

Semi-annual Flash Report (unaudited)

Six months ended September 30, 2007

ONO PHARMACEUTICAL CO., LTD.

November 8, 2007

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

This Semi-annual Flash Report 2008 (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 off to the nearest million yen.			Thousands of US\$
	Millions of yen			
	Semi-annual 6 months ended Sep 30 2007	Semi-annual 6 months ended Sep 30 2006	Annual 12 months ended Mar 31 2007	Semi-annual 6 months ended Sep 30 2007
Net sales	¥ 71,329	¥ 69,463	¥ 141,712	\$ 620,252
Net income	17,176	18,232	35,272	149,357
Total Net assets	443,912	450,126	446,805	3,860,104
Total assets	497,740	501,959	504,815	4,328,174
		Yen		US\$
Net income per common share	¥ 149.46	¥ 155.26	¥ 302.73	\$ 1.30

Semi-annual Flash Report (unaudited)

Six months ended September 30, 2007

Ono Pharmaceutical Co., Ltd.
and Consolidated Subsidiaries

MESSAGE FROM THE MANAGEMENT

(1) Basic management policy

The Ono Pharmaceutical Group, in keeping with its philosophy of “Dedicated to Man’s Fight against Disease and Pain,” has always striven to achieve its goal of serving as an R&D-oriented, international pharmaceutical company specializing in defined areas. In this endeavor, we have placed emphasis on R&D, aiming to fulfilling unmet medical needs through developing truly beneficial medicines for patients.

We are highly aware of our responsibility as a pharmaceutical company dealing in medicinal drugs upon which human lives depend, and we are working to further strengthen our level of compliance to ensure that all our actions not only fully comply with all legal regulations but also are based on higher ethical standards.

From the aspect of the new drug research, we will strive to achieve commercialization of innovative new drugs on worldwide basis focusing on the company's four priority areas: prostaglandins, enzyme inhibitors, neuroscience, and intracellular signaling, where we can fully benefit from the technologies we have accumulated in the past, and employing genomic drug discovery on top of these four areas.

Strategic Alliance Headquarters, established in order to further strengthen discovery research capability and expand the development pipeline by promoting strategic alliances, is aggressively promoting collaborative research and alliances through introduction of leading-edge technologies from bioventure companies. It also strives to promote alliances with research institutions such as universities at home and abroad aiming at seeking new discovery seeds.

Furthermore, in addition to in-licensing of late stage compounds, it is directing its effort into acquiring commercialization rights to development compounds in preclinical and Phase I stages from companies such as bioventure companies.

In responding to the global trend toward the harmonization of pharmaceutical registration standards, the development division strives to develop new pharmaceuticals in Japan, the US and Europe. We direct effort into the early approval of compounds in late stage development in Japan as well as overseas with top priority given to them.

The marketing division is actively working to enhance the reputation of Ono's innovative pharmaceuticals through presenting its scientific data mainly at workshop and lecture meetings and through the dissemination of high-quality information that is always backed by the latest medical knowledge, in order that we fulfill the diversifying needs of healthcare professionals.

We envision that the NHI price revision and implementation of various healthcare cost containment policies may significantly and adversely affect our business. However, we will strive to attain stable growth by launching new products and by enhancing the competitiveness of existing products.

With top priority given to the pursuit of quality assurance of our products, the manufacturing division is further placing stronger emphasis on improving both its hardware and software, and establishing an efficient production management system.

(2) Basic policy concerning dividends

Distribution of profits to all our shareholders is one of our key management policies, and we place great importance on the maintenance of stable dividends based on achievement.

The company sets 100% for total payout ratio as its target on free cash flow basis, aggregating dividends and acquisition of the company's own shares in the next three years. The company's target annual dividend for Fiscal 2007 (the 60th Fiscal Term) is JPY 180 per share (of which JPY 90 per share would be paid as the midterm dividend).

*Toshiharu Korekane
President, Representative
Director and CEO*

Semi-annual Flash Report (unaudited)

Six months ended September 30, 2007

Consolidated Financial Forecast for the Year Ending March 31,2008

Ono Pharmaceutical Co., Ltd. and Consolidated Subsidiaries

	Year ending March 31,2008	
	Millions of yen	Thousands of US\$
Net sales	¥ 146,000	\$ 1,269,565
Operating income	51,700	449,565
Ordinary income	54,500	473,913
Net income	35,500	308,696
	Yen	US\$
Net income per common share	310.53	2.70

(*) Consolidated financial forecasts for the full year of FY 2007 (April 1, 2007 to March 31, 2008), which were originally announced on May 14, 2007 is revised.

