

News Release Dated February 7, 2014

Company: tella, Inc.
Representative: Yuichiro Yazaki, President & Representative Director
Stock code: 2191, Tokyo Stock Exchange (JASDAQ)
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Notice Regarding Establishment of a Jointly Owned Subsidiary

-Entering the genetic diagnosis support business with the goal of starting a new B-to-B service for personalized medical care-

tella, Inc. (head office: Minato-ku, Tokyo; President and Representative Director: Yuichiro Yazaki) announces that its Board of Directors approved a resolution on February 7, 2014 to sign an agreement with Genaris, Inc. (head office: Yokohama City, Kanagawa; President & CEO: Tatsunari Nishi) to jointly establish a subsidiary Genocypher Inc. as follows.

1. Reason for establishing Genocypher

Progress is continuing toward the goal of decoding the human genome, which contains the complete set of genetic information of an individual. Currently, little time is needed to obtain a person's genetic information. Studying genetic information about blood, cancer tissues and other items can be useful for the diagnosis of genetic diseases, cancer and other disorders. There are hopes for using this technology for personalized medical care and the prevention of diseases. In the United States, the market for outsourced genetic tests involving cancer is particularly growing. In Japan and other Asian countries, although the development of these genetic services is still progressing slowly, this market is expected to grow in the coming years.

For many years, Genaris has been working on the development of data processing technology and software for the efficient analysis of genetic information and other "big data," utilizing information technology in the life sciences domain. In 2013, Genaris developed the basic technology for the rapid analysis of genetic information for thousands of people.

tella supplies cancer treatment technologies and other know-how to medical institutions in Japan. The primary technology is the dendritic cell (DC) vaccine therapy, which is a type of personalized medical care. Genocypher will use tella's network of relationships in the cancer domain with medical institutions and physicians along with the sophisticated data processing technology of Genaris. This jointly owned company plans to launch a new B-to-B service for the personalized treatment of primarily individuals with cancer or genetic diseases.

Activities will follow the Ethical Guidelines for Human Genome and Gene Analysis Research of the Ministry of Education, Culture, Sports, Science and Technology, Ministry of Health, Labour and Welfare, and Ministry of Economy, Trade and Industry, the Guidelines for Genetic Studies of The Japan Society of Human Genetics, and other guidelines. By deciphering the genetic information of individuals, Genocypher aims to establish an online diagnosis support system that utilizes genetic mutation data associated with the occurrence of diseases in Japan and other Asian countries. Genocypher will analyze the genetic information of patients for medical institutions so that this system can be used to tell these institutions which treatments are best for each individual. In addition, plans include serving medical institutions in other Asian countries by using the Internet to provide diagnosis assistance.

2. Overview of the subsidiary (joint owned company)

- (1) Name: Genocypher Inc.
- (2) Address: 1-1-40 Suehiro-cho, Tsurumi-ku, Yokohama City, Kanagawa
- (3) Representative: Yuichiro Yazaki, President & Representative Director
- (4) Business: Outsourced genetic analysis, examinations and research concerning diseases and other disorders
- (5) Capital: 20 million yen
- (6) Establishment: February 2014 (tentative)
- (7) Fiscal year end: December 31
- (8) Major shareholders and ownership ratio: tella, Inc. 51%, Genaris, Inc. 49%

3. Overview of Genaris

- (1) Name: Genaris, Inc.
- (2) Address: 75-1 Ono-cho, Tsurumi-ku, Yokohama City, Kanagawa
- (3) Representative: Tatsunari Nishi, President & CEO
- (4) Business: Outsourced genetic examinations and analysis and associated data processing, support for information processing technology, software development, microbe modifications, manufacture of chemicals, and other activities
- (5) Capital: 307 million yen
- (6) Establishment: January 18, 2002
- (7) Fiscal year end: August 31
- (8) Relationship: There are no capital, personnel or business relationships with tella, Inc.

4. Schedule

- February 7, 2014 Resolution of the Board of Directors
- February 7, 2014 Signing of contract to establish the jointly owned company
- February 2014 (tentative): Registration for establishment of the new company

5. Outlook

The establishment of this new company will have only a negligible effect on results of operations in fiscal 2014. This matter has already been incorporated in the 2014 forecast that was announced today with the 2013 earnings announcement.