

First Quarter (April 1 – June 30, 2012) Flash Report (unaudited)

Three months ended June 30, 2012

ONO PHARMACEUTICAL CO., LTD.

August 2, 2012

Ono Pharmaceutical Co., Ltd. has announced its consolidated financial results for three months ended June 30, 2012.

This First Quarter Flash Report 2013 (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 2012	1st Quarter 3 months ended Jun 30 2011	Annual 12 months ended Mar 31 2012	1st Quarter 3 months ended Jun 30 2012
Net sales	¥ 37,652	¥ 36,329	¥ 145,779	\$ 470,650
Net income	8,422	8,346	24,361	105,275
Total Net assets	396,583	392,963	400,968	4,957,288
Total assets	432,162	423,629	436,414	5,402,025
		Yen		US\$
Net income per common share	¥ 79.43	¥ 78.72	¥ 229.78	\$ 0.99

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**Consolidated Forecast of Consolidated Results for the Six Months
Ending September 30, 2012 and for the Year Ending March 31, 2013**

Ono Pharmaceutical Co., Ltd. and Consolidated Subsidiaries

	Six months ending		Year ending	
	September 30, 2012		March 31, 2013	
	Millions of yen	Thousands of US\$	Millions of yen	Thousands of US\$
Net sales	¥ 70,200	\$ 877,500	¥ 146,200	\$ 1,827,500
Operating income	14,900	186,250	32,700	408,750
Ordinary income	16,100	201,250	34,100	426,250
Net income	10,800	135,000	23,000	287,500
	Yen	US\$	Yen	US\$
Net income per common share	101.87	1.27	216.94	2.71

(*)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 Consolidated Subsidiaries

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

ASSETS	Millions of yen		Thousands of US\$
	1st Quarter		1st Quarter
	June 30 2012	March 31 2012	June 30 2012
Current assets			
Cash and bank deposits	¥ 18,452	¥ 20,960	\$ 230,650
Notes and accounts receivable	43,028	37,853	537,850
Marketable securities	98,761	104,814	1,234,513
Inventories	22,666	18,638	283,325
Others	22,490	19,977	281,125
Allowance for doubtful receivables	(6)	(6)	(75)
Total current assets	205,391	202,236	2,567,388
Property, plant and equipment			
Land	22,544	22,550	281,800
Buildings and structures	22,211	22,644	277,638
Machinery, equipment and others	2,464	2,524	30,799
Construction in progress	430	262	5,375
Net property, plant and equipment	47,649	47,980	595,612
Investments and other assets			
Investment securities	161,568	168,691	2,019,600
Intangible assets	1,119	995	13,988
Others	16,435	16,512	205,437
Total investments and other assets	179,122	186,198	2,239,025
Total assets	¥ 432,162	¥ 436,414	\$ 5,402,025

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

LIABILITIES AND EQUITY	Millions of yen		Thousands of US\$
	1st Quarter June 30 2012	March 31 2011	1st Quarter June 30 2012
Current liabilities			
Current portion of long-term debt	¥ 2	¥ 2	\$ 25
Notes and accounts payable	7,838	5,767	97,975
Income tax payable	4,183	8,876	52,287
Others	19,298	16,397	241,225
Total current liabilities	31,321	31,042	391,512
Long-term liabilities			
Long-term debt, less current portion	11	11	138
Liabilities for retirement benefits	1,485	1,628	18,562
Asset retirement obligations	53	53	663
Others	2,709	2,712	33,862
Total long-term liabilities	4,258	4,404	53,225
Equity			
Common stock	17,358	17,358	216,975
Capital surplus	17,080	17,080	213,500
Retained earnings	424,668	425,787	5,308,350
Treasury stock-at cost	(59,208)	(59,204)	(740,100)
Total equity	399,898	401,021	4,998,725
Other comprehensive income			
Unrealized gain on securities (*)	2,546	5,725	31,825
Land revaluation surplus	(8,578)	(8,577)	(107,225)
Deferred losses on hedges	(21)	—	(263)
Foreign currency translation adjustments	(373)	(277)	(4,662)
Total other comprehensive income	(6,426)	(3,129)	(80,325)
Minority interests	3,111	3,076	38,888
Total net assets	396,583	400,968	4,957,288
Total liabilities and total net assets	¥ 432,162	¥ 436,414	\$ 5,402,025

(*) 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 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 2012	1st Quarter 3 months ended Jun 30 2011	Annual 12 months ended Mar 31 2012	1st Quarter 3 months ended Jun 30 2012
Net sales	¥ 37,652	¥ 36,329	¥ 145,779	\$ 470,650
Cost of sales	8,442	6,808	28,987	105,525
Gross profit	29,210	29,521	116,792	365,125
Selling, general and administrative expenses	17,130	17,339	78,888	214,125
Operating income	12,080	12,182	37,904	151,000
Other income (expenses)				
Interest and dividend income	1,204	1,228	2,800	15,050
Interest expenses	0	—	(1)	(0)
Other, net	(462)	(392)	(693)	(5,775)
	742	836	2,106	9,275
Income before income taxes and minority interests	12,822	13,018	40,010	160,275
Income taxes	4,360	4,572	15,376	54,500
Income before minority interests	8,462	8,446	24,634	105,775
Minority interests	(40)	(100)	(273)	(500)
Net income	¥ 8,422	¥ 8,346	¥ 24,361	\$ 105,275
		Yen		US\$
Per share of common stock				
Basic net income	¥ 79.43	¥ 78.72	¥ 229.78	\$ 0.99
Cash dividends applicable to the period	¥ —	¥ —	¥ 180.00	\$ —

