

## News Release Dated November 15, 2011

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### Notice Regarding Issuance of New Shares by way of Third-party Allotment

The Board of Directors of tella, Inc. approved a resolution on November 15, 2011 to conduct a private placement of stock to allot newly issued shares of common stock to Asahi Kasei Corporation (Headquarters: Chiyoda-ku, Tokyo; President: Taketsugu Fujiwara) (hereinafter “the Third-party Allotment”). The details are as follows.

#### 1. Outline of offering

(1) Issue date:	December 6, 2011
(2) Number of shares to be newly issued:	697,000 common stock shares
(3) Issue price:	430 yen per share
(4) Total issue price:	299,710,000 yen
(5) Amount credited to capital:	215 yen per share
(6) Total amount credited to capital:	149,855,000 yen
(7) Method of offering or allotment (Party to which shares will be allotted)	Third-party allotment Asahi Kasei Corporation

#### 2. Purpose and reason for Third-party Allotment

The tella Group bases operations on the management philosophy of “Medical Care Creation.” The Group performs R&D activities that involve primarily the dendritic cell (DC) vaccine therapy, which is one type of cancer vaccine therapy. The Group conducts sales activities targeting medical institutions throughout Japan, holds seminars and other activities to provide information to patients, and conducts academic activities, primarily by making presentations at academic conferences. In addition, the Group operates cell culture equipment for university medical institutions and provides maintenance and management services for this equipment. To achieve more growth, tella is pursuing a medium-term growth strategy with the goals of strengthening established businesses while starting new businesses and commercializing advances from R&D programs.

Accomplishing these strategic objectives for medium-term growth will require investments in equipment at contracted medical institutions, R&D activities concerning new cancer immunotherapies, new cancer antigens and other themes, and the development of systems used for assisting medical institutions.

tella considered a number of ways to procure the funds required for the purchase of equipment for contracted medical institutions and for R&D and system development activities. This process led to the decision to conduct a third-party allotment to Asahi Kasei, which participates in joint R&D activities with tella.

tella believes that the proceeds from the Third-party Allotment will support progress regarding medium-term

growth strategy and improve financial soundness. In addition, the Third-party Allotment will strengthen tella's relationship with Asahi Kasei, which is purchasing the newly issued shares. This is expected to result in more joint R&D activities with Asahi Kasei as well as new types of business activities with this company.

### 3. Amount, use and scheduled expenditure of funds to be raised

#### (1) Amount of funds to be raised (estimated net proceeds)

Amount of funds to be raised	299,710,000 yen
Estimated cost of issuance	1,993,000 yen
Estimated net proceeds	297,717,000 yen

Notes: 1. Estimated costs of issuance do not include consumption taxes.

2. Estimated costs of issuance consists of commercial registration fees of 1,130 thousand yen and other charges of 863 thousand yen.

#### (2) Specific use of funds procured

The net proceeds of 297 million yen are to be used to purchase equipment used at contracted medical institutions (97 million yen), for R&D activities (100 million yen) and for system development activities (100 million yen). tella plans to purchase cell processing equipment between March and August 2012 for use at a newly contracted medical institution. In addition, nine R&D projects involving new cancer immunotherapy methods, new cancer antigens and other items are planned for 2012. Each R&D project is expected to require expenditures of several million yen to tens of millions of yen. Between March 2012 and April 2013, tella plans to develop a system for supporting medical institutions. Proceeds from the Third-party Allotment will be held as bank deposits until the funds are used.

### 4. Position concerning rationale for the use of funds procured

As shown in "3. Amount, use and scheduled expenditures of funds to be procured," tella plans to use the proceeds from the Third-party Allotment for investments required to achieve its medium-term strategic objectives for growth. tella believes this is a rational use of funds procured because these investments are expected to increase the amount of evidence and contribute to growth in sales and earnings.

### 5. Rationale for issuing terms and other items

#### (1) Basis for calculating issue price and description

The issue price of 430 yen per share is the average closing price of tella stock on the Osaka Securities Exchange JASDAQ Standard market during the one-month period ending on the business day immediately before the date of the resolution by the Board of Directors to conduct the Third-Party Allotment (October 15, 2011 to November 14, 2011).

