

First-Third Quarter (April 1 – December 31, 2006) Flash Report (unaudited)

Nine months ended December 31, 2006

ONO PHARMACEUTICAL CO., LTD.

February 6, 2007

Ono Pharmaceutical Co., Ltd. has announced its consolidated financial results for nine months ended December 31, 2006.

This First-Third Quarter Flash Report 2007 (unaudited) is summary information extracted from financial statements announced, and the financial statements contained herein are prepared for the reference only for the convenience of readers outside Japan with certain modifications and reclassifications made from the original financial statements presented in Japanese language.

Financial Highlights

Ono Pharmaceutical Co., Ltd. and Consolidated Subsidiaries

	(Note) All yen amounts are rounded off to the nearest million yen.			Thousands of US\$
	Millions of yen			
	1st-3rd Quarter 9 months ended Dec 31 2006	1st-3rd Quarter 9 months ended Dec 31 2005	Annual 12 months ended Mar 31 2006	1st-3rd Quarter 9 months ended Dec 31 2006
Net sales	¥ 109,787	¥ 116,850	¥ 148,672	\$ 922,580
Net income	29,680	31,876	36,147	249,412
Total Net assets(*)	447,081	432,717	443,632	3,756,983
Total assets	498,076	486,437	504,447	4,185,513
		Yen		US\$
Net income per common share	¥ 253.90	¥ 271.43	¥ 307.32	\$ 2.13

(*)Total Net assets as of 1st-3rd Quarter 9 months ended Dec 31 2005 and Annual 12 months ended Mar 31 2006 do not include minority interests. The shareholders'equity amounted to 444,346 million yen based on the former regulation.

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**Consolidated Forecast of Consolidated Results for the Year
Ending March 31,2007**

Ono Pharmaceutical Co., Ltd. and Consolidated Subsidiaries

	Year ending March 31,2007	
	Millions of yen	Thousands of US\$
Net sales	¥ 140,500	\$ 1,180,672
Ordinary income	53,900	452,941
Net income	33,600	282,353
	Yen	US\$
Net income per common share	288.4	2.42

(*)The foregoing are forward-looking statements based on a number of assumptions and beliefs in light of the information currently available to management and are subject to risks and uncertainties. Actual financial results may differ materially depending on a number of economic factors, including conditions and currency exchange rate fluctuations.

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Nine months ended December 31, 2006

Consolidated Balance Sheets

Ono Pharmaceutical Co., Ltd. and Consolidated Subsidiaries

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

ASSETS	Millions of yen			Thousands of US\$
	1st-3rd Quarter December 31 2006	1st-3rd Quarter December 31 2005	Annual March 31 2006	1st-3rd Quarter December 31 2006
Current assets				
Cash and bank deposits	¥ 23,919	¥ 28,984	¥ 14,904	\$ 201,000
Notes and accounts receivable	50,222	53,785	43,396	422,034
Marketable securities	83,961	76,548	101,024	705,555
Inventories	8,938	8,702	9,346	75,109
Others	13,532	14,781	14,711	113,714
Allowance for doubtful receivables	(1,061)	(1,552)	(1,276)	(8,916)
Total current assets	179,511	181,248	182,105	1,508,496
Property, plant and equipment				
Land	22,546	22,546	22,546	189,462
Buildings and structures	26,449	28,005	27,640	222,261
Machinery and equipment	4,636	5,500	5,351	38,957
Construction in progress	93	1,156	238	782
Net property, plant and equipment	53,724	57,207	55,775	451,462
Investments and other assets				
Investment securities	255,380	238,507	257,268	2,146,050
Intangible assets	1,125	1,276	1,170	9,454
Others	8,336	8,199	8,129	70,051
Total investments and other assets	264,841	247,982	266,567	2,225,555
Total assets	¥ 498,076	¥ 486,437	¥ 504,447	\$ 4,185,513

