October 30th, 2012

Kyowa Hakko Kirin Announces Discontinuation for Phase 3 Clinical Study of ARQ 197 (Tivantinib) in Combination with Erlotinib in Non-Small-Cell Lung Cancer Patients

Tokyo, Japan, October 30, 2012--- Kyowa Hakko Kirin Co., Ltd., ("Kyowa Hakko Kirin") today announced discontinuation of an international phase 3 clinical (ATTENTION) study evaluating the combination of ARQ 197 (tivantinib) and erlotinib in patients with advanced or metastatic, non-small-cell lung cancer in Asia (Japan, Korea, and Taiwan).

This study is a randomized, double-blinded trial comparing ARQ197 and erlotinib to placebo and erlotinib. Patient enrollment had been suspended after the recommendation by Safety Review Committee in August with higher frequency of interstitial lung disease cases in the study as one of drug-related adverse reactions. Safety Review Committee was held again after further investigation and Kyowa Hakko Kirin has decided to follow the recommendation.

Kyowa Hakko Kirin signed a license agreement with ArQule for the exclusive rights to the development and sales of ARQ 197 in Japan and some parts of Asia (China, Korea, and Taiwan) on April 27th, 2007.

About ATTENTION Study

ATTENTION is an abbreviation of Asian Trial of Tivantinib plus Erlotinib vs. Erlotinib for NSCLC without EGFR Mutation. Please see below for details.

< http://www.kyowa-kirin.com/news_releases/2011/e20110809_01.html>

About ARQ 197 (Tivantinib)

ARQ 197 is an orally administered low molecular weight compound discovered by ArQule, which selectively inhibits c-Met (receptor tyrosine kinase). c-Met is a hepatocyte growth factor receptor with a high level of expression and activity in a wide variety of solid cancers. The expression of c-Met is reported as being related to the infiltration and metastasis of cancer and correlated with the malignancy of cancer.

About Erlotinib

Erlotinib is an orally administered molecularly targeted drug that selectively inhibits tyrosine kinase in epidermal growth factor receptors. It is indicated for non-small cell lung cancer and marketed under the brand name Tarceva®.

About Non-small cell lung cancer

Lung cancer can be categorized into two major categories: small cell lung cancer and non-small cell lung cancer. Non-small cell lung cancer can be further categorized into squamous cell carcinoma, adenocarcinoma, and large cell carcinoma. This clinical study is conducted with non-small cell carcinoma, excluding squamous cell carcinoma, as the indication.

About Safety Review Committee

Safety Review Committee is established to evaluate the safety data of the study. The committee will investigate the safety data independent of the sponsor and give an advice(s) to the sponsor.

About Interstitial lung disease

Interstitial lung disease is a disease which belongs to a diffuse lung disease and its primary lesions are of a pathological change in alveolus interstitium (alveolus wall) or peribronchial interstitium. It causes inflammation, increase of collagen etc. leading to thickened wall.
Interstitial pneumonia causes a symptom of breathing difficulty, fever, and dry cough. When the disease progresses, lung will become fibrotic, be small and hardened. If this fibrosis takes place extensively, dyspnea may occur leading to the death.

About ArQule

ArQule is a biotechnology company in the United States engaged in the research and development of next-generation, small molecule cancer therapeutics.
URL: http://www.arqule.com/