

## Semi-annual Flash Report (unaudited)

Six months ended September 30, 2000

# ONO PHARMACEUTICAL CO., LTD.

November 10, 2000

Ono Pharmaceutical Co., Ltd. has announced its consolidated financial results for six months ended September 30, 2000.

This Semi-annual Flash Report 2001 (unaudited) is summary information extracted from the financial statements announced, and the financial statements contained herein are prepared for reference only for the convenience of readers outside Japan with certain modifications and reclassifications made from the original financial statements presented in Japanese language.

## Financial Highlights

Ono Pharmaceutical Co., Ltd. and Consolidated Subsidiaries

	(Note) All yen amounts are rounded down to the nearest million yen.			Thousands of US\$
	Millions of yen			
	<b>Semi-annual 6 months ended Sep 30 2000</b>	Semi-annual 6 months ended Sep 30 1999	Annual 12 months ended Mar 31 2000	<b>Semi-annual 6 months ended Sep 30 2000</b>
Net sales	¥ <b>64,950</b>	¥ 63,543	¥ 127,345	\$ <b>601,388</b>
Net income	<b>12,077</b>	14,749	28,041	<b>111,824</b>
Shareholders' equity	<b>293,193</b>	267,351	280,563	<b>2,714,750</b>
Total assets	<b>361,145</b>	329,602	344,038	<b>3,343,935</b>
		Yen		US\$
Net income per common stock	¥ <b>98.25</b>	¥ 119.99	¥ 228.13	\$ <b>0.91</b>

## **Semi-annual Flash Report (unaudited)**

Six months ended September 30, 2000

Ono Pharmaceutical Co., Ltd.  
and Consolidated Subsidiaries

### **MESSAGE FROM THE MANAGEMENT**

The Ono Pharmaceutical Group, in keeping with our philosophy of "Dedicated to Man's Fight against Disease and Pain," has always striven to serve as an R&D-oriented, international pharmaceutical company. In this endeavor we have placed our emphasis on R&D, aiming to meet the diverse medical needs of an aging society and create innovative medicines for heretofore incurable diseases.

Our R&D division focuses its resources on our company's priority fields such as prostaglandins, enzyme inhibitors, neuroscience and cellular signaling. Optimizing technologies we have accumulated in such fields and forging cooperative links with research organizations with leading-edge technologies in and out of Japan, we hope to market innovative medicines that conform to global standards in a speedy manner. In our response to the global trend toward harmonization of pharmaceutical registration standards, we seek to develop new pharmaceuticals simultaneously in Japan, the U.S. and Europe, based on clinical trials performed in the latter countries. For that purpose, we are further solidifying the structure of our subsidiaries in the U.S. and U.K. Such effort has been promoted by locally employed staff and some achievements have been already made, including partnership with multinational enterprises. Ono is also aggressively engaging in drug design using genomes. We have succeeded in identifying relations between some of the genes owned by us and certain diseases. Hoping to develop new drugs, we will continue to search for compounds specifically acting on such genes.

The sales division is actively working to enhance the reputation of Ono's innovative pharmaceuticals through the presentation of scientific data, mainly at study and lecture meetings, and through the rapid dissemination of accurate information by optimal use of IT.

With top priority to the pursuit of global-level quality assurance of our products, the manufacturing division puts stronger emphasis on improving both hardware and software, and establishing a computerized production management system.

As these efforts indicate, the Ono Pharmaceutical Group is determined to develop an internationally competitive business structure that will further enhance our business performance. We ask your continued support and cooperation in this endeavor.

