

Semi-annual Flash Report (unaudited)

Six months ended September 30, 2008

ONO PHARMACEUTICAL CO., LTD.

November 6, 2008

Ono Pharmaceutical Co., Ltd. has announced its consolidated financial results for six months ended September 30, 2008.

This Semi-annual Flash Report 2009 (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 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 2008	Semi-annual 6 months ended Sep 30 2007	Annual 12 months ended Mar 31 2008	Semi-annual 6 months ended Sep 30 2008
Net sales	¥ 65,994	¥ 71,329	¥ 145,898	\$ 640,718
Net income	13,883	17,176	35,047	134,786
Total equity	402,752	443,912	430,263	3,910,214
Total assets	442,757	497,740	477,341	4,298,612
		Yen		US\$
Net income per common share	¥ 125.00	¥ 149.46	¥ 306.80	\$ 1.21

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Consolidated Financial Forecast for the Year Ending March 31,2009

Ono Pharmaceutical Co., Ltd. and Subsidiaries

	Year ending March 31,2009	
	Millions of yen	Thousands of US\$
Net sales	¥ 134,400	\$ 1,304,854
Operating income	39,600	384,466
Ordinary income	42,600	413,592
Net income	27,200	264,078
	Yen	US\$
Net income per common share	247.28	2.40

(*)The forecasts for the year ending March 31, 2009 are changed from August 5, 2008.

(*)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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Consolidated Balance Sheets

Ono Pharmaceutical Co., Ltd. and Subsidiaries

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

ASSETS	Millions of yen			Thousands of US\$
	Semi-annual September 30 2008	Semi-annual September 30 2007	Annual March 31 2008	Semi-annual September 30 2008
Current assets				
Cash and bank deposits	¥ 15,677	¥ 17,561	¥ 14,256	\$ 152,204
Notes and accounts receivable	35,532	39,508	41,107	344,971
Marketable securities	106,948	124,043	130,599	1,038,330
Inventories	10,503	9,957	9,972	101,971
Others	16,095	14,056	16,133	156,262
Allowance for doubtful receivables	(9)	(10)	(10)	(87)
Total current assets	184,746	205,115	212,057	1,793,651
Property, plant and equipment				
Land	22,546	22,546	22,546	218,893
Buildings and structures	63,243	62,755	63,005	614,010
Machinery, equipment and others	25,052	25,484	24,844	243,223
Construction in progress	411	94	296	3,990
Accumulated depreciation	(60,566)	(58,522)	(59,429)	(588,019)
Net property, plant and equipment	50,686	52,357	51,262	492,097
Investments and other assets				
Investment securities	200,689	233,848	207,516	1,948,437
Deferred tax assets	49	42	48	476
Intangible assets	1,006	1,054	1,042	9,767
Others	5,581	5,324	5,416	54,184
Total investments and other assets	207,325	240,268	214,022	2,012,864
Total assets	¥ 442,757	¥ 497,740	¥ 477,341	\$ 4,298,612

(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 2008	Semi-annual September 30 2007	Annual March 31 2008	Semi-annual September 30 2008
Current liabilities				
Current portion of long-term debt	¥ 1	¥ 1	¥ 1	\$ 10
Notes and accounts payable	3,239	3,429	3,045	31,447
Income taxes payable	8,359	10,411	13,837	81,155
Others	10,741	12,086	12,527	104,281
Total current liabilities	22,340	25,927	29,410	216,893
Long-term liabilities				
Long-term debt, less current portion	16	18	18	155
Long-term accounts payable	553	713	713	5,369
Liability for retirement benefits	10,441	8,463	8,668	101,369
Deferred tax liabilities	6,646	18,707	8,269	64,524
Others	9	—	—	88
Total long-term liabilities	17,665	27,901	17,668	171,505
Equity				
Common stock	17,358	17,358	17,358	168,524
Capital surplus	17,080	17,015	17,080	165,826
Retained earnings	422,464	414,316	421,279	4,101,592
Treasury stock	(63,406)	(34,539)	(36,861)	(615,592)
Total shareholders' equity	393,496	414,150	418,856	3,820,350
Other comprehensive income				
Unrealized gain on securities (*)	14,848	35,717	17,112	144,155
Land revaluation difference	(8,919)	(8,919)	(8,919)	(86,592)
Foreign currency translation adjustments	(26)	72	(21)	(252)
Total other comprehensive income	5,903	26,870	8,172	57,311
Minority interests	3,353	2,892	3,235	32,553
Total equity	402,752	443,912	430,263	3,910,214
Total liabilities and equity	¥ 442,757	¥ 497,740	¥ 477,341	\$ 4,298,612

