

## First Quarter (April 1 – June 30, 2011) Flash Report (unaudited)

Three months ended June 30, 2011

# ONO PHARMACEUTICAL CO., LTD.

August 2, 2011

Ono Pharmaceutical Co., Ltd. has announced its consolidated financial results for three months ended June 30, 2011.

This First Quarter Flash Report 2012 (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.			
	Millions of yen			Thousands of US\$
	<b>1st Quarter 3 months ended Jun 30 2011</b>	1st Quarter 3 months ended Jun 30 2010	Annual 12 months ended Mar 31 2011	<b>1st Quarter 3 months ended Jun 30 2011</b>
Net sales	¥ 36,329	¥ 33,830	¥ 135,255	\$ 454,113
Net income	8,346	8,322	24,222	104,325
Total Net assets	392,963	399,512	394,573	4,912,038
Total assets	423,629	427,282	424,443	5,295,363
		Yen		US\$
Net income per common share	¥ 78.72	¥ 76.54	¥ 223.88	\$ 0.98

**First Quarter (April 1 – June 30, 2011) Flash Report (unaudited)**

Three months ended June 30, 2011

**Consolidated Forecast of Consolidated Results for the Six Months  
Ending September 30, 2011 and for the Year Ending March 31, 2012**

Ono Pharmaceutical Co., Ltd. and Consolidated Subsidiaries

	Six months ending		Year ending	
	September 30, 2011		March 31, 2012	
	Millions of yen	Thousands of US\$	Millions of yen	Thousands of US\$
Net sales	¥ 67,200	\$ 840,000	¥ 140,000	\$ 1,750,000
Operating income	15,800	197,500	35,700	446,250
Ordinary income	17,100	213,750	37,800	472,500
Net income	11,100	138,750	24,500	306,250
	Yen	US\$	Yen	US\$
Net income per common share	104.70	1.31	231.09	2.89

(\*)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, 2011) Flash Report (unaudited)**  
**Three months ended June 30, 2011**

## 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 2011	1st Quarter June 30 2010	Annual March 31 2011	1st Quarter June 30 2011
<b>Current assets</b>				
Cash and bank deposits	¥ 19,328	¥ 14,831	¥ 22,445	\$ 241,600
Notes and accounts receivable	40,935	37,163	36,704	511,688
Marketable securities	100,708	99,574	103,524	1,258,850
Inventories	13,687	13,855	13,048	171,088
Others	15,198	22,989	15,658	189,975
Allowance for doubtful receivables	(5)	(11)	(9)	(63)
<b>Total current assets</b>	<b>189,851</b>	<b>188,401</b>	<b>191,370</b>	<b>2,373,138</b>
<b>Property, plant and equipment</b>				
Land	22,552	22,514	22,552	281,900
Buildings and structures	22,118	23,232	22,542	276,475
Machinery, equipment and others	2,823	2,975	2,864	35,287
Construction in progress	726	674	658	9,075
<b>Net property, plant and equipment</b>	<b>48,219</b>	<b>49,395</b>	<b>48,616</b>	<b>602,737</b>
<b>Investments and other assets</b>				
Investment securities	168,951	176,583	167,953	2,111,888
Intangible assets	925	872	956	11,563
Others	15,683	12,031	15,548	196,037
<b>Total investments and other assets</b>	<b>185,559</b>	<b>189,486</b>	<b>184,457</b>	<b>2,319,488</b>
<b>Total assets</b>	<b>¥ 423,629</b>	<b>¥ 427,282</b>	<b>¥ 424,443</b>	<b>\$ 5,295,363</b>