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

LIABILITIES AND SHAREHOLDERS' EQUITY	Millions of yen			Thousands of US\$
	1st-3rd Quarter December 31 2006	1st-3rd Quarter December 31 2005	Annual March 31 2006	1st-3rd Quarter December 31 2006
Current liabilities				
Current portion of long-term debt	¥ 2	¥ 1	¥ 2	\$ 17
Notes and accounts payable	2,688	3,336	3,127	22,588
Income taxes	7,571	6,921	8,874	63,622
Others	13,044	12,718	13,870	109,613
Total current liabilities	23,305	22,976	25,873	195,840
Long-term liabilities				
Long-term debt, less current portion	19	22	20	160
Accrued retirement benefits	10,191	13,826	13,413	85,639
Others	17,480	14,498	19,036	146,891
Total long-term liabilities	27,690	28,346	32,469	232,690
Minority interests	—	2,398	2,473	—
Shareholders' equity				
Common stock	—	17,358	17,358	—
Additional paid-in capital	—	17,002	17,002	—
Retained earnings	—	388,020	392,291	—
Revaluation surplus of land	—	(3,549)	(3,549)	—
Unrealized gain on securities (*)	—	36,096	42,825	—
Translation adjustments	—	93	17	—
Less, treasury stock	—	(22,303)	(22,312)	—
Total shareholders' equity	—	432,717	443,632	—
Total liabilities and shareholders' equity	¥ —	¥ 486,437	¥ 504,447	\$ —
Shareholders' equity				
Common stock	17,358	—	—	145,866
Additional paid-in capital	17,002	—	—	142,874
Retained earnings	407,831	—	—	3,427,151
Less, treasury stock	(34,048)	—	—	(286,118)
Total shareholders' equity	408,143	—	—	3,429,773
Other comprehensive income				
Revaluation surplus of land	(3,549)	—	—	(29,824)
Unrealized gain on securities (*)	39,670	—	—	333,361
Translation adjustments	82	—	—	690
Total other comprehensive income	36,203	—	—	304,227
Minority interests	2,735	—	—	22,983
Total net assets	447,081	—	—	3,756,983
Total liabilities and total net assets	¥ 498,076	¥ —	¥ —	\$ 4,185,513

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

First-Third Quarter (April 1 – December 31, 2006) Flash Report (unaudited)

Nine months ended December 31, 2006

Consolidated Statements of Income

Ono Pharmaceutical Co., Ltd. and Consolidated Subsidiaries

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

	Millions of yen			Thousands of US\$
	1st-3rd Quarter 9 months ended Dec 31 2006	1st-3rd Quarter 9 months ended Dec 31 2005	Annual 12 months ended Mar 31 2006	1st-3rd Quarter 9 months ended Dec 31 2006
Net sales	¥ 109,787	¥ 116,850	¥ 148,672	\$ 922,580
Cost of sales	16,105	16,685	21,815	135,336
Gross profit	93,682	100,165	126,857	787,244
Selling, general and administrative expenses	48,632	49,152	69,920	408,672
Operating income	45,050	51,013	56,937	378,572
Other income (expenses)				
Interest and dividend income	2,203	1,759	2,035	18,513
Interest expenses	(0)	(1)	(2)	(0)
Other, net	2,112	752	779	17,747
	4,315	2,510	2,812	36,260
Income before income taxes and minority interests	49,365	53,523	59,749	414,832
Income taxes	19,439	21,422	23,314	163,353
Income before minority interests	29,926	32,101	36,435	251,479
Minority interests	(246)	(225)	(288)	(2,067)
Net income	¥ 29,680	¥ 31,876	¥ 36,147	\$ 249,412
Amounts per common share				
Net income	¥ 253.90	¥ 271.43	¥ 307.32	\$ 2.13
Cash dividends applicable to the period	¥ —	¥ —	¥ 80.00	\$ —

First-Third Quarter (April 1 – December 31, 2006) Flash Report (unaudited)

