- This document is the speech manuscript for the "Financial Results Briefing for the Fiscal Year Ended May 2025 and Mid-Term Business Plan Briefing," held on July 11, 2025.
- This document contains forward-looking statements regarding future performance and other matters. These statements are based on the judgment of our group as of the date of disclosure and rely on information available at that time. They involve inherent risks and uncertainties.
- Actual results may differ materially from these forecasts due to various factors, including changes in the economic environment and market conditions surrounding our business.
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Agenda

1. Summary of Financial Results
2. Review of the Previous Mid-Term Management Plan
3. New Mid-Term Management Plan (FY2026–FY2030)

   “Becoming a Company that Drives Meaningful Change Rooted in Society”

-Appendix-

- “1. Summary of Financial Results” will be presented by Mr. Yoshizawa, Executive Officer and Head of Management Control, President’s Office.
- “2. Review of the Previous Mid-Term Management Plan” , “3.New Mid-Term Management Plan (FY2026–FY2030)” will be explained by Mr. Kiji, President & CEO.

Summary of Financial Results

3

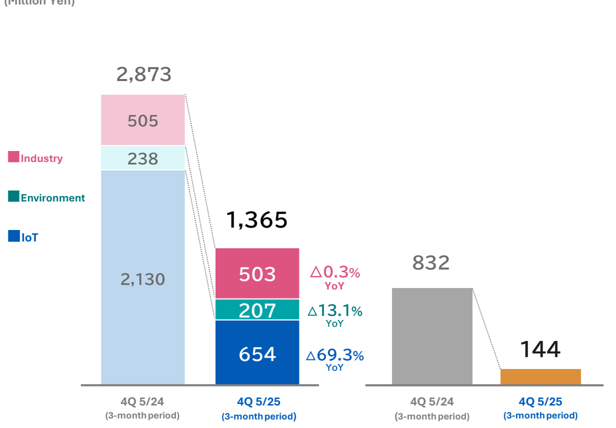
- First, I will provide an overview of the Group’s performance for the current fiscal year.

IoT-Related | Environmental Energy-Related | Promotion of Industry 4.0

4Q (3-Month Period)

POINT

- Consolidated results for the fourth quarter (three-month period) declined year-on-year in both net sales and operating income, primarily due to continued weakness in the IoT-Related Business.
- **IoT-Related Business :** Sales of inspection light sources and pupil lens modules® remained soft.
- **Environmental Energy Related Business:** Sales of drying and deodorizing equipment remained strong, while sales of exhaust gas treatment equipment were soft.
- **Industry 4.0 Promotion Project :** Sales of precision vibration isolation devices remained strong, but sales of gear testing machines were sluggish.



Key Management Indicators

(Million Yen)	4Q 5/24 (3-month period)	4Q 5/25 (3-month period)	YoY Growth (%)
Sales	2,873	1,365	△52.5
OP	832	144	△82.6
OPM	29.0%	10.6%	–
RP	820	110	△86.5
NP	583	76	△86.8
EPS	53.55yen	7.01yen	-

- The Group’s results for the 4Q (3-Month Period) declined year on year, primarily due to sluggish performance in the IoT-related business.

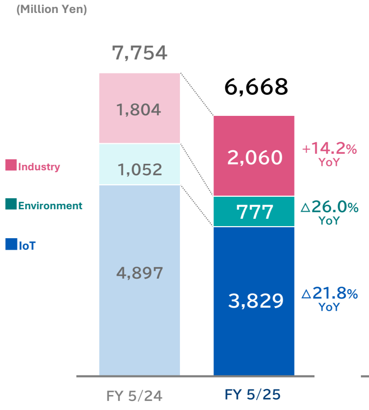
IoT-Related | Environmental Energy-Related | Promotion of Industry 4.0

FY 5/25 (Cumulative)

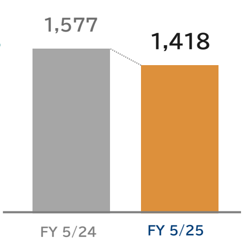
POINT

- Regarding consolidated results for the fiscal year ended May 2025, revenue and profit declined year-on-year, primarily due to continued weakness in the IoT-Related Business, despite solid performance in the Industry 4.0 Promotion Project.
- **IoT-Related Business** :Sales of light source devices for inspection use to domestic customers were strong in the H1 of the fiscal year, but softened in the H2.
- **Environmental Energy Related Business**：Although sales in the exhaust gas treatment equipment segment remained sluggish compared to the previous fiscal year, both equipment sales and high-margin maintenance contracts in the drying and deodorizing equipment segment remained strong.
- **Industry 4.0 Promotion Project**：Sales of precision vibration isolation equipment remained strong in the H2, continuing the positive trend observed in the H1. Sales of gear testing machines were solid in the third quarter but declined in the fourth quarter due to a delay in revenue recognition.

