



**Consolidated Financial Results for the First Quarter of the Fiscal Year Ending December 31, 2011
(Three months ended March 31, 2011)**

[Japanese GAAP]

May 10, 2011

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Scheduled submission of Quarterly Report: May 10, 2011
 Scheduled date of dividend payment: -
 Preparation of supplementary materials for quarterly financial results: None
 Holding of quarterly financial results meeting: None

(All amounts are rounded down to the nearest million yen.)

**1. Consolidated Financial Results for the Three Months Ended March 31, 2011
(January 1, 2011 to March 31, 2011)**

(1) Consolidated results of operating (Percentages represent year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended Mar. 31, 2011	322	-	31	-	28	-	12	-
Three months ended Mar. 31, 2010	-	-	-	-	-	-	-	-

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Mar. 31, 2011	1.03	1.02
Three months ended Mar. 31, 2010	-	-

Note: We have not included year-on-year comparisons because we prepare consolidated financial statements starting from the first quarter of FY12/2011.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Mar. 31, 2011	1,857	969	51.6	78.67
As of Dec. 31, 2010	-	-	-	-

Reference: Shareholders' equity (millions of yen) Mar. 31, 2011: 957 Dec. 31, 2010: -

Note: We have not included figures for FY12/2010 because we prepare consolidated financial statements starting from the first quarter of FY12/2011.

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Yearend	Total
	Yen	Yen	Yen	Yen	Yen
FY12/2010	-	0.00	-	0.60	0.60
FY12/2011	-				
FY12/2011 (Forecast)		0.00	-	0.40	0.40

Note: Revision of dividend forecast during the period: None

3. Consolidated Forecast for the Fiscal Year Ending December 31, 2011 (January 1, 2011 to December 31, 2011)

(Percentages represent year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	791	-	24	-	20	-	6	-	0.58
Full year	1,665	-	89	-	83	-	46	-	3.85

Note: Revision of earnings forecasts during the period: None

Note: We have not included year-on-year comparison for FY12/2010 and first half of FY12/2010 because we prepare consolidated financial statements starting from the first quarter of FY12/2011.

4. Others (Please refer to “Other Information” on page 4 of the attached documents for further information.)

(1) Changes in significant subsidiaries during the period: None

Note: Changes in specified subsidiaries affecting the scope of consolidation during the period

(2) Application of simplified accounting methods and special accounting methods: None

Note: Application of simplified accounting methods and special accounting methods for presenting quarterly consolidated financial statements

(3) Changes in accounting principles, procedures, presentation methods, etc.

1) Changes caused by revision of accounting standards: Yes

2) Other changes: None

Note: Changes in accounting principles, procedures, presentation methods, etc. for presenting quarterly consolidated financial statements described in “Changes in the Significant Accounting Policies for the Preparation of Quarterly Consolidated Financial Statements”

(4) Number of shares outstanding (common stock)

1) Number of shares outstanding at the end of period (including treasury stock)

Mar. 31, 2011:	12,177,000 shares	Dec. 31, 2010:	12,079,000 shares
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2) Number of treasury stock at the end of period

Mar. 31, 2011:	211 shares	Dec. 31, 2010:	211 shares
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3) Average number of shares outstanding during the period

Three months ended Mar. 31, 2011:	12,155,011 shares	Three months ended Mar. 31, 2010:	11,908,818 shares
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* Information regarding the implementation of quarterly review procedures

At the time of disclosure, we have completed the review process based on the Financial Instruments and Exchange Law for these consolidated statements.

* Cautionary statement with respect to forward-looking statements

Forecasts regarding future performance in these materials are based on assumptions judged to be valid and information available to the Company at the time these materials were created. Actual performance may differ significantly from these forecasts for a number of reasons. Please refer to “Qualitative Information Regarding Consolidated Earnings Forecast” on page 3 for forecast assumptions and notes of caution for usage.

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1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Qualitative Information Regarding Consolidated Results of Operations

In the first quarter of the current fiscal year, the Japanese economy began to show signs of a recovery as corporate earnings improved and capital expenditures rebounded. However, the economic environment remains difficult because of high unemployment and other problems as well as the impact of the Great East Japan Earthquake.

