



**Consolidated Financial Results for the First Quarter of the Fiscal Year Ending December 31, 2012
(Three Months Ended March 31, 2012)**

[Japanese GAAP]

May 8, 2012

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 Scheduled submission of Quarterly Report: May 8, 2012
 Scheduled date of dividend payment: -
 Preparation of supplementary materials for quarterly financial results: None
 Holding of quarterly financial results meeting: None

Note: The original disclosure in Japanese was released on May 8, 2012 at 15:30 (GMT +9)

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

1. Consolidated Financial Results for the Three Months Ended March 31, 2012 (Jan. 1, 2012 to Mar. 31, 2012)

(1) Consolidated results of operations (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, 2012	333	3.5	23	(24.9)	20	(27.1)	9	(27.1)
Three months ended Mar. 31, 2011	322	-	31	-	28	-	12	-

Note: Comprehensive income (millions of yen) Three months ended Mar. 31, 2012: 11 (-38.6%)
 Three months ended Mar. 31, 2011: 18 (n.a.)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Mar. 31, 2012	0.69	0.68
Three months ended Mar. 31, 2011	1.03	1.02

(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, 2012	2,263	1,325	57.8	99.67
As of Dec. 31, 2011	2,212	1,305	58.3	98.75

Reference: Shareholders' equity (millions of yen) Mar. 31, 2012: 1,309 Dec. 31, 2011: 1,291

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY12/2011	-	0.00	-	0.00	0.00
FY12/2012	-	-	-	-	-
FY12/2012 (Forecast)	-	0.00	-	0.00	0.00

Note: Revisions to the most recently announced consolidated forecast: None

3. Consolidated Forecast for the Fiscal Year Ending December 31, 2012 (Jan. 1, 2012 to Dec. 31, 2012)

(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	737	12.5	31	(36.9)	24	(37.1)	9	(37.6)	0.71
Full year	1,513	14.4	70	(1.6)	57	9.6	24	49.5	1.90

4. Others

(1) Changes in significant subsidiaries during the period (Change in scope of consolidation): None

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

(3) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

(4) Number of shares outstanding (common stock)

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

Mar. 31, 2012:	13,137,000 shares	Dec. 31, 2011:	13,074,000 shares
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2) Number of shares of treasury stock at the end of period

Mar. 31, 2012:	239 shares	Dec. 31, 2011:	211 shares
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3) Average number of shares outstanding during the period

Three months ended Mar. 31, 2012:	13,086,532 shares	Three months ended Mar. 31, 2011:	12,155,011 shares
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Note 1: Information regarding the implementation of quarterly review procedures

At the time of disclosure, the review procedures based on the Financial Instruments and Exchange Law for the quarterly consolidated financial statements had been completed.

Note 2: 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 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 2012, the Japanese economy benefited from improving corporate earnings and a rebound in employment. However, the economic outlook remains uncertain and includes the risk of a downturn depending on the direction of overseas economies, foreign exchange rates, the price of crude oil and other factors.

The tella Group continued to perform R&D involving the dendritic cell (DC) vaccine therapy and other therapies, which is one type of cancer vaccine therapy. We conducted sales activities targeting medical institutions nationwide, and academic and information activities which include mainly using seminars and other methods to provide information to patients and making announcements at academic events. Activities also include the ongoing provision of maintenance and management services of cell processing facilities by contract chiefly to university and research institutions.

In the first quarter of 2012, net sales increased 11,365 thousand yen, or 3.5%, from one year earlier to 333,396 thousand yen. This was attributable to higher sales in the Cell Therapy Support segment while sales in the Cell Therapy Technology Development segment declined. Earnings were affected by higher cost of sales resulting from the expansion of the Cell Therapy Support business. Operating income declined by 7,760 thousand yen, or 24.9%, to 23,345 thousand yen, ordinary income fell 7,785 thousand yen, or 27.1%, to 20,929 thousand yen, and net income decreased by 3,374 thousand yen, or 27.1%, to 9,085 thousand yen.

First quarter performance by reportable segment was as follows.

1) Cell Therapy Technology Development Business

In this business segment, the tella Group provides unique cancer treatment technologies and know-how, chiefly the DC vaccine therapy, to contracted medical institutions.

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

Regarding R&D activities, tella signed a research outsourcing contract with Kyushu University in January 2012. This agreement will allow tella to outsource to the university part of the research involving cell processing equipment that is being developed collaboratively with Asahi Kasei Corporation. tella believes this will contribute to the efficient development of high-quality equipment.

