

First-Third Quarter (April 1 – December 31, 2008) Flash Report (unaudited)

Nine months ended December 31, 2008

ONO PHARMACEUTICAL CO., LTD.

February 5, 2009

Ono Pharmaceutical Co., Ltd. has announced its consolidated financial results for nine months ended December 31, 2008.

This First-Third Quarter Flash Report 2009 (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 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 2008	1st-3rd Quarter 9 months ended Dec 31 2007	Annual 12 months ended Mar 31 2008	1st-3rd Quarter 9 months ended Dec 31 2008
Net sales	¥ 104,254	¥ 112,952	¥ 145,898	\$ 1,145,648
Net income	20,853	28,517	35,047	229,154
Total equity	391,214	434,670	430,263	4,299,055
Total assets	428,441	482,849	477,341	4,708,143
		Yen		US\$
Net income per common share	¥ 188.94	¥ 249.08	¥ 306.80	\$ 2.08

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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	\$ 1,476,923
Operating income	39,600	435,165
Ordinary income	42,600	468,132
Net income	24,500	269,231
	Yen	US\$
Net income per common share	222.74	2.45

(*)The forecast for the year ending March 31, 2009 is changed from November 6, 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\$
	1st-3rd Quarter December 31 2008	1st-3rd Quarter December 31 2007	Annual March 31 2008	1st-3rd Quarter December 31 2008
Current assets				
Cash and bank deposits	¥ 16,064	¥ 16,719	¥ 14,256	\$ 176,527
Notes and accounts receivable	46,381	50,287	41,107	509,681
Marketable securities	98,097	102,672	130,599	1,077,989
Inventories	9,700	9,155	9,972	106,593
Others	16,184	14,237	16,133	177,846
Allowance for doubtful receivables	(10)	(12)	(10)	(109)
Total current assets	186,416	193,058	212,057	2,048,527
Property, plant and equipment				
Land	22,546	22,546	22,546	247,758
Buildings and structures	24,047	25,384	24,971	264,253
Machinery, equipment and others	3,138	3,717	3,449	34,484
Construction in progress	740	159	296	8,132
Net property, plant and equipment	50,471	51,806	51,262	554,627
Investments and other assets				
Investment securities	184,321	231,404	207,516	2,025,505
Intangible assets	1,068	1,087	1,042	11,736
Others	6,165	5,494	5,464	67,748
Total investments and other assets	191,554	237,985	214,022	2,104,989
Total assets	¥ 428,441	¥ 482,849	¥ 477,341	\$ 4,708,143

(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 2008	1st-3rd Quarter December 31 2007	Annual March 31 2008	1st-3rd Quarter December 31 2008
Current liabilities				
Current portion of long-term debt	¥ 2	¥ 2	¥ 1	\$ 22
Notes and accounts payable	3,180	3,160	3,045	34,945
Income taxes payable	7,153	7,433	13,837	78,604
Others	11,967	14,108	12,527	131,506
Total current liabilities	22,302	24,703	29,410	245,077
Long-term liabilities				
Long-term debt, less current portion	16	18	18	176
Long-term accounts payable	553	713	713	6,077
Liability for retirement benefits	11,391	8,572	8,668	125,176
Deferred tax liabilities	2,955	14,173	8,269	32,473
Others	10	—	—	109
Total long-term liabilities	14,925	23,476	17,668	164,011
Equity				
Common stock	17,358	17,358	17,358	190,747
Capital surplus	17,080	17,064	17,080	187,692
Retained earnings	419,648	414,749	421,279	4,611,517
Treasury stock	(63,418)	(36,860)	(36,861)	(696,901)
Total shareholders' equity	390,668	412,311	418,856	4,293,055
Other comprehensive income				
Unrealized gain on securities (*)	6,132	28,038	17,112	67,385
Land revaluation difference	(8,919)	(8,919)	(8,919)	(98,011)
Foreign currency translation adjustments	(54)	101	(21)	(594)
Total other comprehensive income	(2,841)	19,220	8,172	(31,220)
Minority interests				
	3,387	3,139	3,235	37,220
Total equity	391,214	434,670	430,263	4,299,055
Total liabilities and equity	¥ 428,441	¥ 482,849	¥ 477,341	\$ 4,708,143

(*) 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\$
	1st-3rd Quarter 9 months ended Dec 31 2008	1st-3rd Quarter 9 months ended Dec 31 2007	Annual 12 months ended Mar 31 2008	1st-3rd Quarter 9 months ended Dec 31 2008
Net sales	¥ 104,254	¥ 112,952	¥ 145,898	\$ 1,145,648
Cost of sales	16,121	16,142	20,861	177,153
Gross profit	88,133	96,810	125,037	968,495
Selling, general and administrative expenses	52,983	52,703	72,750	582,231
Operating income	35,150	44,107	52,287	386,264
Other income (expenses)				
Interest and dividend income	2,902	2,626	3,060	31,890
Interest expenses	(0)	(1)	(1)	(4)
Other, net	(2,756)	955	4,167	(30,282)
	146	3,580	7,226	1,604
Income before income taxes and minority interests	35,296	47,687	59,513	387,868
Income taxes	14,241	18,826	24,041	156,494
Income before minority interests	21,055	28,861	35,472	231,374
Minority interests	(202)	(344)	(425)	(2,220)
Net income	¥ 20,853	¥ 28,517	¥ 35,047	\$ 229,154
		Yen		US\$
Per share of common share				
Basic net income	¥ 188.94	¥ 249.08	¥ 306.80	\$ 2.08
Cash dividends applicable to the year	¥ —	¥ —	¥ 202.00	\$ —