Sales



Operating Profit



Key Management Indicators

(Million Yen)	FY 5/24	FY 5/25	YoY Growth (%)
Sales	7,754	6,668	△14.0
OP	1,577	1,418	△10.1
OPM	20.3%	21.3%	–
RP	1,637	1,386	△15.4
NP	1,132	979	△13.5
EPS	104.15yen	89.45yen	–

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- The Group’s performance for the current period (cumulative) declined year on year in both revenue and profit, mainly due to sluggish performance in IoT-related businesses, despite strong results in the Industry 4.0 promotion business.

IoT-Related | Environmental Energy-Related | Promotion of Industry 4.0

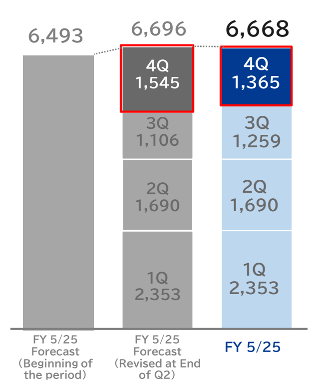
FY 5/25 Results and Forecast

POINT

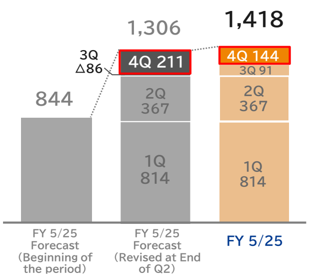
- Given that sales and inquiries for IoT-related products and Industry 4.0 promotion products are trending above initial expectations, the earnings forecast for the second quarter has been revised upward.
- Compared with the revised consolidated earnings forecast announced at the end of the second quarter, full-year consolidated results were generally in line with expectations.

Sales

(Million Yen)



Operating Profit



Key Management Indicators

(Million Yen)	FY 5/25 Forecast (Beginning of the period)	FY 5/25 Forecast (Revised at End of Q2)	FY 5/25	Comparison with Revised Budget (%)
Sales	6,493	6,696	6,668	△0.4
OP	844	1,306	1,418	8.6
OPM	13.0%	19.5%	21.3%	–
RP	867	1,319	1,386	5.1
NP	559	906	979	8.0
EPS	51.37yen	82.85yen	89.45yen	–

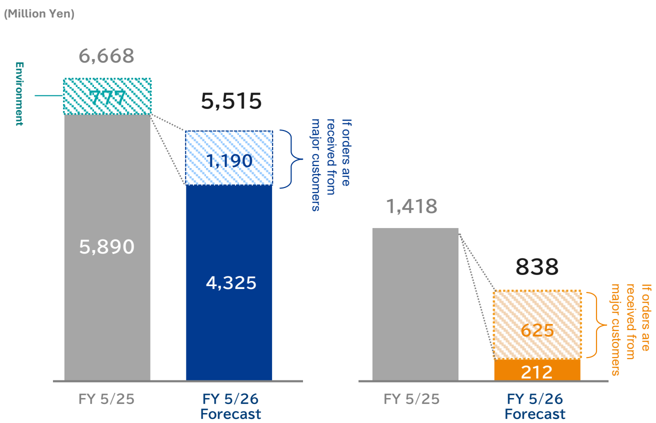
- Comparison Between Full-Year Consolidated Earnings Forecast and Actual Results for the Current Period.
- Reflecting stronger-than-expected sales and inquiries in the IoT-related and Industry 4.0 promotion businesses, we revised our full-year consolidated earnings forecast upward at the time of the second quarter.
- Compared to the revised full-year consolidated forecast announced in the second quarter, actual results have generally progressed as expected.

Next Year Forecast (YoY Comparison)

POINT

- The outlook for the next fiscal year remains uncertain due to the fluid timing of capital investments by major customers in the IoT-Related Business. Accordingly, the earnings forecast has been presented as a range.
- Details regarding FY2026 capital investment assumptions will follow later in this document.