*Toshio Ueno*  
*President*

## Semi-annual Flash Report (unaudited)

Six months ended September 30, 2000

### Consolidated Balance Sheets

Ono Pharmaceutical Co., Ltd. and Consolidated Subsidiaries

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

ASSETS	Millions of yen			Thousands of US\$
	Semi-annual September 30 2000	Semi-annual September 30 1999	Annual March 31 2000	Semi-annual September 30 2000
<b>Current assets</b>				
Cash and bank deposits	¥ 35,916	¥ 97,684	¥ 46,657	\$ 332,555
Notes and accounts receivable	38,320	34,308	33,339	354,814
Marketable securities	72,268	86,849	149,805	669,148
Inventories	8,291	7,677	8,567	76,768
Deferred taxes	4,534	3,958	3,512	41,981
Others	1,027	656	391	9,509
Allowance for doubtful receivables	(1,197)	(1,051)	(867)	(11,083)
<b>Total current assets</b>	<b>159,162</b>	<b>230,085</b>	<b>241,405</b>	<b>1,473,722</b>
<b>Property, plant and equipment</b>				
Land	21,363	21,044	21,063	197,805
Buildings and structures	46,733	42,582	45,766	432,712
Machinery and equipment	23,676	18,201	18,504	219,222
Construction in progress	1,278	5,213	5,704	11,833
Accumulated depreciation	(39,164)	(36,067)	(37,584)	(362,629)
<b>Net property, plant and equipment</b>	<b>53,886</b>	<b>50,975</b>	<b>53,454</b>	<b>498,944</b>
<b>Investments and other assets</b>				
Investment securities	134,720	35,181	34,637	1,247,407
Deferred taxes	4,288	3,797	4,963	39,703
Intangible assets	1,891	2,138	2,009	17,509
Others	7,195	7,425	7,568	66,620
<b>Total investments and other assets</b>	<b>148,096</b>	<b>48,542</b>	<b>49,178</b>	<b>1,371,259</b>
<b>Total assets</b>	<b>¥ 361,145</b>	<b>¥ 329,602</b>	<b>¥ 344,038</b>	<b>\$ 3,343,935</b>

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

LIABILITIES AND SHAREHOLDERS' EQUITY	Millions of yen			Thousands of US\$
	Semi-annual September 30 2000	Semi-annual September 30 1999	Annual March 31 2000	Semi-annual September 30 2000
<b>Current liabilities</b>				
Current portion of long-term debt	¥ 20,008	¥ 36	¥ 19,992	\$ 185,259
Notes and accounts payable	5,341	6,674	6,999	49,453
Income taxes	14,333	14,609	12,094	132,712
Others	10,278	9,386	10,409	95,166
<b>Total current liabilities</b>	<b>49,961</b>	<b>30,707</b>	<b>49,495</b>	<b>462,601</b>
<b>Long-term liabilities</b>				
Long-term debt, less current portion	258	20,127	196	2,388
Accrued retirement benefits	16,454	8,702	11,047	152,351
Long-term payable	-	1,560	1,560	-
<b>Total long-term liabilities</b>	<b>16,713</b>	<b>30,389</b>	<b>12,805</b>	<b>154,750</b>
<b>Minority interests</b>	<b>1,276</b>	<b>1,154</b>	<b>1,174</b>	<b>11,814</b>
<b>Shareholders' equity</b>				
Common stocks	17,357	17,357	17,357	160,712
Additional paid-in capital	17,001	17,001	17,001	157,416
Retained earnings	254,067	233,062	246,271	2,352,472
Unrealized gain on securities <sup>(1)</sup>	4,842	-	-	44,833
Translation adjustments	(15)	(8)	(9)	(138)
Less, treasury stocks	(60)	(61)	(57)	(555)
<b>Total shareholders' equity</b>	<b>293,193</b>	<b>267,351</b>	<b>280,563</b>	<b>2,714,750</b>
<b>Total liabilities and shareholders' equity</b>	<b>¥ 361,145</b>	<b>¥ 329,602</b>	<b>¥ 344,038</b>	<b>\$ 3,343,935</b>