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

LIABILITIES AND EQUITY	Millions of yen			Thousands of US\$
	1st Quarter June 30 2011	1st Quarter June 30 2010	Annual March 31 2011	1st Quarter June 30 2011
<b>Current liabilities</b>				
Current portion of long-term debt	¥ 2	¥ 2	¥ 2	\$ 25
Notes and accounts payable	4,858	3,395	5,325	60,725
Income tax payable	4,551	4,443	7,422	56,887
Others	17,526	16,380	13,449	219,075
<b>Total current liabilities</b>	<b>26,937</b>	<b>24,220</b>	<b>26,198</b>	<b>336,712</b>
<b>Long-term liabilities</b>				
Long-term debt, less current portion	12	14	12	150
Liabilities for retirement benefits	616	404	547	7,700
Asset retirement obligations	52	51	52	650
Others	3,049	3,081	3,061	38,113
<b>Total long-term liabilities</b>	<b>3,729</b>	<b>3,550</b>	<b>3,672</b>	<b>46,613</b>
<b>Equity</b>				
Common stock	17,358	17,358	17,358	216,975
Capital surplus	17,080	17,080	17,080	213,500
Retained earnings	419,314	429,421	435,536	5,241,425
Treasury stock-at cost	(59,196)	(63,443)	(74,219)	(739,950)
<b>Total equity</b>	<b>394,556</b>	<b>400,416</b>	<b>395,755</b>	<b>4,931,950</b>
<b>Other comprehensive income</b>				
Unrealized gain on securities (*)	3,632	4,543	4,163	45,400
Land revaluation surplus	(8,939)	(8,938)	(8,938)	(111,738)
Foreign currency translation adjustments	(241)	(180)	(267)	(3,012)
<b>Total other comprehensive income</b>	<b>(5,548)</b>	<b>(4,575)</b>	<b>(5,042)</b>	<b>(69,350)</b>
<b>Minority interests</b>	<b>3,955</b>	<b>3,671</b>	<b>3,860</b>	<b>49,438</b>
<b>Total net assets</b>	<b>392,963</b>	<b>399,512</b>	<b>394,573</b>	<b>4,912,038</b>
<b>Total liabilities and total net assets</b>	<b>¥ 423,629</b>	<b>¥ 427,282</b>	<b>¥ 424,443</b>	<b>\$ 5,295,363</b>

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

## First Quarter (April 1 – June 30, 2011) Flash Report (unaudited)

Three months ended June 30, 2011

### 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 2011	1st Quarter 3 months ended Jun 30 2010	Annual 12 months ended Mar 31 2011	1st Quarter 3 months ended Jun 30 2011
<b>Net sales</b>	¥ <b>36,329</b>	¥ 33,830	¥ 135,255	\$ <b>454,113</b>
<b>Cost of sales</b>	<b>6,808</b>	5,935	24,759	<b>85,100</b>
Gross profit	<b>29,521</b>	27,895	110,496	<b>369,013</b>
<b>Selling, general and administrative expenses</b>	<b>17,339</b>	16,155	75,295	<b>216,738</b>
Operating income	<b>12,182</b>	11,740	35,201	<b>152,275</b>
<b>Other income (expenses)</b>				
Interest and dividend income	<b>1,228</b>	1,252	2,947	<b>15,350</b>
Interest expenses	—	—	(1)	—
Other, net	<b>(392)</b>	(222)	(1,247)	<b>(4,900)</b>
	<b>836</b>	1,030	1,699	<b>10,450</b>
Income before income taxes and minority interests	<b>13,018</b>	12,770	36,900	<b>162,725</b>
<b>Income taxes</b>	<b>4,572</b>	4,399	12,420	<b>57,150</b>
Income before minority interests	<b>8,446</b>	8,371	24,480	<b>105,575</b>
<b>Minority interests</b>	<b>(100)</b>	(49)	(258)	<b>(1,250)</b>
<b>Net income</b>	¥ <b>8,346</b>	¥ 8,322	¥ 24,222	\$ <b>104,325</b>
<b>Per share of common stock</b>				
Basic net income	¥ <b>78.72</b>	¥ 76.54	¥ 223.88	\$ <b>0.98</b>
Cash dividends applicable to the period	¥ —	¥ —	¥ 180.00	\$ —

