



**Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending December 31, 2013
(Six Months Ended June 30, 2013)**

[Japanese GAAP]

August 6, 2013

Company name: tella, Inc. Stock Exchange Listing: Tokyo Stock Exchange (JASDAQ)
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 Scheduled submission of Quarterly Report: August 6, 2013
 Scheduled date of dividend payment: -
 Preparation of supplementary materials for quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes

Note: The original disclosure in Japanese was released on August 6, 2013 at 15:30 (GMT +9).

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

1. Consolidated Financial Results for the Six Months Ended June 30, 2013 (Jan. 1, 2013 to Jun. 30, 2013)

(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	%
Six months ended Jun. 30, 2013	865	7.0	142	(11.3)	132	(15.3)	46	(27.5)
Six months ended Jun. 30, 2012	808	23.5	160	225.2	156	309.4	63	326.4

Note: Comprehensive income (millions of yen) Six months ended Jun. 30, 2013: 78 (down 2.4%)

Six months ended Jun. 30, 2012: 80 (up 251.9%)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Jun. 30, 2013	3.51	3.45
Six months ended Jun. 30, 2012	4.85	4.79

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Jun. 30, 2013	1,988	1,522	72.2	109.27
As of Dec. 31, 2012	2,079	1,437	67.3	106.56

Reference: Shareholders' equity (millions of yen) As of Jun. 30, 2013: 1,435 As of Dec. 31, 2012: 1,399

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY12/2012	-	0.00	-	0.80	0.80
FY12/2013	-	0.00	-	-	-
FY12/2013 (Forecast)	-	-	-	0.00	0.00

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

3. Consolidated Forecast for the Fiscal Year Ending December 31, 2013 (Jan. 1, 2013 to Dec. 31, 2013)

(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
Full year	1,717	11.2	155	(29.9)	100	(54.4)	21	(78.4)	1.64

Note: Revision to the most recently announced consolidated forecast: Yes

*** Notes**

- (1) Changes in significant subsidiaries during the period (change in scope of consolidation): None
- (2) Application of special accounting methods for presenting quarterly consolidated financial statements: None
- (3) Changes in accounting policies and accounting-based estimates, and restatements
- 1) Changes in accounting policies due to revisions in accounting standards, others: Yes
 - 2) Changes in accounting policies other than 1) above: None
 - 3) Changes in accounting-based estimates: Yes
 - 4) Restatements: None

(4) Number of shares outstanding (common stock)

1) Number of shares outstanding at the end of period (including treasury stock)			
As of Jun. 30, 2013:	13,137,000 shares	As of Dec. 31, 2012:	13,137,000 shares
2) Number of shares of treasury stock at the end of period			
As of Jun. 30, 2013:	239 shares	As of Dec. 31, 2012:	239 shares
3) Average number of shares outstanding during the period			
Six months ended Jun. 30, 2013:	13,136,761 shares	Six months ended Jun. 30, 2012:	13,111,646 shares

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 and other special items

Note concerning 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 5 of the attachments for forecast assumptions and notes of caution for usage.

How to view supplementary materials for quarterly financial results

Supplementary materials for quarterly financial results will be available on the Company's website on August 13, 2013.

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1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Qualitative Information Regarding Consolidated Results of Operations

In the first half of 2013, there were encouraging signs about the Japanese economy. The yen weakened and stock prices recovered along with expectations for benefits of monetary easing and other economic measures by the new government. However, the economic situation remains unclear because of concerns about a downturn in the global economy caused by the European debt crisis, slowing growth in China or other events.

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 universities and research institutions, and CRO business.

In April 2013, tella, Inc. (hereinafter “the Company”) has signed a stock subscription agreement to acquire equity interest in Retina Institute Japan, K.K., a venture enterprise recognized by the Independent Administrative Institution RIKEN. This company promotes research and development of new treatment methods using iPS cell-derived transplants of retinal pigment epithelial cells, and it aims to commercialize the world’s first practical applications of regenerative medicine. Via a collaborative relationship with Retina Institute Japan, the Company will contribute to the development of leading-edge therapies.

In May 2013, the Company established TITAN Inc. for the purpose of newly participating in “Imaging CRO (Contract Research Organization)” clinical trial support operations using the latest imaging testing technology and concentrating in new drugs for cancer. TITAN is using the latest imaging testing technology and know-how to provide clinical trials support services.

