

Semi-annual Flash Report (unaudited)

Six months ended September 30, 2001

ONO PHARMACEUTICAL CO., LTD.

November 9, 2001

Ono Pharmaceutical Co., Ltd. has announced its consolidated financial results for six months ended September 30, 2001.

This Semi-annual Flash Report 2002 (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.

	Millions of yen			Thousands of US\$
	Semi-annual 6 months ended Sep 30 2001	Semi-annual 6 months ended Sep 30 2000	Annual 12 months ended Mar 31 2001	Semi-annual 6 months ended Sep 30 2001
Net sales	¥ 66,663	¥ 64,950	¥ 130,728	\$ 560,193
Net income	12,127	12,077	22,359	101,908
Shareholders' equity	308,560	293,193	303,887	2,592,941
Total assets	362,204	361,145	357,277	3,043,731
		Yen		US\$
Net income per common stock	¥ 98.73	¥ 98.33	¥ 182.05	\$ 0.83

Semi-annual Flash Report (unaudited)

Six months ended September 30, 2001

Ono Pharmaceutical Co., Ltd. and
Consolidated Subsidiaries

MESSAGE FROM THE MANAGEMENT

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

Our R&D division focuses its resources on the company's priority fields, such as prostaglandins, enzyme inhibitors, neuroscience and cellular signaling. Optimizing the technologies we have accumulated in such fields and forging cooperative links with research organizations with leading-edge technologies both within and outside of Japan, we hope to speedily market innovative medicines that conform to global standards. 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. With regard to genomic drug design, we have succeeded in identifying the relationship between some of the genes covered by patents owned by us and certain diseases. Hoping to develop new drugs, we will continue to search for compounds specifically acting on such genes.

The marketing 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. It is envisaged that the NHI price revision to be implemented in 2002 along with drastic reforms of the health insurance system will greatly affect our business. However, we will attempt to attain stable growth by launching new products and enhancing the competitiveness of existing products.

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

With regard to dividends, distribution 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 our profitability and to strengthen our financial position.

To improve our corporate governance, we have appointed outside auditors (a lawyer in 1993 and an accountant in 2000) to reinforce our auditing system, for more effective management. During board meetings, an appropriate number of directors frankly discuss management strategies, resulting in quick decision making. Therefore, we consider that there is no need to introduce the operating officer system at present. As for the introduction of external directors, we should examine the necessity for this after confirming the nature of future revisions of the commercial law.

Toshio Ueno
Chairman and CEO

Semi-annual Flash Report (unaudited)

Six months ended September 30, 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\$
	Semi-annual September 30 2001	Semi-annual September 30 2000	Annual March 31 2001	Semi-annual September 30 2001
Current assets				
Cash and bank deposits	¥ 18,805	¥ 35,916	¥ 23,913	\$ 158,025
Notes and accounts receivable	42,217	38,320	38,304	354,765
Marketable securities	86,736	72,268	81,525	728,874
Inventories	8,789	8,291	8,722	73,857
Deferred taxes	6,277	4,534	5,530	52,748
Others	988	1,027	753	8,303
Allowance for doubtful receivables	(1,340)	(1,197)	(1,233)	(11,261)
Total current assets	162,473	159,162	157,516	1,365,319
Property, plant and equipment				
Land	24,417	21,363	21,363	205,185
Buildings and structures	48,081	46,733	46,862	404,042
Machinery and equipment	24,166	23,676	23,883	203,076
Construction in progress	3,929	1,278	4,571	33,017
Accumulated depreciation	(42,478)	(39,164)	(41,177)	(356,958)
Net property, plant and equipment	58,116	53,886	55,502	488,370
Investments and other assets				
Investment securities	121,115	134,720	126,516	1,017,773
Deferred taxes	11,743	4,288	7,463	98,681
Intangible assets	1,748	1,891	1,782	14,689
Others	7,006	7,195	8,496	58,874
Total investments and other assets	141,614	148,096	144,258	1,190,034
Total assets	¥ 362,204	¥ 361,145	¥ 357,277	\$ 3,043,731