For more details, please refer to “Revisions of the Full Year Business Forecasts for FY 2007” announced today (November 8, 2007).

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.

Semi-annual Flash Report (unaudited)

Six months ended September 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\$
	Semi-annual September 30 2007	Semi-annual September 30 2006	Annual March 31 2007	Semi-annual September 30 2007
Current assets				
Cash and bank deposits	¥ 17,561	¥ 17,795	¥ 14,942	\$ 152,704
Notes and accounts receivable	39,508	39,607	42,073	343,548
Marketable securities	124,043	99,753	119,621	1,078,635
Inventories	9,957	9,703	9,300	86,583
Deferred taxes	12,539	12,199	12,928	109,035
Others	1,517	1,499	1,582	13,191
Allowance for doubtful receivables	(10)	(846)	(15)	(87)
Total current assets	205,115	179,710	200,431	1,783,609
Property, plant and equipment				
Land	22,546	22,546	22,546	196,052
Buildings and structures	62,755	62,318	62,460	545,696
Machinery, equipment and others	25,484	27,137	25,511	221,600
Construction in progress	94	26	38	817
Accumulated depreciation	(58,522)	(57,688)	(57,339)	(508,887)
Net property, plant and equipment	52,357	54,339	53,216	455,278
Investments and other assets				
Investment securities	233,848	258,548	244,771	2,033,461
Deferred taxes	42	2,460	42	365
Intangible assets	1,054	1,127	1,092	9,165
Others	5,324	5,775	5,263	46,296
Total investments and other assets	240,268	267,910	251,168	2,089,287
Total assets	¥ 497,740	¥ 501,959	¥ 504,815	\$ 4,328,174

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

LIABILITIES AND SHAREHOLDERS' EQUITY	Millions of yen			Thousands of US\$
	Semi-annual September 30 2007	Semi-annual September 30 2006	Annual March 31 2007	Semi-annual September 30 2007
Current liabilities				
Current portion of long-term debt	¥ 1	¥ 2	¥ 1	\$ 9
Notes and accounts payable	3,429	3,019	2,970	29,817
Income taxes payable	10,411	9,466	12,019	90,530
Others	12,086	11,570	12,869	105,096
Total current liabilities	25,927	24,057	27,859	225,452
Long-term liabilities				
Long-term debt, less current portion	18	19	19	157
Long-term payable	713	287	—	6,200
Liability for retirement benefits	8,463	11,188	9,148	73,591
Deferred tax liabilities	18,707	16,281	20,984	162,670
Others	—	1	—	—
Total long-term liabilities	27,901	27,776	30,151	242,618
Equity				
Common stock	17,358	17,358	17,358	150,939
Capital surplus	17,015	17,002	17,002	147,957
Retained earnings	414,316	401,076	404,062	3,602,748
Treasury stock	(34,539)	(22,334)	(24,709)	(300,340)
Total shareholders' equity	414,150	413,102	413,713	3,601,304
Other comprehensive income				
Unrealized gain on securities (*)	35,717	37,898	39,161	310,583
Land revaluation surplus	(8,919)	(3,549)	(8,919)	(77,557)
Foreign currency translation adjustments	72	11	50	626
Total other comprehensive income	26,870	34,360	30,292	233,652
Minority interests	2,892	2,664	2,800	25,148
Total equity	443,912	450,126	446,805	3,860,104
Total liabilities and equity	¥ 497,740	¥ 501,959	¥ 504,815	\$ 4,328,174

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

Semi-annual Flash Report (unaudited)

