

## First-Third Quarter (April 1 – December 31, 2011) Flash Report (unaudited)

Nine months ended December 31, 2011

# ONO PHARMACEUTICAL CO., LTD.

February 2, 2012

Ono Pharmaceutical Co., Ltd. has announced its consolidated financial results for nine months ended December 31, 2011.

This First - Third 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.			Thousands of US\$
	Millions of yen			
	<b>1st-3rd Quarter 9 months ended Dec 31 2011</b>	1st-3rd Quarter 9 months ended Dec 31 2010	Annual 12 months ended Mar 31 2011	<b>1st-3rd Quarter 9 months ended Dec 31 2011</b>
Net sales	¥ 112,786	¥ 101,609	¥ 135,255	\$ 1,464,753
Net income	17,675	19,007	24,222	229,545
Total Net assets	391,364	398,387	394,573	5,082,649
Total assets	421,719	426,090	424,443	5,476,870
		Yen		US\$
Net income per common share	¥ 166.71	¥ 174.98	¥ 223.88	\$ 2.17

**First-Third Quarter (April 1 – December 31, 2011) Flash Report (unaudited)**  
Nine months ended December 31, 2011

**Consolidated Financial Forecast for the Year  
Ending March 31,2012**

Ono Pharmaceutical Co., Ltd. and Consolidated Subsidiaries

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	<b>Year ending March 31,2012</b>	
	<b>Millions of yen</b>	<b>Thousands of US\$</b>
<b>Net sales</b>	<b>¥ 145,400</b>	<b>\$ 1,888,312</b>
<b>Operating income</b>	<b>36,200</b>	<b>470,130</b>
<b>Ordinary income</b>	<b>38,400</b>	<b>498,701</b>
<b>Net income</b>	<b>18,800</b>	<b>244,156</b>
	<b>Yen</b>	<b>US\$</b>
<b>Net income per common share</b>	<b>177.33</b>	<b>2.30</b>

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(\*The forecasts for the year ending March 31, 2012 are changed from November 2, 2011.

(\*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-Third Quarter (April 1 – December 31, 2011) Flash Report (unaudited)**  
 Nine months ended December 31, 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-3rd Quarter December 31 2011	1st-3rd Quarter December 31 2010	Annual March 31 2011	1st-3rd Quarter December 31 2011
<b>Current assets</b>				
Cash and bank deposits	¥ 20,007	¥ 33,004	¥ 22,445	\$ 259,831
Notes and accounts receivable	45,593	40,943	36,704	592,117
Marketable securities	104,820	84,324	103,524	1,361,299
Inventories	15,143	12,917	13,048	196,662
Others	16,943	16,296	15,658	220,039
Allowance for doubtful receivables	(5)	(9)	(9)	(65)
<b>Total current assets</b>	<b>202,501</b>	<b>187,475</b>	<b>191,370</b>	<b>2,629,883</b>
<b>Property, plant and equipment</b>				
Land	22,552	22,554	22,552	292,883
Buildings and structures	22,412	22,611	22,542	291,065
Machinery, equipment and others	2,634	3,036	2,864	34,208
Construction in progress	178	742	658	2,312
<b>Net property, plant and equipment</b>	<b>47,776</b>	<b>48,943</b>	<b>48,616</b>	<b>620,468</b>
<b>Investments and other assets</b>				
Investment securities	152,111	174,360	167,953	1,975,468
Intangible assets	928	997	956	12,052
Others	18,403	14,315	15,548	238,999
<b>Total investments and other assets</b>	<b>171,442</b>	<b>189,672</b>	<b>184,457</b>	<b>2,226,519</b>
<b>Total assets</b>	<b>¥ 421,719</b>	<b>¥ 426,090</b>	<b>¥ 424,443</b>	<b>\$ 5,476,870</b>