Sales **Operating Profit**



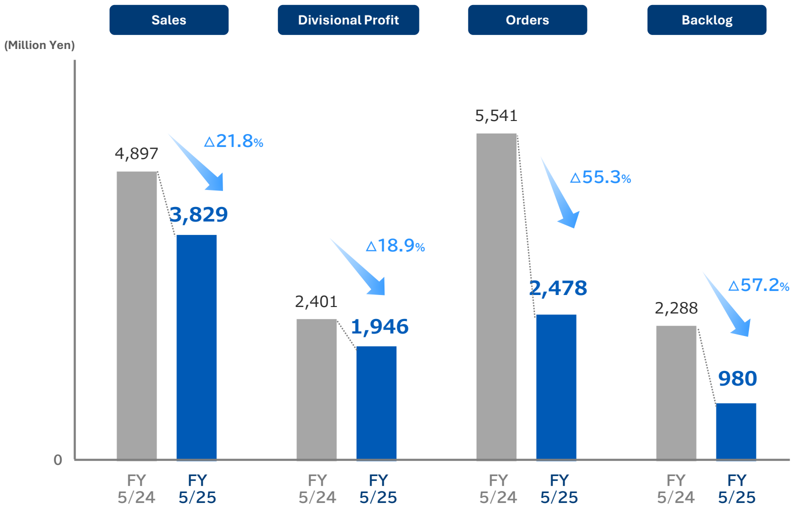
Key Management Indicators

(Million Yen)	FY 5/25	FY 5/26 Forecast	YoY Growth (%)
Sales	6,668	4,325～5,515	△35.1～△17.3
OP	1,418	212～838	△85.0～△40.9
OPM	21.3%	4.9%～15.2%	
RP	1,386	238～863	△82.8～△37.7
NP	979	42～485	△95.6～△50.4
EPS	89.45yen	3.90～44.28 yen	–

- For the consolidated financial forecast for the fiscal year ending May 2026, we have set a range due to significant uncertainty stemming from the fluid timing of capital investments by major customers in the IoT-related business.
- Details regarding FY2026 capital investment assumptions will follow later in this document.

IoT-Related Business

Domestic Illuminator sales: strong in H1, declined in H2
YoY drop in revenue and profit



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- Inspection-related Illuminator sales to domestic customers were solid in H1.
- Sales of Pupil lens modules® to overseas customers are performing well.

