
Notice Concerning a Company Location Subsidy to be Recorded as Extraordinary Income

Yokohama, Japan, March 15, 2012

Today Tera Probe was notified by Kumamoto Prefecture that it will receive a company location subsidy based on a company location agreement that exists between Tera Probe and the Prefecture. As a result Tera Probe will record this subsidy as extraordinary income.

Details appear below.

1. Details concerning the extraordinary income

Amount of subsidy income (extraordinary income): 263 million yen

On June 7, 2006 Tera Probe concluded a company location agreement with Kumamoto Prefecture for the purpose of making a capital investment in the town of Ashikita in Kumamoto Prefecture, opening a company facility, hiring employees and other cooperative actions. In the same year Tera Probe opened a Kyushu Operation Center in September.

Since then Tera Probe has actively invested in system-on-chip (SoC) testing equipment, image sensor testing equipment and other kinds of infrastructure for the Operation Center. Also, a system LSI business located at the Operation Center has been continuously upgraded. Under the agreement with Kumamoto Prefecture Tera Probe has received a subsidy of 263 million yen in support of these company business activities. This subsidy income will be declared extraordinary income.

2. Outlook

Tera Probe will actively pursue expansion of its outsourcing business in the field of system LSI testing, focusing in particular on image sensors and analog/power semiconductors. The company will continue to make capital investments and take other operational actions in this field. One other way Tera Probe will expand its system LSI business is by providing enhanced turnkey services in conjunction with the company's custom outsourced testing of wafer-level packages. In connection with these plans Tera Probe's wafer-level package manufacturing subsidiary, Teramikros, received a "Subsidy for Domestic Location Promotion Projects" from the Ministry of Economy, Trade and Industry in support of planned capital investment in 300mm wafers.

The effect of this extraordinary gain on full-term FY 2011 business results forecast is unclear. This is because uncertain factors exist, such as those described in Tera Probe's February 28, 2012 "Notice Concerning Possible Unrecoverable Claims Against Elpida Memory, Tera Probe's Main Shareholder and an 'Other Affiliated Company'." As information becomes available it will be disclosed by Tera Probe as soon as possible.

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