ONO PHARMACEUTICAL CO., LTD.

November 4, 2010

Ono Pharmaceutical Co., Ltd. has announced its consolidated financial results for six months ended September 30, 2010.

This First - Second Quarter Flash Report 2011 (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

			M	fillions of yen	Tho	ousands of US\$				
	6 months		Quarter 1st-2nd Quarter				1st-2nd Quart			
				6 months Ided Sep 30		2 months ded Mar 31	6 months			
	ended Sep 30 2010			2009		2010	ended Sep 30 2010			
Net sales	¥	63,778	¥	67,184	¥	135,986	\$	768,410		
Net income		9,325		15,914		27,878		112,349		
Total Net assets		398,411		405,759		406,109		4,800,133		
Total assets		423,039		435,783		433,226		5,096,855		
				Yen				US\$		
Net income per common share	¥	85.76	¥	146.35	¥	256.38	\$	1.03		

Consolidated Financial Forecast for the Year Ending March 31,2011

Ono Pharmaceutical Co., Ltd. and Consolidated Subsidiaries

	Year ending March 31,2011							
	Millions of yen	Thousands of US\$						
Net sales	¥ 129,000	\$	1,554,217					
Operating income	26,700		321,687					
Ordinary income	28,700		345,783					
Net income	18,500		222,892					
	Yen		US\$					
Net income per common share	170.14		2.05					

(*)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.

$\begin{tabular}{ll} First-Second Quarter (April 1-September 30, 2010) & Flash Report (unaudited) \\ Six months ended September 30, 2010 & \\ \end{tabular}$

Consolidated Balance Sheets

(N	(lote	All	l amounts	are round	ded of	f to the	nearest	million yen.
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			Tł	ousands of US\$				
ASSETS		1st-2nd Quarter September 30 2010		1st-2nd Quarter September 30 2009		Annual March 31 2010		e-2nd Quarter eptember 30 2010
Current assets								
Cash and bank deposits	¥	16,084	¥	12,581	¥	15,387	\$	193,783
Notes and accounts receivable		30,290		33,908		31,625		364,940
Marketable securities		116,113		111,115		97,830		1,398,952
Inventories		14,163		13,413		14,626		170,639
Others		15,819		14,418		22,386		190,590
Allowance for doubtful receivables		(11)		(8)		(13)		(133)
Total current assets		192,458		185,427	_	181,841	_	2,318,771
Property, plant and equipment								
Land		22,554		22,539		22,539		271,735
Buildings and structures		22,916		23,527		23,631		276,096
Machinery, equipment and others		3,257		2,749		3,202		39,241
Construction in progress		390		1,675		638		4,699
Net property, plant and equipment		49,117		50,490		50,010	_	591,771
Investments and other assets								
Investment securities		166,872		190,062		190,628		2,010,506
Intangible assets		909		1,048		866		10,952
Others		13,683		8,756		9,881		164,855
Total investments and other assets		181,464		199,866	_	201,375		2,186,313
Total assets	¥	423,039	¥	435,783	¥	433,226	\$	5,096,855

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

		nousands of US\$						
	1st-2nd	Quarter	Mil 1st-2	Annual	1st-2nd Quart			
LIABILITIES AND EQUITY	_	nber 30	Se	ptember 30]	March 31	S	eptember 30
	2()10		2009		2010		2010
Current liabilities								
Current portion of long-term debt	¥	2	¥	2	¥	2	\$	24
Notes and accounts payable		3,778		6,248		2,345		45,518
Income tax payable		5,061		8,071		8,421		60,976
Others		12,200		12,477		12,674		146,988
Total current liabilities		21,041		26,798		23,442	_	253,506
Long-term liabilities								
Long-term debt, less current portion		13		15		14		157
Liabilities for retirement benefits		441		142		599		5,313
Asset retirement obligations		51		_		_		614
Others		3,082		3,069		3,062		37,133
Total long-term liabilities		3,587		3,226		3,675		43,217
Equity								
Common stock		17,358		17,358		17,358		209,133
Capital surplus		17,080		17,080		17,080		205,783
Retained earnings	4	30,425		428,693		430,871		5,185,843
Treasury stock-at cost	(63,446)		(63,432)		(63,440)		(764,410)
Total equity	4	01,417		399,699		401,869		4,836,349
Other comprehensive income								
Unrealized gain on securities (*)		2,417		11,554		9,707		29,120
Land revaluation surplus		(8,938)		(8,923)		(8,923)		(107,687)
Foreign currency translation adjustment	nts	(216)		(136)		(174)		(2,602)
Total other comprehensive income		(6,737)		2,495		610		(81,169)
Minority interests		3,731		3,565		3,630		44,952
Total net assets	3	98,411		405,759		406,109		4,800,132
Total liabilities and total net assets	¥ 4	23,039	¥	435,783	¥	433,226	\$	5,096,855

