

August 5, 2008

ONO PHARMACEUTICAL CO., LTD.

President and Representative Director: Daikichi Fukushima

Code No: 4528 at the 1st section of the Tokyo / Osaka Stock Exchange

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Revisions of First Half / Full Year Business Forecasts for FY 2008

Ono Pharmaceutical Co., Ltd. announced today that based on recent business trends it has revised its financial forecasts for the first half and full fiscal year 2008 that were originally announced on May 14, 2008.

< Consolidated >

-- 6 months ending September 30, 2008 --

(JPY Millions except per share income)

	Sales	Operating Income	Ordinary Income	Net Income	Net Income per share
Previous Forecast (A) (Announced on May 14, 2008)	69,300	23,100	24,800	16,400	JPY 144.65
Revised Forecast (B)	65,800	19,500	21,200	14,200	JPY 127.18
Change (B – A)	(3,500)	(3,600)	(3,600)	(2,200)	
Percentage Change	(5.1%)	(15.6%)	(14.5%)	(13.4%)	
Same period of FY2007	71,329	26,469	27,953	17,175	JPY 149.46

-- Year ending March 31, 2009 --

(JPY Millions except per share income)

	Sales	Operating Income	Ordinary Income	Net Income	Net Income per share
Previous Forecast (A) (Announced on May 14, 2008)	143,000	46,100	49,100	32,100	JPY 283.14
Revised Forecast (B)	134,400	39,600	42,600	28,400	JPY 255.37
Change (B – A)	(8,600)	(6,500)	(6,500)	(3,700)	
Percentage Change	(6.0%)	(14.1%)	(13.2%)	11.5%	
FY 2007	145,897	52,286	55,103	35,046	JPY 306.80

< Non-consolidated >

-- 6 months ending September 30, 2008 --

(JPY Millions except per share income)

	Sales	Operating Income	Ordinary Income	Net Income	Net Income per share
Previous Forecast (A) (Announced on May 14, 2008)	68,500	22,800	24,500	16,300	JPY 143.76
Revised Forecast (B)	65,000	19,200	20,900	14,100	JPY 126.27
Change (B – A)	(3,500)	(3,600)	(3,600)	(2,200)	
Percentage Change	(5.1%)	(15.8%)	(14.7%)	(13.5%)	
Same period of FY2007	70,482	26,113	27,641	17,104	JPY 148.80

-- Year ending March 31, 2009 --

(JPY Millions except per share income)

	Sales	Operating Income	Ordinary Income	Net Income	Net Income per share
Previous Forecast (A) (Announced on May 14, 2008)	141,200	45,400	48,400	31,900	JPY 281.35
Revised Forecast (B)	132,600	38,900	41,900	28,200	JPY 253.55
Change (B – A)	(8,600)	(6,500)	(6,500)	(3,700)	
Percentage Change	(6.1%)	(14.3%)	(13.4%)	11.6%	
FY 2007	144,134	51,630	54,521	34,900	JPY 305.45

Reasons for the revisions (consolidated forecasts)

We continue to strive to increase the sales of mainly Opalmon[®] Tablets for the treatment of peripheral circulation improving agent, Onoact[®] for Injection for intra- and post-operative tachyarrhythmia as well as Staybla[®] Tablets for the treatment of overactive bladder that was launched in June 2007. Despite the efforts consolidated sales forecast for the full fiscal year of 2008 was originally projected to be JPY 143 billion, which is JPY 2.8 billion (2.0%) down from the previous fiscal year due to the NHI price revision (down by middle of 5% range at Ono) and generic competition.

Operating income was originally projected to be JPY 46.1 billion, JPY 6.1 billion (11.8%) down from the previous fiscal year due to increase of cost of sales to JPY 21.4 billion and selling, general and administrative expenses to JPY 75.5 billion, which are JPY 0.5 billion (2.6%) and JPY 2.7 billion (3.8%) respectively up from the previous fiscal year. SG&A expenses includes R&D expenses of JPY 41.6 billion, JPY 2.6 billion (6.7%) up from the previous fiscal year. Further ordinary income was initially projected to be JPY 49.1 billion, JPY 6 billion (10.9%) down from the previous fiscal year because non-operating revenue and loss during the current fiscal year is expected to be almost equivalent to the previous fiscal year. Extraordinary income during this fiscal year is projected to decrease by JPY 1.9 billion from the previous

fiscal year. We are expecting to book gain on sale of investments in securities during the current fiscal year which will be JPY 2.5 billion while extraordinary income during the previous fiscal year was JPY 4.4 billion. Accordingly net income was initially projected to be JPY 32.1 billion, which is JPY 2.9 billion (8.4%) down from the previous fiscal year.

However during the first fiscal quarter sales were JPY 35.6 billion, which was JPY 2.6 billion (6.9%) down from the corresponding period of the previous fiscal year. The sales decrease was, among others, because i) sales of Kinedak[®] Tablets, a drug for the treatment of diabetic peripheral neuropathy, was not boosted as expected despite our marketing efforts on exploitation of potential market for the product while measures for expansion of generic drug use has been promoted and ii) competition by competing products has been escalated and affected sales of Onon[®] Capsule for the treatment of bronchial asthma and allergic rhinitis as well as Onon[®] Dry Syrup for the treatment of bronchial asthma mainly for pediatric patients more badly than expected.

Operating income was JPY 12.4 billion during the first fiscal quarter, JPY 3.9 billion (23.9%) down from the corresponding period of the previous fiscal year due to increase of cost of sales to JPY 5.8 billion and SG&A expenses to JPY 17.3 billion, which are JPY 0.4 billion (7.7%) and JPY 0.8 billion (5.3%) respectively up from the corresponding period of the previous fiscal year. SG&A expenses includes R&D expenses of JPY 8.4 billion, JPY 0.4 billion (5.3%) up from the corresponding period of the previous fiscal year. Further ordinary income was JPY 13.7 billion, which is only JPY 3.6 billion (21.1%) down from the corresponding period of the previous fiscal year because interest and dividend received increased by JPY 0.2 billion from the corresponding period of the previous fiscal year. We booked gain of JPY 0.4 billion on sale of investments in securities during the first fiscal quarter. Accordingly net income was JPY 8.7 billion during the first fiscal quarter, which is JPY 1.7 billion (16.9%) down from the corresponding period of the previous fiscal year.

We continue our efforts in sales increase of main products by exploitation of potential market, strengthening the sales and marketing activities. However we decided to revise the financial forecasts for the first half and full fiscal year 2008 because the financial results during the first fiscal quarter were worse than projected and it is supposed that business climate will be increasingly serious as measures for expansion of generic drug use will penetrate further and competition by other pharmaceutical companies will intensify.

Forecasts of operating, ordinary and net income for the first half and full fiscal year 2008 are also revised respectively because JPY 41.6 billion of the R&D expenses which was the original forecast will be reduced to JPY 39.6 billion. This is due to discontinuation of development of ONO-2333Ms which we had developed in Japan and overseas for depression and anxiety disorder.

The financial forecasts and statements contained in this announcement are made based on information and assumptions regarding uncertainties affecting the financial forecasts that are available as of the date the announcement is made. Actual results may differ materially from those set forth in the announcements due to various uncertain factors.