As in 2010, the tella Group continued to perform R&D involving the dendritic cell (DC) vaccine therapy, which is one type of cancer vaccine therapy. We conducted sales activities targeting medical institutions nationwide with the aim of sustaining steady growth by increasing the use of immune maximizing therapy (hereinafter, "I-Max therapy") for cancer. In addition, we continued academic and information activities, which include mainly using seminars and other methods to provide information to patients and making announcements at academic events.

Starting in the first quarter, we are reporting operating results by using two business segments because BMS Inc. has become a consolidated subsidiary. One segment is the Cell Therapy Technology Development Business. This includes the provision of exclusive cancer treatment technologies and know-how, chiefly the DC vaccine therapy. The other segment is the Cell Therapy Support Business. Major activities in this segment are the operation of cell cultivation equipment by contract for customers and the provision of equipment maintenance and management services.

First quarter sales totaled 322,030 thousand yen. Higher sales in the Cell Therapy Technology Development segment and the addition of the new Cell Therapy Support segment, the result of making BMS Inc. a consolidated subsidiary in February 2011, were the primary reasons. Up-front expenses involving our medium-term growth strategy negatively affected earnings. But the inclusion of sales in the new Cell Therapy Support Business segment resulted in operating income of 31,106 thousand yen, ordinary income of 28,715 thousand yen and net income of 12,459 thousand yen.

Since we have prepared consolidated financial statements for the first time in the first quarter of this fiscal year, there are no comparisons with the same quarter of the previous fiscal year.

First quarter performance for business segments was as follows.

1) Cell Therapy Technology Development Business

Regarding sales activities targeting medical institutions throughout Japan, we started supplying technologies and other know-how to Nagasaki University Hospital in Nagasaki city, Nagasaki prefecture in January 2011. In addition, Sendai Ekimae AER Clinic in Sendai city, Miyagi prefecture was reclassified from a clinical affiliated medical institution to a basic affiliated medical institution.

To provide information to patients, we held cancer treatment seminars jointly with contracted medical institutions in Miyagi, Tokyo, Ehime, Kyoto, Hyogo, Hiroshima and Fukuoka prefectures.

Regarding R&D activities, we started Phase 1 clinical trials concerning "DC vaccine therapy using WT1 class peptides along with anti-cancer drugs for advanced pancreatic cancer" with the School of Medicine, Keio University.

Due to all of these activities, there were approximately 360 cases during first three months of the current fiscal year in which the DC vaccine therapy was used. This raises to about 3,850 the total number of DC vaccine therapy cases since tella was established.

First quarter segment sales totaled 294,045 thousand yen. Sales at some clinical affiliated medical institutions were lower because of the Great East Japan Earthquake and other reasons. But sales benefited from the addition of clinical affiliated medical institutions during 2010 that receive technologies and other know-how from tella. Expenses rose as the number of basic affiliated medical institutions receiving technologies and other know-how increased. Activities to sign up new affiliated medical institutions also weighed on earnings as well as there were increases in depreciation expenses and personnel expenses associated with new businesses and R&D activities. Advertising expenses also increased for the purpose of reinforcing the support provided to affiliated medical institutions. The result was segment operating income of 11,472 thousand yen.

2) Cell Therapy Support Business

This business segment has been established because BMS Inc. became a consolidated subsidiary in February 2011. Activities in this segment include the operation of cell culture equipment by contract for research and medical institutions, the provision of maintenance and management services for this equipment, and sales of replacement supplies for this equipment.

First quarter segment sales totaled 27,985 thousand yen and operating income was 19,633 thousand yen.

(2) Qualitative Information Regarding Consolidated Financial Position

1) Assets, Liabilities and Net Assets

Total assets was 1,857,510 thousand yen at the end of the first quarter of 2011, liabilities totaled 888,436 thousand yen, and net assets totaled 969,074 thousand yen.

Since we have prepared consolidated financial statements for the first time in the first quarter of this fiscal year, there are no figures for the previous fiscal year.

2) Cash Flows

Cash and cash equivalents (hereinafter, "Cash") as of the end of the first quarter of 2011 totaled 711,695 thousand yen.

Since we have prepared consolidated financial statements for the first time in the first quarter of this fiscal year, there are no figures for the previous fiscal year.

The cash flow components during the first quarter and the main reasons for changes are as described below.

Cash Flow from Operating Activities

Net cash provided by operating activities was 53,179 thousand yen. Major sources of cash were income before income taxes and minority interests of 31,905 thousand yen, and depreciation and amortization of 46,560 thousand yen, and gain on negative goodwill of 4,274 thousand yen while there were a net increase of 19,847 thousand yen in notes and accounts receivable-trade.