The average closing price over the past month was selected because basing calculations on an average figure over a certain period of time was determined to be a highly objective and rational method in comparison with using a single price due to the recent stock market volatility, movements in tella's stock price and other factors. Averages for the three-month and six-month periods ending on the business day before the particular resolution were not used. These periods were determined to be unsuitable from the standpoint of obtaining a uniform price over a certain period because tella's stock price declined significantly due to the Great East

Japan Earthquake of March 11, 2011, financial instability in Europe and other events.

The closing price of tella stock on the business day immediately before the Board of Directors resolution on the Third-party Allotment was 419 yen (2.63% premium), an average of 377 yen during the three-month period ending on this business day (14.06% premium), and 420 yen during the six-month period ending on this business day (2.38% premium).

tella decided to use the market price, which is an objective value of its stock, as the basis for the issue price. tella believes that this is a rational issue price in accordance with the Policy for Handling of Third-party Allotment of the Japan Securities Dealers Association. In addition, tella's Board of Corporate Auditors has submitted the opinion that the issue price is not particularly favorable to the purchaser of the stock, including with regard to the above policy. The corporate auditors believe that the issue price based on the average price during the month ended on the business day immediately before the Board of Directors resolution date is suitable based on tella's stock price movements, the overall market environment, tella's business operations and other factors.

(2) Basis for judgment that the number of shares to be issued and level of dilution are reasonable

tella will issue 697,000 shares of stock for the Third-party Allotment. This will result in dilution of 5.63% as there are 12,377,000 shares of stock issued as of November 15, 2011. However, tella believes that since the proceeds of the Third-party Allotment will be used to achieve its medium-term strategic objectives for growth, the Third-party Allotment will contribute to growth in sales and earnings as well as corporate value. Consequently, tella believes that this level of dilution is reasonable.

## 6. Reason for selecting Asahi Kasei and other related matters

(1) Profile of Asahi Kasei

1) Company name:	Asahi Kasei Corporation
2) Headquarters:	3-3-23 Nakanoshima, Kita-ku, Osaka (Osaka is the registered headquarters, but the company's actual headquarters is in Tokyo as follows.) 1-105 Kanda Jinbocho, Chiyoda-ku, Tokyo
3) Representative:	Taketsugu Fujiwara, President
4) Business activities:	The Asahi Kasei Group uses a holding company structure and is engaged in manufacturing, sales and other activities in the following business segments: Chemicals (petrochemicals, functional membranes, functional chemicals, pharmaceutical additives, functional resins, household products, processed resin products, synthetic rubber, and others); Homes (homebuilding, home sales, remodeling and other activities associated with homebuilding, and others); Health Care (pharmaceuticals and artificial kidneys, blood cleansing and other medical devices); Fibers (synthetic textiles, nonwoven textiles, processed textile products, and others); Electronics (electronic components and electronic materials); Construction Materials (lightweight aerated concrete, functional thermal insulation, and others); Services, Engineering and Others (construction and maintenance of industrial equipment, staffing and employment services, and others)