**First Quarter (April 1 – June 30, 2011) Flash Report (unaudited)**

Three months ended June 30, 2011

**Consolidated Statements of Comprehensive 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\$
	<b>1st Quarter 3 months ended Jun 30 2011</b>	1st Quarter 3 months ended Jun 30 2010	Annual 12 months ended Mar 31 2011	<b>1st Quarter 3 months ended Jun 30 2011</b>
<b>Net income before minority interests</b>	<b>¥ 8,446</b>	¥ 8,371	¥ 24,480	<b>\$ 105,575</b>
<b>Other comprehensive income</b>				
Unrealized loss on available-for-sale securities	<b>(532)</b>	(5,163)	(5,563)	<b>(6,650)</b>
Foreign currency translation adjustments	<b>25</b>	(7)	(93)	<b>313</b>
Share of other comprehensive income in associates	<b>(0)</b>	(3)	(4)	<b>(0)</b>
Total other comprehensive income	<b>(507)</b>	(5,173)	(5,660)	<b>(6,337)</b>
<b>Comprehensive income</b>	<b>7,939</b>	3,197	18,820	<b>99,238</b>
<b>Total comprehensive income attributable to</b>				
Owners of the parent	<b>7,840</b>	3,152	18,585	<b>98,000</b>
Minority interests	<b>99</b>	45	235	<b>1,238</b>

## First Quarter (April 1 – June 30, 2011) Flash Report (unaudited)

Three months ended June 30, 2011

### 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 2011	1st Quarter 3 months ended Jun 30 2010	Annual 12 months ended Mar 31 2011	1st Quarter 3 months ended Jun 30 2011
<b>Operating activities:</b>				
Income before income taxes and minority interests	¥ 13,018	¥ 12,770	¥ 36,900	\$ 162,725
Adjustments for:				
Depreciation and amortization	688	717	3,052	8,600
Decrease in allowance for doubtful receivables	(1)	(2)	(4)	(13)
Increase (decrease) in provision for retirement benefits, net	68	(195)	(52)	850
Interest and dividend income	(1,228)	(1,252)	(2,947)	(15,350)
Loss on valuation of investment securities	354	72	614	4,425
Interest expenses	—	—	1	—
Increase in notes and accounts receivable	(4,230)	(5,539)	(5,082)	(52,875)
(Increase) decrease in inventories	(640)	771	1,580	(8,000)
Increase (decrease) in trade notes and accounts payable	(665)	1,057	2,952	(8,313)
Others	3,640	1,547	3,277	45,501
Interest and dividend income received	1,302	1,330	3,178	16,275
Interest paid	—	—	(1)	—
Income taxes paid	(7,431)	(8,339)	(13,672)	(92,887)
<b>Net cash (used in) provided by operating activities</b>	<b>4,875</b>	<b>2,937</b>	<b>29,796</b>	<b>60,938</b>
<b>Investing activities:</b>				
Payments for purchases of marketable securities	(6,797)	(2,357)	(35,548)	(84,962)
Proceeds from sales of marketable securities	22,240	12,050	63,550	278,000
Payments for purchases of property, plant and equipment	(489)	(284)	(1,294)	(6,113)
Payments for purchases of investment securities	(10,307)	(2,020)	(15,321)	(128,838)
Proceeds from sales of investment securities	2	5	14	25
Other payments	(83)	63	(286)	(1,037)
<b>Net cash generated from provided by (used in) investment</b>	<b>4,566</b>	<b>7,457</b>	<b>11,115</b>	<b>57,075</b>
<b>Financing activities:</b>				
Repayment of current portion of long-term debt	—	—	(2)	—
Payments for obtaining treasury stock	(2)	(3)	(10,779)	(25)
Cash dividends	(8,570)	(8,830)	(19,555)	(107,125)
<b>Net cash used in financing activities</b>	<b>(8,572)</b>	<b>(8,833)</b>	<b>(30,336)</b>	<b>(107,150)</b>
<b>Foreign currency translation adjustments</b>				
<b>on cash and cash equivalents</b>	<b>26</b>	<b>(5)</b>	<b>(95)</b>	<b>325</b>
<b>Net decrease in cash and cash equivalents</b>	<b>895</b>	<b>1,556</b>	<b>10,480</b>	<b>11,188</b>
<b>Cash and cash equivalents, beginning</b>	<b>82,577</b>	<b>72,097</b>	<b>72,097</b>	<b>1,032,212</b>
<b>Cash and cash equivalents, ending</b>	<b>¥ 83,472</b>	<b>¥ 73,653</b>	<b>¥ 82,577</b>	<b>\$ 1,043,400</b>

**First Quarter (April 1 – June 30, 2011) Flash Report (unaudited)**  
Three months ended June 30, 2011

## **Notes to Consolidated Financial Statements**

Ono Pharmaceutical Co., Ltd. and Consolidated Subsidiaries

- Note 1 This First Quarter Flash Report 2012 (unaudited) is a summary information extracted from the financial statements announced by the Company on August 2, 2011. 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 2012 (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 80 = US\$ 1, the approximate exchange rate prevailing on June 30, 2011.



