

November 12, 2021

ONO Announces the Settlement of Litigation Raised by Dr. Honjo

Ono Pharmaceutical Co., Ltd. (Osaka, Japan; President, Representative Director, Gyo Sagara; "ONO") announced today that it entered into the settlement agreement with Dr. Tasuku Honjo ("Dr. Honjo") to resolve the litigation raised by Dr. Honjo regarding the Osaka District Court 2020 (Wa), No. 5608 ("the Litigation") claiming dividends related to the third-party litigation, following the Court settlement recommendation.

ONO and Dr. Honjo highly appreciate their contributions to the discovery of new cancer treatment by inhibiting immunosuppression and the development of the immune-oncology drug, Opdivo by utilizing the new cancer treatment, and decided to end the Litigation by settlement in order to show a new form of industry-academia collaboration in Japan. The settlement agreed this time represents a complete resolution of the disputes between ONO and Dr. Honjo, regarding not only the Litigation claiming JPY26.2 billion as dividends related to the third party litigation concerning the PD-1 patent raised on June 19, 2020, but also "the Agreement on Licensing of PD-1 Gene Patent" ("License Agreement") concluded between ONO and Dr. Honjo on October 23, 2006.

The impact on financial results is currently under scrutiny.

<Outline of the settlement>

1. ONO will continue to pay a royalty to Dr. Honjo without changing the royalty rate provided in the License Agreement.
2. ONO will pay JPY5 billion to Dr. Honjo for the following:
 - 1) Settlement fee for the complete resolution of disputes related to the License Agreement
 - 2) Rewards for Dr. Honjo's cooperation to ONO in the third party litigations over the validity or the infringement of the three patents (JP 4409430, JP 5159730 and JP 5885764, "the Patents") and their related patents in Japan and abroad
 - 3) Settlement fee to inventors other than Dr. Honjo of the patents covered by the License Agreement including the Patents
3. ONO will donate JPY23 billion, on our own voluntary will and as having been considered internally, to the "ONO Pharmaceutical and Dr. Honjo Honorary Research Fund", which will be established at Kyoto University in order to expand the economic foundation for the improvement of future education and research environment and for education and research support projects at Kyoto University, and to show a new form of industry-academia collaboration in Japan.

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