

Annual Flash Report (unaudited)

Year ended March 31, 2001

ONO PHARMACEUTICAL CO., LTD.

May 17, 2001

Ono Pharmaceutical Co., Ltd. has announced its consolidated financial results for the year ended March 31, 2001.

This Annual Flash Report 2001 (unaudited) is a 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.			
	Millions of yen		Thousands of US\$	
	Year ended March 31 2001	Year ended March 31 2000	Year ended March 31 2001	
Net sales	¥ 130,728	¥ 127,345	\$ 1,054,258	
Net income	22,359	28,041	180,314	
Shareholders' equity	303,887	280,563	2,450,701	
Total assets	357,277	344,038	2,881,266	
		Yen	US\$	
Net income per common stock	¥ 182.05	¥ 228.30	\$ 1.47	

Annual Flash Report (unaudited)

Year ended March 31, 2001

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.

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. 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.

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.

With regard to dividends, redistribution of profits to shareholders is one of our key management policies, and we place great importance on the maintenance of stable dividends based on achievement. With regard to reserves, we appropriate funds to meet the demand for research and development of new drugs, and expansion and renovation of our production facilities, which serves to maintain and enhance profitability and strengthen our financial position.

Toshio Ueno
President

Annual Flash Report (unaudited)

Year ended March 31, 2001

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\$
	March 31 2001	March 31 2000	March 31 2001
Current assets			
Cash and bank deposits	¥ 23,913	¥ 46,657	\$ 192,846
Notes and accounts receivable	38,304	33,339	308,903
Marketable securities	81,525	149,805	657,459
Inventories	8,722	8,567	70,338
Deferred taxes	5,530	3,512	44,596
Others	753	391	6,072
Allowance for doubtful receivables	(1,233)	(867)	(9,943)
Total current assets	157,516	241,405	1,270,290
Property, plant and equipment			
Land	21,363	21,063	172,282
Buildings and structures	46,862	45,766	377,919
Machinery and equipment	23,883	18,504	192,604
Construction in progress	4,571	5,704	36,862
Accumulated depreciation	(41,177)	(37,584)	(332,072)
Net property, plant and equipment	55,502	53,454	447,596
Investments and other assets			
Investment securities	126,516	34,637	1,020,290
Deferred taxes	7,463	4,963	60,185
Intangible assets	1,782	2,009	14,370
Others	8,496	7,568	68,516
Total investments and other assets	144,258	49,178	1,163,370
Total assets	¥ 357,277	¥ 344,038	\$ 2,881,266

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

LIABILITIES AND SHAREHOLDERS' EQUITY	Millions of yen		Thousands of US\$
	March 31 2001	March 31 2000	March 31 2001
Current liabilities			
Current portion of long-term debt	¥ 46	¥ 19,992	\$ 370
Notes and accounts payable	4,437	6,999	35,782
Income taxes	15,562	12,094	125,500
Others	11,043	10,409	89,056
Total current liabilities	31,088	49,495	250,709
Long-term liabilities			
Long-term debt, less current portion	243	196	1,959
Accrued retirement benefits	20,678	11,047	166,758
Long-term payable	-	1,560	-
Total long-term liabilities	20,922	12,805	168,725
Minority interests	1,378	1,174	11,112
Shareholders' equity			
Common stocks	17,358	17,357	139,983
Additional paid-in capital	17,002	17,001	137,112
Retained earnings	264,350	246,271	2,131,854
Unrealized gain on securities (*)	5,240	-	42,258
Translation adjustments	2	(9)	16
Less, treasury stocks	(66)	(57)	(532)
Total shareholders' equity	303,887	280,563	2,450,701
Total liabilities and shareholders' equity	¥ 357,277	¥ 344,038	\$ 2,881,266

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

Annual Flash Report (unaudited)

Year ended March 31, 2001

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\$
	Year ended March 31 2001	Year ended March 31 2000	Year ended March 31 2001
Net sales	¥ 130,728	¥ 127,345	\$ 1,054,258
Cost of sales	20,981	19,768	169,201
Gross profit	109,746	107,576	885,048
Selling, general and administrative expenses	55,941	51,484	451,137
Operating income	53,805	56,091	433,911
Other income (expenses)			
Interest and dividend income	3,901	2,259	31,459
Interest expenses	(230)	(360)	(1,854)
Other, net	(14,682)	(7,907)	(118,403)
	(11,011)	(6,009)	(88,798)
Income before income taxes and minority interests	42,794	50,082	345,112
Income taxes			
Current	28,570	23,949	230,403
Deferred	(8,316)	(1,976)	(67,064)
	20,253	21,973	163,330
Income before minority interests	22,540	28,108	181,774
Minority interests	(180)	(67)	(1,451)
Net income	¥ 22,359	¥ 28,041	\$ 180,314
		Yen	US\$
Amounts per common stock			
Net income	¥ 182.05	¥ 228.30	\$ 1.47
Cash dividends applicable to the period	¥ 34.00	¥ 34.00	\$ 0.27