Six months ended September 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\$
	Semi-annual 6 months ended Sep 30 2007	Semi-annual 6 months ended Sep 30 2006	Annual 12 months ended Mar 31 2007	Semi-annual 6 months ended Sep 30 2007
Net sales	¥ 71,329	¥ 69,463	¥ 141,712	\$ 620,252
Cost of sales	10,411	10,364	21,085	90,530
Gross profit	60,918	59,099	120,627	529,722
Selling, general and administrative expenses	34,449	32,014	67,785	299,557
Operating income	26,469	27,085	52,842	230,165
Other income (expenses)				
Interest and dividend income	1,626	1,396	2,582	14,139
Interest expenses	(1)	(0)	(1)	(9)
Other, net	252	1,754	6,173	2,192
	1,877	3,150	8,754	16,322
Income before income taxes and minority interests	28,346	30,235	61,596	246,487
Income taxes				
Current	10,625	9,723	21,825	92,391
Deferred	422	2,115	4,187	3,670
	11,047	11,838	26,012	96,061
Income before minority interests	17,299	18,397	35,584	150,426
Minority interests	(123)	(165)	(312)	(1,069)
Net income	¥ 17,176	¥ 18,232	¥ 35,272	\$ 149,357
Amounts per common share				
Net income	¥ 149.46	¥ 155.26	¥ 302.73	\$ 1.30
Cash dividends applicable to the period	¥ 90.00	¥ 40.00	¥ 100.00	\$ 0.78

Semi-annual Flash Report (unaudited)

Six months ended September 30, 2007

Consolidated Statements of Changes in Net Asset (Millions of yen)

Ono Pharmaceutical Co., Ltd. and Consolidated Subsidiaries

Semi-annual 6 months ended Sep 30 2007

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

	Shareholder's Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholder's equity
Balance at the end of previous period	17,358	17,002	404,062	(24,709)	413,713
Changes of items during the period					
Cash dividends paid			(6,922)		(6,922)
Net income			17,176		17,176
Purchase of treasury stock				(9,834)	(9,834)
Disposal of treasury stock		13		4	17
Net changes of items other than shareholder's equity during the period					
Total changes of items during the period	—	13	10,254	(9,830)	437
Balance at the end of current period	17,358	17,015	414,316	(34,539)	414,150

	Adjustments for valuation, foreign currency translation and others				Minority interests	Total net assets
	Unrealized gain on available-for-sale securities	Revaluation surplus of land	Foreign currency translation adjustments	Total Adjustments for valuation, foreign currency translation and others		
Balance at the end of previous period	39,161	(8,919)	50	30,292	2,800	446,805
Changes of items during the period						
Cash dividends paid						(6,922)
Net income						17,176
Purchase of treasury stock						(9,834)
Disposal of treasury stock						17
Net changes of items other than shareholder's equity during the period	(3,444)	—	22	(3,422)	92	(3,330)
Total changes of items during the period	(3,444)	—	22	(3,422)	92	(2,893)
Balance at the end of current period	35,717	(8,919)	72	26,870	2,892	443,912

Semi-annual Flash Report (unaudited)

Six months ended September 30, 2007

Consolidated Statements of Changes in Net Asset

(Thousands of U.S. dollars)

Ono Pharmaceutical Co., Ltd. and Consolidated Subsidiaries

Semi-annual 6 months ended Sep 30 2007

(Note) All amounts are rounded off to the nearest thousands of US\$

	Shareholder's Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholder's equity
Balance at the end of previous period	150,939	147,843	3,513,583	(214,861)	3,597,504
Changes of items during the period					
Cash dividends paid			(60,192)		(60,192)
Net income			149,357		149,357
Purchase of treasury stock				(85,514)	(85,514)
Disposal of treasury stock		114		35	149
Net changes of items other than shareholder's equity during the period					
Total changes of items during the period	—	114	89,165	(85,479)	3,800
Balance at the end of current period	150,939	147,957	3,602,748	(300,340)	3,601,304

	Adjustments for valuation, foreign currency translation and others				Minority interests	Total net assets
	Unrealized gain on available-for-sale securities	Revaluation surplus of land	Foreign currency translation adjustments	Total Adjustments for valuation, foreign currency translation and others		
Balance at the end of previous period	340,531	(77,557)	435	263,409	24,348	3,885,261
Changes of items during the period						
Cash dividends paid						(60,192)
Net income						149,357
Purchase of treasury stock						(85,514)
Disposal of treasury stock						149
Net changes of items other than shareholder's equity during the period	(29,948)	—	191	(29,757)	800	(28,957)
Total changes of items during the period	(29,948)	—	191	(29,757)	800	(25,157)
Balance at the end of current period	310,583	(77,557)	626	233,652	25,148	3,860,104

Semi-annual Flash Report (unaudited)

Six months ended September 30, 2007

Consolidated Statements of Changes in Net Asset (Millions of yen)