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

## Semi-annual Flash Report (unaudited)

Six months ended September 30, 2000

### Consolidated Statements of Income

Ono Pharmaceutical Co., Ltd. and Consolidated Subsidiaries

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

	Millions of yen			Thousands of US\$
	<b>Semi-annual 6 months ended Sep 30 2000</b>	Semi-annual 6 months ended Sep 30 1999	Annual 12 months ended Mar 31 2000	<b>Semi-annual 6 months ended Sep 30 2000</b>
<b>Net sales</b>	¥ <b>64,950</b>	¥ 63,543	¥ 127,345	\$ <b>601,388</b>
<b>Cost of sales</b>	<b>10,257</b>	10,064	19,768	<b>94,972</b>
Gross profit	<b>54,692</b>	53,478	107,576	<b>506,407</b>
<b>Selling, general and administrative expenses</b>	<b>27,285</b>	24,845	51,484	<b>252,638</b>
Operating income	<b>27,407</b>	28,633	56,091	<b>253,768</b>
<b>Other income (expenses)</b>				
Interest and dividend income	<b>2,307</b>	1,083	2,259	<b>21,361</b>
Interest expenses	<b>(161)</b>	(184)	(360)	<b>(1,490)</b>
Other, net	<b>(6,767)</b>	(3,211)	(7,907)	<b>(62,657)</b>
	<b>(4,621)</b>	(2,312)	(6,009)	<b>(42,787)</b>
Income before income taxes and minority interests	<b>22,785</b>	26,321	50,082	<b>210,972</b>
<b>Income taxes</b>				
Current	<b>14,422</b>	12,783	23,949	<b>133,537</b>
Deferred	<b>(3,820)</b>	(1,254)	(1,976)	<b>(35,370)</b>
	<b>10,601</b>	11,529	21,973	<b>98,157</b>
Income before minority interests	<b>12,184</b>	14,792	28,108	<b>112,814</b>
<b>Minority interests</b>	<b>(106)</b>	(43)	(67)	<b>(981)</b>
<b>Net income</b>	¥ <b>12,077</b>	¥ 14,749	¥ 28,041	\$ <b>111,824</b>
<b>Amounts per common stock</b>				
Net income	¥ 98.25	¥ 119.99	¥ 228.13	\$ 0.91
Cash dividends applicable to the period	¥ 0.00	¥ 0.00	¥ 34.00	\$ 0.00

## Semi-annual Flash Report (unaudited)

Six months ended September 30, 2000

### Consolidated Statements of Retained Earnings

Ono Pharmaceutical Co., Ltd. and Consolidated Subsidiaries

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

	Millions of yen			Thousands of US\$
	<b>Semi-annual 6 months ended Sep 30 2000</b>	Semi-annual 6 months ended Sep 30 1999	Annual 12 months ended Mar 31 2000	<b>Semi-annual 6 months ended Sep 30 2000</b>
Balance, beginning of period	¥ 246,271	¥ 214,556	¥ 214,556	\$ 2,280,287
Net income for the period	12,077	14,749	28,041	111,824
Cash dividends paid	(4,176)	(3,684)	(3,687)	(38,666)
Bonuses to directors and statutory auditors	(104)	(114)	(114)	(962)
Effect due from consolidated subsidiaries, net	-	379	300	-
Effect due from equity method	-	759	759	-
Adjustment at beginning of year to reflect deferred tax effect in prior year	-	6,417	6,415	-
Balance, end of period	¥ 254,067	¥ 233,062	¥ 246,271	\$ 2,352,472

### Notes to Consolidated Financial Statements

Ono Pharmaceutical Co., Ltd. and Consolidated Subsidiaries

- Note 1 This Semi-annual Flash Report 2001 (unaudited) is summary information extracted from the financial statements announced by the Company on November 10, 2000. The financial statements announced have been prepared and stated in accordance with accounting principles generally accepted in Japan. The financial statements and figures contained in this Semi-annual Flash Report 2001 (unaudited) are prepared for reference only for the convenience of readers outside Japan with certain modifications and reclassifications made from the original financial statements presented in Japanese language.
- Note 2 All amounts expressed herein in millions of Japanese yen are rounded down to the nearest million yen, which are to follow the basis of presentation in the above original announcement.
- Note 3 U.S. Dollar amounts herein are given solely for the convenience of readers outside Japan and are stated, as a matter of arithmetical computation only, at the rate of Japanese yen 108 = US\$ 1, the approximate exchange rate prevailing on September 30, 2000.

