

First Quarter (April 1 – June 30, 2007) Flash Report (unaudited)

Three months ended June 30, 2007

ONO PHARMACEUTICAL CO., LTD.

August 6, 2007

Ono Pharmaceutical Co., Ltd. has announced its consolidated financial results for three months ended June 30, 2007.

This First Quarter Flash Report 2008 (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 Quarter 3 months ended Jun 30 2007	1st Quarter 3 months ended Jun 30 2006	Annual 12 months ended Mar 31 2007	1st Quarter 3 months ended Jun 30 2007
Net sales	¥ 38,284	¥ 36,577	¥ 141,712	\$ 311,252
Net income	10,495	10,743	35,272	85,325
Total Net assets	453,378	443,818	446,805	3,686,000
Total assets	512,218	498,740	504,815	4,164,374
		Yen		US\$
Net income per common share	¥ 90.98	¥ 91.48	¥ 302.73	\$ 0.74

First Quarter (April 1 – June 30, 2007) Flash Report (unaudited)
Three months ended June 30, 2007

**Consolidated Forecast of Consolidated Results for the Year
Ending March 31,2008**

Ono Pharmaceutical Co., Ltd. and Consolidated Subsidiaries

	Six months ending		Year ending	
	September 30,2007		March 31,2008	
	Millions of yen	Thousands of US\$	Millions of yen	Thousands of US\$
Net sales	¥ 72,500	\$ 589,431	¥ 147,300	\$ 1,197,561
Operating income	28,100	228,455	55,800	453,659
Ordinary income	29,500	239,837	58,100	472,358
Net income	18,300	148,780	35,300	286,992
	Yen	US\$	Yen	US\$
Net income per common share	158.64	1.29	306.01	2.49

(*)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.

First Quarter (April 1 – June 30, 2007) Flash Report (unaudited)
Three months ended June 30, 2007

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 Quarter June 30 2007	1s Quarter June 30 2006	Annual March 31 2007	1st Quarter June 30 2007
Current assets				
Cash and bank deposits	¥ 85,464	¥ 16,238	¥ 14,942	\$ 694,829
Notes and accounts receivable	47,441	47,944	42,073	385,699
Marketable securities	55,009	91,053	119,621	447,228
Inventories	9,348	9,249	9,300	76,000
Others	14,743	15,709	14,510	119,862
Allowance for doubtful receivables	(15)	(1,397)	(15)	(122)
Total current assets	211,990	178,796	200,431	1,723,496
Property, plant and equipment				
Land	22,546	22,546	22,546	183,301
Buildings and structures	26,144	27,165	26,285	212,553
Machinery, equipment and others	4,204	5,133	4,347	34,178
Construction in progress	51	239	38	415
Net property, plant and equipment	52,945	55,083	53,216	430,447
Investments and other assets				
Investment securities	240,903	255,530	244,771	1,958,561
Intangible assets	1,062	1,132	1,092	8,634
Others	5,318	8,199	5,305	43,236
Total investments and other assets	247,283	264,861	251,168	2,010,431
Total assets	¥ 512,218	¥ 498,740	¥ 504,815	\$ 4,164,374

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

LIABILITIES AND EQUITY	Millions of yen			Thousands of US\$
	1st Quarter June 30 2007	1st Quarter June 30 2006	Annual March 31 2007	1st Quarter June 30 2007
Current liabilities				
Current portion of long-term debt	¥ 2	¥ 2	¥ 2	\$ 16
Notes and accounts payable	3,354	2,947	2,970	27,268
Income tax payable	6,786	6,839	12,019	55,171
Others	16,761	16,411	12,868	136,269
Total current liabilities	26,903	26,199	27,859	218,724
Long-term liabilities				
Long-term debt, less current portion	19	20	19	154
Liabilities for retirement benefits	8,364	12,233	9,148	68,000
Others	23,554	16,470	20,984	191,496
Total long-term liabilities	31,937	28,723	30,151	259,650
Equity				
Common stock	17,358	17,358	17,358	141,122
Capital surplus	17,015	17,002	17,002	138,333
Retained earnings	407,639	393,586	404,062	3,314,139
Treasury stock-at cost	(24,721)	(22,318)	(24,709)	(200,984)
Total equity	417,291	405,628	413,713	3,392,610
Other comprehensive income				
Land revaluation surplus	(8,919)	(3,549)	(8,919)	(72,512)
Unrealized gain on securities (*)	41,943	39,052	39,161	341,000
Foreign currency translation adjustments	211	122	50	1,715
Total other comprehensive income	33,235	35,625	30,292	270,203
Minority interests				
Total net assets	453,378	443,818	446,805	3,686,000
Total liabilities and total net assets	¥ 512,218	¥ 498,740	¥ 504,815	\$ 4,164,374

