Announcement of Investigator-Initiated Trial Agreement with National Cancer Center Hospital East Using OBP-301

Oncolyx BioPharma (“Oncolyx”) is pleased to announce that it approved a new investigator-initiated trial (“IIT”) agreement with a research group led by Dr. Toshihiko Doi, National Cancer Center Hospital East (“NCCHE”), to study the efficacy of a combination therapy, with OBP-301 (Telomelysin®) and other cancer treatment.

Oncolyx, 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). Since last year it has been proactively advancing the preparation in order to conduct basic researches on systemic tumor immune activation and anti-tumoral efficacy of a combination therapy using Telomelysin and other treatment, starting collaborative relationship with a number of research institutions in Japan and overseas. Under this new IIT agreement, Dr. Doi’s group will examine the safety, efficacy and immune response against tumors of a concomitant treatment using Telomelysin in combination with other tumor therapy, in order to explore a further broader applicability and indications of Telomelysin.

One of the research concepts of Telomelysin is a “cure without surgery”, and Oncolyx is determined to continue to make a contribution to the development of effective cancer therapy by discovering the potential of Telomelysin combining it with other tumor treatment.

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

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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 III, Cohort 3 max.
dose administration completed, 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](http://www.oncolys.com).

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