(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 2001	Semi-annual September 30 2000	Annual March 31 2001	Semi-annual September 30 2001
Current liabilities				
Current portion of long-term debt	¥ 8	¥ 20,008	¥ 46	\$ 67
Notes and accounts payable	4,688	5,341	4,437	39,395
Income taxes	13,383	14,333	15,562	112,462
Others	11,984	10,278	11,043	100,706
Total current liabilities	30,064	49,961	31,088	252,639
Long-term liabilities				
Long-term debt, less current portion	148	258	243	1,244
Accrued retirement benefits	21,986	16,454	20,678	184,756
Total long-term liabilities	22,134	16,713	20,922	186,000
Minority interests	1,445	1,276	1,378	12,143
Shareholders' equity				
Common stocks	17,358	17,357	17,358	145,866
Additional paid-in capital	17,002	17,001	17,002	142,874
Retained earnings	272,204	254,067	264,350	2,287,429
Unrealized gain on securities (*)	2,048	4,842	5,240	17,210
Translation adjustments	0	(15)	2	0
Less, treasury stocks	(54)	(60)	(66)	(454)
Total shareholders' equity	308,560	293,193	303,887	2,592,941
Total liabilities and shareholders' equity	¥ 362,204	¥ 361,145	¥ 357,277	\$ 3,043,731

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

Semi-annual Flash Report (unaudited)

Six months ended September 30, 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\$
	Semi-annual 6 months ended Sep 30 2001	Semi-annual 6 months ended Sep 30 2000	Annual 12 months ended Mar 31 2001	Semi-annual 6 months ended Sep 30 2001
Net sales	¥ 66,663	¥ 64,950	¥ 130,728	\$ 560,193
Cost of sales	11,320	10,257	20,981	95,126
Gross profit	55,342	54,692	109,746	465,059
Selling, general and administrative expenses	29,116	27,285	55,941	244,672
Operating income	26,225	27,407	53,805	220,378
Other income (expenses)				
Interest and dividend income	1,315	2,307	3,901	11,050
Interest expenses	(11)	(161)	(230)	(92)
Other, net	(4,426)	(6,767)	(14,682)	(37,193)
	(3,123)	(4,621)	(11,011)	(26,244)
Income before income taxes and minority interests	23,102	22,785	42,794	194,134
Income taxes				
Current	13,609	14,422	28,570	114,361
Deferred	(2,714)	(3,820)	(8,316)	(22,807)
	10,895	10,601	20,253	91,555
Income before minority interests	12,207	12,184	22,540	102,580
Minority interests	(80)	(106)	(180)	(672)
Net income	¥ 12,127	¥ 12,077	¥ 22,359	\$ 101,908
		Yen		US\$
Amounts per common stock				
Net income	¥ 98.73	¥ 98.33	¥ 182.05	\$ 0.83
Cash dividends applicable to the period	¥ 0.00	¥ 0.00	¥ 34.00	\$ 0.00

Semi-annual Flash Report (unaudited)

Six months ended September 30, 2001

Consolidated Statements of Cash Flow

Ono Pharmaceutical Co., Ltd. and Consolidated Subsidiaries

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

	Millions of yen			Thousands of US\$
	Semi-annual 6 months ended Sep 30 2001	Semi-annual 6 months ended Sep 30 2000	Annual 12 months ended Mar 31 2001	Semi-annual 6 months ended Sep 30 2001
Cash flows from operating activities:				
Income before income taxes and minority interests	¥ 23,102	¥ 22,785	¥ 42,794	\$ 194,134
Adjustments:				
Depreciation and amortization	1,974	1,852	4,155	16,588
Increase in allowance for doubtful receivables	107	329	365	899
Increase in provision for bonuses	253	320	68	2,126
Increase (decrease) in provision for retirement benefits, net	1,294	4,296	8,491	10,874
Interest and dividend income	(1,315)	(2,307)	(3,901)	(11,050)
Interest expenses	11	161	230	92
Loss from valuation of investment securities	2,836	2,375	5,878	23,832
Increase (decrease) in notes and accounts receivable	(3,925)	(4,981)	(4,964)	(32,983)
Others	(816)	(1,521)	(1,154)	(6,857)
Interest and dividend income received	1,022	1,608	2,811	8,588
Interest paid	(11)	(21)	(230)	(92)
Other payments	-	(168)	-	
Income taxes paid	(15,805)	(12,182)	(25,102)	(132,815)
Net cash provided by operating activities	8,729	12,547	29,443	73,353
Cash flows from investing activities:				
Payments for purchases of marketable securities	(1,000)	-	(2,819)	(8,403)
Proceeds from sales of marketable securities	14,619	9,986	26,549	122,849
Transfer from (to) time deposits	1,000	779	(365)	8,403
Payments for purchases of property, plant and equipment	(3,126)	(3,933)	(8,355)	(26,269)
Payments for purchases of investment securities	(14,014)	(14,453)	(19,077)	(117,765)
Proceeds from sales of investment securities	2,199	5,638	7,681	18,479
Other payments	445	538	420	3,739
Net cash generated from (used in) investment activities	122	(1,444)	4,031	1,025
Cash flows from financing activities:				
Repayment of current portion of long-term debt	(40)	(18)	(41)	(336)
Increase in long-term debt	7	100	108	59
Repayment of long-term debt	(99)	(2)	(3)	(832)
Payments for obtaining treasury stock	(107)	(317)	(537)	(899)
Proceeds from sales of treasury stock	116	314	526	975
Cash dividends	(4,156)	(4,164)	(4,171)	(34,924)
Cash dividends to minority shareholders	(3)	(2)	(2)	(25)
Repayment of convertible bonds	-	-	(19,962)	-
Net cash used in financing activities	(4,284)	(4,091)	(24,083)	(36,000)
Effect of exchange rate changes on cash and cash equivalents	(1)	(3)	14	(8)
Net increase (decrease) in cash and cash equivalents	4,566	7,009	9,405	38,370
Cash and cash equivalents, beginning (see Note)	80,908	71,503	71,503	679,899
Cash and cash equivalents, ending (see Note)	¥ 85,474	¥ 78,512	¥ 80,908	\$ 718,269

