



March 28, 2007

Ono Pharmaceutical Co., Ltd.
8-2, Kyutaromachi 1-chome,
Chuo-ku, Osaka 541-8564, Japan

Attention: Mr. Toshiharu Korekane, President & CEO

Dear Mr. Korekane:

Enclosed is a demand letter related to our shareholder proposal for the upcoming Annual Meeting of Ono Pharmaceutical Co., Ltd. (the "Company"). As you are aware, Brandes Investment Partners, L.P. ("Brandes") currently holds, on behalf of its investment advisory clients, in excess of 7% of the Company's shares. We intend to vote all shares under our control in support of this proposal, but for convenience the proposal is being submitted by only two Brandes accounts.

As noted in previous letters and meetings, our belief has been, and continues to be, that the Company has significant excess capital (including cash and both long and short-term investment securities) that is generating returns well below the cost of capital. Although we recognize that the Company may have certain needs in the future to fund acquisitions and strategic investments, we believe the amount of cash and investments currently on the balance sheet is well in excess of any such needs.

We acknowledge that the Company's recent actions of increasing dividends and repurchasing shares are steps in the right direction. However, we believe much more can and should be done in order to improve the capital efficiency of the Company. Accordingly, we believe that the enclosed shareholder proposal is very reasonable and will be a welcomed action by a large percentage of the Company's shareholders.

We continue to hope that we can have an open dialogue regarding the issue of excess capital, which is an issue that we strongly believe needs to be addressed. We would like to thank you for your continued efforts on behalf of all shareholders and look forward to a successful and productive future.

Sincerely yours,

Brent Woods, Kenneth Little, Luiz Sauerbronn, and Shingo Omura
Members of the Brandes Corporate Governance Committee

Shareholder Proposal

(株主提案書)

To the Board of Directors of Ono 小野薬品工業株式会社取締役会御中
Pharmaceutical Co., Ltd.

1. Claimant et al.

Enclosed is a copy of the Power of Attorney in which The Northern Trust Company (AVFC) Sub Account American Client ("Claimant"), a registered shareholder in ONO PHARMACEUTICAL CO., LTD. (the "Company"), has delegated to Brandes Investment Partners, LP ("Brandes") the authority to introduce a shareholder proposal to the 59th Ordinary General Shareholders Meeting of the Company. The Power of Attorney relates to 577,300 Company shares held by Claimant for at least six months prior to the date of this demand.

The Claimant acts as the nominee of the Brandes Institutional Equity Trust and the Brandes Canada International Equity Unit Trust (hereinafter collectively, the "Trusts") for which Brandes has investment authority. Brandes is the investment manager of the Trusts and has full discretionary authority over the Trusts' assets, all security purchase and sale activity, and absolute discretion on how proxy votes are cast. In its capacity as investment manager, Brandes is entitled to direct (and has directed) the Claimant on corporate governance issues related to the Company shares that are beneficially owned by the Trusts.

2. Demand

In accordance with Article 303 of the Company Act it is hereby demanded that the following agenda item be submitted to the 59th Ordinary General Shareholders Meeting of the Company scheduled to be held in June 2007.

1. 請求人その他

小野薬品工業株式会社（以下「当社」といいます。）の株主名簿上の株主であるノーザン・トラスト・カンパニー（エイブイエフシー）サブアカウント・アメリカン・クライアント（以下「請求人」といいます。）は、添付の委任状に基づき、当社の第 59 期定時株主総会に株主提案を提出する権限をブランドス・インベストメント・パートナーズ・エル・ピー（以下「ブランドス」といいます。）に付与しました。当該委任状は、本請求書の日に先立つ少なくとも 6 ヶ月の間請求人が保有している当社株式 577,300 株に関するものです。

