

May 12, 2015

ONO PHARMACEUTICAL CO., LTD.

President and Representative Director: Gyo Sagara

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

INQUIRIES: Yukio Tani, Director, Corporate Communications

public_relations@ono.co.jp**Notice Concerning Issuance of Stock Options (Stock Acquisition Rights)**

ONO PHARMACEUTICAL CO.,LTD. (Osaka, Japan; President, Representative Director and CEO, Gyo Sagara; "ONO") announced that the meeting of Board of Directors held on May 12, 2015 resolved a proposal seeking approval for the amount of the remuneration and the resolution of concrete contents regarding Stock Acquisition Rights as Stock Options to Members of the Board of Directors (excluding outside directors) based on the Article 361 of the Company Law, shall be submitted to the 67th Ordinary General Shareholders' Meeting scheduled to be held on June 26, 2015.

1. The Reason of the Proposal

The remuneration of the Board of Directors as a group was approved that the amount shall not exceed yearly 450 million yen (which does not include the remuneration as the employees) at the 59th Ordinary General Shareholders' Meeting held on June 28, 2007. However, to specify the Members of the Board of Directors' motivation to long-term Improvement of corporate value and to share the consciousness to the profit of ONO with shareholders, in addition to the original remuneration to directors, in order for appropriation in the following amount to be paid of the Stock Acquisition Rights of the content to be allocated as stock options to Board of Directors (excluding outside directors), the proposal seeks approval of annual monetary reward within 100 million yen, which is the same amount as paid in the amount of the Stock Acquisition Rights will be paid.

The amount of the Stock Acquisition Rights to be paid is to be in fair value as (2) below, and directors who receive the allotment of the Stock Acquisition Rights shall offset the compensation claims against ONO based on the resolution of the Ordinary General Shareholders' Meeting instead of the payment of the amount to be paid.

In addition, after "matter of election of seven directors" shall be discussed at the Ordinary Shareholders' Meeting and approved as originally proposed, Members of the Board of Directors shall be seven (including two outside directors).

2. The Contents of the Stock Acquisition Rights

(1) Total Number of the Stock Acquisition Rights, Type and Number of Shares Underlying the Stock Acquisition Rights

1- Total Number of the Stock Acquisition Rights: 150

The above total number represents the upper limit of Stock Acquisition Rights that are planned for allotment within one year from the Ordinary General Shareholders' Meeting of each year.

2- Type and Number of Shares Underlying the Stock Acquisition Rights

The type of shares underlying the Stock Acquisition Rights shall be the ONO's common stock, and the number of shares issued upon the exercise of each Stock Acquisition Right (hereinafter referred to as the "number of shares granted") is 100.

However, in case the ONO splits (including allotting shares of the ONO's common stock free of charge) or consolidates its common stock, if it is appropriate that the number of shares granted shall be adjusted, ONO shall adjust with the method it needs.

In addition to the above, if circumstances such as merger or company split need an adjustment to the number of shares granted, it shall be adjusted to the extent reasonable. Also, any fraction less than one share resulting from adjustment shall be rounded down to the nearest one whole share.

(2) Amount to be Paid in Exchange for Stock Acquisition Rights

The amount of each Stock Acquisition Right to be offered is the price which the Board of Directors resolve based on the fair price of Stock Acquisition Rights calculated by the fair calculation determined by such as the Black-Scholes model.

(3) Amount of Property to be Provided as Contribution upon the Exercise of Stock Acquisition Rights

The amount of property to be provided as contribution upon the exercise of Stock Acquisition Rights shall be the amount obtained by multiplying the number of shares granted by one yen, which is the amount to be paid per share granted upon the exercise of each Stock Acquisition Right.

(4) Period of Time during that Stock Acquisition Rights may be Exercised

The meeting of the Board of Directors shall resolve the period within 40 years from the next day of the day Stock Acquisition Rights are allocated.

(5) Restrictions on the Transfer of Stock Acquisition Rights

Transfer of the Stock Acquisition Rights shall need an approval of the Board of Directors.

(6) Conditions for the Exercise of Stock Acquisition Rights

The person receiving allotment of Stock Acquisition Rights offered shall be permitted to exercise their Stock Acquisition Rights after the next day following the day when they lose their positions as the directors.

(7) Other Details of Stock Acquisition Rights

Other details of Stock Acquisition Rights shall be resolved at the meeting of the Board of Directors.

(Reference)

ONO plans to grant the same Stock Acquisition Rights as the above to its Corporate Officers after the proposal are resolved at the Ordinary General Shareholders' Meeting.