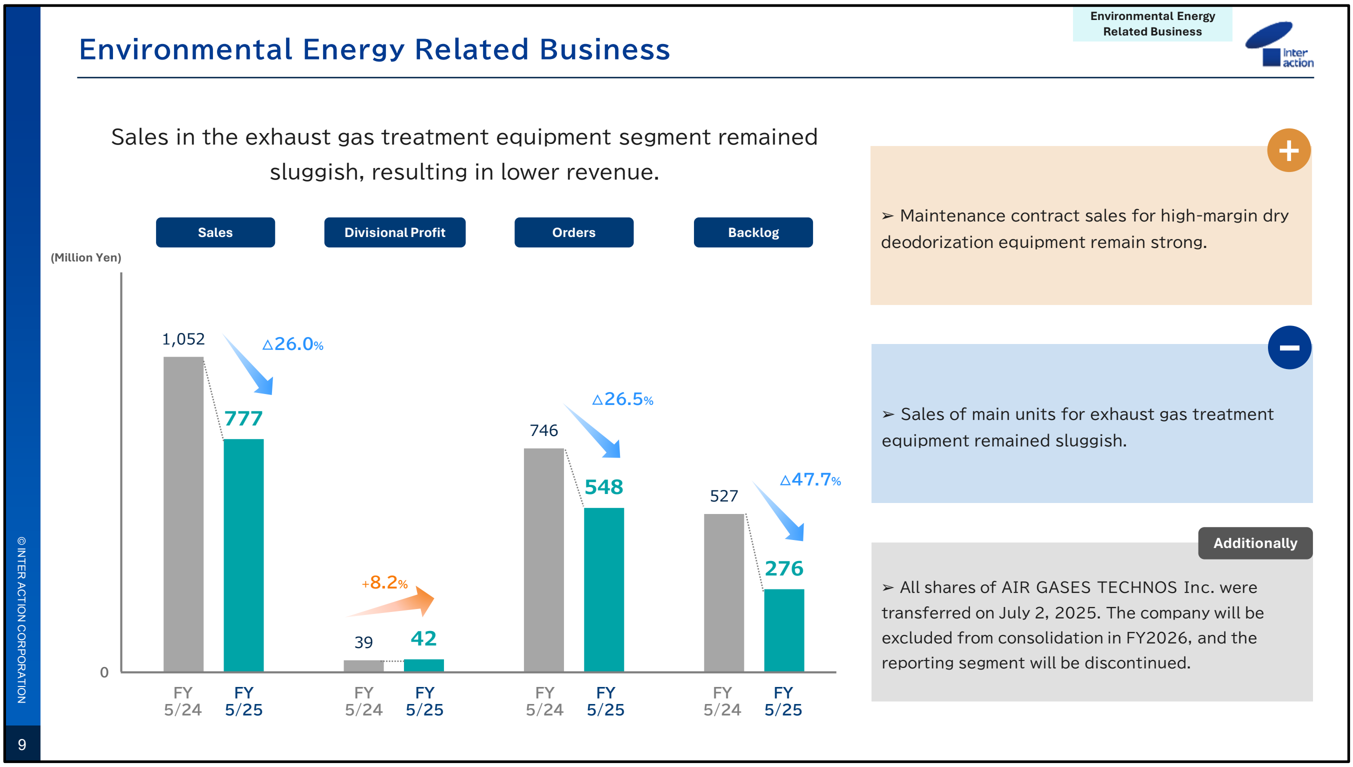
−

- Domestic sales of inspection Illuminators softened in the H2.
- H1 orders and backlog soft, reflecting delayed investment by major domestic clients.

Additionally

- Equipment for automated manufacturing is being delivered to the Kumamoto Plant for the construction of an automated Pupil lens modules® production line, with operational checks and evaluations to follow as needed.
- Due to uncertainty in the timing of capital investment by major customers, segment performance is expected to remain unstable in the next fiscal year.

- In the IoT-related business segment—which mainly sells Illuminators and Pupil lens modules®—customer capital investment was strong in the first half of the fiscal year but slowed in the second half, primarily due to weaker sales of Illuminators to domestic customers. As a result, both net sales and segment income declined year on year.



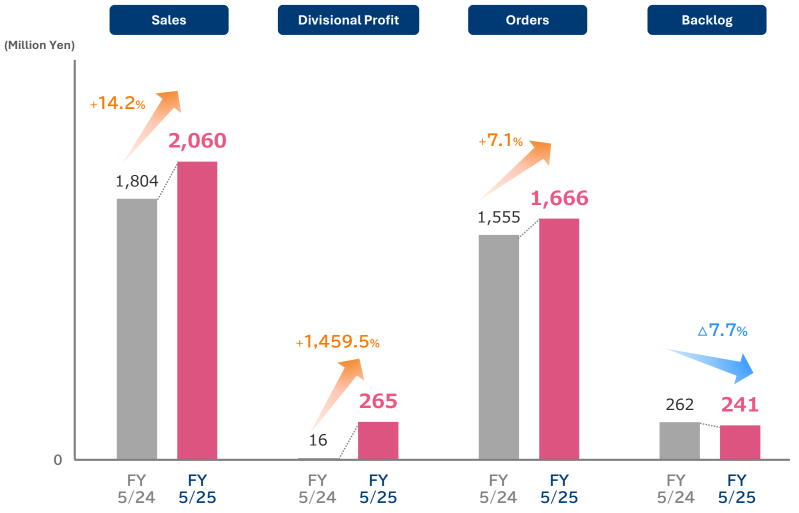
- The Environmental Energy Business segment—which mainly sells drying and deodorizing equipment and exhaust gas treatment systems—recorded a year-on-year decline in revenue due to sluggish sales of exhaust gas treatment systems.

- On the other hand, sales of maintenance contracts in the high-margin drying and deodorizing equipment segment were strong, resulting in increased profit.

- All shares of AIR GASES TECHNOS Inc. were transferred on July 2, 2025. The company will be excluded from consolidation in FY2026, and the reporting segment will be discontinued.

Promotion of Industry 4.0 Business

Sales in the precision Vibration isolation systems field remained strong, contributing to higher revenue and profits.



➢ Sales of precision Vibration isolation systems remained strong in the 2H , continuing the positive trend from the 1H.

➢ Gear testing system sales were sluggish for the full year, impacted by delayed Q4 revenue recognition.

Additionally

➢ In the gear testing systems field, an order for a new roughness testing machine from a domestic automaker is planned for the next fiscal year, though expanding the customer base remains a challenge.
➢ Six vibration monitoring apps have been delivered, and additional inquiries have been received.
➢ A general-purpose AI image processing device is now complete.

- The Industry 4.0 Promotion Business—which mainly sells Vibration isolation systems and Gear testing system sales—recorded year-on-year increases in both sales and profit, driven primarily by strong sales of vibration isolation systems throughout the fiscal year.
- Some products in the Gear testing system field experienced delivery delays.

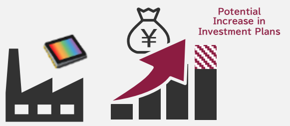
IoT-Related

Reason for Forecast Range Disclosure

- Uncertainty is expected to persist in the next fiscal year due to U.S. tariff policies, geopolitical tensions in Eastern Europe and the Middle East, prolonged inflation, and currency fluctuations.
- The FY outlook is disclosed as a range, reflecting uncertainty in the timing of capital investments by key IoT-Related customers in Japan and overseas.