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

LIABILITIES AND EQUITY	Millions of yen			Thousands of US\$
	1st-3rd Quarter December 31 2011	1st-3rd Quarter December 31 2010	Annual March 31 2011	1st-3rd Quarter December 31 2011
<b>Current liabilities</b>				
Current portion of long-term debt	¥ 2	¥ 2	¥ 2	\$ 26
Notes and accounts payable	4,040	4,191	5,325	52,468
Income tax payable	7,221	5,305	7,422	93,779
Others	15,093	14,555	13,449	196,013
<b>Total current liabilities</b>	<b>26,356</b>	<b>24,053</b>	<b>26,198</b>	<b>342,286</b>
<b>Long-term liabilities</b>				
Long-term debt, less current portion	12	13	12	156
Liabilities for retirement benefits	1,245	514	547	16,169
Asset retirement obligations	53	52	52	688
Others	2,689	3,071	3,061	34,922
<b>Total long-term liabilities</b>	<b>3,999</b>	<b>3,650</b>	<b>3,672</b>	<b>51,935</b>
<b>Equity</b>				
Common stock	17,358	17,358	17,358	225,429
Capital surplus	17,080	17,080	17,080	221,818
Retained earnings	419,102	430,321	435,536	5,442,883
Treasury stock-at cost	(59,201)	(66,105)	(74,219)	(768,844)
<b>Total equity</b>	<b>394,339</b>	<b>398,654</b>	<b>395,755</b>	<b>5,121,286</b>
<b>Other comprehensive income</b>				
Unrealized gain on securities (*)	2,816	5,127	4,163	36,571
Land revaluation surplus	(8,578)	(8,938)	(8,938)	(111,403)
Foreign currency translation adjustments	(309)	(243)	(267)	(4,013)
<b>Total other comprehensive income</b>	<b>(6,071)</b>	<b>(4,054)</b>	<b>(5,042)</b>	<b>(78,845)</b>
<b>Minority interests</b>	<b>3,096</b>	<b>3,787</b>	<b>3,860</b>	<b>40,208</b>
<b>Total net assets</b>	<b>391,364</b>	<b>398,387</b>	<b>394,573</b>	<b>5,082,649</b>
<b>Total liabilities and total net assets</b>	<b>¥ 421,719</b>	<b>¥ 426,090</b>	<b>¥ 424,443</b>	<b>\$ 5,476,870</b>

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

## First-Third Quarter (April 1 – December 31, 2011) Flash Report (unaudited)

Nine months ended December 31, 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-3rd Quarter 9 months ended Dec 31 2011	1st-3rd Quarter 9 months ended Dec 31 2010	Annual 12 months ended Mar 31 2011	1st-3rd Quarter 9 months ended Dec 31 2011
<b>Net sales</b>	¥ 112,786	¥ 101,609	¥ 135,255	\$ 1,464,753
<b>Cost of sales</b>	<b>21,754</b>	<b>17,931</b>	<b>24,759</b>	<b>282,519</b>
Gross profit	<b>91,032</b>	83,678	110,496	<b>1,182,234</b>
<b>Selling, general and administrative expenses</b>	<b>57,613</b>	56,398	75,295	<b>748,221</b>
Operating income	<b>33,419</b>	27,280	35,201	<b>434,013</b>
<b>Other income (expenses)</b>				
Interest and dividend income	2,518	2,601	2,947	32,701
Interest expenses	(0)	(0)	(1)	(0)
Other, net	(4,158)	(199)	(1,247)	(54,000)
	<b>(1,640)</b>	2,402	1,699	<b>(21,299)</b>
Income before income taxes and minority interests	<b>31,779</b>	29,682	36,900	<b>412,714</b>
<b>Income taxes</b>	<b>13,875</b>	10,500	12,420	<b>180,195</b>
Income before minority interests	<b>17,904</b>	19,182	24,480	<b>232,519</b>
<b>Minority interests</b>	<b>(229)</b>	(175)	(258)	<b>(2,974)</b>
<b>Net income</b>	¥ <b>17,675</b>	¥ 19,007	¥ 24,222	\$ <b>229,545</b>
<b>Per share of common stock</b>				
Basic net income	¥ 166.71	¥ 174.98	¥ 223.88	\$ 2.17
Cash dividends applicable to the period	¥ 90.00	¥ 90.00	¥ 180.00	\$ 1.17