5) Capital:	103,389 million yen		
6) Established:	May 21, 1931		
7) Number of shares outstanding:	1,402,616 thousand shares		
8) Fiscal year end:	March 31		
9) Number of employees:	25,016 (on a consolidated basis)		
10) Major house banks:	Sumitomo Mitsui Banking Corporation Mizuho Corporate Bank, Ltd. The Bank of Tokyo-Mitsubishi UFJ, Ltd. The Norinchukin Bank		
11) Major shareholders and their shareholding ratio:	The Master Trust Bank of Japan Ltd. (Trust Account) 6.38% Nippon Life Insurance Company 5.20% Japan Trustee Services Bank, Ltd. (Trust Account) 5.09% Asahi Kasei ESOP 3.31% Sumitomo Mitsui Banking Corporation 2.52%		
12) Relationship	Capital	Not applicable.	
	Transactions	tella signed a contract with Asahi Kasei for joint R&D activities on September 30, 2011. tella and Asahi Kasei allow the two companies to combine their technologies concerning cells and regenerative medicine. The two companies conduct a joint R&D activity to create a cell processing device for practical use that can grow high-quality cells consistently and efficiently in order to treat cancer.	
	Personal	Not applicable.	
	Related parties	Not applicable.	
13) Results of operations and financial conditions for the last three (3) years			
	FY3/10	FY3/11	FY3/12
Consolidated net assets (million yen)	611,351	644,688	675,602
Consolidated total assets (million yen)	1,379,337	1,368,982	1,425,879
Consolidated net assets per share (yen)	431.77	452.91	474.59
Consolidated net sales (million yen)	1,553,108	1,433,595	1,598,387
Consolidated operating income (million yen)	34,959	57,622	122,927
Consolidated ordinary income (million yen)	32,500	56,367	118,219
Consolidate net income (million yen)	4,745	25,286	60,288
Consolidated net income per share (yen)	3.39	18.08	43.11
Dividend per share (yen)	10.00	10.00	11.00

## (2) Reason for selecting Asahi Kasei

In 2011, Asahi Kasei started a medium-term management plan called For Tomorrow 2015. The objective of the plan is to “create new value for society” through “living in health and comfort.” As part of this plan, Asahi Kasei has started the Health Care for Tomorrow project that has the goal of rapidly expanding the company’s activities in the health care business domain. A central theme of this project is to leverage the Asahi Kasei Group’s technologies in order to develop products and systems that can lead to the practical use of cell therapy and regenerative medicine. For example, Asahi Kasei uses its expertise in membrane separation and selective adsorption technologies to make devices that collect, concentrate or remove antigens and other specific cells and compounds from the blood. Asahi Kasei also has development and production technologies for precisely controlled medical devices, bioprocess technology associated with Planova™ virus removal filters, and technologies for the development of materials with outstanding compatibility with living tissue.

tella signed a contract with Asahi Kasei for joint R&D activities on September 30, 2011, and tella allow the two companies to combine their technologies concerning cell therapy and regenerative medicine. The two companies conduct a joint R&D activity to create a cell processing equipment for practical use that can grow high-quality cells consistently and efficiently in order to treat cancer.

As a result, tella selected Asahi Kasei, which understands tella's management philosophy and medium-term growth strategy, as the purchaser of new shares issued through the Third-party Allotment. The objective is to strengthen its relationship with this business partner that will play an important role in tella's upcoming business activities.

Asahi Kasei's stock is listed on the First Section of the Tokyo Stock Exchange and other stock exchanges and the company has announced its policies and standards of behavior concerning anti-social activities in the "Item Concerning Internal Control Systems, Etc." of the Corporate Governance Report submitted to the Tokyo Stock Exchange. tella has thus reached the decision that no executives or major shareholders of Asahi Kasei or its subsidiaries are associated with anti-social activities or any similar activities.

### (3) Policy of Asahi Kasei for holding tella stock

tella has confirmed that Asahi Kasei is purchasing new shares issued through the Third-party Allotment with the intention of being a long-term holder of the stock for the purpose of strengthening its relationship with tella. In addition, tella plans to receive a consent letter from Asahi Kasei regarding the following points: if Asahi Kasei transfers ownership of all or part of the allotted shares within two years of the payment date, Asahi Kasei will immediately notify tella in writing of the name and address of the party or parties receiving the stock, the number of shares and other information about the transfer; tella will submit the contents of this report to the Osaka Securities Exchange; and the contents of this report will be made available to the public.

### (4) Details of the confirmation of the payment capacity of Asahi Kasei in respect of the payment for the Third-party Allotment

tella has confirmed net sales, net assets, cash and deposits and other information in the Asahi Kasei 120th Fiscal Year Financial Report (April 1, 2010 to March 31, 2011) and 121th Fiscal Year Second Quarter Financial Report (July 1, 2011 to September 30, 2011). As a result, tella has confirmed that Asahi Kasei has sufficient funds for the payment in the Third-party Allotment.