Ono Pharmaceutical Co., Ltd. and Consolidated Subsidiaries

Semi-annual 6 months ended Sep 30 2006

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

	Shareholder's Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholder's equity
Balance at the end of previous period	17,358	17,002	392,291	(22,312)	404,339
Changes of items during the period					
Cash dividends paid (*)			(9,391)		(9,391)
Bonuses to directors and statutory auditors (*)			(56)		(56)
Net income			18,232		18,232
Purchase of treasury stock				(22)	(22)
Net changes of items other than shareholder's equity during the period					
Total changes of items during the period	—	—	8,785	(22)	8,763
Balance at the end of current period	17,358	17,002	401,076	(22,334)	413,102

	Adjustments for valuation, foreign currency translation and others				Minority interests	Total net assets
	Unrealized gain on available-for-sale securities	Revaluation surplus of land	Foreign currency translation adjustments	Total Adjustments for valuation, foreign currency translation and others		
Balance at the end of previous period	42,825	(3,549)	17	39,293	2,473	446,105
Changes of items during the period						
Cash dividends paid (*)						(9,391)
Bonuses to directors and statutory auditors (*)						(56)
Net income						18,232
Purchase of treasury stock						(22)
Net changes of items other than shareholder's equity during the period	(4,927)	—	(6)	(4,933)	191	(4,742)
Total changes of items during the period	(4,927)	—	(6)	(4,933)	191	4,021
Balance at the end of current period	37,898	(3,549)	11	34,360	2,664	450,126

(*) Appropriation approved at the annual meeting of shareholders held in June 2006.

Semi-annual Flash Report (unaudited)

Six months ended September 30, 2007

Consolidated Statements of Changes in Net Asset

(Millions of yen)

Ono Pharmaceutical Co., Ltd. and Consolidated Subsidiaries

Year ended March 31 2007

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

	Shareholder's Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholder's equity
Balance at the end of previous period	17,358	17,002	392,291	(22,312)	404,339
Changes of items during the period					
Cash dividends paid (*)			(9,391)		(9,391)
Dividends from retained earnings			(4,693)		(4,693)
Bonuses to directors and statutory auditors (*)			(56)		(56)
Net income			35,272		35,272
Purchase of treasury stock				(11,773)	(11,773)
Disposal of treasury stock		10		5	15
Cancellation of treasury stock		(10)	(9,361)	9,371	
Net changes of items other than shareholder's equity during the period					
Total changes of items during the period	—	—	11,771	(2,397)	9,374
Balance at the end of current period	17,358	17,002	404,062	(24,709)	413,713

	Adjustments for valuation, foreign currency translation and others				Minority interests	Total net assets
	Unrealized gain on available-for-sale securities	Revaluation surplus of land	Foreign currency translation adjustments	Total Adjustments for valuation, foreign currency translation and others		
Balance at the end of previous period	42,825	(3,549)	17	39,293	2,473	446,105
Changes of items during the period						
Cash dividends paid (*)						(9,391)
Dividends from retained earnings						(4,693)
Bonuses to directors and statutory auditors (*)						(56)
Net income						35,272
Purchase of treasury stock						(11,773)
Disposal of treasury stock						15
Cancellation of treasury stock						
Net changes of items other than shareholder's equity during the period	(3,664)	(5,370)	33	(9,001)	327	(8,674)
Total changes of items during the period	(3,664)	(5,370)	33	(9,001)	327	700
Balance at the end of current period	39,161	(8,919)	50	30,292	2,800	446,805

(*) Appropriation approved at the annual meeting of shareholders held in June 2006.

Semi-annual Flash Report (unaudited)