## Semi-annual Flash Report (unaudited)

Six months ended September 30, 2000

Ono Pharmaceutical Co., Ltd.  
and Consolidated Subsidiaries

### Sales of Major Products

Supplemental Data

For information purpose only

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

		Hundred Millions of yen		
		<b>Semi-annual 6 months ended Sep 30 2000</b>	Semi-annual 6 months ended Sep 30 1999	Annual 12 months ended Mar 31 2000
<b>Onon</b>	Agent for bronchial asthma	102	85	181
<b>Onon drysyrup</b>	Agent for pediatric bronchial asthma	4	-	1
<b>Kinedak</b>	Agent for diabetic peripheral neuropathy	130	125	250
<b>Foipan</b>	Agent for chronic pancreatitis and postoperative reflux esophagitis	93	91	181
<b>Cataclot</b>	Agent for (acute phase ) cerebral thrombosis and cerebrovascular spasms	66	68	135
<b>Prostandin 500</b>	Agent for perioperative hypotension	19	21	43
<b>Prostandin</b>	Circulatory system agent	53	56	116
<b>FOY</b>	Agent for pancreatitis and DIC	19	20	40
<b>FOY 500</b>	Agent for DIC	41	42	86
<b>Opalmon</b>	Circulatory system agent	40	38	77
Total		571	550	1,113
Percentage to total net sales		88%	87%	87%

## Semi-annual Flash Report (unaudited)

Six months ended September 30, 2000

Ono Pharmaceutical Co., Ltd.  
and Consolidated Subsidiaries

### Supplemental Information

## New Drugs in Development

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

### ***Elaspol for Injection (sivelestat sodium hydrate)*** ***ONO-5046 Na***

This medication is intended for the treatment of acute lung injury in patients using mechanical ventilation. Our application for manufacturing approval for this compound, a selective inhibitor of the neutrophilic elastase induced by acute lung injury, is the first of its kind in the world. We believe this drug will make a substantial contribution to medical care, since there is no effective drug at present.

**Japan:** Awaiting approval as a medication for acute lung injury accompanying systemic inflammatory response syndrome.

**U. S. :** **Preparing for clinical trials in the U.S. and Europe.**(Eli Lilly and Company)

### ***ONO-2506 (for injection)***

This drug for treatment of cerebral infarction inhibits the spread of post-infarction necrosis through a new mechanism of action. It will be effective for treatment of both cerebral thrombosis and cerebral embolism. The site of action is the astrocytes. It holds promise for very convenient application in medical practice because it does not act on the thrombus or blood vessels, hence there is no risk of hemorrhage.

**Japan:** Phase II clinical testing as a medication for acute-phase cerebral infarction.

**U. S. :** Phase II clinical testing.

### ***ONO-1608 (for injection)***

This is a medication for peripheral circulatory disorders, which has been devised to prolong the action of prostaglandin E1 by chemical and pharmaceutical means. A special feature of this drug is its suitability for outpatient administration via quick injection.

**Japan:** Phase II clinical testing as a medication for peripheral circulatory disorders.

**Europe:** Phase II clinical testing.

### ***AIO-8507L (capsule)***

This drug relieves dysuria caused by prostatic hypertrophy. With only a slight effect on blood vessels, it is unlikely to cause circulatory side effects, such as dizziness that occurs with other existing medications. It is, therefore, expected to be very safe.

**Japan:** Phase II clinical testing as a medication for dysuria resulting from prostatic hypertrophy.

**U. K. :** Phase I clinical testing.

**ONO-5816 (tablet)**

This medication, jointly developed with Lipha s.a., France, acts as an insulin sensitizer to lower the blood glucose level. It is believed to be more effective than other drugs for non-obese type diabetes patients, who are numerous in Japan. Moreover, it is expected to be very safe, as no liver damage was found in tests on animals.

**Japan:** Preparing for phase I clinical testing by Ono.

**U. S. :** Preparing for phase II clinical testing as a diabetes medication (by Lipha s.a.).

**ONO-6818 (tablet)**

As an orally administered inhibitor of neutrophil elastase, which is a cause of respiratory tissue injury, this drug is expected to alleviate lung injury in patients with chronic occlusive pulmonary disease (emphysema or chronic bronchitis).