Upside Factor 1 : Domestic Customer Trends

Potential CapEx Increase
(Including Schedule Advancements)



- Customers' capital expenditure plans indicate earlier-than-expected introduction of advanced processes to increase image sensor density, potentially leading to increased investment in H2—though the timing remains uncertain.

Upside Factor 2 : Overseas Customer Trends

Increased demand for final applications is driving the promotion of pupil lens modules®

- Rising demand for smartphones and automotive cameras is prompting interest in capital investment, though customer caution keeps the outlook uncertain.

- We anticipate that the business environment in the next fiscal year will remain uncertain due to factors such as the direction of U.S. tariff policies, geopolitical risks in Eastern Europe and the Middle East, prolonged inflation, and exchange rate fluctuations. These factors are expected to continue impacting the global economy as a whole.
- In this environment, we expect the timing of capital expenditures by major domestic and international customers in the IoT-related business to become increasingly fluid and uncertain in the coming fiscal year.
- Regarding domestic customers, based on their announced capital investment plans, the adoption of advanced processes driven by the densification of image sensors is expected to accelerate compared to initial forecasts. This may lead to an increase in the scale of capital investment in the second half of the next fiscal year.
- For overseas customers, we are seeing signs of growing capital investment demand driven by increased demand for smartphones and in-vehicle cameras. However, due to customers' cautious investment decisions, we are currently unable to provide a definitive outlook.

Review of the Previous Mid-Term Management Plan 2024-2028

- Next, I will explain the “Review of the Mid-Term Management Plan (2024–2028).”

Review as of May 2025

While the advantages of the existing business model are clear,
challenges remain in expanding into new business areas.

➡ A reset of goals and significant shifts in policy and strategy are necessary.

Progress

- In the Industry 4.0 Promotion Business, segment income increased due to overseas expansion and improvements to existing products.

Issues and reflections

1. **Blurred Boundaries Between Strategic and Operational Goals**
   Strategic goals (e.g., new market development, business model transformation) and operational goals (e.g., efficiency, quality) were mixed, leading to unclear priorities and execution, and insufficient long-term action.

2. **Lack of Planning and Marketing Capabilities**
   A lack of ability to formulate plans that link the company's strengths to market opportunities, and insufficient marketing capability to accurately understand customer needs, resulted in ad hoc responses.

3. **There was an insufficient customer base to support sustainable growth.**
   The company was highly dependent on a limited number of existing customers, and efforts to develop new customers and increase LTV (customer lifetime value) were insufficient.

4. **Lack of Agility in Adapting to Environmental Changes**
   High dependence on specific markets and customers revealed limitations in the company's ability to respond to sudden macro-environmental changes, such as the COVID-19 pandemic and U.S.-China trade friction.

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- I would like to review the Mid-Term Management Plan (2024–2028). We have identified four key areas that represent significant challenges and opportunities for improvement.

- The first point is the overlap between strategic goals and operational goals. This overlap caused misalignment in resource allocation and priority setting, leading to insufficient focus on long-term initiatives. As a result, strategic activities were often deprioritized amid day-to-day operations. Going forward, we will clearly distinguish between the two types of goals and allocate resources based on their respective priorities.

- The second point is the lack of planning and marketing capabilities. We were unable to effectively link our strengths and advantages to market opportunities, and lacked the marketing capability to accurately identify customer needs. To address this, we have established the VG Strategy Office to strengthen our organizational planning and marketing functions. It is essential to build a framework that enables us to pursue new growth opportunities in a more strategic and deliberate manner.

- The third issue is the lack of a customer base to support sustainable growth. At present, we are highly dependent on a limited number of existing customers, and our efforts to acquire new customers and maximize customer lifetime value have been insufficient. As a result, new market development has been slow, and our growth has lacked sustainability. Going forward, it will be essential to expand our customer base and enhance both our product offerings and proposal capabilities to drive long-term growth.

- The fourth issue is insufficient responsiveness to changes in the external environment. Our reliance on specific markets and customers makes us highly vulnerable to stagnant capital investment and economic fluctuations. This poses a direct risk to our business performance. To address this, we must build a system that enables more flexible responses to external changes. Diversifying our business and revenue sources will also be key themes moving forward.

- On the positive side, there were several highlights. In particular, in the Industry 4.0-related business, overseas expansion and improvements to existing products contributed to increased segment profits. Additionally, we confirmed our competitive advantages in existing businesses, such as the recovery of market share in the Illuminator business and the overseas expansion of Pupil lens modules®.

- However, challenges remain in how to replicate these achievements across other business areas.

Direction of strategic shift

➢ Based on the four "challenges and reflections," we will implement a strategic shift.