Semi-annual Flash Report (unaudited)

Six months ended September 30, 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\$
	Semi-annual 6 months ended Sep 30 2001	Semi-annual 6 months ended Sep 30 2000	Annual 12 months ended Mar 31 2001	Semi-annual 6 months ended Sep 30 2001
Balance, beginning of period	¥ 264,350	¥ 246,271	¥ 246,271	\$ 2,221,429
Net income for the period	12,127	12,077	22,359	101,908
Cash dividends paid	(4,176)	(4,176)	(4,176)	(35,092)
Bonuses to directors and statutory auditors	(96)	(104)	(104)	(807)
Balance, end of period	¥ 272,204	¥ 254,067	¥ 264,350	\$ 2,287,429

Notes to Consolidated Financial Statements

Ono Pharmaceutical Co., Ltd. and Consolidated Subsidiaries

- Note 1 This Semi-annual Flash Report 2002 (unaudited) is summary information extracted from the financial statements announced by the Company on November 9, 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 Semi-annual Flash Report 2002 (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 119 = US\$ 1, the approximate exchange rate prevailing on September 30, 2001.

- Note 4 Cash and cash equivalent in Consolidated Statements of Cash Flow consists of the following.

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

	Millions of yen			Thousands of US\$
	Semi-annual 6 months ended Sep 30 2001	Semi-annual 6 months ended Sep 30 2000	Annual 12 months ended Mar 31 2001	Semi-annual 6 months ended Sep 30 2001
Cash and bank deposits	¥ 18,805	¥ 35,916	¥ 23,913	\$ 158,025
Marketable securities	86,736	72,268	81,525	728,874
Time deposits, period of which exceed three months	(6,229)	(6,080)	(6,232)	(52,345)
Securities not maturing within three months	(13,837)	(23,592)	(18,298)	(116,277)
Cash and cash equivalent	¥ 85,474	¥ 78,512	¥ 80,908	\$ 718,269

Semi-annual Flash Report (unaudited)
Six months ended September 30, 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		
		Semi-annual 6 months ended Sep 30 2001	Semi-annual 6 months ended Sep 30 2000	Annual 12 months ended Mar 31 2001
Onon	Agent for bronchial asthma	115	102	218
Onon drysyrup	Agent for pediatric bronchial asthma	11	4	14
Kinedak	Agent for diabetic peripheral neuropathy	128	130	257
Foipan	Agent for chronic pancreatitis and postoperative reflux esophagitis	92	93	186
Cataclot	Agent for (acute phase) cerebral thrombosis and cerebrovascular spasms	61	66	131
Prostandin 500	Agent for perioperative hypotension	18	19	38
Prostandin	Circulatory system agent	47	53	110
FOY	Agent for pancreatitis and DIC	16	19	36
FOY 500	Agent for DIC	38	41	81
Opalmon	Circulatory system agent	57	40	81
Total		587	571	1,157
Percentage to total net sales		88%	88%	89%

Semi-annual Flash Report (unaudited)

Six months ended September 30, 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:

ONO-5046 · Na (Elaspol for Injection)

This medication is for treatment of acute lung injury in patients using mechanical ventilation in ICU. Our application for manufacturing approval for this compound, a selective inhibitor of neutrophilic elastase that induces 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. An additional clinical study completed.

