7421-4920 Fax : +44-20-7831-6306

Oriental Pharmaceutical & Synthetic Chemical Co., Ltd.

Bee Brand Medico Dental Co., Ltd.

Namicos Corporation

Tokai Capsule Co., Ltd.

Corporate Website

<http://www.ono.co.jp/eng/index.html>