Nine months ended December 31, 2006

Consolidated Statements of Cash Flows

Ono Pharmaceutical Co., Ltd. and Consolidated Subsidiaries

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

	Millions of yen			Thousands of US\$
	1st-3rd Quarter 9 months ended Dec 31 2006	1st-3rd Quarter 9 months ended Dec 31 2005	Annual 12 months ended Mar 31 2006	1st-3rd Quarter 9 months ended Dec 31 2006
Cash flows from operating activities:				
Income before income taxes and minority interests	¥ 49,365	¥ 53,523	¥ 59,749	\$ 414,832
Adjustments:				
Depreciation and amortization	2,620	3,024	4,025	22,017
Increase (decrease) in allowance for doubtful receivables	(211)	526	250	(1,773)
Decrease in provision for retirement benefits, net	(3,112)	(2,094)	(2,521)	(26,151)
Interest and dividend income	(2,203)	(1,827)	(2,035)	(18,513)
Decrease (increase) in notes and accounts receivable	(6,834)	(9,182)	1,207	(57,429)
Decrease (increase) in inventories	408	326	(320)	3,429
Increase (Decrease) in notes and accounts payable	(403)	865	635	(3,387)
Others	(1,245)	(534)	1,385	(10,462)
Interest and dividend income received	2,592	2,296	2,750	21,782
Interest paid	(0)	(1)	(2)	(0)
Income taxes paid	(18,568)	(25,137)	(25,195)	(156,034)
Net cash provided by operating activities	22,409	21,785	39,928	188,311
Cash flows from investing activities:				
Payments for purchases of marketable securities	(59,090)	(38,993)	(67,973)	(496,555)
Proceeds from sales of marketable securities	98,820	71,000	81,215	830,420
Payments for purchases of property, plant and equipment	(854)	(934)	(1,175)	(7,176)
Payments for purchases of investment securities	(26,646)	(43,407)	(59,259)	(223,916)
Proceeds from sales of investment securities	874	3,093	3,094	7,345
Other payments	(605)	(205)	(66)	(5,084)
Net cash generated from (used in) investment activities	12,499	(9,446)	(44,164)	105,034
Cash flows from financing activities:				
Repayment of current portion of long-term debt	(1)	(4)	(5)	(8)
Repayment of long-term debt	—	(62)	(62)	—
Payments for obtaining treasury stock	(11,739)	(28)	(37)	(98,647)
Cash dividends	(13,765)	(7,624)	(7,625)	(115,673)
Net cash used in financing activities	(25,505)	(7,718)	(7,729)	(214,328)
Effect of exchange rate changes on cash and cash equivalents	15	26	32	126
Net decrease in cash and cash equivalents	9,418	4,647	(11,933)	79,143
Cash and cash equivalents, beginning	26,321	38,254	38,254	221,185
Cash and cash equivalents, ending	¥ 35,739	¥ 42,901	¥ 26,321	\$ 300,328

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Nine months ended December 31, 2006

Notes to Consolidated Financial Statements

Ono Pharmaceutical Co., Ltd. and Consolidated Subsidiaries

- Note 1 This First-Third Quarter Flash Report 2007 (unaudited) is a summary information extracted from the financial statements announced by the Company on February 6, 2007. The financial statements announced have been prepared and stated in accordance with accounting principles generally accepted in Japan. The financial statements and figures contained in this First-Third Quarter Flash Report 2007 (unaudited) are prepared for the reference only for the convenience of readers outside Japan with certain modifications and reclassifications made from the original financial statements presented in Japanese language.
- Note 2 All amounts expressed herein in millions of Japanese yen are rounded off to the nearest million yen, which are to follow the basis of presentation in the above original announcement.
- Note 3 U.S. Dollar amounts herein are given solely for the convenience of readers outside Japan and are stated, as a matter of arithmetical computation only, at the rate of Japanese yen 119 = US\$ 1, the approximate exchange rate prevailing on December 31, 2006.

First-Third Quarter (April 1 – December 31, 2006) Flash Report (unaudited)

Nine months ended December 31, 2006

Ono Pharmaceutical Co., Ltd. and
Consolidated Subsidiaries

Sales of Major Products

Supplemental Data

For information purpose only

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

		Hundred Millions of yen					
		1st-3rd Quarter 9 months ended Dec 31 2006		1st-3rd Quarter 9 months ended Dec 31 2005		Annual 12 months ended Mar 31 2006	
Opalmon	Circulatory system agent	¥	265	¥	255	¥	326
Onon	Agent for bronchial asthma and allergic rhinitis		196		201		266
Kinedak	Agent for diabetic peripheral neuropathy		138		174		213
Foipan	Agent for chronic pancreatitis and postoperative reflux esophagitis		112		126		157
Onon dry syrup	Agent for pediatric bronchial asthma		88		73		95
Cataclot	Agent for (acute phase) cerebral thrombosis and cerebrovascular spasms		49		61		73
Prostandin	Circulatory system agent		47		57		72
Elaspol	Agent for acute lung injury associated with SIRS		43		44		56
FOY 500	Agent for DIC		35		43		53
Prostandin 500	Agent for perioperative hypotension		17		20		24
FOY	Agent for pancreatitis and DIC		14		17		20
Onoact	Agent for tachyarrhythmia during operation		6		4		5
Total		¥	1,008	¥	1,074	¥	1,358
Percentage to total net sales			92%		92%		91%