Also in May 2013, the Board of Directors of the Company approved a resolution to issue the No. 8 to No. 11 issues of stock acquisition rights using a third-party allotment to Nomura Securities Co., Ltd. The Company plans to procure approximately 3.1 billion yen from this allotment. These funds will be used for the development of pharmaceuticals and other items needed to implement the 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.

In the first half of 2013, net sales increased by 56,840 thousand yen, or 7.0%, from one year earlier to 865,746 thousand yen. This was attributable to firm sales in the Cell Therapy Support Business. Earnings benefited from higher sales in the Cell Therapy Support Business but were held down by lower sales in the Cell Therapy Technology Development Business and expenses associated with the growth strategy. As a result, operating income decreased by 18,253 thousand yen, or 11.3%, to 142,699 thousand yen, ordinary income fell by 23,832 thousand yen, or 15.3%, to 132,409 thousand yen, and net income declined by 17,492 thousand yen, or 27.5%, to 46,110 thousand yen.

First half performance by reportable segment was as follows.

(a) Cell Therapy Technology Development Business

In this business segment, we provide 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 Iwate, Miyagi, Fukushima, Tokyo, Kanagawa, Aichi, Kyoto, Hyogo, Hiroshima, and Fukuoka.

Regarding sales activities targeting medical institutions across Japan, the Company signed an alliance agreement in August 2013 with the Kitasato Institute. Under this alliance, we have started providing technologies and know-how concerning the DC vaccine therapy to Kitasato University Kitasato Institute Hospital. This alliance raised the number of contracted medical institutions to 30.

Regarding R&D activities, the Company signed a joint research agreement with the National University Corporation Kyushu University in April 2013. In accordance with this joint research agreement, a feasibility study has started concerning the production of cellular pharmaceuticals that use GMP (Good Manufacturing Practice) for investigational

medicinal products involving the dendritic cell vaccine. To enable more cancer patients to receive this treatment with no worries, the Company conducts a program that has the goal of receiving approval of the DC vaccine as a cellular drug.

In June 2013, a joint research project with the National University Corporation Kyushu University and Kanamecho Hospital succeeded in recovering high-purity ascites fluid-derived cancer cells following the use of novel cell-free and concentrated ascites reinfusion therapy. It may be possible to use these recovered cancer cells as cancer antigens in the DC vaccine therapy in order to make this therapy more effective. Clinical studies will be performed to increase the use of this type of therapy and contribute to the treatment of ascites cancer patients.

In July 2013, the Company has received an exclusive utilization right concerning the adjustment method for immune-control DC and applications (patent 4547174). As a result, the Company can proceed with the development of a new immunotherapy for individuals with autoimmune diseases and allergies in addition to continuing work on the DC vaccine therapy for the treatment of cancer.

Also in July 2013, the Company has signed a basic joint research and development agreement with AnGes MG, Inc. for research into a cervical intraepithelial neoplasia precancerous lesion therapeutic vaccine (hereinafter "CIN therapeutic vaccine"). In accordance with the agreement, the two companies will undertake joint research and development towards the realization of a feasible CIN therapeutic vaccine.

A research paper concerning the Company's DC vaccine therapy was included in the July 20, 2013 electric version of the Journal of Gastrointestinal Surgery, the official publication of the U.S. Society for Surgery of the Alimentary Tract. The paper explains the effectiveness of this therapy for treating unresectable advanced recurrent biliary tract cancer and examines prognosis factors.

The Company has been performing joint development with the National University Corporation Kyushu University concerning natural killer cells (NK cells), which we call ZNK® cells, that are highly effective killing cancer cells. A patent application was submitted in February 2012. An English-language research paper about the technology for culturing ZNK® cells was included in the electric version of the July 25, 2013 Human Gene Therapy Methods. This is the official publication of the European Society of Gene and Cell Therapy, International Society for Cell and Gene Therapy of Cancer, the British Society for Gene and Cell Therapy and 10 other international academic associations.

The Company continues to promote the reinforcement of the scientific evidence.

Due to all of these activities, there were approximately 340 cases during the second quarter (Apr-Jun) of 2013 in which the DC vaccine therapy was used. This raises to about 7,000 the total number of DC vaccine therapy cases since the Company was established.

First half segment sales decreased 40,418 thousand yen, or 6.7%, from one year earlier to 566,683 thousand yen because of slower growth in the number of cases. Profits were affected mainly by the decline in sales and higher R&D expenses caused by measures for the reinforcement of scientific evidence. As a result, operating income fell 67,399 thousand yen, or 62.8%, to 39,921 thousand yen.

(b) 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, sales of replacement supplies and devices, sales support, CRO business and others.