Cash Flow from Investing Activities

Net cash used in investing activities was 46,833 thousand yen. There were payments of 55,026 thousand yen for the purchase of property, plant and equipment to support facilities and basic affiliated medical institutions, and proceeds of 14,156 thousand yen from acquisition of consolidated subsidiary stock.

Cash Flow from Financing Activities

Net cash provided by financing activities was 34,320 thousand yen. There were proceeds of 100,000 thousand yen from short-term loans payable, 50,000 thousand yen from long-term loans payable, and 11,714 thousand yen from issuance of stock resulting from exercise of subscription rights to shares. There were payments of 17,200 thousand yen for the repayment of short-term loans payable, 29,600 thousand yen for the repayment of long-term loans payable, 53,000 thousand yen for bond redemptions, 9,677 thousand yen for the repayments of lease obligations, 5,939 thousand yen for cash dividends paid, and 11,976 thousand yen for the repayment of installment payables.

(3) Qualitative Information Regarding Consolidated Forecast

There is no change in the forecast in the Non-consolidated Financial Results for the Fiscal Year Ended December 31, 2010 that was announced on February 10, 2011.

Forecasts regarding future performance in these materials are based on assumptions judged to be valid and information available to the Company at the time these materials were created. Consequently, these statements incorporate many uncertainties. Actual performance may differ significantly from these forecasts for a number of reasons.

2. Other Information

(1) Overview of Changes in Significant Subsidiaries

Not applicable.

(2) Application of Simplified Accounting Methods and Special Accounting Methods

Not applicable.

(3) Changes in Accounting Principles, Procedures, Presentation Methods, etc.

1) Accounting standard for asset retirement obligations

Beginning with the first quarter of the current fiscal year, “Accounting Standard for Asset Retirement Obligations” (Accounting Standards Board of Japan (ASBJ) Statement No. 18, March 31, 2008) and “Guidance on Accounting Standard for Asset Retirement Obligations” (ASBJ Guidance No. 21, March 31, 2008) have been applied.

The effect of this change was to decrease operating income and ordinary income by 260 thousand yen each and income before income taxes by 1,333 thousand yen.

2) Application of Accounting Standards for Business Combinations

Beginning with the first quarter of the current fiscal year, “Accounting Standard for Business Combinations” (Accounting Standards Board of Japan (ASBJ) Statement No. 21, December 26, 2008), and “Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, December 26, 2008) have been applied.

(4) Overview of Important Information about Going Concern Assumption

Not applicable.

3. Quarterly Consolidated Financial Statements**(1) Quarterly Consolidated Balance Sheets**

	(Thousands of yen)
	First quarter of FY12/2011
	(As of Mar. 31, 2011)
Assets	
Current assets	
Cash and deposits	711,695
Notes and accounts receivable-trade	303,255
Prepaid expenses	18,022
Deferred tax assets	2,241
Other	4,279
Total current assets	<u>1,039,493</u>
Noncurrent assets	
Property, plant and equipment	
Buildings, net	278,741
Tools, furniture and fixtures, net	244,577
Lease assets, net	129,973
Total property, plant and equipment	<u>653,292</u>
Intangible assets	
Right of using patent	22,666
Software	3,759
Software in progress	2,709
Total intangible assets	<u>29,135</u>
Investments and other assets	
Investment securities	36,750
Lease deposits	69,422
Insurance funds	18,137
Deferred tax assets	12,074
Other	1,337
Allowance for doubtful accounts	(2,133)
Total investments and other assets	<u>135,589</u>
Total noncurrent assets	<u>818,017</u>
Total assets	<u>1,857,510</u>
Liabilities	
Current liabilities	
Notes and accounts payable-trade	8,016
Short-term loans payable	100,000
Current portion of long-term loans payable	131,900
Current portion of bonds	83,500
Lease obligations	46,717
Accounts payable-other	52,200
Income taxes payable	23,600
Other	15,358
Total current liabilities	<u>461,293</u>