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Consolidated Statements of Income

(Note) Al	l amounts are round	led off to the 1	nearest million yen.
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		rounded off to		rest million yen.					
				lions of yen		Thousands of US\$			
		_	1st-2nd Quarter			Annual	1st-2nd Qu		
	6 months		6 months			12 months	6 months		
	enc	led Sep 30	enc	ded Sep 30	en	ded Mar 31	ended Sep 3		
	-	2010		2009		2010		2010	
Net sales	¥	63,778	¥	67,184	¥	135,986	\$	768,410	
Cost of sales		11,182		9,963		20,838		134,723	
Gross profit	_	52,596		57,221	_	115,148		633,687	
Selling, general and administrative expenses		39,497		34,838		75,307		475,868	
Operating income		13,099	_	22,383	_	39,841		157,819	
Other income (expenses)									
Interest and dividend income		1,626		1,642		2,964		19,590	
Interest expenses		(0)		(0)		(1)		(0)	
Other, net		(121)		289		339		(1,457)	
		1,505		1,931		3,302		18,133	
Income before income taxes and									
minority interests		14,604		24,314		43,143		175,952	
Income taxes		5,171		8,265		15,055		62,301	
Income before minority interests		9,433		16,049		28,088		113,651	
Minority interests		(108)		(135)		(210)		(1,302)	
Net income	¥	9,325	¥	15,914	¥	27,878	\$	112,349	
D 1 6				Yen				US\$	
Per share of common stock Basic net income	¥	85.76	¥	146.35	¥	256.38	\$	1.03	
Cash dividends applicable to the period	¥	90.00	¥	90.00	¥	180.00	\$	1.08	
cash dividends applicable to the period	1	70.00		70.00	•	100.00	Ψ	1.00	

First-Second Quarter (April 1 – September 30, 2010) Flash Report (unaudited)

Six months ended September 30, 2010

Consolidated Statements of Cash Flows

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

	(Note) All amounts are rounded off to the Millions of yen							Thousands of US\$		
	6 r ende	d Quarter nonths d Sep 30 2010	1st-2nd Quarter 6 months ended Sep 30 2009		arter Annual 12 months		1st-2 6	nd Quarte months led Sep 30 2010		
Operating activities:										
Income before income taxes and minority interests Adjustments for:	¥	14,604	¥	24,314	¥	43,143	\$	175,952		
Depreciation and amortization		1,470		1,388		3,012		17,711		
(Decrease) increase in allowance for doubtful receivable	es	(2)		(1)		10		(24		
decrease in provision for retirement benefits, net		(159)		(2,100)		(1,647)		(1,916		
Contribution to retirement benefits trust		` _		5,000		5,000		_		
Interest and dividend income		(1,626)		(1,642)		(2,964)		(19,590		
Interest expenses		0		0		1		0		
Gain on sales of investment securities		_		_		(85)		_		
Decrease in notes and accounts receivable		1,334		5,572		7,856		16,072		
(Increase) decrease in inventories		463		(3,355)		(4,567)		5,578		
Increase (decrease) in trade notes and accounts payable		1,332		3,013		(600)		16,048		
Others		4,621		(2,337)		(8,016)		55,675		
Interest and dividend income received		1,749		1,784		3,244		21,072		
Interest paid		(0)		(0)		(1)		(0		
Payments for contribution to retirement benefits trust		_		(5,000)		(5,000)		_		
Income taxes paid	_	(8,594)	<u></u>	(9,361)	_	(18,084)	_	(103,542)		
Net cash (used in) provided by operating activities		15,192		17,275		21,302		183,036		
Investing activities:										
Payments for purchases of marketable securities		(12,804)		(21,689)		(33,379)		(154,265		
Proceeds from sales of marketable securities		22,300		52,100		86,120		268,675		
Payments for purchases of property, plant and equipment		(530)		(1,298)		(3,211)		(6,386		
Payments for purchases of investment securities		(4,473)		(14,606)		(32,348)		(53,892)		
Proceeds from sales of investment securities		9		5		174		108		
Other payments		(143)		(360)	_	(480)		(1,722		
Net cash generated from provided by (used in) inves	tment	4,359		14,152		16,876		52,518		
Financing activities:										
Repayment of current portion of long-term debt		(1)		(1)		(2)		(12		
Payments for obtaining treasury stock		(6)		(6)		(13)		(72		
Cash dividends		(9,783)		(9,779)		(19,553)		(117,868		
Net cash used in financing activities		(9,790)		(9,786)	_	(19,568)	_	(117,952)		
Foreign currency translation adjustments										
on cash and cash equivalents		(41)		64		26		(494		
Net decrease in cash and cash equivalents		9,720		21,705		18,636		117,108		
Cash and cash equivalents, beginning		72,097		53,461		53,461		868,639		
Cash and cash equivalents, ending	¥	81,817	¥	75,166	¥	72,097	\$	985,747		

