Cardica Signs Distribution Agreement for MicroCutter in Japan

REDWOOD CITY, Calif., Sept. 8, 2011 /PRNewswire/ -- Cardica, Inc. (Nasdaq: CRDC [1]) today announced that it has signed a distribution agreement with Century Medical, the company's distribution partner for its PAS-Port® Proximal Anastomosis System in Japan, for Cardica's planned MicroCutter product line in Japan. Century Medical provided Cardica with a $4 million loan commitment in exchange for the distribution rights.

Under the terms of a secured note purchase agreement, Century has agreed to loan Cardica an aggregate of up to $4 million at a 5% annual interest rate, with principal due five years after the first draw by Cardica under the agreement, subject to certain conditions. Century's obligation to provide the loan to Cardica is subject to MicroCutter development milestones that Cardica expects to achieve within the next several months. In return for the loan commitment, Cardica granted Century distribution rights to Cardica's planned MicroCutter product line in Japan. Century will be responsible for securing regulatory approval from the Ministry of Health in Japan. After approval for marketing in Japan, Cardica would sell MicroCutter units to Century, who would then sell the MicroCutter devices to their customers in Japan.

"We believe the MicroCutter product line addresses many of the limitations of conventional laparoscopic surgical staplers," said Mr. Akira Hoshino, president and chief executive officer of Century Medical. "We believe that Japan will be an ideal market for these innovative devices and look forward to working with Cardica in this significant market opportunity."

"Century has been a tremendous partner for our PAS-Port system in Japan, and with their experience in the surgical stapling market, we believe they will be an ideal partner for our MicroCutter devices as well," stated Bernard A. Hausen, M.D., Ph.D., president and chief executive
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