	(Thousands of yen)
	First quarter of FY12/2011
	(As of Mar. 31, 2011)
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Noncurrent liabilities	
Bonds payable	98,000
Long-term loans payable	175,900
Lease obligations	91,815
Long-term lease deposited	55,741
Asset retirement obligations	5,686
Total noncurrent liabilities	<u>427,143</u>
Total liabilities	<u>888,436</u>
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Net assets	
Shareholders' equity	
Capital stock	423,963
Capital surplus	295,640
Retained earnings	238,612
Treasury stock	(258)
Total shareholders' equity	<u>957,958</u>
Minority interests	<u>11,116</u>
Total net assets	<u>969,074</u>
Total liabilities and net assets	<u>1,857,510</u>

(2) Quarterly Consolidated Statements of Income
For the Three-month Period

	(Thousands of yen)
	First three months of FY12/2011 (Jan. 1 – Mar. 31, 2011)
Net sales	322,030
Cost of sales	103,871
Gross profit	218,159
Selling, general and administrative expenses	187,053
Operating income	31,106
Non-operating income	
Interest income	67
Rent income of real estate	21,497
Subsidy income	910
Other	742
Total non-operating income	23,218
Non-operating expenses	
Interest expenses	2,981
Interest on bonds	646
Rent cost of real estate	21,497
Stock issuance cost	173
Guarantee commission	310
Total non-operating expenses	25,609
Ordinary income	28,715
Extraordinary income	
Gain on negative goodwill	4,274
Total extraordinary income	4,274
Extraordinary loss	
Loss on abandonment of noncurrent assets	11
Loss on adjustment for changes of accounting standard for asset retirement obligations	1,073
Total extraordinary losses	1,085
Income before income taxes and minority interests	31,905
Income taxes-current	16,345
Income taxes-deferred	(2,740)
Total income taxes	13,604
Income before minority interests	18,300
Minority interests in income	5,841
Net income	12,459

(3) Quarterly Consolidated Statements of Cash Flows

	(Thousands of yen)
	First three months of FY12/2011 (Jan. 1 – Mar. 31, 2011)
Net cash provided by (used in) operating activities	
Income before income taxes and minority interests	31,905
Depreciation and amortization	46,560
Interest and dividends income	(67)
Interest expenses paid on loans and bonds	3,627
Gain on negative goodwill	(4,274)
Subsidy income	(910)
Loss on abandonment of noncurrent assets	11
Stock issuance cost	173
Loss on adjustment for changes of accounting standard for asset retirement obligations	1,073
Decrease (increase) in notes and accounts receivable-trade	(19,847)
Increase (decrease) in notes and accounts payable-trade	1,928
Decrease (increase) in prepaid expenses	(3,464)
Decrease (increase) in accounts receivable-other	7,020
Increase (decrease) in accounts payable-other	(3,885)
Increase (decrease) in accrued expenses	73
Increase (decrease) in accrued consumption taxes	(5,086)
Other, net	5,986
Subtotal	60,823
Interest and dividends income received	67
Interest expenses paid	(4,632)
Income taxes paid	(3,079)
Net cash provided by (used in) operating activities	53,179
Net cash provided by (used in) investing activities	
Purchase of property, plant and equipment	(55,026)
Purchase of intangible assets	(5,951)
Purchase of insurance funds	(13)
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	14,156
Net cash provided by (used in) investing activities	(46,833)
Net cash provided by (used in) financing activities	
Increase in short-term loans payable	100,000
Decrease in short-term loans payable	(17,200)
Proceeds from long-term loans payable	50,000
Repayment of long-term loans payable	(29,600)
Redemption of bonds	(53,000)
Cash dividends paid	(5,939)
Repayments of lease obligations	(9,677)
Proceeds from issuance of stock resulting from exercise of subscription rights to shares	11,714
Repayments of installment payables	(11,976)
Net cash provided by (used in) financing activities	34,320
Net increase (decrease) in cash and cash equivalents	40,666
Cash and cash equivalents at beginning of period	671,028
Cash and cash equivalents at end of period	711,695

(4) Going Concern Assumption

Not applicable.

(5) Segment Information

Segment Information

1. Overview of reportable segment

Segments used for financial reporting are tella's constituent units for which separate financial information is available and for which the Board of Directors performs periodic studies for the purposes of determining the allocation of resources and evaluating performance .

The Company has two reportable segments that are based on services provided to customers: Cell Therapy Technology Development and Cell Therapy Support.

The Cell Therapy Technology Development segment involves the provision of cell therapy technologies and know-how and R&D activities involving cell therapy. The Cell Therapy Support segment involves the operation of cell culture equipment by contract, the provision of maintenance and management services for this equipment, and sales of replacement supplies for this equipment.