Due to all of these activities, there were approximately 320 cases during the first quarter of 2012 in which the DC vaccine therapy was used. This raises to about 5,250 the total number of DC vaccine therapy cases since tella was established.

First quarter segment sales decreased 18,455 thousand yen, or 6.3%, from one year earlier to 275,590 thousand yen. The decrease was attributable mainly to a reexamination of relationships with a contracted medical institution and to a decrease from one year earlier in sales at some contracted medical institutions. Earnings benefited from cost-cutting measures, a decrease in depreciation and other items. The result was an increase of 5,902 thousand yen, or 51.5%, in operating income to 17,375 thousand yen.

2) Cell Therapy Support Business

Activities in this segment include the operation of cell processing facilities by contract for research and medical institutions, the provision of maintenance and management services for these facilities, and sales of replacement supplies, devices and others.

First quarter segment sales increased 29,820 thousand yen, or 106.6%, to 57,806 thousand yen. One reason was the inclusion of a full quarter of sales of Bio Medica Solution Co., Ltd., which became a consolidated subsidiary in February 2011. The strong performance of maintenance and management services was another reason for the higher sales. Operating income decreased 13,663 thousand yen, or 69.6%, to 5,970 thousand yen. This was a reflection of the higher cost of sales due mainly to increasing personnel expenses associated with the growing scale of business operations and of other reasons.

(2) Qualitative Information Regarding Consolidated Financial Position

1) Assets, Liabilities and Net Assets

Total assets increased 50,724 thousand yen from the end of the previous fiscal year to 2,263,522 thousand yen. Current assets increased 18,228 thousand yen to 1,523,870 thousand yen, mainly due to an increase in notes and accounts receivable-trade. Noncurrent assets increased 32,496 thousand yen to 739,652 thousand yen, mainly the result of the purchase of property, plant and equipment to support basic affiliated medical institutions.

Liabilities increased 30,295 thousand yen to 937,969 thousand yen. Current liabilities increased 134,812 thousand yen to 574,761 thousand yen, mainly due to increases in short-term loans payable and accounts payable-other. Noncurrent liabilities decreased 104,516 thousand yen to 363,207 thousand yen, mainly due to decreases in bonds payable, long-term loans payable and lease obligations.

Net assets increased 20,429 thousand yen to 1,325,553 thousand yen and shareholders' equity ratio was 57.8%.

2) Cash Flows

Cash and cash equivalents as of the end of the first quarter of 2012 totaled 1,100,479 thousand yen, 7,809 thousand yen more than as of the end of 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 totaled 25,692 thousand yen, compared with net cash provided of 53,179 thousand yen in the same period of the previous fiscal year. Major items included income before income taxes and minority interests of 20,918 thousand yen, depreciation and amortization of 39,060 thousand yen, an increase in notes and accounts receivable-trade of 23,553 thousand yen, a decrease in prepaid expenses of 12,390 thousand yen, and income taxes paid of 21,742 thousand yen.

Cash Flow from Investing Activities

Net cash used in investing activities totaled 10,032 thousand yen, compared with net cash used of 46,833 thousand yen in the same period of the previous fiscal year. There were payments of 2,090 thousand yen for the purchase of property, plant and equipment to support our facilities and basic affiliated medical institutions and 7,955 thousand yen for the purchase of intangible assets.

Cash Flow from Financing Activities

Net cash used in financing activities totaled 7,850 thousand yen, compared with net cash provided of 34,320 thousand yen in the same period of the previous fiscal year. There were 100,000 thousand yen in proceeds from short-term loans payable, 42,800 thousand yen in repayment of long-term loans payable, 62,200 thousand yen in redemption of bonds, 11,944 thousand yen in repayments of lease obligations, and 9,114 thousand yen in proceeds from issuance of stock resulting from exercise of subscription rights to shares.

(3) Qualitative Information Regarding Consolidated Forecast

There are no revisions to the forecast in the Consolidated Financial Results for the Fiscal Year Ended December 31, 2011 that was announced on February 10, 2012.

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 from these forecasts for a number of reasons.

2. Matters Related to Summary Information (Others)

(1) Changes in Significant Subsidiaries during the Period

Not applicable.

(2) Application of Special Accounting Methods for Presenting Quarterly Consolidated Financial Statements

Not applicable.