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

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Consolidated Statements of Income

Ono Pharmaceutical Co., Ltd. and 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 2008	Semi-annual 6 months ended Sep 30 2007	Annual 12 months ended Mar 31 2008	Semi-annual 6 months ended Sep 30 2008
Net sales	¥ 65,994	¥ 71,329	¥ 145,898	\$ 640,718
Cost of sales	10,283	10,411	20,861	99,835
Gross profit	55,711	60,918	125,037	540,883
Selling, general and administrative expenses	35,000	34,449	72,750	339,805
Operating income	20,711	26,469	52,287	201,078
Other income (expenses)				
Interest and dividend income	1,833	1,626	3,060	17,796
Interest expenses	(0)	(1)	(1)	(0)
Other, net	6	252	4,167	58
	1,839	1,877	7,226	17,854
Income before income taxes and minority interests	22,550	28,346	59,513	218,932
Income taxes				
Current	8,511	10,625	24,738	82,631
Deferred	—	422	(697)	—
	8,511	11,047	24,041	82,631
Income before minority interests	14,039	17,299	35,472	136,301
Minority interests	(156)	(123)	(425)	(1,515)
Net income	¥ 13,883	¥ 17,176	¥ 35,047	\$ 134,786
Per share of common share				
Basic net income	¥ 125.00	¥ 149.46	¥ 306.80	\$ 1.21
Cash dividends applicable to the year	¥ 90.00	¥ 90.00	¥ 202.00	\$ 0.87

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Consolidated Statements of Cash Flows

Ono Pharmaceutical Co., Ltd. and 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 2008	Semi-annual 6 months ended Sep 30 2007	Annual 12 months ended Mar 31 2008	Semi-annual 6 months ended Sep 30 2008
Operating activities:				
Income before income taxes and minority interests	¥ 22,550	¥ 28,346	¥ 59,513	\$ 218,932
Adjustments for:				
Depreciation and amortization	1,461	1,659	3,384	14,184
Decrease in allowance for doubtful receivables	(1)	(3)	(12)	(10)
Interest and dividend income	(1,833)	(1,626)	(3,060)	(17,796)
Gain on sales of investment securities	(1,297)	(513)	(5,393)	(12,592)
Decrease in trade notes and accounts receivable	5,603	2,565	925	54,398
Increase in inventories	(531)	(640)	(595)	(5,155)
Increase (decrease) in trade notes and accounts payable	37	114	(26)	359
Others-net	1,133	(216)	1,474	11,001
Interest and dividend income received	1,957	1,775	3,302	19,000
Interest paid	(0)	(1)	(1)	(0)
Income taxes paid	(13,982)	(12,246)	(22,989)	(135,748)
Net cash provided by operating activities	15,097	19,214	36,522	146,573
Investing activities:				
Payments for purchases of marketable securities	(26,710)	(52,115)	(109,282)	(259,320)
Proceeds from sales of marketable securities	72,858	88,961	147,991	707,359
Payments for purchases of property, plant and equipment	(686)	(801)	(1,592)	(6,660)
Payments for purchases of investment securities	(15,723)	(14,013)	(42,441)	(152,650)
Proceeds from sales of investment securities	2,153	1,913	13,308	20,903
Others-net	(117)	(177)	(550)	(1,137)
Net cash generated from (used in) investment activities	31,775	23,768	7,434	308,495
Financing activities:				
Repayment of current portion of long-term debt	(1)	(1)	(2)	(10)
Payments for purchases of treasury stock	(26,545)	(9,833)	(12,165)	(257,718)
Proceeds from sales of treasury stock	—	—	120	—
Cash dividends	(12,679)	(6,906)	(17,119)	(123,097)
Cash dividends to minority shareholders	(5)	(5)	(5)	(49)
Net cash used in financing activities	(39,230)	(16,745)	(29,171)	(380,874)
Foreign currency translation adjustments				
on cash and cash equivalents	(36)	28	(21)	(350)
Net increase in cash and cash equivalents	7,606	26,265	14,764	73,844
Cash and cash equivalents, beginning	47,433	32,669	32,669	460,515
Cash and cash equivalents, ending	¥ 55,039	¥ 58,934	¥ 47,433	\$ 534,359

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Notes to Consolidated Financial Statements

Ono Pharmaceutical Co., Ltd. and Subsidiaries

Note 1 This Semi-annual Flash Report 2009 (unaudited) is summary information extracted from the financial statements announced by the Company on November 6, 2008.