Notes to Consolidated Financial Statements

- Note 1 This First Quarter Flash Report 2011 (unaudited) is a summary information extracted from the financial statements announced by the Company on November 4, 2010.

 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 2011 (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 83 = US\$ 1, the approximate exchange rate prevailing on September 30, 2010.

First-Second Quarter (April 1 – September 30, 2010) Flash Report (unaudited)

Six months ended September 30, 2010

Sales of Major Products

Supplemental Data

For information purpose only

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

1st-2nd Quarter 6 months ended Sep 30 2010

		ended Sep 30 2010							
		R	esults		Increase	/Decrease			
Opalmon	Circulatory system agent	¥	203	¥	▲ 23	▲ 10.0%			
Onon	Agent for bronchial asthma and allergic rhinitis		92		▲ 30	▲ 24.7%			
Kinedak	Agent for diabetic peripheral neuropathy		69		▲ 16	▲18.3%			
Foipan	Agent for chronic pancreatitis and postoperative reflux esophagitis		56		1 0	▲15.3%			
Onon dry syrup	Agent for pediatric bronchial asthma		37		4 4	▲ 9.1%			
Glactiv	Agent for type II diabetes		34		_	_			
Staybla	Agent for overactive bladder (pollakiuria and urinary incontinence)		27		+6	30.6%			
Elaspol	Agent for acute lung injury associated with SIRS	ı	24		A 2	▲ 9.1%			
Emend	Agent for Chemotherapy-induced nausea and vomiting		20		_	_			
Onoact	Agent for tachyarrhythmia during and post operation		17		+1	8.6%			
Recalbon	Agent for osteoporosis		9		+5	105.7%			

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

Note: Glactiv and Emend were launched in Fiscal 2009, and year-on-year changes in value and percentage are therefore not available.

First-Second Quarter (April 1 – September 30, 2010) Flash Report (unaudited)

Six months ended September 30, 2010

Ono Pharmaceutical Co., Ltd. and **Consolidated Subsidiaries**

Supplemental Information

Status of Development Pipeline

as of November 4, 2010

Developments in Japan

NDA filed (New Formulations):

■ Staybla® OD Tablets (ONO-8025OD / KRP-197OD) (co-development with Kyorin Pharmaceutical Co., Ltd.) Overactive bladder (pollakiuria and urinary incontinence) [M₃ muscarinic receptor blocker]

- NDA filed (New Chemical Entities)

 Rivastach® Patch (ONO-2540 / ENA713D) (transdermal patch) (co-development with Novartis Pharma K.K.) Alzheimer's disease [dual inhibitor of AChE and BuChE]
- Proemend® for Injection (ONO-7847 / MK-0517) (in-licensed from Merck & Co., Inc.) Chemotherapy-induced nausea and vomiting [NK1 receptor antagonist]