(3) Changes in Accounting Policies and Accounting-based Estimates, and Restatements

Not applicable

(4) Additional Information

Application of Accounting Standard for Accounting Changes and Error Corrections

The Company has adopted the “Accounting Standard for Accounting Changes and Error Corrections” (Accounting Standards Board of Japan (ASBJ) Statement No. 24, December 4, 2009) and “Guidance on Accounting Standard for Accounting Changes and Error Corrections” (ASBJ Guidance No. 24, December 4, 2009) for accounting method revisions and for corrections to past errors from the beginning of the first quarter of the current fiscal year.

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

(Thousands of yen)

	FY12/2011 (As of Dec. 31, 2011)	First quarter of FY12/2012 (As of Mar. 31, 2012)
Assets		
Current assets		
Cash and deposits	1,092,670	1,100,479
Notes and accounts receivable-trade	338,881	362,435
Raw materials	4,540	1,971
Prepaid expenses	52,984	40,574
Deferred tax assets	5,874	4,213
Other	19,126	22,632
Allowance for doubtful accounts	(8,437)	(8,437)
Total current assets	1,505,641	1,523,870
Noncurrent assets		
Property, plant and equipment		
Buildings, net	247,186	238,453
Tools, furniture and fixtures, net	185,813	240,109
Lease assets, net	95,493	84,050
Total property, plant and equipment	528,492	562,613
Intangible assets		
Software	7,902	7,363
Software in progress	7,560	7,560
Right of using patent	19,291	18,166
Total intangible assets	34,753	33,090
Investments and other assets		
Investment securities	46,750	46,750
Lease deposits	69,163	69,163
Insurance funds	7,724	7,737
Deferred tax assets	15,998	17,579
Other	6,383	4,827
Allowance for doubtful accounts	(2,109)	(2,109)
Total investments and other assets	143,910	143,949
Total noncurrent assets	707,156	739,652
Total assets	2,212,798	2,263,522

	(Thousands of yen)	
	FY12/2011 (As of Dec. 31, 2011)	First quarter of FY12/2012 (As of Mar. 31, 2012)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	11,200	15,290
Short-term loans payable	-	100,000
Current portion of bonds	124,400	121,400
Current portion of long-term loans payable	158,200	151,500
Lease obligations	44,432	41,712
Accounts payable-other	59,714	120,900
Income taxes payable	22,867	9,423
Other	19,135	14,534
Total current liabilities	439,949	574,761
Noncurrent liabilities		
Bonds payable	209,100	149,900
Long-term loans payable	138,900	102,800
Lease obligations	59,190	49,954
Long-term lease deposited	55,741	55,741
Asset retirement obligations	4,792	4,812
Total noncurrent liabilities	467,724	363,207
Total liabilities	907,673	937,969
Net assets		
Shareholders' equity		
Capital stock	588,418	593,017
Capital surplus	460,095	464,694
Retained earnings	242,767	251,853
Treasury stock	(258)	(270)
Total shareholders' equity	1,291,023	1,309,295
Minority interests	14,101	16,258
Total net assets	1,305,124	1,325,553
Total liabilities and net assets	2,212,798	2,263,522

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

(Thousands of yen)

	First three months of FY12/2011 (Jan. 1 – Mar. 31, 2011)	First three months of FY12/2012 (Jan. 1 – Mar. 31, 2012)
Net sales	322,030	333,396
Cost of sales	103,871	111,469
Gross profit	218,159	221,926
Selling, general and administrative expenses	187,053	198,580
Operating income	31,106	23,345
Non-operating income		
Interest income	67	90
Rent income of real estate	21,497	21,003
Subsidy income	910	533
Other	742	1,165
Total non-operating income	23,218	22,792
Non-operating expenses		
Interest expenses	2,981	2,655
Interest on bonds	646	820
Rent cost of real estate	21,497	21,003
Stock issuance cost	173	83
Guarantee commission	310	389
Other	-	255
Total non-operating expenses	25,609	25,208
Ordinary income	28,715	20,929
Extraordinary income		
Gain on negative goodwill	4,274	-
Total extraordinary income	4,274	-
Extraordinary loss		
Loss on retirement of noncurrent assets	-	11
Loss on abandonment of noncurrent assets	11	-
Loss on cancellation of lease contracts	-	0
Loss on adjustment for changes of accounting standard for asset retirement obligations	1,073	-
Total extraordinary losses	1,085	11
Income before income taxes and minority interests	31,905	20,918
Income taxes-current	16,345	9,595
Income taxes-deferred	(2,740)	80
Total income taxes	13,604	9,675
Income before minority interests	18,300	11,242
Minority interests in income	5,841	2,157
Net income	12,459	9,085