First half segment sales increased 97,269 thousand yen, or 48.2%, from one year earlier to 299,073 thousand yen. This was due to the strong new orders for sales support and maintenance and management services. Operating income increased 49,146 thousand yen, or 91.6%, to 102,777 thousand yen.

(2) Qualitative Information Regarding Consolidated Financial Position**(a) Assets, Liabilities and Net Assets**

Total assets decreased 91,109 thousand yen from the end of the previous fiscal year to 1,988,121 thousand yen as of the end of the second quarter of the current fiscal year. Current assets decreased 196,397 thousand yen to 1,206,649 thousand yen, mainly due to a decrease in cash and deposits mainly for the repayment of interest-bearing debt. Noncurrent assets increased 105,288 thousand yen to 781,471 thousand yen, mainly due to the purchase of investment securities.

Liabilities decreased 176,366 thousand yen to 465,138 thousand yen. Current liabilities decreased 101,234 thousand yen to 325,957 thousand yen, mainly the result of repayment of long-term loans payable, redemption of bonds, a decrease in lease obligations and a decrease in income taxes payable. Noncurrent liabilities decreased 75,132 thousand yen to 139,180 thousand yen, mainly due to decreases in bonds payable, long-term loans payable and lease obligations.

Net assets increased 85,257 thousand yen to 1,522,982 thousand yen and shareholders' equity ratio was 72.2%.

(b) Cash Flows

Cash and cash equivalents as of the end of the second quarter of the current fiscal year totaled 827,899 thousand yen, 202,651 thousand yen less than as of the end of the previous fiscal year.

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

Cash Flow from Operating Activities

Net cash provided by operating activities totaled 112,885 thousand yen, compared with net cash provided of 183,478 thousand yen in the same period of the previous fiscal year. Major items included income before income taxes and minority interests of 132,362 thousand yen, depreciation and amortization of 73,044 thousand yen, a decrease in allowance for doubtful accounts of 8,649 thousand yen, an increase in prepaid expenses of 19,722 thousand yen and income taxes paid of 67,365 thousand yen.

Cash Flow from Investing Activities

Net cash used in investing activities totaled 176,089 thousand yen, compared with net cash used of 106,504 thousand yen in the same period of the previous fiscal year. Major items included purchase of property, plant and equipment of 11,521 thousand yen, purchase of intangible assets of 20,000 thousand yen, purchase of investment securities of 100,000 thousand yen, and payments for lease and guarantee deposits of 42,675 thousand yen.

Cash Flow from Financing Activities

Net cash used in financing activities totaled 139,447 thousand yen, compared with net cash used of 162,477 thousand yen in the same period of the previous fiscal year. There were 150,000 thousand yen in proceeds from short-term loans payable, 150,000 thousand yen in repayment of short-term loans payable, 69,200 thousand yen in repayment of long-term loans payable, 59,200 thousand yen in redemption of bonds, 18,709 thousand yen in repayments of lease obligations, 10,027 thousand yen in cash dividends paid, and 17,690 thousand yen in proceeds from issuance of subscription rights to shares.

(3) Qualitative Information Regarding Consolidated Forecast

Based on the progress made with earnings to the end of the second quarter, the forecast in the consolidated financial results for the fiscal year ending December 31, 2013 has been revised as follows.

Full-year Consolidated Forecast

	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
Previous forecast (A)	1,684	95	89	20	1.58
Revised forecast (B)	1,717	155	100	21	1.64
Increase (decrease) (B – A)	32	59	10	0	-
Percentage change	1.9%	61.9%	11.8%	3.7%	-
Reference: Fiscal year ended Dec. 31, 2012	1,544	221	220	99	7.59

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 (Notes)**(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

Changes in accounting policies that are difficult to distinguish from changes in accounting-based estimates

In line with revisions to the Corporation Tax Law, the property, plant and equipment acquired on or after January 1, 2013 are depreciated according to the depreciation method stipulated in the revised Corporation Tax Law from the first quarter of the current fiscal year.