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 2009 (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 103 = US\$ 1, the approximate exchange rate prevailing on September 30, 2008.

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Sales of Major Products

Supplemental Data

For information purpose only

		Hundred Millions of yen					
		Semi-annual 6 months ended Sep 30 2008		Semi-annual 6 months ended Sep 30 2007		Annual 12 months ended Mar 31 2008	
Opalmon	Circulatory system agent	¥	191	¥	184	¥	373
Onon	Agent for bronchial asthma and allergic rhinitis		106		124		271
Kinedak	Agent for diabetic peripheral neuropathy		82		89		174
Foipan	Agent for chronic pancreatitis and postoperative reflux esophagitis		62		69		134
Onon dry syrup	Agent for pediatric bronchial asthma		39		51		110
Elaspol	Agent for acute lung injury associated with SIRS		24		26		54
Onoact	Agent for tachyarrhythmia during operation		13		8		19
Staybla	Agent for overactive bladder (pollakiuria and urinary incontinence)		6		3		5

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Supplemental Information

Status of Development Pipeline

as of November 6, 2008

Developments in Japan

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]
- **Glactiv[®] Tablets (ONO-5435 / MK-0431)**
(co-development with **Banyu Pharmaceutical Co., Ltd.**)
Type II diabetes [DPP-IV inhibitor]

Ongoing clinical studies (New Chemical Entities):

- **ONO-2540 / ENA713D (transdermal patch)**
(co-development with **Novartis Pharma K.K.**)
Alzheimer's disease (Phase III)
[dual inhibitor of AChE and BuChE]
- **ONO-7643 / RC-1291 (tablet)**
(in-licensed from **Sapphire Therapeutics, Inc.**)
Cancer anorexia / cachexia (Phase I)
[ghrelin mimetic]
- **ONO-5334 (tablet)**
Osteoporosis (Phase I) [cathepsin K inhibitor]
- **ONO-8539 (tablet)**
Overactive bladder (Phase I) [EP 1 antagonist]
- **ONO-7847 / MK-0517 (injection)**
(in-licensed from **Merck & Co., Inc.**)
Chemotherapy-induced nausea and vomiting (Phase I)
[NK1 antagonist]
- **ONO-4641 (tablet)**
Multiple sclerosis (Phase I) [S1P receptor agonist]
- **ONO-4538 / MDX-1106 (injection)**
Cancer (Phase I)
[fully human anti-PD-1 antibody]

Ongoing clinical studies (Additional Indications):

- **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]

Ongoing clinical studies (New Dosage Regimen):

- **ONO-5920 / YM529 (tablet)**
(co-development with **Astellas Pharma Inc.**)
Osteoporosis (Phase II / III)
[bone resorption inhibitor (bisphosphonate)]

Developments abroad

Ongoing clinical studies (New Chemical Entities):

- **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]

Changes from the First Quarter Flash Report for the Fiscal Year ended March 2009 announced on August 6, 2008

(In Japan)

- Ono discontinued domestic development of Arocyte[®] for Injection (ONO-2506) for the treatment of acute ischemic stroke because the compound failed to demonstrate the expected efficacy in the phase II / III studies. Overseas development that has been pursued by Merck was also discontinued.
- Ono commenced Phase II / III study of ONO-5920 / YM529, a drug for the treatment of Osteoporosis. This is intermittently administered oral formulation of Recalbon[®] Tablets.
- Ono commenced Phase I study of ONO-4641, a drug for multiple sclerosis.
- Ono commenced Phase I study of ONO-4538 / MDX-1106, a drug for cancer.

(Outside of Japan)

- Ono discontinued development of Cereact[®] Capsules (ONO-2506PO) for the treatment of amyotrophic lateral sclerosis (ALS) because the compound failed to demonstrate the expected efficacy in the phase II studies performed in Europe.