Six months ended September 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\$
	Semi-annual 6 months ended Sep 30 2007	Semi-annual 6 months ended Sep 30 2006	Annual 12 months ended Mar 31 2007	Semi-annual 6 months ended Sep 30 2007
Cash flows from operating activities:				
Income before income taxes and minority interests	¥ 28,346	¥ 30,234	¥ 61,596	\$ 246,487
Adjustments:				
Depreciation and amortization	1,659	1,737	3,521	14,426
Decrease in allowance for doubtful receivables	(3)	(430)	(1,252)	(26)
Increase (decrease) in provision for bonuses	(15)	9	(320)	(130)
Decrease in provision for retirement benefits, net	(16)	(2,095)	(4,175)	(139)
Interest and dividend income	(1,626)	(1,396)	(2,582)	(14,139)
Interest expenses	1	0	1	9
Gain on sales of investment securities	(513)	(10)	(2,794)	(4,461)
Increase in notes and accounts receivable	2,565	3,789	1,323	22,304
Others	(712)	(2,785)	(1,130)	(6,192)
Interest and dividend income received	1,775	1,715	3,153	15,435
Interest paid	(1)	(0)	(1)	(9)
Income taxes paid	(12,246)	(9,147)	(18,661)	(106,487)
Net cash provided by operating activities	19,214	21,621	38,679	167,078
Cash flows from investing activities:				
Payments for purchases of marketable securities	(52,115)	(35,762)	(109,843)	(453,174)
Proceeds from sales of marketable securities	88,961	55,360	127,480	773,574
Payments for purchases of property, plant and equipment	(801)	(519)	(1,131)	(6,965)
Payments for purchases of investment securities	(14,013)	(25,553)	(28,035)	(121,852)
Proceeds from sales of investment securities	1,913	874	5,079	16,635
Other payments	(177)	(536)	(76)	(1,539)
Net cash generated from (used in) investment activities	23,768	(6,136)	(6,526)	206,679
Cash flows from financing activities:				
Repayment of current portion of long-term debt	(1)	(1)	(2)	(9)
Payments for obtaining treasury stock	(9,833)	(22)	(11,771)	(85,504)
Cash dividends	(6,906)	(9,373)	(14,062)	(60,052)
Cash dividends to minority shareholders	(5)	(4)	(4)	(43)
Net cash used in financing activities	(16,745)	(9,400)	(25,839)	(145,608)
Foreign currency translation adjustments				
on cash and cash equivalents	28	(4)	34	243
Net increase in cash and cash equivalents	26,265	6,081	6,348	228,392
Cash and cash equivalents, beginning	32,669	26,321	26,321	284,078
Cash and cash equivalents, ending	¥ 58,934	¥ 32,402	¥ 32,669	\$ 512,470

Semi-annual Flash Report (unaudited)

Six months ended September 30, 2007

Notes to Consolidated Financial Statements

Ono Pharmaceutical Co., Ltd. and Consolidated Subsidiaries

Note 1 This Semi-annual Flash Report 2008 (unaudited) is summary information extracted from the financial statements announced by the Company on November 8, 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 Semi-annual Flash Report 2008 (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 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 115 = US\$ 1, the approximate exchange rate prevailing on September 30, 2007.

Semi-annual Flash Report (unaudited)

Six months ended September 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					
		Semi-annual 6 months ended Sep 30 2007		Semi-annual 6 months ended Sep 30 2006		Annual 12 months ended Mar 31 2007	
Opalmon	Circulatory system agent	¥	184	¥	169	¥	338
Onon	Agent for bronchial asthma and allergic rhinitis		124		122		268
Kinedak	Agent for diabetic peripheral neuropathy		89		88		173
Foipan	Agent for chronic pancreatitis and postoperative reflux esophagitis		69		72		140
Onon dry syrup	Agent for pediatric bronchial asthma		51		48		114
Elaspol	Agent for acute lung injury associated with SIRS		26		26		53
Onoact	Agent for tachyarrhythmia during operation		8		2		9
Staybla	Agent for overactive bladder (pollakiuria and urinary incontinence)		3		—		—
Combined sales of							
	5 injection products(*)		91		103		196

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

Status of Development Pipeline (as of November 8, 2007)

- Changes from the First Quarter Flash Report for the Fiscal Year ended March 2008 announced on August 6, 2007 -

(Japan)

- Phase I study of ONO-7643 / RC-1291 for treatment of cancer anorexia / cachexia commenced in September.

(Outside of Japan)

- Phase I study of ONO-4641, an immuno-modulator, for the treatment of multiple sclerosis commenced in the U.S. in August.
- Our co-development partner, Medarex, Inc., commenced additional phase I study of ONO-4538, an immuno-stimulant, for the treatment of hepatitis C in the U.S. in October.

(Discontinued)

- Ono had pursued development of Cereact[®] Capsules for Alzheimer's disease, but discontinued the development for the disease in October because it failed to demonstrate efficacy in the phase II studies conducted in North America.
Meanwhile the phase II studies for amyotrophic lateral sclerosis (ALS) which is underway in Europe continues.
- Ono had pursued development of ONO-5129, a PPAR receptor agonist, for treatment of type II diabetes, but taking into account the situations that the U.S. FDA has been alerting cardiovascular side-effects of drugs in this class and that most of the drug developments in this class by other companies have discontinued due to safety concern, we decided to discontinue the development of ONO-5129 for this indication in September.
- In September Ono decided to discontinue the development of ONO-2231 for the treatment of acute ischemic stroke which had been underway in Europe because it has been recognized that it would be difficult to expect the efficacy in the clinical studies judging from the results of non-clinical experiments.

