

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

8 February 2017

Oncolys BioPharma Inc.

Announcement of Non-Operating Losses and Extraordinary Losses

Oncolys BioPharma (“Oncolys”) announces today that non-operating losses and extra ordinary losses were recorded in the non-consolidated cumulative fourth quarter (1/1/2016 – 31/12/2016) as follows:

1. Details of non-operating losses

Due to recent fluctuations in foreign currency exchange rates, in the non-consolidated cumulative fourth quarter (1/1/2016 – 31/12/2016), foreign exchange losses of JPY 3,501,000 were recorded as non-operating losses. As a result, together with other items, non-operating losses of JPY 8,763,000 were posted in the same cumulative fourth quarter (1/1/2016 – 31/12/2016).

2. Details of extraordinary losses

Having run deficits for 5 consecutive business years from FY2012, impairment losses on fixed assets related to Oncolys’ headquarters office in Tokyo and a laboratory in Kyoto, of JPY 58,461,000, were posted in the non-consolidated cumulative fourth quarter (1/1/2016 – 31/12/2016) as a result of examining the retrievability of the fix assets based on The “Accounting Standard for Impairment of Fixed Assets”. As a result, together with losses on revaluation of a part of investment securities of JPY 5,762, 000, extraordinary losses of JPY 64,223,000 were posted in the same cumulative fourth quarter (1/1/2016 – 31/12/2016).

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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 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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TRANSLATION