

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

15 July 2016

**Oncolys BioPharma Inc.**

## **Announcement of Financial Forecast for the First Half of the Fiscal Year Ending December 31, 2016**

Based on the recent business surroundings and performance, the Board of Oncolys BioPharma (“Oncolys”) approved at its board meeting today a resolution to announce a revised earnings forecast for the first half of the fiscal year ending December 31, 2016, as below. Oncolys’ half year forecast of the FY2016 had been announced on the 10<sup>th</sup> February, 2016, however, the figures have been withheld since the 28<sup>th</sup> April 2016, given “difficulty of gaining the estimates based on reasonable calculations at present due to a number of uncertain and changeable elements in relation to the business”.

### 1. Financial Forecast for the First Half of the Fiscal Year Ending December 31, 2016

(JPY, million)

	Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share
Previously announced Forecast (A)	-	-	-	-	-
Revised Forecast (B)	44	Δ410	Δ416	Δ417	Δ45.40
Change (B-A)	-	-	-	-	-
Rate of Change (%)	-	-	-	-	-
(Ref.) Results for the First Half Fiscal Year Ended December 2015	7	Δ505	Δ405	Δ406	Δ44.26

### 2. Reason of the revision

While the earnings forecast for the first half of the FY2016 has been withheld due to the aforementioned reason, today the board of Oncolys reached a conclusion to announce the revised estimates based on the data and information currently available. For the said half year, while Oncolys expects to post sales of JPY 44 million in Diagnostic Business segment, mainly from milestone payments from Wonik Cube Corp. and Liquid Biotech USA, Inc., both of which Oncolys is in partnership with based on the license agreements, it anticipates Operating Loss, Ordinary Loss and Net Loss of 410 million, 416 million and 417 million, respectively, mainly from R&D activities cost. The full year forecast for the FY2016 remains unchanged, given the macroeconomic uncertainty and the difficulty of predicting the business performance in the second half of the said year based on the limited information available at present.

Disclaimer: The above forecasts are based on certain assumptions and expectations by the company in light of the currently available information. The actual results may differ materially from those projected above due to various factors.

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