Annual Flash Report (unaudited)

Year ended March 31, 2001

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\$
	Year ended March 31 2001	Year ended March 31 2000	Year ended March 31 2001
Balance, beginning of period	¥ 246,271	¥ 214,556	\$ 1,986,056
Net income for the period	22,359	28,041	180,314
Cash dividends paid	(4,176)	(3,687)	(33,677)
Bonuses to directors and statutory auditors	(104)	(114)	(838)
Effect due from consolidated subsidiaries, net	-	300	-
Effect due from equity method	-	759	-
Adjustment at beginning of year to reflect deferred tax effect in prior year	-	6,415	-
Balance, end of period	¥ 264,350	¥ 246,271	\$ 2,131,854

Notes to Consolidated Financial Statements

Ono Pharmaceutical Co., Ltd. and Consolidated Subsidiaries

- Note 1 This Annual Flash Report 2001 (unaudited) is a summary information extracted from the financial statements announced by the Company on May 17, 2001.
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 Annual Flash Report 2001 (unaudited) are prepared for reference only for the convenience of readers outside Japan with certain modifications and reclassifications made to the original financial statements, which are 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 124 = US\$ 1, the approximate exchange rate prevailing on March 31, 2001.

Annual Flash Report (unaudited)

Year ended March 31, 2001

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	
		Year ended March 31 2001	Year ended March 31 2000
Onon	Agent for bronchial asthma	218	181
Onon drysyrup	Agent for pediatric bronchial asthma	14	1
Kinedak	Agent for diabetic peripheral neuropathy	257	250
Foipan	Agent for chronic pancreatitis and postoperative reflux esophagitis	186	181
Cataclot	Agent for (acute phase) cerebral thrombosis and cerebrovascular spasms	131	135
Prostandin 500	Agent for perioperative hypotension	38	43
Prostandin	Circulatory system agent	110	116
FOY	Agent for pancreatitis and DIC	36	40
FOY 500	Agent for DIC	81	86
Opalmon	Circulatory system agent	81	77
Total		1,157	1,113
Percentage to total net sales		89%	87%

Annual Flash Report (unaudited)

Year ended March 31, 2001

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. : Licensed to 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.

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. S. : Phase clinical testing.

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.

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.).

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 Capsule (pranlukast hydrate) ONO-1078

Originally marketed as a medication for bronchial asthma and allergic rhinitis.

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

ONO-8025/KRP-197 (tablet)

Japan: Phase II clinical testing as a medication for pollakiuria and urinary incontinence (co-development with Kyorin Pharmaceutical Co., Ltd.).

Onon Dry Syrup (pranlukast hydrate)

ONO-1078DS

Originally marketed as a medication for pediatric bronchial asthma.

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

ONO-2506 (capsule)

It has been elucidated that astrocyte dysfunction is greatly involved in occurrence and progression of neurodegenerative diseases such as Alzheimer's and Parkinson's diseases. Abnormal astrocyte activation is associated with formation of β -amyloid, whose massive accumulation plays a critical role in Alzheimer's dementia. Since ONO-2506 modulates the astrocyte function, it is expected that the drug will be the first to inhibit occurrence and progression of the disease.

Japan: Preparing for phase I clinical testing as a medication for Alzheimer's disease and Parkinson's disease

U.K.: Phase I clinical testing.

ONO-1608

Japan: Preparing for phase clinical testing as a medication for lumbar spinal canal stenosis.

U.K.: Preparing for clinical pharmacology.

ONO-1714 (for injection)

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

U.K.: Clinical pharmacology.

ONO-8815 Ly (for injection)

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

Sweden: Clinical pharmacology.

ONO-4819 • CD (for injection)

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

ONO-4817 (tablet)

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

Supplemental Information

Status of Major Developments

May 17, 2001

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

In clinical testing:

New drugs:

ONO-5920 osteoporosis (tablet, phase II)

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

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

ONO-8025/KRP-197 pollakiuria and urinary incontinence (tablet, phase II)

ONO-1714 hypotension during dialysis (injection, phase)

ONO-1608 lumbar spinal canal stenosis (injection, phase II preparation)

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)

ONO-5816 diabetes (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
lumbar spinal canal stenosis(injection, Clinical pharmacology preparation)

ONO-5816
diabetes
(tablet, phase II preparation)

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

ONO-1714
shock
(injection, Clinical pharmacology)

ONO-8815Ly
imminent premature labor
(injection, Clinical pharmacology)

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

ONO-2506
Alzheimer's/Parkinson's diseases
(capsule, phase I)