2. Information related to net sales and profit or loss for each reportable segment

First three months of FY12/2011 (Jan. 1 – Mar. 31, 2011)

(Thousands of yen)

	Reportable segment			Total	Adjustments	Amounts shown on quarterly consolidated statement of income
	Cell Therapy Technology Development	Cell Therapy Support	Total			
Net sales						
External sales	294,045	27,985	322,030	322,030	-	322,030
Inter-segment sales and transfers	-	-	-	-	-	-
Total	294,045	27,985	322,030	322,030	-	322,030
Segment profit	11,472	19,633	31,106	31,106	-	31,106

Note: Segment profit (loss) is adjusted to be consistent with operating income shown on the quarterly consolidated statements of income.

3. Reconciliation of reported quarterly consolidated income with total profit (or loss) for reportable segments

Not applicable.

4. Information related to impairment losses of noncurrent assets, goodwill, etc. for each reportable segment

(Significant gain on negative goodwill)

In the Cell Therapy Support segment, a significant gain on negative goodwill was recorded because the purchase of stock of BMS Inc. in the first quarter of the current fiscal year made this company a consolidated subsidiary.

A gain of negative goodwill of 4,274 thousand yen was recorded in the first quarter in association with the acquisition of BMS Inc.

Additional Information

Beginning with the first quarter of the current fiscal year, "Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Statement No. 17, March 27, 2009) and "Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Guidance No. 20, March 21, 2008) have been applied.

(6) Significant Changes in Shareholders' Equity

Not applicable.

4. (Reference) Quarterly Non-consolidated Financial Statements

tella started preparing quarterly consolidated financial statements in the first quarter of the current fiscal year. Non-consolidated financial statements for the first quarter of the previous fiscal year and as of the end of the previous fiscal year are presented for reference.

(1) Quarterly Balance Sheets

	(Thousands of yen)
	FY12/2010
	(As of Dec. 31, 2010)
Assets	
Current assets	
Cash and deposits	671,028
Accounts receivable-trade	278,450
Prepaid expenses	14,205
Deferred tax assets	825
Accounts receivable-other	10,624
Other	1,110
Total current assets	976,246
Noncurrent assets	
Property, plant and equipment	
Buildings, net	264,259
Tools, furniture and fixtures, net	236,836
Lease assets, net	79,003
Total property, plant and equipment	580,099
Intangible assets	
Software	4,095
Software in progress	2,709
Right of using patent	23,791
Total intangible assets	30,596
Investments and other assets	
Investment securities	36,750
Lease deposits	68,189
Deferred tax assets	10,142
Insurance funds	18,124
Other	1,348
Allowance for doubtful accounts	(2,133)
Total investments and other assets	132,420
Total noncurrent assets	743,116
Total assets	1,719,362

(Thousands of yen)	
FY12/2010	
(As of Dec. 31, 2010)	
Liabilities	
Current liabilities	
Accounts payable-trade	4,575
Short-term loans payable	17,200
Current portion of bonds	101,000
Current portion of long-term loans payable	118,400
Lease obligations	28,300
Accounts payable-other	60,700
Accounts payable-installment purchase	15,968
Income taxes payable	4,546
Accrued consumption taxes	6,253
Other	7,656
Total current liabilities	364,601
Noncurrent liabilities	
Long-term loans payable	169,000
Bonds payable	133,500
Lease obligations	55,661
Long-term lease deposited	55,741
Total noncurrent liabilities	413,902
Total liabilities	778,504
Net assets	
Shareholders' equity	
Capital stock	418,009
Capital surplus	
Legal capital surplus	289,706
Total capital surpluses	289,706
Retained earnings	
Other retained earnings	
Retained earnings brought forward	233,400
Total retained earnings	233,400
Treasury stock	(258)
Total shareholders' equity	940,857
Total net assets	940,857
Total liabilities and net assets	1,719,362

(2) Quarterly Statements of Income

	(Thousands of yen)
	First three months of FY12/2010 (Jan 1 – Mar. 31, 2010)
Operating revenues	226,755
Operating cost	75,077
Operating gross profit	151,678
Selling, general and administrative expenses	138,819
Operating income	12,859
Non-operating income	
Interest income	115
Rent income of real estate	16,165
Other	2,003
Total non-operating income	18,284
Non-operating expenses	
Interest expenses	1,997
Interest on bonds	651
Bond issuance cost	3,388
Rent cost of real estate	16,165
Stock issuance cost	69
Other	139
Total non-operating expenses	22,411
Ordinary income	8,732
Extraordinary income	
Reversal of allowance for doubtful accounts	10,453
Total extraordinary income	10,453
Extraordinary loss	
Loss on abandonment of noncurrent assets	103
Total extraordinary losses	103
Income before income taxes	19,082
Income taxes-current	114
Income taxes-deferred	8,430
Total income taxes	8,545
Net income	10,537

