

## News Release Dated December 19, 2013

Company: tella, Inc.  
Representative: Yuichiro Yazaki, President & Representative Director  
Stock code: 2191, Tokyo Stock Exchange (JASDAQ)  
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### Notice of Adjustment of Exercise Price

The Board of Directors of tella, Inc. approved a resolution on December 19, 2013 to adjust the exercise prices of the No. 8 to No. 11 issues of stock acquisition rights that were issued on June 18, 2013. The adjustments were made in accordance with paragraph 4 (1) of the terms for each of these stock acquisition right issues.

1. Numbers of stock acquisition right issues for exercise price adjustments:

tella, Inc. No. 8 to No. 11 stock acquisition rights

2. Starting date of exercise price adjustments: December 24, 2013

3. Exercise prices before adjustments (effective until a day before the starting date of exercise price adjustments):

No. 8 and No. 9 stock acquisition rights: 3,978 yen

No. 10 and No. 11 stock acquisition rights: 4,309 yen

4. Adjusted exercise prices:

(1) From December 24, 2013 to January 10, 2014: 2,422.9 yen

(2) Starting on the day following January 10, 2014

On the second Friday of each month (starting on January 10, 2014, the “decision date” hereafter), the exercise prices will be adjusted to the higher of 90% of the average closing price (calculated to the hundredths place with no rounding) over the last five consecutive days in which tella stock was traded up to and including the decision date (excludes days with no closing price; if tella stock was not traded on the decision date, the five consecutive days ending on the last trading date prior to the decision date will be used) and the current reset price (2,320 yen).

Following the starting date of exercise price adjustments (December 24, 2013), if the closing price of tella stock is below the reset price for 10 consecutive trading days (excludes days with no closing price), the exercise prices will be adjusted on the day after the last day of this 10-day period to the exercise prices that were in effect on the day prior to the adjustment starting date (3,978 yen for No. 8 and No. 9 issues and 4,309 yen for No. 10 and No. 11 issues). (If the closing price is below the reset price for the 10 consecutive trading days between December 24, 2013 and January 10, 2014, the exercise price starting on the day following January 10, 2014 will be adjusted to the exercise price before adjustments).

The exercise prices and reset price will be adjusted as prescribed in the issuing terms if an event requiring an adjustment that is listed in the issuing terms occurs. If the exercise prices remain above the reset price, due to the limit of 1,000,000 shares to be distributed due to the exercise of these stock acquisition rights, dilution is limited to 7.6% based on the number of shares issued (13,137,000) as of May 31, 2013, the date of the resolution to issue these stock acquisition rights.

## 5. Use of proceeds

Funds procured through the No. 8 to No. 11 issues of stock acquisition rights will be used for the development of pharmaceuticals and other items needed to implement our growth strategy, the purchase of cell cultivation facilities and other equipment, the growth of overseas operations, joint research programs, and the repayment of interest-bearing debt.

The Board of Directors of tella approved a resolution on December 10, 2013 to establish a wholly owned subsidiary tella Pharma Inc. for the above-mentioned development of pharmaceuticals and other items. We plan to use this subsidiary to receive approval for the dendritic cell (DC) vaccine Vaccell® as Japan's first cell immunotherapy drug (a regenerative medicine product for treating cancer), and accelerate the pace of development and commercialization.