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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\$
	1st Quarter 3 months ended Jun 30 2012	1st Quarter 3 months ended Jun 30 2011	Annual 12 months ended Mar 31 2012	1st Quarter 3 months ended Jun 30 2012
Net income before minority interests	¥ 8,462	¥ 8,446	¥ 24,634	\$ 105,775
Other comprehensive income				
Unrealized gain (loss) on available-for-sale securities	(3,177)	(532)	1,578	(39,712)
Land revaluation difference	—	—	361	—
Deferred losses on hedges	(21)	—	—	(263)
Foreign currency translation adjustments	(96)	25	(10)	(1,200)
Share of other comprehensive income in associates	(0)	(0)	4	(0)
Total other comprehensive income	(3,294)	(507)	1,933	(41,175)
Comprehensive income	5,168	7,939	26,567	64,600
Total comprehensive income attributable to				
Owners of the parent	5,125	7,840	26,274	64,062
Minority interests	43	99	293	538

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Consolidated Statements of Cash Flows

Ono Pharmaceutical Co., Ltd. and Consolidated Subsidiaries

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

	Hundred millions of yen		Hundred thousands of US\$
	1st Quarter 3 months ended Jun 30 2012	1st Quarter 3 months ended Jun 30 2011	1st Quarter 3 months ended Jun 30 2012
Operating activities: ^(*)	¥ (22)	¥ 49	\$ (275)
Investing activities:	115	46	1,438
Financing activities:	(87)	(86)	(1,088)
Net decrease in cash and cash equivalents	6	9	75
Cash and cash equivalents, ending	¥ 856	¥ 835	\$ 10,700
(*)Depreciation and amortization is included in "Operating activities"	¥ 7	7	\$ 88

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Notes to Consolidated Financial Statements

Ono Pharmaceutical Co., Ltd. and Consolidated Subsidiaries

- Note 1 This First Quarter Flash Report 2013 (unaudited) is a summary information extracted from the financial statements announced by the Company on August 2, 2012. 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 2013 (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, 2012.

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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 2012		
		Results	Increase/Decrease	
Opalmon	Circulatory system agent	¥ 91	¥ △ 10	△10.1%
Glactiv	Agent for type II diabetes	86	+25	39.7%
Onon	Agent for bronchial asthma and allergic rhinitis	42	△ 10	△19.3%
Kinedak	Agent for diabetic peripheral neuropathy	25	△ 6	△18.4%
Foipan	Agent for chronic pancreatitis and postoperative reflux esophagitis	24	△ 2	△9.1%
Emend/Proemend	Agent for Chemotherapy-induced nausea and vomiting	20	+5	29.8%
Onon dry syrup	Agent for pediatric bronchial asthma	18	△ 1	△3.3%
Staybla	Agent for overactive bladder (pollakiuria and urinary incontinence)	18	+2	12.8%
Recalbon	Agent for osteoporosis	16	+11	199.0%
Elaspol	Agent for acute lung injury associated with SIRS	10	△ 1	△8.2%
Onoact	Agent for tachyarrhythmia during and post operation	9	+1	6.4%
Rivastach	Agent for Alzheimer's disease	6	—	—

Note:1 Sales of products are shown in a gross sales basis.

2 Rivastach was launched in Fiscal 2011, and year-on-year changes in value and percentage are therefore not available.

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Supplemental Information

Status of Development Pipeline

as of August 2, 2012

Developments in Japan

NDA approved (Additional Indications)

- **Emend® Capsules (ONO-7436 / MK-0869) *1**
(In-licensed from Merck & Co., Inc.)
Chemotherapy-induced nausea and vomiting in pediatric patients [NK1 receptor antagonist]

NDA filed (New Formulations):

- **Orencia® SC (ONO-4164 SC / BMS-188667SC) *2**
(Co-development with Bristol-Myers Squibb Company)
Rheumatoid Arthritis [T-cell activation inhibitor]

Ongoing clinical studies (New Chemical Entities):