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

(Thousands of yen)

	FY12/2012 (As of Dec. 31, 2012)	Second quarter of FY12/2013 (As of Jun. 30, 2013)
Assets		
Current assets		
Cash and deposits	1,030,551	827,899
Notes and accounts receivable-trade	291,667	287,915
Raw materials	3,390	4,275
Prepaid expenses	50,390	69,979
Deferred tax assets	9,666	6,282
Other	25,887	12,100
Allowance for doubtful accounts	(8,506)	(1,804)
Total current assets	1,403,047	1,206,649
Noncurrent assets		
Property, plant and equipment		
Buildings, net	212,256	195,656
Tools, furniture and fixtures, net	215,570	189,138
Lease assets, net	54,633	37,646
Total property, plant and equipment	482,460	422,441
Intangible assets		
Software	9,167	14,494
Software in progress	41,567	57,960
Right of using patent	14,791	12,541
Total intangible assets	65,526	84,996
Investments and other assets		
Investment securities	36,750	136,750
Lease deposits	64,666	107,302
Insurance funds	9,681	11,613
Deferred tax assets	16,837	15,848
Other	2,207	2,518
Allowance for doubtful accounts	(1,946)	-
Total investments and other assets	128,196	274,033
Total noncurrent assets	676,183	781,471
Total assets	2,079,231	1,988,121

	(Thousands of yen)	
	FY12/2012 (As of Dec. 31, 2012)	Second quarter of FY12/2013 (As of Jun. 30, 2013)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	18,085	12,434
Current portion of bonds	95,900	73,400
Current portion of long-term loans payable	116,400	69,700
Lease obligations	36,991	29,343
Accounts payable-other	56,411	48,730
Income taxes payable	69,753	51,809
Asset retirement obligations	-	5,087
Other	33,649	35,453
Total current liabilities	427,192	325,957
Noncurrent liabilities		
Bonds payable	113,200	76,500
Long-term loans payable	22,500	-
Lease obligations	23,204	12,142
Long-term lease deposited	50,537	50,537
Asset retirement obligations	4,871	-
Total noncurrent liabilities	214,313	139,180
Total liabilities	641,505	465,138
Net assets		
Shareholders' equity		
Capital stock	593,017	593,017
Capital surplus	464,694	464,694
Retained earnings	342,390	377,991
Treasury stock	(270)	(270)
Total shareholders' equity	1,399,832	1,435,433
Subscription rights to shares	-	17,690
Minority interests	37,892	69,858
Total net assets	1,437,725	1,522,982
Total liabilities and net assets	2,079,231	1,988,121

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

	(Thousands of yen)	
	First six months of FY12/2012 (Jan. 1 – Jun. 30, 2012)	First six months of FY12/2013 (Jan. 1 – Jun. 30, 2013)
Net sales	808,905	865,746
Cost of sales	271,599	300,980
Gross profit	537,306	564,766
Selling, general and administrative expenses	376,354	422,067
Operating income	160,952	142,699
Non-operating income		
Interest income	95	110
Rent income of real estate	40,277	38,340
Subsidy income	533	147
Other	3,004	1,780
Total non-operating income	43,910	40,378
Non-operating expenses		
Interest expenses	5,018	2,524
Interest on bonds	1,517	941
Rent cost of real estate	40,277	38,340
Stock issuance cost	174	-
Guarantee commission	720	448
Other	913	8,413
Total non-operating expenses	48,621	50,668
Ordinary income	156,241	132,409
Extraordinary loss		
Loss on retirement of noncurrent assets	11	-
Loss on abandonment of noncurrent assets	-	46
Loss on valuation of investment securities	9,747	-
Loss on cancellation of lease contracts	0	-
Total extraordinary losses	9,758	46
Income before income taxes and minority interests	146,482	132,362
Income taxes-current	72,234	49,912
Income taxes-deferred	(5,766)	4,373
Total income taxes	66,467	54,286
Income before minority interests	80,015	78,076
Minority interests in income	16,413	31,966
Net income	63,602	46,110

Quarterly Consolidated Statements of Comprehensive Income
For the Six-month Period

(Thousands of yen)

	First six months of FY12/2012 (Jan. 1 – Jun. 30, 2012)	First six months of FY12/2013 (Jan. 1 – Jun. 30, 2013)
Income before minority interests	80,015	78,076
Other comprehensive income		
Total other comprehensive income	-	-
Comprehensive income	80,015	78,076
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	63,602	46,110
Comprehensive income attributable to minority interests	16,413	31,966

(3) Quarterly Consolidated Statements of Cash Flows

(Thousands of yen)