## First Quarter (April 1 – June 30, 2011) Flash Report (unaudited)

Three months ended June 30, 2011

### Sales of Major Products

Supplemental Data

For information purpose only

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

		1st Quarter 3 months ended Jun 30 2011		
		Results	Increase/Decrease	
<b>Opalmon</b>	Circulatory system agent	¥ 101	¥ ▲ 4	▲3.9%
<b>Glactiv</b>	Agent for type II diabetes	62	+47	309.9%
<b>Onon</b>	Agent for bronchial asthma and allergic rhinitis	52	▲ 1	▲1.0%
<b>Kinedak</b>	Agent for diabetic peripheral neuropathy	31	▲ 6	▲17.1%
<b>Foipan</b>	Agent for chronic pancreatitis and postoperative reflux esophagitis	27	▲ 3	▲11.1%
<b>Onon dry syrup</b>	Agent for pediatric bronchial asthma	19	▲ 3	▲13.2%
<b>Staybla</b>	Agent for overactive bladder (pollakiuria and urinary incontinence)	16	+1	8.8%
<b>Emend</b>	Agent for Chemotherapy-induced nausea and vomiting	16	+7	78.8%
<b>Elaspol</b>	Agent for acute lung injury associated with SIRS	11	▲ 2	▲16.0%
<b>Onoact</b>	Agent for tachyarrhythmia during and post operation	9	▲0	▲1.2%
<b>Recalbon</b>	Agent for osteoporosis	5	+1	16.6%

Note: Sales of products are shown in a gross sales basis.

## First Quarter (April 1 – June 30, 2011) Flash Report (unaudited)

Three months ended June 30, 2011

Ono Pharmaceutical Co., Ltd. and  
Consolidated Subsidiaries

### Supplemental Information

## Status of Development Pipeline

as of August 2, 2011

### Developments in Japan

#### *NDA approved (Additional Indications)*

- **Glactiv<sup>®</sup> Tablets (ONO-5435 / MK-0431)**  
(co-development with MSD K.K.)  
Type II diabetes: combination therapy with an alpha-glucosidase inhibitor [DPP-4 inhibitor]
- **Corebeta<sup>®</sup> for Injection (ONO-1101)**  
Improvement of image quality of coronary arteries for coronary CT angiography [short-acting beta-1 blocker]

#### *NDA approved (New Dosage Regimen)*

- **Recalbon<sup>®</sup> Tablet (ONO-5920 / YM529) (once per 4-week oral tablet)** (co-development with Astellas Pharma Inc.)  
Osteoporosis [bone resorption inhibitor (bisphosphonate)]

#### *NDA filed (New Chemical Entities):*

- **Proemend<sup>®</sup> for i.v. infusion (ONO-7847 / MK-0517)**  
(in-licensed from Merck & Co., Inc.)  
Chemotherapy-induced nausea and vomiting  
[NK1 receptor antagonist]

#### *NDA filed (Additional Indications):*

- **Glactiv<sup>®</sup> Tablets (ONO-5435 / MK-0431)**  
(co-development with MSD K.K.)  
Type II diabetes: combination therapy with an insulin product [DPP-4 inhibitor]