Semi-annual Flash Report (unaudited) Six months ended September 30, 2007

Ono Pharmaceutical Co., Ltd. and
Consolidated Subsidiaries

Supplemental Information

Status of Development Pipeline

as of November 8, 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-2333Ms (tablet)**
Depression and anxiety disorder (Phase I)
[CRF receptor antagonist]
- **ONO-7643 / RC-1291 (tablet)**
(in-licensed from Sapphire Therapeutics, Inc.)
Cancer anorexia / cachexia (Phase I)
[ghrelin mimetic]

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 β₁ 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):

- **MK-0724 / 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)
[neuroprotective effect (astrocyte modulator)]
- **ONO-2333Ms (tablet)**
Depression and anxiety disorder (Phase II)
[CRF receptor antagonist]
- **ONO-5334 (tablet)**
Osteoporosis (Phase II) [cathepsin K inhibitor]
- **ONO-4538 / MDX-1106 (injection)**
(co-development with Medarex, Inc.)
Cancer (Phase I)
Hepatitis C (Phase I)
[fully human anti-PD-1 antibody]
- **ONO-8539 (tablet)**
Overactive bladder (Phase I) [EP 1 antagonist]
- **ONO-4641 (tablet)**
Multiple sclerosis (Phase I) [S1P receptor agonist]

Semi-annual Flash Report (unaudited)

Year ended March 31, 2008

Ono Pharmaceutical Co., Ltd. and
Consolidated Subsidiaries

Supplemental Information

New Drugs in Development

Development status as of November 8, 2007

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:

Staybla® Tablets (ONO-8025 / KRP-197)

Staybla®, an antagonist selectively binding to muscarinic receptors, is for the treatment of overactive bladder (pollakiuria and urinary incontinence). The drug remarkably reduces burdens on patient daily life, such as frequent urination, urinary incontinence, and urgency of urination. The drug is characterized by having the high efficacy, and by having less adverse effect, such as dry mouth, caused by existing drugs with similar modes of action.

Japan: Approved / Overactive bladder (co-development with Kyorin Pharmaceutical Co., Ltd.)

Recalbon® Tablets (ONO-5920 / YM529)

Recalbon®, a drug for the treatment of osteoporosis, is one of the most potent bisphosphonates, rapidly preventing bone resorption at low doses and increasing in bone mineral density. The drug is characterized by having the high efficacy, and by having less adverse reaction on the digestive tract.

Japan: NDA filed / Osteoporosis (co-development with Astellas Pharma Inc.)

Emend® Capsules (ONO-7436 / MK-0869)

Emend® is the first neurokinin (NK) 1 antagonist in the world. The drug is effective not only for acute phase of chemotherapy-induced nausea and vomiting, but also for delayed phase (24 hours or later after start of chemotherapy) of nausea and vomiting caused by chemotherapy for which there was no effective drug.

Japan: NDA filed / Chemotherapy-induced nausea and vomiting

Overseas: Marketed (Merck & Co., Inc.)

Glactiv™ Tablets (ONO-5435 / MK-0431)

Glactiv™, a dipeptidyl-peptidase (DPP) IV inhibitor, is a new class of drug for type II diabetes and is expected to be useful for control of postprandial hyperglycemia with low risks of hypoglycemia and/or weight gain in type II diabetes patients.

Japan: Phase III / Type II diabetes (co-development with Banyu Pharmaceutical Co., Ltd.)

Overseas: Approved / Type II diabetes (Merck & Co., Inc.)

ONO-2540 / ENA713D (transdermal patch)

ONO-2540 or rivastigmine patch is a drug for the treatment of Alzheimer's disease with an inhibitory action on both acetylcholinesterase (AChE) and butyrylcholinesterase (BuChE). The drug inhibits not only AChE which is known as an enzyme deeply involved in Alzheimer's disease, but also BuChE which reportedly increases as the disease progresses. Therefore, the drug is expected to have an effect in patients who do not respond to existing drugs. The rivastigmine patch is the first transdermal system developed for the disease and is expected to provide greater convenience, e.g. caregivers can easily confirm the administration of the drug.

Japan: Phase III / Alzheimer's disease (co-development with Novartis Pharma K.K.)