請求人は、ブランドス・インスティテューショナル・エクイティ・トラスト及びブランドス・カナダ・インターナショナル・エクイティ・ユニット・トラスト(以下総称して「トラスト」といいます。)のために名義人として行動しています。ブランドスは、トラストの投資管理者であり、トラストの資産、証券売買に関する裁量権限を保有しており、議決権もどのように行使されるべきかを自由裁量で決定する権限も有しています。投資管理者としての地位に基づき、ブランドスは、トラストが実質的に保有する小野薬品工業株式会社の株式に関連して企業統治に関する事項につき請求人を指示する権限を有します（且つ指示を与えたものです）。

2. 請求

会社法第 303 条に従い、後記の議案を、平成 19 年 6 月に開催予定の当社第 59 期定時株主総会における会議の目的とすることを、ここに請求します。

In accordance with Article 305 of the Company Act it is also demanded that the following proposal and its supporting reasons be included in the notice of such shareholders meeting and related materials to be sent to the Company's shareholders.

(I) Proposal Additional Dividend

Additional dividends shall be paid as follows:

(i) Type of Assets for Dividend

Cash

(ii) Allocation of Assets for Dividend

In addition to any dividend proposed by the Company's Board of Directors to the 59th Ordinary General Shareholders Meeting of the Company and approved by such Meeting, the Company shall pay an additional amount as a dividend so that the aggregate amount paid to the Company's shareholders as a dividend be ¥700 per share of Common Stock.

(iii) Date for Additional Dividend

June 30, 2007; provided that it shall be paid by September 30, 2007.

(iv) Use of Voluntary Reserve

For this additional dividend, voluntary reserve may be used as required.

(II) Reasons

As of December 31, 2006 the Company had total assets of ¥498 billion. Of this total approximately ¥363 billion, or 73%, was comprised of cash, marketable securities and investment securities (hereafter referred to as "Financial Assets"), the majority of which is unrelated to the Company's operations as a pharmaceutical company. At the same time, the Company's Financial Assets less debt and other financial liabilities ("Net Financial Assets") represented 80% of total shareholders' equity.

会社法第 305 条に従い、後記の議案及び提案理由を上記株主総会の招集通知及び添付参考書類に記載して株主に通知することを、ここに請求します。

(I) 議案 剰余金追加配当の件

下記剰余金を追加で配当するものとします。

(i) 配当財産の種類

金銭

(ii) 配当財産の割当てに関する事項

第 59 期定時株主総会に当社取締役会が提案し同総会で承認された剰余金配当に加えて、当該剰余金配当金額と本議案による剰余金配当金額とを加算した合計額が当社普通株式 1 株につき金 700 円となる金額を剰余金の追加配当として支払う。

(iii) 剰余金の追加配当が効力を生ずる日

平成 19 年 6 月 30 日。但し、平成 19 年 9 月 30 日までに支払われるものとする。

(iv) 任意積立金の取り崩し

剰余金追加配当に充てるため、任意積立金を必要に応じて取り崩すことができる。

(II) 提案理由

平成 18 年 12 月 31 日現在で、当社の総資産は約 4980 億円です。この内、約 3630 億円又は 73%が、現金、有価証券及び投資有価証券（以下、「金融資産」といいます。）で構成されており、その大半は、製薬会社としての当社の業務に関連しておりません。同様に、当社の金融資産から借入金等の金融負債を控除した額（以下、「純金融資産」といいます。）は、当社株主資本の 80%となっています。

The magnitude of Financial Assets held by the Company goes well beyond what it legitimately needs to fund its operations as a pharmaceutical company. Other Japanese pharmaceutical companies generally have an average Financial Asset/Total Asset ratio of about 55% and even these levels have been criticized as excessive relative to their ordinary business needs (including research and development) and capital requirements for future growth opportunities.

Further, the return that the Company earns on its Financial Assets is very low and well below its estimated cost of capital. In fiscal year 2005, the Company generated approximately ¥2 billion in interest and dividends from over ¥373 billion in Financial Assets and in the first 9 months of fiscal year 2006, the Company generated a similar rate of return, which is less than 1% on an annualized basis.