Quarterly Consolidated Statements of Comprehensive Income**For the Three-month Period**

(Thousands of yen)

	First three months of FY12/2011 (Jan. 1 – Mar. 31, 2011)	First three months of FY12/2012 (Jan. 1 – Mar. 31, 2012)
Income before minority interests	18,300	11,242
Other comprehensive income		
Total other comprehensive income	-	-
Comprehensive income	18,300	11,242
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	12,459	9,085
Comprehensive income attributable to minority interests	5,841	2,157

(3) Quarterly Consolidated Statements of Cash Flows

(Thousands of yen)

	First three months of FY12/2011 (Jan. 1 – Mar. 31, 2011)	First three months of FY12/2012 (Jan. 1 – Mar. 31, 2012)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	31,905	20,918
Depreciation and amortization	46,560	39,060
Interest and dividends income	(67)	(90)
Interest expenses paid on loans and bonds	3,627	3,476
Gain on negative goodwill	(4,274)	-
Subsidy income	(910)	(533)
Loss on retirement of noncurrent assets	-	11
Loss on abandonment of noncurrent assets	11	-
Stock issuance cost	173	83
Loss on cancellation of leases	-	0
Loss on adjustment for changes of accounting standard for asset retirement obligations	1,073	-
Decrease (increase) in notes and accounts receivable-trade	(19,847)	(23,553)
Decrease (increase) in inventories	-	2,568
Increase (decrease) in notes and accounts payable-trade	1,928	4,090
Decrease (increase) in prepaid expenses	(3,464)	12,390
Decrease (increase) in accounts receivable-other	7,020	(4,000)
Increase (decrease) in accounts payable-other	(3,885)	(3,883)
Increase (decrease) in accrued expenses	73	(363)
Increase (decrease) in accrued consumption taxes	(5,086)	(5,876)
Other, net	5,986	2,613
Subtotal	60,823	46,912
Interest and dividends income received	67	90
Interest expenses paid	(4,632)	(4,328)
Subsidies received	-	4,761
Income taxes paid	(3,079)	(21,742)
Net cash provided by (used in) operating activities	53,179	25,692
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(55,026)	(2,090)
Proceeds from sales of property, plant and equipment	-	25
Purchase of intangible assets	(5,951)	(7,955)
Purchase of insurance funds	(13)	(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)	(10,032)

	(Thousands of yen)	
	First three months of FY12/2011 (Jan. 1 – Mar. 31, 2011)	First three months of FY12/2012 (Jan. 1 – Mar. 31, 2012)
Net cash provided by (used in) financing activities		
Increase in short-term loans payable	100,000	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)	(42,800)
Redemption of bonds	(53,000)	(62,200)
Repayments of lease obligations	(9,677)	(11,944)
Repayments of installment payables	(11,976)	-
Proceeds from issuance of stock resulting from exercise of subscription rights to shares	11,714	9,114
Purchase of treasury stock	-	(11)
Cash dividends paid	(5,939)	(9)
Net cash provided by (used in) financing activities	34,320	(7,850)
Net increase (decrease) in cash and cash equivalents	40,666	7,809
Cash and cash equivalents at beginning of period	671,028	1,092,670
Cash and cash equivalents at end of period	711,695	1,100,479

(4) Going Concern Assumption

Not applicable.

(5) Segment and Other Information

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

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

(Thousands of yen)

	Reportable segment			Total	Adjustments	Amounts shown on quarterly consolidated statement of income
	Cell Therapy Technology Development	Cell Therapy Support	Subtotal			
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 is adjusted to be consistent with operating income shown on the quarterly consolidated statements of income.

2. Reconciliation of reported quarterly consolidated income with total profit for reportable segments

Not applicable.

II First three months of FY12/2012 (Jan. 1 – Mar. 31, 2012)

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

(Thousands of yen)

	Reportable segment			Total	Adjustments	Amounts shown on quarterly consolidated statement of income
	Cell Therapy Technology Development	Cell Therapy Support	Subtotal			
Net sales						
External sales	275,590	57,806	333,396	333,396	-	333,396
Inter-segment sales and transfers	-	-	-	-	-	-
Total	275,590	57,806	333,396	333,396	-	333,396
Segment profit	17,375	5,970	23,345	23,345	-	23,345

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

2. Reconciliation of reported quarterly consolidated income with total profit for reportable segments

Not applicable.

(6) Significant Changes in Shareholders' Equity

Not applicable.

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.