Without such relief, progressive loss of respiratory function prevents such patients from leading normal lives, and shortens life expectancy by at least ten years.

**Japan:** Phase I clinical testing.

**U. S. :** Phase I clinical testing.

**Opalmon Tablet (limaprost alfadex)  
OP-1206**

This preparation has been marketed as a treatment for symptoms accompanying occlusive thromboangitis.

**Japan:** Awaiting approval for additional indications: subjective symptoms and intermittent claudication associated with lumbar spinal canal stenosis.

**Onoact for Injection (landiolol hydrochloride)  
ONO-1101**

**Japan:** Awaiting approval as a medication for supraventricular tachyarrhythmia during anesthesia under emergency conditions. Phase II and III clinical testing as a medication for postoperative tachyarrhythmia.

**ONO-5920 (tablet)**

**Japan:** Phase II clinical testing as a medication for osteoporosis.

**Onon Dry Syrup (pranlukast hydrate)  
ONO-1078DS**

Originally marketed as a medication for pediatric bronchial asthma.

**Japan:** Preparing for phase II clinical testing as a medication for pediatric allergic rhinitis (additional indication).

**Onon Capsule (pranlukast hydrate)  
ONO-1078**

Originally marketed as a medication for bronasthma and allergic rhinitis.

**Japan:** Preparing for phase II clinical testing as a medication for chronic sinusitis (additional indication).

**ONO-1714 (for injection)**

**Japan:** Preparing for phase II clinical testing as a medication for hypotension during dialysis.

**ONO-8815 Ly (for injection)**

**Japan:** Phase I clinical testing as a medication for imminent premature labor.

**ONO-4819 • CD**

**Japan:** Phase I clinical testing as a healing accelerator for fracture.

**ONO-4817**

**Japan:** Phase I clinical testing as a medication for osteoarthritis.

## Semi-annual Flash Report (unaudited)

Six months ended September 30, 2000

Ono Pharmaceutical Co., Ltd.  
and Consolidated Subsidiaries

### Supplemental Information

## Status of Major Developments

September 30, 2000

### Developments in Japan

#### *Awaiting manufacturing approval:*

**Elaspol for Injection (ONO-5046)** sivelestat sodium hydrate for treatment of acute lung injury resulting from systemic inflammatory response syndrome

**Onoact for Injection (ONO-1101)** landiolol hydrochloride for supraventricular tachyarrhythmia during anesthesia under emergency conditions

**Opalmon Tablet (additional indication)** limaprost alfadex for subjective symptoms and intermittent claudication associated with lumbar spinal canal stenosis

#### *In clinical testing:*

##### **New drugs:**

**ONO-5920** osteoporosis (tablet, phase II)

**ONO-1608** peripheral circulatory disorders (injection, phase II)

**ONO-2506** acute-phase cerebral infarction (injection, phase II)

**AIO-8507L** dysuria resulting from prostatic hypertrophy (capsule, phase II)

**ONO-1714** hypotension during dialysis (injection, phase I)

**ONO-6818** chronic occlusive pulmonary disease (tablet, phase I)

**ONO-8815Ly** imminent premature labor (injection, phase I)

**ONO-4819. CD** fracture (injection, phase I)

**ONO-4817** osteoarthritis (tablet, phase I)

##### **Additional indications:**

**Onoact for Injection (ONO-1101)** landiolol hydrochloride for postoperative tachyarrhythmia (phase II / III)

**Onon Dry Syrup** pranlukast hydrate for pediatric allergic rhinitis (phase II / III)

**Onon Capsule** pranlukast hydrate for chronic sinusitis (phase II)

### Developments abroad

#### *In clinical testing:*

**ONO-2506** acute-phase cerebral infarction (injection, phase II)

**ONO-1608** peripheral circulatory disorders (injection, phase II)

**ONO-5816** diabetes (tablet, phase II preparation)

**AIO-8507L** dysuria resulting from prostatic hypertrophy (capsule, phase I)

**ONO-6818** chronic occlusive pulmonary disease (tablet, phase I)