Issues and reflections	Future strategy
1. Blurred Boundaries Between Strategic and Operational Goals	1. Clear separation of strategic and operational objectives and optimization of resource allocation
2. Lack of Planning and Marketing Capabilities	2. Fundamental strengthening of planning and marketing capabilities
3. There was an insufficient customer base to support sustainable growth.	3. Promotion of partnership strategies for building a customer base
4. Lack of Agility in Adapting to Environmental Changes	4. Developing a robust business portfolio that is not affected by external factors

➢ Based on the four key challenges and areas for improvement, we have defined four strategic pillars to guide our transformation in the new Medium-Term Management Plan (2026–2030).

➢ We will transition to a structure that balances long-term strategic execution with day-to-day operations by clearly separating strategic and operational goals and optimizing resource allocation.

➢ We will fundamentally strengthen our planning and marketing capabilities—including the development and acquisition of professional talent—to enhance our organizational capabilities.

➢ We will actively pursue partnership strategies to expand our customer base, promoting customer diversification and sustainable relationships through stronger collaboration with external stakeholders.

➢ By cultivating a robust business portfolio that is not overly dependent on external environmental factors, we aim to break away from dependency structures and build a corporate foundation that is resilient to change.

- Based on our review of the previous Mid-Term Business Plan (2024–2028) and the direction of our strategic shift, we are pleased to announce the new Mid-Term Business Plan (2026–2030).

Purpose

Creating innovation through the interaction of people, technology, and organizations, and shining a light on “Invisible value.”

◆ We will create diverse solutions that contribute to the sustainable development of society and bring about fundamental change by leveraging the power of **Interaction**, without being bound by specific technologies.

- We would like to reaffirm and redefine the core principles that underpin our Medium-Term Management Plan.
- First, with regard to our Management Philosophy (Purpose), we are committed to driving innovation through the interaction of people, technology, and organizations, while illuminating intangible value.
- Our goal is to become a company that delivers versatile solutions contributing to the sustainable development of society—leveraging the power of interaction rather than relying on specific technologies—and brings about fundamental change at the societal level.

Vision

Become a company that combines "In-house strengths" and "Diverse technologies" to "Implement change" globally.

- Starting from "Optics" and "Mechanical control," we create innovation from workplaces where people and technology intersect.
- Rather than relying on specific cutting-edge technologies, we redesign the way people work by addressing fundamental issues in the workplace.
- What we pursue is not mere development, but the implementation of lasting change through practical technologies that are continuously used and capable of enhancing productivity across society.
- In an era of advancing AI and robotics, we aim to become a "Smart Optical Solutions company" that drives real societal transformation.

➢ Next, with regard to our Vision, we will transform into a company that combines our competitive advantages with diverse technologies to drive change on a global scale. Our goal is to become a smart optical solutions company, built upon core technologies such as optics and mechanical control.

Value

Interaction Value

◆ We will connect technology, people, and companies, with our company at the center, and co-create value through “Interaction.”

- Finally, we would like to introduce the Value our company seeks to create.
- “Interaction Value (Co-creation Value)” represents our role as a central hub that connects technology, people, and companies, generating competitive value through mutual interaction. This embodies the true meaning of “Interaction” in our company name.
- Guided by the principle of Interaction Value (Co-creation Value), we will continue moving forward with determination—pursuing both sustainable corporate growth and meaningful contributions to society.

IoT-Related | Promotion of Industry 4.0 | New Business

Key Financial Objectives

- We have revised our target indicators as important metrics for achieving high-quality growth and enhancing corporate value, focusing on “Business resilience,” “Product competitiveness,” “Human resources,” “Profit growth,” and “Management quality.”

	Indicator	Five-Year Average (May 2021 – May 2025)	FY 5/25	FY2030 Target
Business resilience	Base sales	912 million yen	625 million yen	3,000 million yen
Product competitiveness	GPR	57.5%	55.3%	Over 50.0%
Human resources	OP per employee	25 million yen	20 million yen	30 million yen
Profit growth	OP CAGR	△10.5%	–	Over 15.0%
Management quality	ROE (Consolidated)	10.1%	8.4%	Over 15.0%

- Based on our Management Philosophy (Purpose), Vision, and Values, we have redefined our financial targets.

- To achieve high-quality growth, we are focusing on five key areas: business resilience, product competitiveness, human resources, profit growth, and management quality.

- 1.Base sales – Indicator of Business Resilience: This refers to stable and recurring revenue that is not dependent on temporary large-scale projects. By increasing base revenue, we aim to build a strong and adaptable business structure that is less vulnerable to changes in the external environment.