(5) Major shareholders and their shareholding ratio after offering

Before offering		After offering	
Yuichiro Yazaki	35.45%	Yuichiro Yazaki	33.56%
UTEC Investment Limited Partnership No. 1	4.76%	Asahi Kasei Corporation	5.33%
Kenichiro Horinaga	3.79%	UTEC Investment Limited Partnership No. 1	4.51%
Japan Trustee Services Bank, Ltd. (Trust Account)	3.29%	Kenichiro Horinaga	3.59%
The Master Trust Bank of Japan Ltd. (Trust Account)	1.54%	Japan Trustee Services Bank, Ltd. (Trust Account)	3.11%
Osaka Securities Finance Company, Ltd.	1.26%	The Master Trust Bank of Japan Ltd. (Trust Account)	1.46%
Nippon Life Insurance Company	1.24%	Osaka Securities Finance Company, Ltd.	1.19%
Hitachi, Ltd.	0.74%	Nippon Life Insurance Company	1.17%
The Tokyo Electric Power Company, Incorporated	0.74%	Hitachi, Ltd.	0.70%
SBI SECURITIES Co., Ltd.	0.60%	The Tokyo Electric Power Company, Incorporated	0.70%

Notes: 1. Percentages before the offering are based on the shareholder register as of June 30, 2011 and other items that tella has confirmed up to November 15, 2011.  
2. Percentages are rounded to the hundredths place.

## 7. Outlook

The Third-party Allotment will have only a negligible effect on results of operations in fiscal 2011.

## 8. Procedures in the Code of Corporate Conduct

tella is not required to obtain the opinion of an independent third party or to confirm the position of shareholders concerning the Third-party Allotment as stipulated in Article 2 of the Rules for Corporate Code of Conduct of the Osaka Securities Exchange because (1) the dilution rate of the third-party Allotment is less than 25% and (2) the Third-party Allotment does not involve any change in the controlling shareholder(s).

## 9. Business results for and equity finance executed in the last three (3) years

### (1) Consolidated business results for the last three (3) years

	FY12/2008	FY12/2009	FY12/2010
Net sales (million yen)	546	974	1,145
Operating income (million yen)	109	233	144
Ordinary income (million yen)	107	197	131
Net income (million yen)	59	109	76
Net income per share (yen)	5.91	9.68	6.39
Dividend per share (yen)	-	1.00	0.60
Net assets per share (yen)	42.39	72.07	77.89

Note: tella started preparing consolidated financial statements in the first quarter of the fiscal year ended December 31, 2011. Figures for FY12/2008, FY12/2009 and FY12/2010 are on a non-consolidated basis.

(2) Equity finance for the last (3) years

Capital increase by way of public offering (initial public offering)

Issue date:	March 25, 2009
Amount of funds raised	259,200,000 yen (Issue price: 285.20 yen) (approximate net proceeds)
Number of issued shares at the time of offering:	10,082,000 shares
Number of shares to be issued through the offering:	1,000,000 shares
Initial use and scheduled expenditure of funds to be raised:	- Investments in equipment for support in establishing new basic affiliated medical institutions (April 2009 to October 2009) - Development of systems for medical institutions (April 2009 to October 2009)
Current status of application:	Funds were used for the initial purposes

(3) Recent stock prices

1) Situation over the last three (3) years (yen)

	FY12/2008	FY12/2009	FY12/2010
Opening price	-	300	1,189
High price	-	2,195	1,587
Low price	-	259	536
Closing price	-	1,160	729

Note: tella shares have been listed on the JASDAQ NEO market (currently Osaka Securities Exchange JASDAQ Standard market) since March 26, 2009. There is no stock price information prior to this date.

2) Situation over the last six months (yen)

	May	June	July	August	September	October
Opening price	540	509	482	395	323	450
High price	548	547	550	428	370	567
Low price	461	463	429	297	273	405
Closing price	503	484	435	324	370	441

3) Stock price as of the date of the resolution for issuance

(yen)

	As of November 14, 2011
Opening price	417
High price	422
Low price	413
Closing price	419