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

First Quarter (April 1 – June 30, 2007) Flash Report (unaudited)

Three months ended June 30, 2007

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 Quarter 3 months ended Jun 30 2007	1st Quarter 3 months ended Jun 30 2006	Annual 12 months ended Mar 31 2007	1st Quarter 3 months ended Jun 30 2007
Net sales	¥ 38,284	¥ 36,577	¥ 141,712	\$ 311,252
Cost of sales	5,415	5,279	21,085	44,024
Gross profit	32,869	31,298	120,627	267,228
Selling, general and administrative expenses	16,514	14,924	67,785	134,261
Operating income	16,355	16,374	52,842	132,967
Other income (expenses)				
Interest and dividend income	1,192	1,034	2,582	9,691
Interest expenses	(0)	—	(1)	(0)
Other, net	(171)	595	6,173	(1,390)
	1,021	1,629	8,754	8,301
Income before income taxes and minority interests	17,376	18,003	61,596	141,268
Income taxes	6,802	7,172	26,012	55,301
Income before minority interests	10,574	10,831	35,584	85,967
Minority interests	(79)	(88)	(312)	(642)
Net income	¥ 10,495	¥ 10,743	¥ 35,272	\$ 85,325
		Yen		US\$
Per share of common stock				
Basic net income	¥ 90.98	¥ 91.48	¥ 302.73	\$ 0.74
Cash dividends applicable to the period	¥ —	¥ —	¥ 100.00	\$ —

First Quarter (April 1 – June 30, 2007) Flash Report (unaudited)

Three months ended June 30, 2007

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 Quarter 3 months ended Jun 30 2007	1st Quarter 3 months ended Jun 30 2006	Annual 12 months ended Mar 31 2007	1st Quarter 3 months ended Jun 30 2007
Operating activities:				
Income before income taxes and minority interests	¥ 17,376	¥ 18,003	¥ 61,596	\$ 141,268
Adjustments for:				
Depreciation and amortization	845	870	3,521	6,870
Increase (decrease) in allowance for doubtful receivables	2	120	(1,252)	16
Increase (decrease) in provision for bonuses	60	49	(320)	488
Decrease in provision for retirement benefits, net	(113)	(1,041)	(4,175)	(919)
Interest and dividend income	(1,192)	(1,034)	(2,582)	(9,691)
Decrease (increase) in notes and accounts receivable	(5,368)	(4,548)	1,323	(43,642)
Decrease (increase) in inventories	(47)	97	99	(382)
Increase (Decrease) in notes and accounts payable	237	(143)	(147)	1,927
Others	3,197	370	(3,876)	25,992
Interest and dividend income received	1,234	1,141	3,153	10,033
Interest paid	(0)	0	(1)	(0)
Income taxes paid	(12,008)	(8,985)	(18,660)	(97,626)
Net cash provided by operating activities	4,223	4,899	38,679	34,334
Investing activities:				
Payments for purchases of marketable securities	(18,003)	(21,241)	(109,843)	(146,366)
Proceeds from sales of marketable securities	74,548	39,800	127,480	606,081
Payments for purchases of property, plant and equipment	(512)	(350)	(1,131)	(4,163)
Payments for purchases of investment securities	(2,437)	(12,827)	(28,035)	(19,813)
Proceeds from sales of investment securities	972	3	5,079	7,902
Other payments	(9)	(59)	(76)	(72)
Net cash generated from (used in) investment activities	54,559	5,326	(6,526)	443,569
Financing activities:				
Repayment of current portion of long-term debt	—	—	(2)	—
Payments for obtaining treasury stock	(16)	(6)	(11,771)	(130)
Cash dividends	(6,192)	(8,287)	(14,066)	(50,342)
Net cash used in financing activities	(6,208)	(8,293)	(25,839)	(50,472)
Foreign currency translation adjustments				
on cash and cash equivalents	(6)	(4)	34	(49)
Net decrease in cash and cash equivalents	52,568	1,928	6,348	427,382
Cash and cash equivalents, beginning	32,669	26,321	26,321	265,602
Cash and cash equivalents, ending	¥ 85,237	¥ 28,249	¥ 32,669	\$ 692,984