(3) Quarterly Statements of Cash Flows

	(Thousands of yen)
	First three months of FY12/2010 (Jan 1 – Mar. 31, 2010)
Net cash provided by (used in) operating activities	
Income before income taxes	19,082
Depreciation and amortization	37,704
Loss (gain) on adjustment for changes of accounting standard for lease transactions	-
Increase (decrease) in allowance for doubtful accounts	(13,286)
Interest and dividends income	(115)
Interest expenses paid on loans and bonds	2,648
Stock issuance cost	69
Decrease (increase) in accounts receivable-trade	56,837
Decrease (increase) in prepaid expenses	2,755
Decrease (increase) in accounts receivable-other	(3,845)
Increase (decrease) in accounts payable-trade	(589)
Increase (decrease) in accounts payable-other	3,970
Increase (decrease) in accrued expenses	(718)
Increase (decrease) in accrued consumption taxes	(10,327)
Other, net	11,190
Subtotal	105,374
Interest and dividends income received	115
Interest expenses paid	(3,697)
Income taxes paid	(78,179)
Net cash provided by (used in) operating activities	23,613
Net cash provided by (used in) investing activities	
Purchase of property, plant and equipment	(58,039)
Proceeds from sales of property, plant and equipment	28
Purchase of investment securities	(36,750)
Purchase of insurance funds	(8)
Net cash provided by (used in) investing activities	(94,769)
Net cash provided by (used in) financing activities	
Increase in short-term loans payable	90,000
Decrease in short-term loans payable	(92,934)
Proceeds from long-term loans payable	50,000
Proceeds from issuance of bonds	146,442
Redemption of bonds	(27,500)
Repayments of installment payables	(13,950)
Proceeds from issuance of stock resulting from exercise of subscription rights to shares	11,902
Purchase of treasury stock	(85)
Repayments of lease obligations	(6,018)
Cash dividends paid	(10,448)
Net cash provided by (used in) financing activities	147,408
Net increase (decrease) in cash and cash equivalents	76,253
Cash and cash equivalents at beginning of period	621,634
Cash and cash equivalents at end of period	697,887

5. Supplementary Information

(1) Production, Orders and Sales

1) Production

There were no production activities.

2) Orders received

There were no production activities in response to orders received.

3) Sales

Sales by operating segment in the first three month of the current fiscal year are as follows. Since we have prepared consolidated financial statements for the first time in the first quarter of this fiscal year, there are no comparisons with the same quarter of the previous fiscal year.

(Thousands of yen)

Segment	Revenue
Cell Therapy Technology Development	294,045
Cell Therapy Support	27,985
Total	322,030

- Notes: 1. Inter-segment transactions have been eliminated.
2. Sales to major customers and the ratio to net sales

(Thousands of yen, %)

Medical institution	First three months of FY12/2011 (Jan 1 – Mar. 31, 2011)	
	Sales	Pct. of total
Midland clinic	47,150	14.6
SEREN CLINIC	36,775	11.4
SEREN CLINIC KOBE	36,112	11.2
Fukuoka-imaxclinic	30,162	9.4
Shin-Yokohama Kato-clinic	29,085	9.0

3. The above amounts do not include consumption and other taxes.
4. SEREN CLINIC and Midland clinic were renamed on April 1, 2011 to SEREN CLINIC TOKYO and SEREN CLINIC NAGOYA, respectively.

Sales to major customers and the ratio to net sales in the first three months of FY12/2010 are as follows.

(Thousands of yen, %)

Medical institution	First three months of FY12/2010 (Jan 1 – Mar. 31, 2010)	
	Sales	Pct. of total
SEREN CLINIC	47,725	21.0
Clinic Saint Louis	42,615	18.8
Midland clinic	40,012	17.6
Fukuoka-imaxclinic	22,807	10.1
KUDAN CLINIC	20,632	9.1

This financial report is solely a translation of "Kessan Tanshin" (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.