

Summary of Business Results for the Year Ended December 31, 2016

[Japan GAAP] (Consolidated)

February 14, 2017

Company **tella, Inc.**
 Stock Code 2191
 Representative Yuichiro Yazaki, President and Representative Director
 Contact Shogo Kozuka, Director
 Expected date of annual shareholders' meeting: March 29, 2017
 Expected date of filing of annual securities report: March 30, 2017
 Expected starting date of dividend payment: -
 Preparation of supplementary financial document: Yes
 Results briefing: Yes

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(Rounded down to million yen)

1. Consolidated business results for the fiscal year ended December 2016

(January 1, 2016 through December 31, 2016)

(1) Consolidated results of operations (% change from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended Dec. 2016	1,801	-5.6	-621	-	-667	-	-918	-
Year ended Dec. 2015	1,909	2.3	-601	-	-623	-	-990	-

(Note) Comprehensive income:

Year ended December 2016: -886 million yen (-%)

Year ended December 2015: -1,007 million yen (-%)

	Net income per share	Diluted net income per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
Year ended Dec. 2016	-65.65	-	-93.9	-34.1	-34.5
Year ended Dec. 2015	-71.06	-	-51.5	-21.6	-31.5

(Reference) Investment earnings/loss on equity-method:

Year ended December 2016: -32 million yen

Year ended December 2015: -9 million yen

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Dec. 2016	1,537	609	33.5	36.83
As of Dec. 2015	2,377	1,491	60.6	103.00

(Reference) Shareholders' equity:

As of December 2016: 515 million yen

As of December 2015: 1,441 million yen

(3) Consolidated results of cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Million yen	Million yen	Million yen	Million yen
Year ended Dec. 2016	-565	374	1	709
Year ended Dec. 2015	-386	-371	-87	899

2. Dividends

	Annual dividend					Total dividend (Total)	Dividend payout ratio (Consolidated)	Rate of total dividend to net assets (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total			
Year ended Dec. 2015	-	0.00	-	0.00	0.00	-	-	-
Year ended Dec. 2016	-	0.00	-	0.00	0.00	-	-	-
Year ending Dec. 2017 (forecast)	-	0.00	-	0.00	0.00		-	

3. Forecast of consolidated business results for the fiscal year ending December 2017

(January 1, 2017 through December 31, 2017)

(% change from the previous year)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
For the six months ending Jun. 2017	745	-29.1	70	-	50	-	-270	-	-19.29
Year ending Dec. 2017	1,720	-4.5	100	-	80	-	-350	-	-25.01

*Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries accompanying changes in the scope of consolidation): Yes

Excluded:1 (Company name) Tella Small Amount and Short term Insurance Inc.

(2) Changes in accounting policies, accounting estimates and restatement

- ① Changes in accounting policies associated with revision of accounting standards: : Yes
- ② Changes in accounting policies other than ① : None
- ③ Changes in accounting estimates : None
- ④ Restatement : None

(3) Shares outstanding (common stock)

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

As of December 2016 13,995,156 shares

As of December 2015 13,995,156 shares

② Treasury stock at the end of period:

As of December 2016 253 shares

As of December 2015 253 shares

③ Average number of stock during period (cumulative period)

Year ended December 2016 13,994,903 shares

Year ended December 2015 13,940,666 shares

(Reference) Summary of non-consolidated business results

1. Non-consolidated business results for the fiscal year ended December 2016

(January 1, 2016 through December 31, 2016)

(1) Non-consolidated results of operations

(% change from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended Dec. 2016	807	-21.2	-515	-	-530	-	-1,241	-
Year ended Dec. 2015	1,024	-6.8	-206	-	-172	-	-909	-

	Net income per share		Diluted net income per share	
	Yen		Yen	
Year ended Dec. 2016	-88.73		-	
Year ended Dec. 2015	-65.26		-	

(2) Non-consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Dec. 2016	1,080	333	30.2	23.32
As of Dec. 2015	2,320	1,580	67.9	112.64

(Reference) Shareholders' equity:

As of December 2016: 326 million yen

As of December 2015: 1,576 million yen

***Implementation status of auditing procedure**

This financial summary is not subject to auditing procedure pursuant to the Financial Instruments and Exchange Act. At the time of disclosure of this report, the auditing procedure of financial statements pursuant to the Financial Instruments and Exchange Act are being conducted.

***Explanation regarding appropriate use of business forecasts and other special instructions**

Forecasts regarding future performance in this material are based on information currently available to the company and certain assumptions that the company deems to be reasonable at the time this report was prepared. Actual results may differ significantly from the forecasts due to various factors.