	First six months of FY12/2012 (Jan. 1 – Jun. 30, 2012)	First six months of FY12/2013 (Jan. 1 – Jun. 30, 2013)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	146,482	132,362
Depreciation and amortization	78,259	73,044
Increase (decrease) in allowance for doubtful accounts	(162)	(8,649)
Interest and dividends income	(95)	(110)
Interest expenses paid on loans and bonds	6,535	3,466
Subsidy income	(533)	(147)
Loss (gain) on valuation of investment securities	9,747	-
Loss on retirement of noncurrent assets	11	-
Loss on abandonment of noncurrent assets	-	46
Stock issuance cost	174	-
Loss on cancellation of leases	0	-
Decrease (increase) in notes and accounts receivable-trade	(11,742)	3,752
Decrease (increase) in inventories	1,636	(885)
Increase (decrease) in notes and accounts payable-trade	25,545	(5,651)
Decrease (increase) in prepaid expenses	(32,987)	(19,722)
Decrease (increase) in accounts receivable-other	(46)	11,045
Increase (decrease) in accounts payable-other	(12,223)	(7,736)
Increase (decrease) in accrued expenses	733	4,427
Increase (decrease) in accrued consumption taxes	1,531	4,373
Other, net	(6,985)	(7,597)
Subtotal	205,881	182,017
Interest and dividends income received	95	110
Interest expenses paid	(6,577)	(3,499)
Subsidies received	4,761	1,622
Income taxes paid	(22,086)	(67,365)
Income taxes refund	1,405	-
Net cash provided by (used in) operating activities	183,478	112,885
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(77,038)	(11,521)
Proceeds from sales of property, plant and equipment	25	-
Purchase of investment securities	-	(100,000)
Purchase of intangible assets	(27,560)	(20,000)
Purchase of insurance funds	(1,931)	(1,931)
Payments for lease and guarantee deposits	-	(42,675)
Proceeds from collection of lease and guarantee deposits	5,203	39
Repayments of long-term deposits received	(5,203)	-
Net cash provided by (used in) investing activities	(106,504)	(176,089)

	(Thousands of yen)	
	First six months of FY12/2012 (Jan. 1 – Jun. 30, 2012)	First six months of FY12/2013 (Jan. 1 – Jun. 30, 2013)
Net cash provided by (used in) financing activities		
Increase in short-term loans payable	100,000	150,000
Decrease in short-term loans payable	(100,000)	(150,000)
Repayment of long-term loans payable	(85,200)	(69,200)
Redemption of bonds	(62,200)	(59,200)
Repayments of lease obligations	(24,078)	(18,709)
Proceeds from issuance of stock resulting from exercise of subscription rights to shares	9,023	-
Proceeds from issuance of subscription rights to shares	-	17,690
Purchase of treasury stock	(11)	-
Cash dividends paid	(10)	(10,027)
Net cash provided by (used in) financing activities	(162,477)	(139,447)
Net increase (decrease) in cash and cash equivalents	(85,502)	(202,651)
Cash and cash equivalents at beginning of period	1,092,670	1,030,551
Cash and cash equivalents at end of period	1,007,167	827,899

(4) Going Concern Assumption

Not applicable.

(5) Segment and Other Information

I First six months of FY12/2012 (Jan. 1 – Jun. 30, 2012)

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 statements of income
	Cell Therapy Technology Development	Cell Therapy Support	Subtotal			
Net sales						
External sales	607,102	201,803	808,905	808,905	-	808,905
Inter-segment sales and transfers	-	-	-	-	-	-
Total	607,102	201,803	808,905	808,905	-	808,905
Segment profit	107,321	53,631	160,952	160,952	-	160,952

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

II First six months of FY12/2013 (Jan. 1 – Jun. 30, 2013)

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 statements of income
	Cell Therapy Technology Development	Cell Therapy Support	Subtotal			
Net sales						
External sales	566,683	299,063	865,746	865,746	-	865,746
Inter-segment sales and transfers	-	10	10	10	(10)	-
Total	566,683	299,073	865,756	865,756	(10)	865,746
Segment profit	39,921	102,777	142,699	142,699	-	142,699

Notes: 1. Total segment profit is adjusted to be consistent with operating income shown on the quarterly consolidated statements of income.

2. A consolidated subsidiary TITAN Inc. was included in the Cell Therapy Support segment in the first six months of FY12/2013.

2. Information related to revisions for reportable segments

As described in “Changes in accounting policies that are difficult to distinguish from changes in accounting-based estimates,” in line with revisions to the Corporation Tax Law, the property, plant and equipment acquired on or after January 1, 2013 are depreciated according to the depreciation method stipulated in the revised Corporation Tax Law from the first quarter of the current fiscal year. Therefore depreciation method for reportable segments has been revised in line with revisions to the Corporation Tax Law.

The effect of this change on segment profit for the first six months of FY12/2013 is insignificant.

A consolidated subsidiary TITAN Inc. was included in the Cell Therapy Support segment in the first six months of FY12/2013.

(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.