- 2.GPR – Indicator of Product Competitiveness: Rather than pursuing sales volume alone, we will expand offerings that reliably generate profit, thereby maintaining and enhancing our profitability and competitive edge.

- 3.OP per Employee – Indicator of Human Resources: As a lean and agile organization, the productivity and contributions of each individual directly influence our overall competitiveness. We will promote a talent strategy focused on quality over quantity.

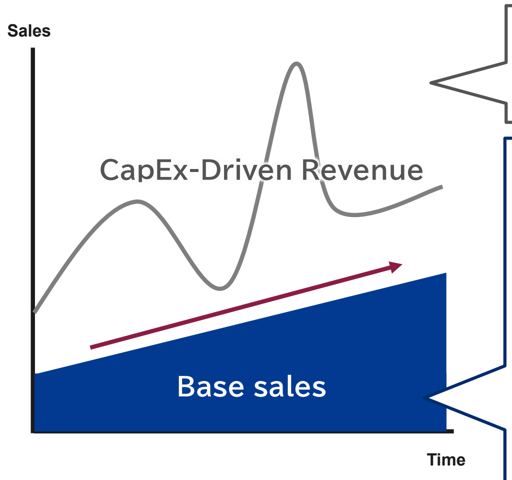
- 4.OP (CAGR) – Indicator of Profit Growth: We will drive sustainable improvement in corporate value by reinforcing our earnings foundation and consistently increasing profitability.

- 5.ROE (Consolidated) – Indicator of Management Quality: We are committed to achieving capital-efficient management that maximizes returns for shareholders.

IoT-Related | Promotion of Industry 4.0 | New Business

Base sales

- As an indicator of business resilience, we have established “Base sales” as products and services that contribute to improving gross profit margin, operating income per employee, and capital efficiency (CCC) without relying on capital investment. We aim to expand this base sales and grow our business.



CapEx-Driven Products
Products such as Illuminators, Gear testing systems, and precision Vibration isolation systems, whose demand fluctuates based on customer capital investment trends.

Pupil lens modules®
Pupil lens modules® hold a 50% market share in Japan, and we aim to expand this further. Overseas markets remain largely untapped; in the short term, we are focusing on expansion into South Korea.
Pupil lens modules® alone have the potential to expand the market by over 1 billion yen.

Modification of illuminator
This covers all Illuminators sold domestically to date.
Full deployment could generate a market of around 3 billion yen.

VG Strategy Office
Develop products with a wide range of applications that are not dependent on specific industries or customers.

Aiming for Expansion

- As reflected in our latest earnings forecast, our current business structure remains highly dependent on customer capital investment. However, we are committed to fundamentally transforming this structure.

- To demonstrate this commitment, we have introduced a new performance metric: Base Revenue. This indicator reflects the resilience of our business by capturing our ability to generate stable, recurring revenue independent of capital investment cycles.
- Currently, the primary contributor to base revenue is our Pupil lens modules®. We hold approximately 50% of the domestic market share, and we expect this to expand further. In overseas markets—still in the development phase—we are currently focusing on South Korea. If adopted at scale, Pupil lens modules® alone have the potential to increase revenue by more than JPY 1 billion.

- For Illuminators, we plan to begin full-scale retrofitting of previously delivered devices. Should this gain traction, we anticipate a market opportunity of approximately JPY 3 billion, which we intend to capture.

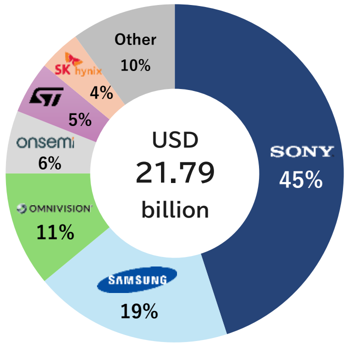
- In parallel, the VG Strategy Division is advancing product development aimed at broader markets, less reliant on specific customers or industries.

- While revenue tied to capital investment remains important, we consider it a bonus. Our strategic priority is to achieve sustainable corporate growth by focusing on expanding base revenue.

Our Strengths in the IoT-Related Business (Image Sensor Inspection)

- In the IoT-Related Business segment, our core area of focus, we are distinguished by: Industry-standard, advanced technologies / Marketing capabilities developed through on-site engineer visits / Strong cost awareness rooted in manufacturing operations
- In addition, the nature of image sensor (semiconductor) testing requires high reproducibility to ensure quality, making repeat orders from the same manufacturers standard practice. These strict quality assurance demands, along with high switching costs, create strong barriers to entry and enable us to maintain a high market share.