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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\$
	Ist-3rd Quarter 9 months ended Dec 31 2008	1st-3rd Quarter 9 months ended Dec 31 2007	Annual 12 months ended Mar 31 2008	Ist-3rd Quarter 9 months ended Dec 31 2008
Operating activities:				
Income before income taxes and minority interests	¥ 35,296	¥ 47,687	¥ 59,513	\$ 387,868
Adjustments for:				
Depreciation and amortization	2,223	2,510	3,384	24,429
Decrease in allowance for doubtful receivables	(1)	(1)	(12)	(11)
Interest and dividend income	(2,902)	(2,626)	(3,060)	(31,890)
Gain on sales of investment securities	(1,327)	(767)	(5,393)	(14,582)
Loss on valuation of investment securities	3,969	—	—	43,615
Decrease(increase) in trade notes and accounts receivable	(5,257)	(8,214)	925	(57,769)
Decrease(increase) in inventories	272	219	(595)	2,989
Increase (decrease) in trade notes and accounts payable	(88)	94	(26)	(967)
Others-net	1,377	443	1,474	15,136
Interest and dividend income received	3,053	2,796	3,302	33,549
Interest paid	(0)	(0)	(1)	(4)
Income taxes paid	(20,873)	(22,955)	(22,989)	(229,374)
Net cash provided by operating activities	15,742	19,186	36,522	172,989
Investing activities:				
Payments for purchases of marketable securities	(70,119)	(72,455)	(109,282)	(770,538)
Proceeds from sales of marketable securities	122,608	121,082	147,991	1,347,341
Payments for purchases of property, plant and equipment	(1,178)	(1,194)	(1,592)	(12,945)
Payments for purchases of investment securities	(21,489)	(32,445)	(42,441)	(236,143)
Proceeds from sales of investment securities	2,201	2,192	13,308	24,187
Others-net	(307)	(418)	(550)	(3,375)
Net cash generated from (used in) investment activities	31,716	16,762	7,434	348,527
Financing activities:				
Repayment of current portion of long-term debt	(1)	(1)	(2)	(11)
Payments for purchases of treasury stock	(26,556)	(12,162)	(12,165)	(291,824)
Proceeds from sales of treasury stock	—	92	120	—
Cash dividends	(21,843)	(16,496)	(17,119)	(240,033)
Cash dividends to minority shareholders	(5)	(5)	(5)	(55)
Net cash used in financing activities	(48,405)	(28,572)	(29,171)	(531,923)
Foreign currency translation adjustments				
on cash and cash equivalents	(77)	(13)	(21)	(846)
Net increase in cash and cash equivalents	(1,024)	7,363	14,764	(11,253)
Cash and cash equivalents, beginning	47,433	32,669	32,669	521,242
Cash and cash equivalents, ending	¥ 46,409	¥ 40,032	¥ 47,433	\$ 509,989

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Notes to Consolidated Financial Statements

Ono Pharmaceutical Co., Ltd. and Subsidiaries

Note 1 This First-Third Quarter Flash Report 2009 (unaudited) is a summary information extracted from the financial statements announced by the Company on February 5, 2009.

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 2009 (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 91 = US\$ 1, the approximate exchange rate prevailing on December 31, 2008.

First-Third Quarter (April 1 – December 31, 2008) Flash Report (unaudited)

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Sales of Major Products

Supplemental Data

For information purpose only

		Hundred Millions of yen		
		1st-3rd Quarter 9 months ended Dec 31 2008	1st-3rd Quarter 9 months ended Dec 31 2007	Annual 12 months ended Mar 31 2008
Opalmon	Circulatory system agent	¥ 299	¥ 293	¥ 373
Onon	Agent for bronchial asthma and allergic rhinitis	170	198	271
Kinedak	Agent for diabetic peripheral neuropathy	126	139	174
Foipan	Agent for chronic pancreatitis and postoperative reflux esophagitis	97	108	134
Onon dry syrup	Agent for pediatric bronchial asthma	68	87	110
Elaspol	Agent for acute lung injury associated with SIRS	39	43	54
Onoact	Agent for tachyarrhythmia during and post operation	22	15	19
Staybla	Agent for overactive bladder (pollakiuria and urinary incontinence)	14	3	5

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Ono Pharmaceutical Co., Ltd. and
Consolidated Subsidiaries

Supplemental Information

Status of Development Pipeline

as of February 5, 2009

Developments in Japan

Approved (New Chemical Entities):

- **Recalbon® Tablets (ONO-5920 / YM529)**
(co-development with **Astellas Pharma Inc.**)
Osteoporosis [bone resorption inhibitor (bisphosphonate)]

NDA filed (New Chemical Entities):

- **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 β₁ 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-8539 (tablet)**
Overactive bladder (Phase II) [EP 1 antagonist]
- **ONO-4538 / MDX-1106 (injection)**
(co-development with **Medarex, Inc.**)
Cancer (Phase I)
Hepatitis C (Phase I)
[fully human anti-PD-1 antibody]
- **ONO-4641 (tablet)**
Multiple sclerosis (Phase I) [S1P receptor agonist]

Changes from the Semi-annual Flash Report for the Fiscal Year ended March 2009 announced on November 6, 2008

(In Japan)

- Recalbon® Tablets, a drug for osteoporosis treatment, was approved in Japan on January 21, 2009.

(Outside of Japan)

- Ono commenced Phase II study of ONO-8539, a drug for overactive bladder in Europe.