

News Release Dated July 16, 2015

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**Start of Research for Establishing Dendritic Cells Derived from Human iPS Cells  
~ Joint research agreement signed with Jikei University School of Medicine Malignant Tumor  
Treatment Research Department ~**

tella, Inc. (Head office: Minato-ku, Tokyo; President & Representative Director: Yuichiro Yazaki) has signed a joint research agreement with the Jikei University School of Medicine Malignant Tumor Treatment Research Department, which is located in Minato-ku, Tokyo. Based on this agreement, tella will perform research concerning the establishment of dendritic cells derived from human iPS cells<sup>\*1</sup>. The purpose is to develop detection methods for endotoxins and other pyrogenic substances that contaminate pharmaceuticals and other substances.

During the production of pharmaceuticals, the monocyte activation test (MAT) using human monocyte cells is one method to detect pyrogenic substances that can contaminate drugs and other substances. In Europe, MAT kits are sold for performing tests to detect pyrogenic substances in drugs. But in Japan, it is difficult to obtain the human monocytes needed for this test.

Dendritic cells are obtained from monocytes by using differentiation induction. It is believed that another detection method that can replace MAT can be developed. tella has a technology that can produce dendritic cells of a consistently high quality from mononuclear cells from human peripheral blood. This technology is used for the dendritic cell vaccine Vaccell®<sup>\*2</sup>, which is one type of cancer immunotherapy. This vaccine has been used in more than 9,000 cases. By using tella's technology, this joint research project with the Jikei University School of Medicine Malignant Tumor Treatment Research Department aims to develop a technology for obtaining iPS cells from human peripheral blood mononuclear cells and then performing differentiation induction to obtain dendritic cells from the human iPS cells. The final goal is to create in Japan a new detection method for endotoxins and other substances by developing a technology for the differentiation induction of dendritic cells from human iPS cells.

tella will continue to use its technologies to develop more advanced technologies that can help create innovative health care techniques and services.

This matter will have only a negligible effect on results of operations in fiscal 2015.

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Note 1: iPS cells

iPS cells are induced pluripotent stem cells that are produced by intruding multiple genes into skin, blood and other body cells. They have the ability to specialize cells of various structures and organs, and can be cultivated almost without limit.

Note 2: Dendritic cell vaccine Vaccell®

This new cancer immunotherapy involves the production outside the patient's body of a large volume of dendritic cells (a special type of cell that is a key regulator of the immune system and capable of activating lymphocytes that defend the body from foreign substances), which normally exist in only small quantities in the blood. These cells are then processed so that they recognize the patient's cancerous tissues and substances (cancer antigens) produced artificially as a tumor marker. Next, the cells are returned to the patient's body so that the characteristics of the cancer are transferred from the dendritic cells to lymphocytes. The lymphocytes can then attack only the cancer cells. Vaccell® is a registered trademark for the technologies associated with the dendritic cell vaccine therapy that tella develops and provides.