## First-Third Quarter (April 1 – December 31, 2011) Flash Report (unaudited)

Nine months ended December 31, 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\$
	1st-3rd Quarter 9 months ended Dec 31 2011	1st-3rd Quarter 9 months ended Dec 31 2010	Annual 12 months ended Mar 31 2011	1st-3rd Quarter 9 months ended Dec 31 2011
Net income before minority interests	¥ 17,904	¥ 19,182	¥ 24,480	\$ 232,519
<b>Other comprehensive income</b>				
Unrealized loss on available-for-sale securities	(1,341)	(4,590)	(5,563)	(17,415)
Revaluation reserve for land	361	—	—	4,688
Foreign currency translation adjustments	(43)	(69)	(93)	(558)
Share of other comprehensive income in associates	1	(3)	(4)	13
Total other comprehensive income	(1,022)	(4,662)	(5,660)	(13,272)
Comprehensive income	16,882	14,520	18,820	219,247
<b>Total comprehensive income attributable to</b>				
Owners of the parent	16,646	14,358	18,585	216,182
Minority interests	236	162	235	3,065

## First-Third Quarter (April 1 – December 31, 2011) Flash Report (unaudited)

Nine months ended December 31, 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-3rd Quarter 9 months ended Dec 31 2011	1st-3rd Quarter 9 months ended Dec 31 2010	Annual 12 months ended Mar 31 2011	1st-3rd Quarter 9 months ended Dec 31 2011
<b>Operating activities:</b>				
Income before income taxes and minority interests	¥ 31,779	¥ 29,682	¥ 36,900	\$ 412,714
Adjustments for:				
Depreciation and amortization	2,205	2,249	3,052	28,636
Decrease in allowance for doubtful receivables	(1)	(4)	(4)	(13)
Increase (decrease) in provision for retirement benefits, net	742	—	(52)	9,636
Interest and dividend income	(2,518)	(2,601)	(2,947)	(32,701)
Loss on valuation of investment securities	3,891	—	614	50,532
Interest expenses	0	0	1	0
Increase in notes and accounts receivable	(8,889)	(9,320)	(5,082)	(115,442)
(Increase) decrease in inventories	(2,095)	1,709	1,580	(27,208)
Increase (decrease) in trade notes and accounts payable	(1,254)	1,834	2,952	(16,286)
Others	(1,123)	4,590	3,277	(14,583)
Interest and dividend income received	2,676	2,814	3,178	34,753
Interest paid	(0)	(0)	(1)	(0)
Income taxes paid	(14,074)	(13,654)	(13,672)	(182,779)
<b>Net cash (used in) provided by operating activities</b>	<b>11,339</b>	<b>17,299</b>	<b>29,796</b>	<b>147,259</b>
<b>Investing activities:</b>				
Payments for purchases of marketable securities	(22,604)	(26,151)	(35,548)	(293,558)
Proceeds from sales of marketable securities	53,370	46,750	63,550	693,117
Payments for purchases of property, plant and equipment	(1,616)	(978)	(1,294)	(20,987)
Payments for purchases of investment securities	(14,889)	(14,821)	(15,321)	(193,364)
Proceeds from sales of investment securities	466	11	14	6,052
Other payments	(945)	(322)	(286)	(12,273)
<b>Net cash generated from provided by (used in) investment</b>	<b>13,782</b>	<b>4,489</b>	<b>11,115</b>	<b>178,987</b>
<b>Financing activities:</b>				
Repayment of current portion of long-term debt	(1)	(1)	(2)	(13)
Payments for obtaining treasury stock	(7)	(2,664)	(10,779)	(91)
Cash dividends	(18,548)	(19,025)	(19,555)	(240,883)
<b>Net cash used in financing activities</b>	<b>(18,556)</b>	<b>(21,690)</b>	<b>(30,336)</b>	<b>(240,987)</b>
<b>Foreign currency translation adjustments</b>				
<b>on cash and cash equivalents</b>	<b>(41)</b>	<b>(68)</b>	<b>(95)</b>	<b>(532)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>6,524</b>	<b>30</b>	<b>10,480</b>	<b>84,727</b>
<b>Cash and cash equivalents, beginning</b>	<b>82,577</b>	<b>72,097</b>	<b>72,097</b>	<b>1,072,429</b>
<b>Cash and cash equivalents, ending</b>	<b>¥ 89,101</b>	<b>¥ 72,127</b>	<b>¥ 82,577</b>	<b>\$ 1,157,156</b>