U.S.: Licensed to Eli Lilly and Company.

ONO-2506 (Proglia for injection)

This drug is under development for treatment of cerebral infarction to be effective both for cerebral thrombosis and cerebral embolism. It inhibits the spread of post-infarction necrosis through a new mechanism of action to suppress abnormal activation of the astrocytes, a kind of brain cell. It holds promise for very convenient application in medical practice, because it does not act on thrombi 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. It is an α_1 blocker with high urethra selectivity, and is unlikely to cause circulatory side effects, such as dizziness on standing up that occurs with other existing medications, with only a slight effect on blood vessels. 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 II clinical testing.

ONO-8025/KRP-197 (tablet)

This drug is under development for treatment of pollakiuria and urinary incontinence. It is unlikely to cause side effects such as dry mouth, which is produced by drugs with same mode of action, because tests on animals revealed that it acts antagonistically, selectively combining with bladder.

Japan: Phase II clinical testing as a medication for pollakiuria and urinary incontinence.

(co-development with Kyorin Pharmaceutical Co., Ltd.)

ONO-5816 (tablet)

This medication is under development for treatment of diabetes. It 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: Phase I clinical testing.

U.S.: Phase II clinical testing by Lipha s.a., France.

ONO-6818 (tablet)

This medication is for treatment of patients with chronic occlusive pulmonary disease (emphysema or chronic bronchitis), who have difficulty in leading normal lives due to loss of respiratory function promoted by smoking or air pollution. 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 such patients.

Japan: Phase II clinical testing as a medication for treatment of chronic occlusive pulmonary disease. (emphysema or chronic bronchitis)

U.S.: Preparing for Phase II clinical testing.

ONO-5920 (tablet)

ONO-5920 is under development for treatment of osteoporosis. This drug, bisphosphonate of the third generation, inhibits activation of osteoclast, key factor of bone resorption, as well as effectively prevents bone resorption by inducing death of osteoclast. With function to rapidly increase bone mass, it will be safe and effective with small amount of administration.

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

ONO-2506PO (capsule)

This drug is under development for treatment of senile dementia of Alzheimer type and Parkinson's disease. 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. Since ONO-2506PO has a new mechanism to make abnormal astrocyte function return to normality, it is expected that the drug will inhibit occurrence and progression of such diseases.

Japan: Preparing for Phase I clinical testing as a medication for neurodegenerative diseases.

U.K.: Phase I clinical testing.

ONO-1101 (Onoact for Injection)

This medication is for treatment of tachycardia caused during anesthesia or after operation in patients with high blood pressure or ischemic heart disease. It is very safe and easy to adjust due to its ultra-short duration of action.

Japan: Awaiting approval as a medication for tachyarrhythmia during anesthesia. Phase II/III clinical testing as a medication for postoperative tachyarrhythmia.

ONO-1078DS (Onon Dry Syrup)

Already marketed as a medication for pediatric bronchial asthma.

Japan: Phase II/III clinical testing as a medication for pediatric allergic rhinitis (additional indication).

ONO-1078 (Onon Capsule)

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

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

ONO-1714 (for injection)

Japan: Phase II clinical testing as a medication for treatment of low blood pressure during dialysis.

ONO-1608 (for injection)

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

ONO-4819 · CD (for injection)

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

ONO-4817 (tablet)

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

U.K.: Phase I clinical testing.

ONO-8815Ly (for injection)

Sweden: Clinical pharmacology.

Semi-annual Flash Report (unaudited)

Six months ended September 30, 2001

Ono Pharmaceutical Co., Ltd. and
Consolidated Subsidiaries

Supplemental Information

Status of Major Developments

September 30, 2001

Developments in Japan

Awaiting manufacturing approval:

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

Onoact for Injection (ONO-1101)
landiolol hydrochloride for tachyarrhythmia during anesthesia

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 II)
ONO-6818 chronic occlusive pulmonary disease (tablet, phase II)
ONO-1608 lumbar spinal canal stenosis (injection, phase II preparation)
ONO-4819 · CD vertebral fracture (injection, phase II preparation)
ONO-4817 osteoarthritis (tablet, phase I)
ONO-5816 diabetes (tablet, phase I)
ONO-2506PO Alzheimer's/Parkinson's diseases (capsule, phase I preparation)

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:

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

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

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

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

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

ONO-4817
osteoarthritis (tablet, phase I)