NB: this is **a summary translation** of the press release original drafted in Japanese for the disclosure in compliance with the TSE regulations. In case of any discrepancy, the Japanese original shall prevail.

27 June 2017

Oncolys BioPharma Inc.

CTN submitted for an Investigator-Initiated Clinical Trial for Telomelysin® (OBP-301) - pembrolizumab combination therapy

Onoclys BioPharma ("Oncolys") is pleased to announce that a clinical trial notification ("CTN") was successfully submitted to the Pharmaceuticals and Medical Devices Agency (PMDA), for the world's first investigator-initiated Phase I clinical trial of Telomelysin® (OBP-301), oncolytic viral immunotherapy, in combination with pembrolizumab, an anti-PD-1 therapy marketed by Merck & Co., Inc., Kenilworth, NJ, USA (known as MSD outside the United States and Canada), for the treatment of patients with advanced or metastatic solid tumors.

The purpose of this clinical trial is to evaluate safety and efficacy of Telomelysin® with anti-PD-1 therapy, and National Cancer Center Hospital East ("NCCHE") had been preparing for the CTN submission following a conclusion of an investigator-initiated trial ("IIT") agreement between NCCHE and Oncolys, as announced in a press release "Announcement of Investigator-Initiated Trial Agreement with National Cancer Center Hospital East Using OBP-301" dated 10 August, 2016.

One of the research concepts of Telomelysin® is a "cure without surgery", and Oncolys is determined to continue to make a contribution to the development of effective cancer therapy by discovering the potential and a further broader applicability and indications of Telomelysin® combining it with other tumor treatment.

The announcement above will not affect Oncolys' earnings for the fiscal year ending 31 December 2017.

###

About OBP-301 (Telomelysin®)

Telomelysin® is an oncolytic adenovirus in which gene is modified to be able to selectively replicate in cancer cells by introducing human telomerase reverse transcriptase (hTERT) promotor. Oncolytic adenovirus has much potential for cancer immunotherapy because its viral replication is highly immunogenic, and oncolysis induced by such virus releases tumor epitopes and provides costimulatory danger signals. From the result of phase I clinical trial in the US, Oncolys obtained promising data showing abscopal effect in melanoma patients after single injection into one single tumor and found that not only increasing infiltration of CD8 and antigen presenting cells but diminishing Treg cells in injected tumor site. Clinical Research Status: esophageal cancer (clinical investigation and sponsor-initiated

Phase I, in combination with radiotherapy, Okayama University, Japan); hepatocellular cancer (Phase I/II, with Medigen Biotechnology Corp., Taiwan/South Korea); and melanoma (Phase II, USA).

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, Telomelysin® (OBP-301), is based on replication-competent oncolytic virus, and is being tested in Phase I/II clinical trial in Asia and Phase II in the USA, for various solid tumors. A novel cancer diagnostic product, TelomeScan® (OBP-401/1101), is expected to be effective as companion diagnostic tool in detecting various types of cancer and inflammatory diseases and adopted in several private practices. The company also has a major program OBP-601 (Censavudine) for infectious diseases, for which it completed Phase II clinical trial in the U.S. for HIV/AIDS therapy, supported by BMS. For more information, please visit http://www.oncolys.com/en/

Oncolys BioPharma Inc.	
Mie Yamazaki Investor Relations & Corporate Communications Tel: +81 (0) 5472 1578 Email: yamazaki@oncolys.com	