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## **Notification Regarding a Petition for Commencement of Bankruptcy Proceedings by a Subsidiary**

Fukuda Denshi Co., Ltd. (Fukuda Denshi) hereby announces that Japan Stent Technology Co., Ltd. (hereinafter referred to as “Japan Stent Ltd.”), a subsidiary of Fukuda Denshi, filed a petition for commencement of bankruptcy proceedings in the Okayama District Court today as described below.

### 1. Reason for the petition

At the extraordinary meeting of Board of Directors held on March 4<sup>th</sup>, 2015, Fukuda Denshi resolved to stop the support for Japan Stent Ltd.

(For the details, please refer to the “Notification Regarding the Recording of Extraordinary Losses and Income Due to the Stopping of Support for Japan Stent Technology Co., Ltd.(a Stent Development Business)” dated March 4<sup>th</sup>, 2015 (hereinafter referred to as the “Notification dated March 4<sup>th</sup>, 2015”).)

As a consequence of this event, Japan Stent Ltd. independently searched for funds procurement sources but could not establish any prospect of recovering from its financial difficulties. Japan Stent Ltd. is in a situation in which it is extremely difficult to continue its business, and thus it decided to file the petition for commencement of bankruptcy proceedings under the leadership of the court.

### 2. Amount of liabilities

1,854 million yen

### 3. Overview of the subsidiary

- (1) Trade name: Japan Stent Technology Co., Ltd.
- (2) Head office location: 5303 Haga Okayama City, Okayama Prefecture, Japan
- (3) Representative: Izumi Tsubone, President & CEO
- (4) Main businesses: Research and development, manufacturing, and selling of stents
- (5) Capitalization : 50 million yen
- (6) Established: September 2003
- (7) Major shareholders and their stock ownership ratios: Fukuda Denshi 53.8%,  
Shuzou Yamashita 10.9%

(8) Relationship between the listed company and the company in question:

Capital relationship : As stated in (7) above

Personal relationships: One director of Fukuda Denshi concurrently serves as President & CEO of Japan Stent Ltd.

One director of Fukuda Denshi concurrently serves as an auditor of Japan Stent Ltd.

Two employees of Fukuda Denshi concurrently serve as directors of Japan Stent Ltd.

Conditions applicable to the related party: Consolidated subsidiary of Fukuda Denshi

Business relationship: Loan of funds

(9) Financial position and operating results:

(The number with parenthesis shows negative figure)

(in millions of yen)	Fiscal year ended March 2012	Fiscal year ended March 2013	Fiscal year ended March 2014
Net sales	82	12	41
Operating income	(697)	(869)	(765)
Ordinary income	(617)	(640)	(628)
Net income	(629)	(641)	(763)
Net income per share(yen)	(72,123.58)	(53,517.50)	(56,875.61)
Net assets	(411)	(168)	(931)
Total assets	587	901	647
Net assets per share (yen)	(42,481.35)	(12,549.90)	(69,425.50)
Dividend per share	—	—	—

4. Forecast impact on financial results

(1) Impact on non-consolidated financial results

At the current time, there is no change to the impact on the non-consolidated financial results of Fukuda Denshi from the "Notification dated March 4<sup>th</sup>, 2015" .

Fukuda Denshi owes no debt to Japan Stent Ltd. and Fukuda Denshi's main claims are long-term loans of 889 million yen. Note that there is a risk that these claims will be uncollectable, so we will book extraordinary losses of 2,639 million yen in the fiscal year ended March 31<sup>st</sup>, 2015 (as in the "Notification dated March 4<sup>th</sup>, 2015").

(2) Impact on consolidated financial results

At the current time there is no change to the impact on the consolidated financial results of Fukuda Denshi from the "Notification dated March 4<sup>th</sup>, 2015" . The impact on the consolidated financial results of Fukuda Denshi is minor, and at the current time there is no revision of the forecast for the consolidated financial results.

\*This English translation is for reference purposes only. The original Japanese version will prevail as the official authoritative version.