- NDA filed (Additional Indications):

 Prostandin® for Injection Use in various vascular diagnostic testing for erectile dysfunction [alprostadil alfadex]
- Glactiv® Tablets (ONO-5435 / MK-0431) (co-development with MSD K.K.) Type II diabetes: combination therapy with an alphaglucosidase inhibitor or an insulin product [DPP-4 inhibitor]
- Corebeta® for Injection (ONO-1101) Improvement of image quality of coronary arteries for coronary CT angiography [short-acting beta-1 blocker]

NDA filed (New Dosage Regimen):
■ Recalbon® Tablet (ONO-5920 / YM529) (once-monthly oral tablet) (co-development with Astellas Pharma Inc.) Osteoporosis [bone resorption inhibitor (bisphosphonate)]

Ongoing clinical studies (New Chemical Entities):

- ONO-4641 (tablet) Multiple sclerosis (Phase II) [S1P receptor agonist]
- ONO-3849 (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 I) [ghrelin mimetic]
- **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-2745 / CNS 7056 (injection) (in-licensed from PAION ÅG) Short-acting general anesthetic (Phase I) [GABAA receptor agonist]

ONO-3951 (tablet) (in-licensed from Tioga Pharmaceuticals, Inc.) Irritable Bowel Syndrome (Phase I) [kappa-opioid receptor agonist]

Ongoing clinical studies (Additional Indications):

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

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) Cancer (Phase I) 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]

Note: The trade name candidate for ONO-2540 has been changed from Rivastach[®] Tape to Rivastach[®] Patch.

Ono Pharmaceutical Co., Ltd. and Consolidated Subsidiaries

Supplemental Information

New Drugs in Development

as of November 4, 2010

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:

Rivastach® Patch (ONO-2540 / ENA713D) (transdermal formulation)

ONO-2540 is a drug for the treatment of Alzheimer's disease with inhibitory action on both acetylcholinesterase (AChE) and butyrylcholinesterase (BuChE). It is the first transdermal treatment developed for the disease and is expected to provide greater convenience, e.g. caregivers can easily confirm the administration of the drug.

Japan: J-NDA filed / Alzheimer's disease (codevelopment with Novartis Pharma K.K.) **Overseas:** Marketed (Novartis AG)

Proemend® (ONO-7847 / MK-0517) (injection)

ONO-7847 is a neurokinin (NK) 1 receptor antagonist being developed for the prevention of chemotherapy-induced nausea and vomiting. It is the prodrug of ONO-7436 / MK-0869 (Emend® Capsule) and is made available in injectable form.

Japan: J-NDA filed / Chemotherapy-induced nausea and vomiting

Europe: Approved / Chemotherapy-induced nausea and vomiting (Merck & Co. Inc.)

ONO-4641 (tablet)

ONO-4641 is a sphingosine-1-phosphate (S1P) receptor agonist, being developed for the treatment of multiple sclerosis. The drug is a low molecular weight substance that keeps lymphocytes in lymph nodes and reduces the lymphocyte count in the blood, thereby inhibiting the 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, which is regarded as an intractable disease.

Japan, US and Europe: Phase II / Multiple sclerosis (multi-national clinical trial)

ONO-3849 (injection)

ONO-3849 is a peripherally acting mu-opioid receptor antagonist, and is developed for intractable opioid induced constipation. Opioid pain medications are often used for the treatment of pain in cancer and other advanced illnesses, but cause constipation in many of these patients. ONO-3849 is expected to decrease the constipating effects of opioid analgesics in the gastrointestinal tract without affecting their ability to relieve pain.

Japan: Phase II / Opioid-induced constipation **Overseas:** Marketed (Progenics Pharmaceuticals, Inc.)

ONO-7643 / RC-1291 (tablet)

ONO-7643 is a small-molecule ghrelin mimetic being developed for cancer anorexia / cachexia. The drug has similar pharmacological actions to ghrelin, a circulating peptide hormone with multiple physiological actions, including appetite stimulation and muscle-building (anabolic), and is therefore expected to be a breakthrough drug that improves quality of life (QOL) for patients impaired by a systemic wasting condition characterized by anorexia, lipolysis and muscle loss associated with the progression of cancer.