Europe & US: Approved / Alzheimer's disease (Novartis AG)

Arocyte® for Injection (ONO-2506)

Arocyte® is a drug to prevent expansion of cerebral infarction by improving function of astrocyte, a kind of glial cells in the brain. In the late phase II study in Japan, safety and efficacy of Arocyte® in patients with acute ischemic stroke has been confirmed.

Japan: Phase II/III / Acute ischemic stroke

North America: Phase II / Acute ischemic stroke (Merck & Co., Inc.)

Cereact[®] Capsules (ONO-2506PO)

Abnormal activation of astrocyte has been blamed for neurodegenerative diseases such as amyotrophic lateral sclerosis (ALS), one of the intractable diseases. Cereact[®] has a new mechanism of action to prevent the occurrence and progression of various neurodegenerative diseases by improving astrocyte function.

Europe: Phase II / ALS

ONO-2333Ms (tablet)

ONO-2333Ms, a corticotropin-releasing factor (CRF) receptor antagonist, is developed primarily for the treatment of depression and/or anxiety disorder. The drug is characterized by exhibiting more potent and more rapid action, compared with existing drugs. In addition, based on the mechanism of drug action, ONO-2333Ms is expected to exhibit a fewer adverse reactions, such as dry mouth, gastrointestinal disorders, sexual dysfunction, and others than those with existing drugs.

Japan: Phase I / Depression and anxiety disorder

US: Phase II / Depression and anxiety disorder

ONO-7643 / RC-1291 (tablet)

ONO-7643 is a small molecule ghrelin mimetic and the development is underway in cancer anorexia / cachexia. The drug is a low molecular weight substance having similar pharmacological actions to ghrelin, which is a circulating peptide hormone that has multiple physiological actions, including appetite stimulation, muscle-building (anabolic) and gastrointestinal function modulating effects. The compound is therefore expected to be a breakthrough drug that would improve patient quality of life (QOL) impaired by exhausted general conditions based on anorexia and loss of body fat and muscle mass associated with progression of cancer.

Japan: Phase I / cancer anorexia / cachexia

US: Phase II / cancer anorexia / cachexia (Sapphire Therapeutics, Inc.)

ONO-5334 (tablet)

ONO-5334, a cathepsin K inhibitor, is being developed for osteoporosis with a novel mechanism of action. Unlike bisphosphonates, the drug only inhibits bone resorption without having impact on bone formation.

Europe: Phase II / Osteoporosis

ONO-4538 / MDX-1106 (injection)

ONO-4538, a fully human anti-PD-1 antibody, is expected to be a potential treatment for cancer and

other diseases. PD-1 is one of the receptors expressed on activated lymphocytes, and is involved in the negative regulatory system to suppress the activated lymphocytes. It has been reported that tumor cells utilize this system to escape from the host immune responses. It is anticipated that blockade of the negative regulatory signal mediated by PD-1 will promote the host's immune response, in which tumor cells and viruses are recognized as foreign and eliminated.

US: Phase I / Cancer and hepatitis C (co-development with Medarex, Inc.)

ONO-8539 (tablet)

ONO-8539 is a selective antagonist of EP1, one of subtype receptors of prostaglandin E2, and overactive bladder is the first indication for its clinical development program. It is expected that the drug can be given to the patients who are complicated with glaucoma for which use of anticholinergics is limited due to its mechanism of actions and with lower urinary obstruction including benign prostatic hypertrophy.

Europe: Phase I / Overactive bladder

ONO-4641 (tablet)

ONO-4641, a sphingosine-1-phosphate (S1P) receptor agonist, is developed for the treatment of multiple sclerosis. The drug is a low molecular weight substance having pharmacological actions that keep lymphocytes in lymph nodes, reduce lymphocyte count in the blood, and as a result inhibit infiltration of lymphocytes into lesions. The compound is therefore expected to be an innovative drug for the treatment of auto-immune diseases such as multiple sclerosis, one of the intractable diseases.

US: Phase I / Multiple sclerosis

<Additional Indications>

Onon[®] Capsules

Japan: Phase III / Chronic sinusitis

Opalmon[®] Tablets

Japan: Phase II / Cervical Spondylosis (co-development with Dainippon Sumitomo Pharma Co., Ltd.)

Onoact[®] for Injection

Japan: Phase II / Improvement of multislice CT coronary imaging ability

Elaspol[®] for Injection

Japan: Phase II / Acute respiratory failure associated with community-acquired pneumonia