#### *Ongoing clinical studies (New Chemical Entities):*

- **ONO-4641 (tablet)**  
Multiple sclerosis (Phase II) [S1P receptor agonist]
- **ONO-3849 / Methylnaltrexone bromide (injection)**  
(in-licensed from Progenics Pharmaceuticals, Inc.)  
Opioid-induced constipation (Phase II)  
[mu-opioid receptor antagonist]
- **ONO-7643 / RC-1291 (tablet)**  
(in-licensed from Helsinn Therapeutics (U.S.), Inc.)  
Cancer anorexia / cachexia (Phase II)  
[ghrelin mimetic]
- **ONO-2745 / CNS 7056 (injection)**  
(in-licensed from PAION AG)  
Short acting general anesthetic (Phase II)  
[GABA<sub>A</sub> receptor modulator]
- **ONO-7057 / Carfilzomib (injection)**  
(in-licensed from Onyx Pharmaceuticals, Inc.)  
Multiple Myeloma (Phase I / II) [proteasome inhibitor]
- **ONO-5334 (tablet)**  
Osteoporosis (Phase I) [cathepsin K inhibitor]
- **ONO-4538 / BMS-936558 (MDX-1106) (injection)**  
Cancer (Phase I) [fully human anti-PD-1 antibody]
- **ONO-3951 / Asimadoline (tablet)**  
(in-licensed from Tioga Pharmaceuticals, Inc.)  
Irritable bowel syndrome (Phase I)  
[kappa-opioid receptor agonist]
- **ONO-6950 (tablet)**  
Bronchial asthma (Phase I) [LT receptor antagonist]

#### *Ongoing clinical studies (Additional Indications):*

- **Emend<sup>®</sup> Capsules (ONO-7436 / MK-0869)**  
(in-licensed from Merck & Co., Inc.)  
Chemotherapy-induced nausea and vomiting in pediatric patients (Phase III) [NK1 receptor antagonist]

- **Onoact<sup>®</sup> for Injection (ONO-1101)**  
Tachyarrhythmia in low cardiac function (Phase II / III)  
[Short acting beta-1 blocker]
- **Opalmon<sup>®</sup> Tablets (OP-1206)**  
(co-development with Dainippon Sumitomo Pharma Co., Ltd.)  
Carpal-tunnel Syndrome (Phase II) [PGE1 analogue]

### Developments abroad

#### *Ongoing clinical studies (New Chemical Entities):*

- **ONO-5334 (tablet)**  
Osteoporosis (Phase II) [cathepsin K inhibitor]
- **ONO-4641 (tablet)**  
Multiple sclerosis (Phase II) [S1P receptor agonist]
- **ONO-4538 / BMS-936558 (MDX-1106) (injection)**  
(co-development with Bristol-Myers Squibb Company)  
Renal Cell Cancer (Phase II)  
Hepatitis C (Phase I)  
[fully human anti-PD-1 antibody]
- **ONO-7746 (capsule)**  
(in-licensed from Nissan Chemical Industries, Ltd.)  
Thrombocytopenia (Phase I) [TPO receptor agonist]
- **ONO-6950 (tablet)**  
Bronchial asthma (Phase I) [LT receptor antagonist]
- **ONO-2952 (tablet)**  
Irritable bowel syndrome (Phase I) [TSPO antagonist]
- **ONO-4053 (tablet)**  
Allergic rhinitis (Phase I) [PGD2 receptor antagonist]

### Changes from the Annual Flash Report for the Fiscal Year ended March 2011 announced on May 11, 2011

- An NDA of Glactiv<sup>®</sup> Tablets (ONO-5435 / MK-0431) for combination therapy with an alpha-glucosidase inhibitor in type II diabetes patients was approved by the Ministry of Health, Labour and Welfare of Japan on May 20, 2011 (additional indication).
- An NDA of Corebeta<sup>®</sup> for Injection (ONO-1101) was approved by the Ministry of Health, Labour and Welfare of Japan on July 1, 2011. Corebeta<sup>®</sup> for Injection contains an active pharmaceutical ingredient identical to Onoact<sup>®</sup> for Injection.
- An NDA of once per 4-week oral tablet of Recalbon<sup>®</sup> Tablet (ONO-5920 / YM529) was approved by the Ministry of Health, Labour and Welfare of Japan on July 1, 2011.
- We commenced Phase I / II study of ONO-7057 / Carfilzomib for the treatment of multiple myeloma in Japan.
- We commenced Phase II study of Opalmon<sup>®</sup> Tablets (OP-1206) for the treatment of Carpal-tunnel Syndrome in Japan (additional indication).
- Phase II study of ONO-4538 / BMS-936558 (MDX-1106) for the treatment of renal cell cancer commenced outside of Japan.