This proposal, if approved, would result in a dividend payment of approximately ¥80 billion, which would reduce the Company's total Financial Assets to about ¥282 billion. After payment of the proposed dividend, approximately 68% of the Company's total assets would still consist of Financial Assets, a ratio that by any conservative calculation is more than sufficient to support its operations and still allow for it to pursue growth opportunities. We recognize that the Company may consider potential acquisitions which could require the use of some or all of its Financial Assets. However, we believe that any such acquisitions, if economically justified, could be financed through the capital markets at such time the potential acquisitions arise, and that maintenance of significant excess Financial Assets to provide for potential future acquisitions is not in the interests of shareholders. Fundamentally, this proposal reflects the belief that the Company should maintain a balance sheet that is consistent with its core business as a pharmaceutical company and that capital well in excess of such needs should be returned to its shareholders.

Depending on the facts and circumstances at the time, the shareholder making this proposal will consider making further proposals in the future for payments of dividends from the Company's excess Financial Assets so as to gradually reduce such non-operating assets.

総資産に対する金融資産の規模は、製薬会社の事業が正当に必要な額をはるかに超えています。日本の他の製薬会社の金融資産/総資産の平均的な比率は 55%前後ですが、このレベルであっても、製薬会社の通常業務（研究開発資金を含む）及び成長戦略に必要なとされるレベルと比較して過大と批判されているものです。

更に、当社が金融資産から得ている収益率は極めて低く、資本コストを大きく下回るものです。平成 17 年度、3730 億円を超える金融資産から得られた当社の受取利息・受取配当金は、20 億円程度で、平成 18 年度の当初 9 ヶ月間も同様の収益率、年換算で 1%未満、となっています。

本提案は、可決された場合、約 800 億円の剰余金の配当となり、当社の金融資産を約 2820 億円程度まで減少させることとなります。剰余金配当後であっても、当社の総資産の 68%前後は金融資産で構成されており、保守的な計算によっても、当社の事業活動を支えながら成長機会を迫及するために十分な比率の金融資産を含むものといえます。当社が金融資産の一部又は全部を必要とする買収を検討する可能性があることも理解しています。しかし、そのような買収が経済的に正当化できるのであれば、その機会が現実化した際には、資本市場から必要資金を調達することができると考えられます。したがって、将来の買収に備えて明らかに余分な金融資産を維持することは株主利益に反するものです。この提案は、根本的な思想として、当社は製薬会社としての中核事業に相応しいバランスシートを維持すべきであり、必要性を超えた資本は株主に返還すべきであるという考えに基づくものです。

本提案を請求している株主は、その時々状況に従い、当社の不稼働資産を少しずつ減少させる目的で、過剰と思われる金融資産からの剰余金配当の株主提案を将来も検討することも考えています。

3. Miscellaneous

If for any reason the Board of Directors of the Company intends not to fulfill the matters demanded, it is requested that the undersigned be notified no later than April 5, 2007. It is the intention of the undersigned to make a public disclosure of its submission of a shareholder proposal on or about this date.

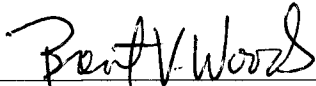
Please communicate with the undersigned in relation to any matters concerning this demand.

11988 El Camino Real, Suite 500, P.O. Box 919048, San Diego, California, 92191-9048,
United States of America

(アメリカ合衆国 92191-9048 カリフォルニア州、サンディエゴ、エル・カミノ・レアル
11988、500 号室)

Brandes Investment Partners, LP

(ブランドես・インベストメント・パートナーズ・エル・ピー)



By (署名者) : Brent V. Woods

Title (肩書き) : Managing Director - Investments

Date (日付) : March 28, 2007

3. その他

その理由を問わず、ここに請求された事項を当社取締役会が履行する意図がない場合、少なくとも平成 19 年 4 月 5 日までに下記署名者にご通知ください。下記署名者は、株主提案の提出に係る開示を同期日前後に予定しています。

この請求書に関連する事項については、下記署名者にご連絡ください。