Japan: Phase I / Cancer anorexia / cachexia
US & Other Countries: Phase II / Cancer anorexia /
cachexia (Helsinn Therapeutics (U.S.), Inc.)

ONO-5334 (tablet)

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

Japan: Phase I / Osteoporosis **Europe:** Phase II / Osteoporosis

ONO-4538 / BMS-936558 (MDX-1106) (injection)

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

Japan: Phase I / Cancer

US: Phase I / Cancer and Hepatitis C (codevelopment with Bristol-Myers Squibb Company)

ONO-2745 / CNS 7056 (injection)

The drug is an innovative short-acting general anaesthetic and sedative, and is under clinical development as a sedative agent for the induction and maintenance of general anaesthesia and for mechanical ventilation in the Intensive Care Unit (ICU). The sedative effects rapidly disappear after cessation of administration due to its metabolism by esterase enzymes, and therefore it is expected to be a drug with improved controllability and safety profile. Japan: Phase I / General anaesthetic

US: Phase II (PAION AG)

ONO-3951 (tablet)

ONO-3951 or asimadoline is a highly selective kappa opioid receptor agonist, and is under clinical development for diarrhea predominant irritable bowel syndrome (D-IBS). It is expected to be a drug improving multiple abdominal symptoms such as pain. The kappa opioid receptor is one of the three opioid receptors (mu, kappa and delta), and are believed to play an important role in control of visceral pain and bowel motility.

Japan: Phase I / D-IBS

US: Phase III / D-IBS (Tioga Pharmaceuticals, Inc.)

ONO-7746 (capsule) (In-licensed from Nissan Chemical Industries, LTD.)

ONO-7746 is an orally active low molecule compound which may increase platelet count by activating a receptor of thrombopoietin, which is a hematopoietic factor to accelerate platelet production. It is therefore expected to be developed as a new drug which may reduce the risk of bleeding in various diseases with thrombocytopenia and overcome the risk of infection associated with platelet transfusion. Nissan Chemical is participating in co-development by process development and manufacture of the drug substance.

US: Phase I / thrombocytopenia

<New formulations> Staybla® OD Tablets (ONO-8025OD / KRP-197OD)

Staybla[®] OD Tablets is the line extension program of Staybla[®] Tablets, which is a muscarinic receptor antagonist approved in Japan for the treatment of overactive bladder (OAB). The orally disintegrating (OD) tablet of the drug can be taken without water and is useful even in elderly patients, those with impaired swallowing function and those abstaining from water intake. It is expected to offer an additional treatment option on administering the drug and therefore contribute to the improvement of patient compliance.

Japan: J-NDA filed / OAB (co-development with Kyorin Pharmaceutical Co., Ltd.)

ONO-5920 / YM529 (tablet)

This is the line extension program of Recalbon[®] Tablets, which is a bisphosphonate for the treatment of osteoporosis and has already been approved and launched in Japan. This new formulation of the product offers once-monthly oral dosing.

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

<Additional Indications>

Prostandin® for Injection

Japan: J-NDA filed / Use in various vascular diagnostic testing for erectile dysfunction

Glactiv[®] Tablets (ONO-5435 / MK-0431)

Japan: J-NDA filed / Combination therapy with an alpha-glucosidase inhibitor or an insulin product for type II diabetes (co-development with MSD K.K.)

Corebata[®] for Injection (ONO-1101)

ONO-1101 has already been approved and marketed for the treatment of tachyarrhymia during or after operations with the trade name of Onoact® for Injection. Because the dosage regimen for the new indication program (improvement of image quality of coronary arteries for coronary CT angiography) is much smaller than the already approved indication a low-dose formulation has been developed. Corebata® is a candidate for the trade name of this new formulation.

Japan: J-NDA filed / Improvement of image quality of coronary arteries for coronary CT angiography

Emend® Capsules (ONO-7436 / MK-0869)

Japan: Phase III / Chemotherapy-induced nausea and vomiting in pediatric patients