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

5 July 2016

Oncolys BioPharma Inc.

Announcement of an OBP-301 Joint Research Agreement with Graduate School of Medicine, Nagoya University

Onoclys BioPharma ("Oncolys") is pleased to announce that it approved a new joint research agreement with a research group led by Dr. Hiroyoshi Nishikawa, Graduate School of Medicine, Nagoya University, to study the efficacy of a combination therapy, with OBP-301 (Telomelysin®) and a check-point inhibitor. Dr. Nishikawa is also a head of Translational Immunology Research, Exploratory Oncology Research & Clinical Trial Center, National Cancer Center, Tokyo, Japan ("NCC-EPOC").

The development of tumor immunotherapy such as check-point inhibitors has become a globally-rising trend in cancer treatments of recent years. Oncolys, through its studies to date, has observed and confirmed the efficacy of Telomelysin which reinforces the tumor immunity by its oncolytic activity inducing the activation of cytotoxic T-lymphocyte cells (CTL). Under this new joint research agreement, by cooperating with Dr. Nishikawa who has an extensive knowledge and experience in experimental tumor immunology, it aims to examine the efficacy of combining Telomelysin and a check-point inhibitor as a concomitant treatment and how it promotes the tumor immunity systemically, and to investigate the possibility of Telomelysin as a systemic therapy.

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 new cancer therapy which keeps the quality of life of tumor patients by discovering the potential of Telomelysin for a new combination treatment.

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

Ends

About OBP-301 (Telomelysin®)

Telomelysin® is a therapeutic modality derived from adenovirus. Telomelysin® is generated by replacing the normal transcriptional regulatory element of the E1A gene in the human adenovirus type 5 with the human telomerase reverse transcriptase (hTERT) promoter. Telomerase is an enzyme expressed in approximately 90% of all types of cancer cells. The hTERT promoter is the key for the expression of telomerase, as well as for the complete replication of chromosomal ends. Telomelysin® is able to achieve a high replication rate, due to the internal ribosome entry site (IRES) gene inserted between the E1A and E1B genes. ***Clinical Research****: esophageal cancer (clinical investigation, in combination with radiotherapy, Okayama University, Japan), hepatocellular cancer (Phase I/II, with Medigen Biotechnology Corp., Taiwan/South Korea), melanoma (Phase II planned in 2016).*

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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