

NB: this is a summary translation of the press release original drafted in Japanese for the disclosure required in compliance with the TSE regulations.

20 Oct 2016

Oncolys BioPharma Inc.

Announcement of a TelomeScan Joint Research Agreement with DNA Chip Research Inc.

Oncolys BioPharma (“Oncolys”) is pleased to announce that today its board resolved to enter into a new joint research agreement with DNA Chip Research Inc. (“DNA Chip Research”), to study the potential of TelomeScan® as companion diagnostic drug for castration-resistant prostate cancer (“CRPC”).

The aim of this joint research is to explore the possibility of TelomeScan, a novel cancer diagnostic virus under development by Oncolys, as a new type of predictive biomarker for CRPC patients, by screening androgen receptor splice variant-7 (AR-V7) contained in circulating tumor cells (CTCs) TelomeScan detects in patients’ blood.

Different types of standard treatment are currently available for prostate cancer patients depending on the stage of disease. For patients with nodal and/or distant metastasis, hormone treatment is usually used and it has been known that a long-term hormone treatment may cause CRPC, which means patient’s tumor is resistant and refractory to hormone therapy and able to grow. In such case, additional treatment including taxane chemotherapy has been needed to help control the growth of cancer. A recent approval and introduction of oral anti-androgen drugs, however, is expected to improve the outcome of CRPC patients while a new question about optimal timing and appropriate patients selection for the new drugs is starting to arise in clinical settings.

Oncolys continues to strive to expand the potential of TelomeScan as a helpful diagnostic test, to contribute to improve cancer treatment outcomes for doctors and patients.

The announcement above will not affect Oncolys’ earnings for the fiscal year ending 31 December 2016.

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About TelomeScan®

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. TelomeScan has been licensed to Liquid Biotech USA, Inc., founded by University of Pennsylvania and its professors and to a listed South Korean company Wonik Cube in Korea.

About Oncolys BioPharma Inc.

Oncolys BioPharma is a TSE Mothers-listed biopharmaceutical company with focuses on the development of novel biologics for the treatment of cancer and infectious diseases. The company's lead product for the treatment of cancer, OBP-301 (Telomelysin®), is based on replication-competent oncolytic virus, and is being tested in Phase I/II clinical trial in Asia, for various solid tumors. A novel cancer diagnostic product, OBP-401 (TelomeScan), is expected to be effective in detecting various types of cancer and inflammatory diseases and adopted in several private practices. The company also has a major program OBP-601 (Festinavir) for infectious diseases, which has completed Phase II clinical trial in the U.S. for HIV/AIDS therapy, supported by BMS. OBP-601 is a novel NRTI with highly promising safety and resistance profiles. For more additional information, please visit www.oncolys.com

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