**First-Third Quarter (April 1 – December 31, 2011) Flash Report (unaudited)**  
Nine months ended December 31, 2011

## **Notes to Consolidated Financial Statements**

Ono Pharmaceutical Co., Ltd. and Consolidated Subsidiaries

- Note 1 This First-Third Quarter Flash Report 2012 (unaudited) is summary information extracted from the financial statements announced by the Company on February 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-Third 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 77 = US\$ 1, the approximate exchange rate prevailing on December 31, 2011.



## First-Third Quarter (April 1 – December 31, 2011) Flash Report (unaudited)

Nine months ended December 31, 2011

### Sales of Major Products

Supplemental Data

For information purpose only

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

		1st-3rd Quarter 9 months ended Dec 31 2011		
		Results	Increase/Decrease	
<b>Opalmon</b>	Circulatory system agent	¥ 312	¥ ▲ 3	▲0.8%
<b>Glactiv</b>	Agent for type II diabetes	208	+143	218.6%
<b>Onon</b>	Agent for bronchial asthma and allergic rhinitis	139	▲ 8	▲5.3%
<b>Kinedak</b>	Agent for diabetic peripheral neuropathy	90	▲ 15	▲14.4%
<b>Foipan</b>	Agent for chronic pancreatitis and postoperative reflux esophagitis	81	▲ 6	▲6.7%
<b>Onon dry syrup</b>	Agent for pediatric bronchial asthma	57	▲ 7	▲11.3%
<b>Emend</b>	Agent for Chemotherapy-induced nausea and vomiting	50	+16	44.7%
<b>Staybla</b>	Agent for overactive bladder (pollakiuria and urinary incontinence)	46	+4	8.3%
<b>Elaspol</b>	Agent for acute lung injury associated with SIRS	34	▲ 5	▲13.4%
<b>Onoact</b>	Agent for tachyarrhythmia during and post operation	27	▲ 1	▲4.9%
<b>Recalbon</b>	Agent for osteoporosis	24	+9	60.2%
<b>Rivastach</b>	Agent for Alzheimer's disease	8	—	—

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.

## First-Third Quarter (April 1 – December 31, 2011) Flash Report (unaudited)

Nine months ended December 31, 2011

### Supplemental Information

## Status of Development Pipeline

as of February 2, 2012

### Developments in Japan

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

- **Onon® Dry Syrup (ONO-1078)**  
Allergic Rhinitis [LT receptor antagonist]

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

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

#### *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<sub>A</sub> receptor modulator]
- **ONO-4538 / BMS-936558 (injection)**  
Melanoma (Phase II) [Fully human anti-PD-1 antibody]
- **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-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]
- **ONO-7056 / Salirasib (tablet)**  
(In-licensed from Concordia Pharmaceuticals, Inc.)  
Solid tumor (Phase I) [Ras signal inhibitor]

#### *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]
- **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-tunnel Syndrome (Phase II) [PGE<sub>1</sub> analogue]

#### *Ongoing clinical studies (New Formulations):*

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

### Developments abroad

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

- **ONO-5334 (tablet)**  
Osteoporosis (Phase II) [Cathepsin K inhibitor]
- **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-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]
- **ONO-9054 (eye drop)**  
Glaucoma, ocular hypertension (Phase I) [PG receptor (FP / EP3) agonist]

#### Changes from the Second Quarter Flash Report for the Fiscal Year ending March 2012 announced on November 2, 2011

- An NDA of Onon® Dry Syrup (ONO-1078) for allergic rhinitis patients was approved by the Ministry of Health, Labour and Welfare of Japan on December 22, 2011 (additional indication).
- Phase I of ONO-7056 / Salirasib, Ras signal inhibitor, was commenced in Japan.
- Phase I of ONO-9054, PG receptor (FP / EP3) agonist, was commenced outside Japan.