- **ONO-7165 / EMD531444 (injection)**
(Co-development with Merck KGaA)
Non-small cell lung cancer (Phase II) [Therapeutic cancer peptide vaccine targeting the tumor antigen MUC-1]
- **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_A receptor modulator]
- **ONO-4538 / BMS-936558 (injection)**
Melanoma (Phase II) [Fully human anti-PD-1 antibody]
- **ONO-3951 / Asimadoline (tablet) *3**
(In-licensed from Tioga Pharmaceuticals, Inc.)
Irritable bowel syndrome (Phase II)
[Kappa-opioid receptor agonist]
- **ONO-7057 / Carfilzomib (injection)**
(In-licensed from Onyx Pharmaceuticals, Inc.)
Multiple Myeloma (Phase I / II) [Proteasome inhibitor]
- **ONO-6950 (tablet)**
Bronchial asthma (Phase I) [LT receptor antagonist]
- **ONO-7056 / Salirasib (tablet)**
(In-licensed from Kadmon Corporation LLC)
Solid tumor (Phase I) [Ras signal inhibitor]
- **ONO-5163 / KAI-4169 (injection)**
(In-licensed from Amgen Inc.)
Secondary hyperparathyroidism (Phase I) [Calcium sensing receptor agonist]
- **ONO-7268 MX1 (injection)**
(In-licensed from OncoTherapy Science, Inc.) *4
Hepatocellular carcinoma (Phase I) [Therapeutic cancer peptide vaccines]

Ongoing clinical studies (Additional Indications):

- **Glactiv® Tablets (ONO-5435 / MK-0431)**
(Co-development with Merck & Co., Inc.)
Type II diabetes: combination therapy with a rapid-acting insulin secretagogue (Phase III) [DPP-4 inhibitor]
- **Proemend® for i.v. infusion (ONO-7847 / MK-0517) *5**
Chemotherapy-induced nausea and vomiting in pediatric patients (Phase III) [NK1 receptor antagonist]
- **Onoact® for Injection (ONO-1101)**
Tachyarrhythmia in low cardiac function (Phase II / III)
[Short acting beta-1 blocker]
- **Opalmon® Tablets (OP-1206) (Co-development with Dainippon Sumitomo Pharma Co., Ltd.)**
Carpal-tunn el Syndrome (Phase II) [PGE1 analogue]

Ongoing clinical studies (Additional Dosing Regimen):

- **Rivastach® Patch (ONO-2540 / ENA713D) *6**
(Co-development with Novartis Pharma K.K.)
Alzheimer's disease (Phase III) [dual inhibitor of AChE and BuChE]

Ongoing clinical studies (New Formulations):

- **Glactiv® and Metformin Combination Tablets (ONO-5435A / MK-0431A)**
(Co-development with Merck & Co., Inc.)
Type II diabetes (Phase III) / Combination product with Glactiv and biguanide

Developments abroad

Ongoing clinical studies (New Chemical Entities):

- **ONO-4641 (tablet)**
(Out-licensed to Merck KGaA)
Multiple sclerosis (Phase II) [S1P receptor agonist]
- **ONO-4538 / BMS-936558 (injection)**
(Out-licensed to Bristol-Myers Squibb Company)
Renal Cell Cancer (Phase II) / Hepatitis C (Phase I)
[Fully human anti-PD-1 antibody]
- **ONO-6950 (tablet)**
Bronchial asthma (Phase II) [LT receptor antagonist]
- **ONO-7746 (capsule)**
(In-licensed from Nissan Chemical Industries, Ltd.)
Thrombocytopenia (Phase I) [TPO receptor agonist]
- **ONO-2952 (tablet)**
Irritable bowel syndrome (Phase I) [TSPO antagonist]
- **ONO-4053 (tablet)**
Allergic rhinitis (Phase I) [PGD2 receptor antagonist]
- **ONO-9054 (eye drop)**
Glaucoma, ocular hypertension (Phase I) [PG receptor (FP / EP3) agonist]
- **ONO-4059 (tablet)**
B cell lymphoma (Phase I) [Bruton's tyrosine kinase (Btk) inhibitor]
- **ONO-8539 (tablet) *7**
Gastroesophageal reflux disease (GERD) (Phase I) [PG receptor (EP1) antagonist]

Changes from Annual Flash Report for the Fiscal Year ending March 2012 announced on May 9, 2012

- *1: NDA of Emend® Capsules (ONO-7436 / MK-0869) for chemotherapy-induced nausea and vomiting in pediatric patients was approved by the Ministry of Health, Labour and Welfare of Japan on June 22, 2012 (additional indications).
- *2: NDA of Orencia® SC (ONO-4164 SC / BMS-188667SC) for Rheumatoid Arthritis was filed to the Ministry of Health, Labour and Welfare of Japan on July 4, 2012 (new formulations).
- *3: Phase II clinical study of ONO-3951, kappa-opioid receptor agonist, for irritable bowel syndrome was commenced in Japan.
- *4: Phase I clinical study of ONO-7268 MX1, Therapeutic cancer peptide vaccines, for hepatocellular carcinoma was commenced in Japan.
- *5: Phase III clinical study of Proemend® for i.v. infusion (ONO-7847 / MK-0517) for chemotherapy-induced nausea and vomiting in pediatric patients was commenced in Japan.
- *6: Phase III clinical study of Rivastach® Patch (ONO-2540 / ENA713D) for Alzheimer's disease was commenced to obtain additional dosing regimen in Japan.
- *7: Phase I clinical study of ONO-8539, PG receptor (EP1) antagonist, was commenced outside Japan.