January 4, 2017

Arena Pharmaceuticals and Eisai Amend Marketing and Supply Agreement for BELVIQ Globally

Arena Expects to Receive $23 Million of Cash Payments and Over $80 Million of Potential Cost Relief and Will Continue to Focus on Its Clinical Programs

SAN DIEGO, Jan. 4, 2017 /PRNewswire/ -- Arena Pharmaceuticals, Inc. (NASDAQ: ARNA) today announced that it has amended its BELVIQ® (lorcaserin HCl) marketing and supply agreement with Eisai Co., Ltd. and Eisai Inc. (collectively, "Eisai"). Under the revised agreement, Eisai is acquiring global commercialization rights to BELVIQ, including in the territories retained by Arena under the parties' prior agreement, with control over global development and commercialization decisions, and is responsible for all lorcaserin development expenses going forward.

The financial terms of the revised agreement are expected to provide Arena with $23 million of cash payments and over $80 million of potential cost relief on current lorcaserin development obligations.

Arena will continue to be eligible to receive royalty payments on net sales of BELVIQ and participate in the upside potential of lorcaserin from additional geographies and clinical trials such as the ongoing cardiovascular outcomes trial, CAMELLIA.

"We would like to thank Eisai for its continued efforts on BELVIQ," said Amit Munshi, President and Chief Executive Officer of Arena. "This amended agreement allows Arena to focus more of its financial resources on our clinical stage programs, with a goal of developing first- or best-in-class assets with our three proprietary compounds, from which we expect results from multiple Phase 2 clinical trials later this year."

Under the revised agreement, Arena will:

- Transfer to Eisai certain intellectual property, assets and records related to lorcaserin
- Assign its rights under the agreements with Ildong Pharmaceutical Co. LTD., Abic Marketing Limited and CY Biotech Company Limited to Eisai
- Continue to manufacture lorcaserin at its facility in Switzerland and sell finished product to Eisai for marketing and distribution
- Provide for technology transfer to Eisai for the option to manufacture lorcaserin

Eisai will be responsible for all further development, sales and marketing, regulatory and patent expenses.

Under the revised agreement,

- Arena is eligible to receive approximately $23 million over a two-year period for inventory and ongoing support for its manufacturing obligations, plus payments comparable to a contract manufacturer for continuing to supply lorcaserin
- Arena will no longer incur lorcaserin clinical development expenses, which could have exceeded $80 million over the next several years
- Arena is eligible to receive royalty payments of 9.5% on annual global net sales of lorcaserin less than or equal to $175 million, 13.5% on annual global net sales greater than $175 million but less than or equal to $500 million and 18.5% on annual global net sales greater than $500 million
- Arena is eligible to receive $26 million in potential sales and regulatory milestones including $25 million upon global net sales reaching $250 million in any 12 month period and $1 million for approval in Brazil.

Conference Call & Webcast
The Company will host a conference call and live webcast with the investment community today, Wednesday, January 4, 2017 at 4:30 p.m. ET to discuss the lorcaserin agreement amendment.

When: January 4, 2017, 4:30 p.m. ET
Dial-in: (877) 643-7155 (United States) or (914) 495-8552 (International)
Conference ID: Arena Pharmaceuticals

Please join the conference call at least 10 minutes early to register.

You can access the live webcast under the investor relations section of Arena's website at: www.arenapharm.com. A replay of the conference call will be archived under the investor relations section of Arena's website for 30 days shortly after the call.

About Arena Pharmaceuticals
We are a biopharmaceutical company focused on developing novel, small molecule drugs across a range of therapeutic areas. We have three primary proprietary investigational clinical programs: etrasimod (APD334) in Phase 2 evaluation for ulcerative colitis, APD371 entering Phase 2 evaluation for the treatment of pain associated with Crohn's disease, and ralinepag (APD811) in Phase 2 evaluation for pulmonary arterial hypertension (PAH). Additionally, we have collaborations with the following pharmaceutical companies: Eisai Co., Ltd. and Eisai Inc. (commercial stage), Axovant Sciences Ltd. (Phase 2 candidate), and Boehringer Ingelheim International GmbH (preclinical candidate).

Our US operations are located in San Diego, California. Our primary clinical operations are located in Zug, Switzerland, and our commercial manufacturing for BELVIQ is located in Zofingen, Switzerland.

Forward-Looking Statements
Certain statements in this press release are forward-looking statements that involve a number of risks and uncertainties. Such forward-looking statements include, without limitation, statements about cash payments and cost relief, activities to be performed by Arena or Eisai, responsibilities of Arena or Eisai, the significance of the revised agreement with Eisai, Arena's focus and goals, and timing and other expectations for Phase 2 clinical trials. Words such as "will", "expect", "may," "goal," "potential" and similar expressions are intended to identify forward-looking statements, though not all forward-looking statements necessarily contain these identifying words. For such statements, Arena claims the protection of the Private Securities Litigation Reform Act of 1995. Actual events or results may differ materially from Arena's expectations. Factors that could cause actual results to differ materially from the forward-looking statements include, but are not limited to, risks related to: the implementation and continuation of the revised agreement with Eisai; dependence on counterparty performance; risks related to commercializing drugs, including regulatory, manufacturing and supply issues and the availability and use of BELVIQ; cash and revenues generated from BELVIQ, including the impact of competition; government and commercial reimbursement and pricing decisions; unexpected or unfavorable new data; and the ability to defend patent rights. Additional factors that could cause actual results to differ materially from those stated or implied by Arena's forward-looking statements are disclosed in Arena's filings with the Securities and Exchange Commission. These forward-looking statements represent our judgment as of the time of this press release. Arena disclaims any intent or obligation to update these forward-looking statements, other than as may be required under applicable law.

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