Status of Development Pipeline (as of February 6, 2007)

- Changes from the Semi-annual Flash Report for the Fiscal Year ended March 2007 announced on November 9, 2006 -

(Japan)

- Ono commenced Phase III study of ONO-2540 / ENA713D, a drug for the treatment of Alzheimer's disease, in January 2007 in collaboration with Novartis Pharma K.K.
- Ono has decided to file an NDA of Emend[®] Capsule (ONO-7436 / MK-0869) for the treatment of cancer chemotherapy-induced nausea and vomiting in Japan based on the results of Phase II studies that has been completed as well as data from clinical studies conducted outside Japan.

We plan to submit the NDA in Japan around spring this year.

(Outside of Japan)

- Phase I study of ONO-8539, a drug for the treatment of overactive bladder, started in UK in November 2006.

Third Quarter (October 1 – December 31, 2006) Flash Report (unaudited)

Nine months ended December 31, 2006

Ono Pharmaceutical Co., Ltd. and
Consolidated Subsidiaries

Supplemental Information

Status of Development Pipeline

as of February 6, 2007

Developments in Japan

NDA filed:

New chemical entities:

- **Staybla® Tablets (ONO-8025 / KRP-197)** (co-development with Kyorin Pharmaceutical Co., Ltd.)
Overactive bladder [M3 muscarinic receptor blocker]
- **Recalbon® Tablets (ONO-5920 / YM529)** (co-development with Astellas Pharma Inc.)
Osteoporosis [bone resorption inhibitor (bisphosphonate)]

Ongoing clinical studies:

New chemical entities:

- **ONO-5435 / MK-0431** (co-development with Banyu Pharmaceutical Co., Ltd.)
Type II diabetes (Phase III) [DPP-IV inhibitor]
- **ONO-2540 / ENA713D (transdermal patch)** (co-development with Novartis Pharma K.K.)
Alzheimer's disease (Phase III)
[dual inhibitor of AChE and BuChE]
- **Arocyte® for Injection (ONO-2506)**
Acute ischemic stroke (Phase II / III)
[neuroprotective effect (astrocyte modulator)]
- **Emend® Capsules (ONO-7436 / MK-0869)** (in-licensed from Merck & Co., Inc.)
Chemotherapy-induced nausea and vomiting (Phase II)
[NK1 antagonist]
- **ONO-5129 (tablet)**
Type II diabetes (Phase II)
[dual agonist of PPAR α and γ]
- **ONO-2333Ms (tablet)**
Depression and anxiety disorder (Phase I)
[CRF receptor antagonist]

Additional indications:

- **Onon® Capsules**
Chronic sinusitis (Phase III) [LT C4 and D4 antagonist]
- **Opalmon® Tablets (co-development with Dainippon Sumitomo Pharma Co., Ltd.)**
Cervical Spondylosis (Phase II)
[increase of blood flow in nerve tissue]
- **Onoact® for Injection**
Improvement of multislice CT coronary imaging ability (Phase II) [short-acting β_1 blocker]
- **Elaspol® for Injection**
Acute respiratory failure associated with community-acquired pneumonia (Phase II)
[neutrophil elastase inhibitor]

Developments abroad

Ongoing clinical studies:

- **MK0724 / ONO-2506 (injection)** (out-licensed to Merck & Co., Inc.)
Acute ischemic stroke (Phase II)
[neuroprotective effect (astrocyte modulator)]
- **Cereact® Capsules (ONO-2506PO)**
Amyotrophic lateral sclerosis (ALS) (Phase II)
Alzheimer's disease (Phase II)
[neuroprotective effect (astrocyte modulator)]
- **ONO-5129 (tablet)**
Type II diabetes (Phase II)
[dual agonist of PPAR α and γ]
- **ONO-2333Ms (tablet)**
Depression and anxiety disorder (Phase I)
[CRF receptor antagonist]
- **ONO-2231 (injection)**
Acute ischemic stroke (Phase I) [PARP inhibitor]
- **ONO-5334 (tablet)**
Osteoporosis (Phase I) [cathepsin K inhibitor]
- **ONO-4538 / MDX-1106 (injection)** (co-development with Medarex, Inc.)
Cancer (Phase I) [fully human anti-PD-1 antibody]
- **ONO-8539 (tablet)**
Overactive bladder (Phase I) [EP 1 antagonist]