First Quarter (April 1 – June 30, 2007) Flash Report (unaudited)
Three months ended June 30, 2007

Notes to Consolidated Financial Statements

Ono Pharmaceutical Co., Ltd. and Consolidated Subsidiaries

- Note 1 This First Quarter Flash Report 2008 (unaudited) is a summary information extracted from the financial statements announced by the Company on August 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 Quarter Flash Report 2008 (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 123 = US\$ 1, the approximate exchange rate prevailing on June 30, 2007.

First Quarter (April 1 – June 30, 2007) Flash Report (unaudited)

Three months ended June 30, 2007

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 Quarter 3 months ended Jun 30 2007		1st Quarter 3 months ended Jun 30 2006		Annual 12 months ended Mar 31 2007	
Opalmon	Circulatory system agent	¥	95	¥	86	¥	338
Onon	Agent for bronchial asthma and allergic rhinitis		72		68		268
Kinedak	Agent for diabetic peripheral neuropathy		47		47		173
Foipan	Agent for chronic pancreatitis and postoperative reflux esophagitis		37		38		140
Onon dry syrup	Agent for pediatric bronchial asthma		29		26		114
Elaspol	Agent for acute lung injury associated with SIRS		14		14		53
Onoact	Agent for tachyarrhythmia during operation		4		1		9
Combined sales of 5 injection products(*)			47		55		196

(*) Breakdown of five injectable products: Cataclot, Prostandin, Prostandin 500, FOY, FOY 500

First Quarter (April 1 – June 30, 2007) Flash Report (unaudited)

Three months ended June 30, 2007

Ono Pharmaceutical Co., Ltd. and
Consolidated Subsidiaries

Supplemental Information

Status of Development Pipeline

as of August 6, 2007

Developments in Japan

Approved (New chemical entities) on April 18, 2007:

- **Staybla® Tablets (ONO-8025 / KRP-197)**
(co-development with Kyorin Pharmaceutical Co., Ltd.)
Overactive bladder [M3 muscarinic receptor blocker]

NDA filed (New chemical entities):

- **Recalbon® Tablets (ONO-5920 / YM529)**
(co-development with Astellas Pharma Inc.)
Osteoporosis [bone resorption inhibitor (bisphosphonate)]
- **Emend® Capsules (ONO-7436 / MK-0869)**
(in-licensed from Merck & Co., Inc.)
Chemotherapy-induced nausea and vomiting
[NK1 antagonist]

Ongoing clinical studies (New chemical entities):

- **Glactiv™ Tablets (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)]
- **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]

Ongoing clinical studies (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 (New chemical entities):

- **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 II)
[CRF receptor antagonist]
- **ONO-5334 (tablet)**
Osteoporosis (Phase II) [cathepsin K inhibitor]
- **ONO-2231 (injection)**
Acute ischemic stroke (Phase I) [PARP 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]

Changes from the Annual Flash Report for the Fiscal Year ended March 2007 announced on May 14, 2007

(In Japan)

- An NDA of Emend® Capsules (ONO-7436 / MK-0869) for the treatment of cancer chemotherapy-induced nausea and vomiting was submitted with the Ministry of Health, Labour and Welfare of Japan in July 2007.
- A patch formulation of Exelon® for the treatment of Alzheimer's disease, for which Novartis AG (Basel, Switzerland) had filed new drug applications for approval in the U.S. and Europe, was approved in the U.S. and recommended for approval in Europe. In Japan, the drug has been developed jointly by Novartis Pharma K.K. and Ono as ONO-2540 / ENA713D, and the phase III clinical study is now underway.
- Phase II study of ONO-5334, a drug for the treatment of osteoporosis, started in Europe in June 2007.