

## NEWS

### **ONCOLYS BIOPHARMA AND SYSMEX CORPORATON SIGN COLLABORATIVE RESEARCH AND DEVELOPMENT AGREEMENT FOR IN-VITRO CANCER CIRCULATING TUMOR CELL DIAGNOSTIC AGENT**

Tokyo, Japan – January 21, 2009 – Oncolys BioPharma Inc. (HQ: Tokyo, Japan; President & CEO: Yasuo Urata) and Sysmex Corporation (HQ: Kobe, Japan; President: Hisashi Ietsugu) signed collaborative research and development agreement on GFP gene containing recombinant adenovirus "TelomeScan™" (OBP-401). It will be the world's first in vitro diagnostic agent for cancers using virus vector to detect circulating living tumor cells in the blood with high sensitivity.

TelomeScan™ is a telomerase-specific replication-competent adenovirus vector developed by Oncolys and originally invented by Okayama University, and is containing green fluorescent protein (GFP) gene, which is the research theme of Dr. Osamu Shimomura, the 2008 Nobel Prize winner in Chemistry and a senior scientist emeritus and corporation member at the Marine Biological Laboratory (MBL), Boston University (U.S.). When TelomeScan™ is incubated with cancer cells, it will specifically replicate in those cells, resulting in production of GFP which makes tumor cells be visualized with green fluorescence. We are aiming to develop and commercialize TelomeScan™ as the first GFP-using diagnostic agent in the world.

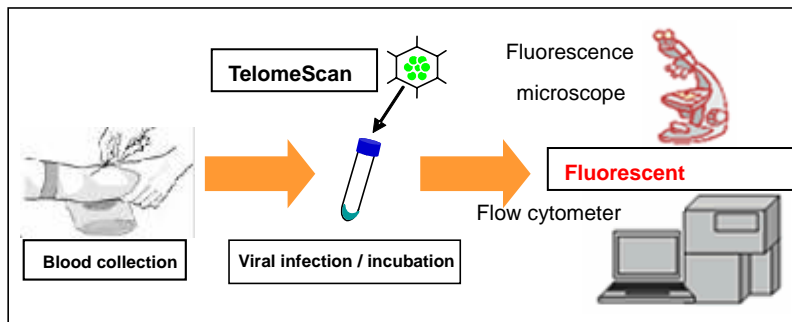
There are many papers indicating that the circulating living tumor cells CTC in the blood could be one of the causes of metastasis, especially in the case of breast cancer. However, the existing diagnostic agents and imaging systems do not have enough sensitivity and specificity to estimate the metastasis of cancer at an early stage, because they can only detect the existence of tumors after it becomes large enough.

We have found that TelomeScan™ can be specifically visualized in the presence of CTC in the blood, and we can detect them with high sensitivity, especially on breast cancer patients. We believe that this result leads to a novel diagnostic tool that can detect possible metastasis in various cancer patients with better accuracy, compared to the existing diagnostic tools. Especially, it will be helpful in the selection of appropriate treatment methods/medications for both early and advanced stage cancer patients. Also, by regularly monitoring the number of CTC in the blood after surgery and/or other treatments, it is expected to be useful for doctors on their future treatment strategy.

Initially with breast cancer, Oncolys and Sysmex Corporation, we are aiming to further

develop and validate TelomeScan™ as a novel tumor marker to support in the selection more effective treatment (Fig.1). The following figure outlines the diagnostic method in development.

Figure 1: Outline of the diagnostic method using TelomeScan™



#### About Oncolys BioPharma Inc.

Oncolys BioPharma is a privately held biopharmaceutical company focused on the development of novel pharmaceutical products for the treatment of cancer and infectious disease. The company's lead product for the treatment of cancer, Telomelysin™ (OBP-301), is based on replication-competent oncolytic adenovirus. Telomelysin™ completed phase-I clinical trial in the U.S. for various solid tumors. Preparation to initiate Phase-II is on-going by Oncolys in collaboration with Medigen Biotechnology (Taiwan) through a strategic alliance.

Oncolys' major program for the treatment of HIV, Festinavir™ (OBP-601), is a novel NRTI with highly promising safety and resistance profiles. Oncolys completed Phase-Ia clinical trial on healthy male volunteers in the U. S. and phase-Ib clinical trial on HIV positive patients is on-going in France. In addition, Oncolys has the exclusive license rights for 45 countries in Asia for OBP-701 (TT-033), a novel therapeutic product containing three separate short hairpin RNAi elements entrapped in an AAV protein coat, targeting HCV. Alliance between Pfizer Inc. and Tacere Therapeutics for Europe and the U.S. on this product was announced on January 2008 and preclinical studies are on-going by Pfizer and Tacere. For additional information, please visit [www.oncolys.com](http://www.oncolys.com)

#### About Sysmex Corporation

Sysmex is a leading diagnostic company based in Japan and distributing testing equipments / reagent, laboratory information system and healthcare service & support to hospitals and laboratories to over 150 countries. Sysmex has expanded its business area into life-science field and aiming to realize personalized medical care using cutting-edge genetic and protein technologies. Sysmex has been listing on the main board of the Tokyo Stock Exchange and the Osaka Securities Exchange (securities code: 6869).

For additional information, please visit [www.sysmex.co.jp/](http://www.sysmex.co.jp/)

**ONCOLYS CONTACTS:**

**Business Development**

Flavio Ohno

Director, Licensing & Strategic Alliances

Phone: +81-3-5575-3378

E-mail: [ohno@oncolys.com](mailto:ohno@oncolys.com)

**Investor's / Public Relations**

Yasushi Rokutanda

VP, Administration

Phone: +81-3-5575-3378

E-mail: [rokutanda@oncolys.com](mailto:rokutanda@oncolys.com)