Image Sensor Market in 2023 (Revenue Basis)



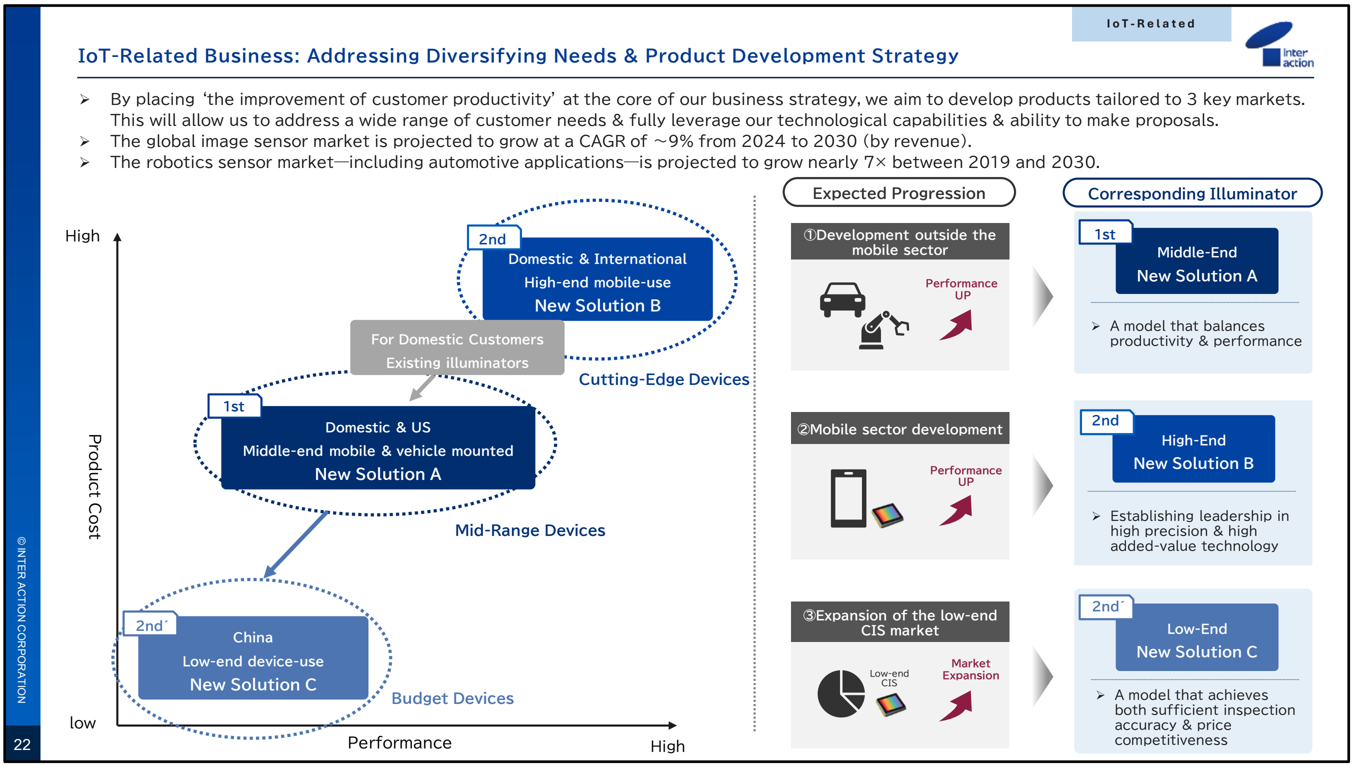
Source :Yole 2023-2029 CMOS image sensors market forecast

Our Strengths

Our devices are adopted by leading image sensor manufacturers, covering **over 75%** of the market on a customer basis.

- ✓ Industry-standard, advanced technologies
- ✓ Marketing capabilities developed through on-site engineer visits
- ✓ Strong cost awareness rooted in manufacturing operations

- While capital investment-dependent sales are positioned as a bonus, they nonetheless remain an important pillar of our business.We believe our IoT-related business possesses three core strengths.
- First, our position as the de facto standard in the industry.Our products are adopted by major image sensor manufacturers and account for over 75% of the image sensor market by revenue. This clearly demonstrates our position as the de facto standard in the image sensor testing industry.
- Second, the strong marketing capabilities of our engineers.Our engineers not only pursue technological excellence, but also have a deep understanding of customer needs—enabling them to develop products that meet those needs with precision. This blend of technical expertise and customer insight has been the key driver of our reputation for delivering high-value solutions.
- Third, a strong emphasis on product cost consciousness.Cost awareness—covering both production costs and profit margins—is deeply embedded in our design and operational processes. This has been instrumental in maintaining our high profitability.
- By fully leveraging these strengths, we will further enhance our presence in the image sensor testing market.

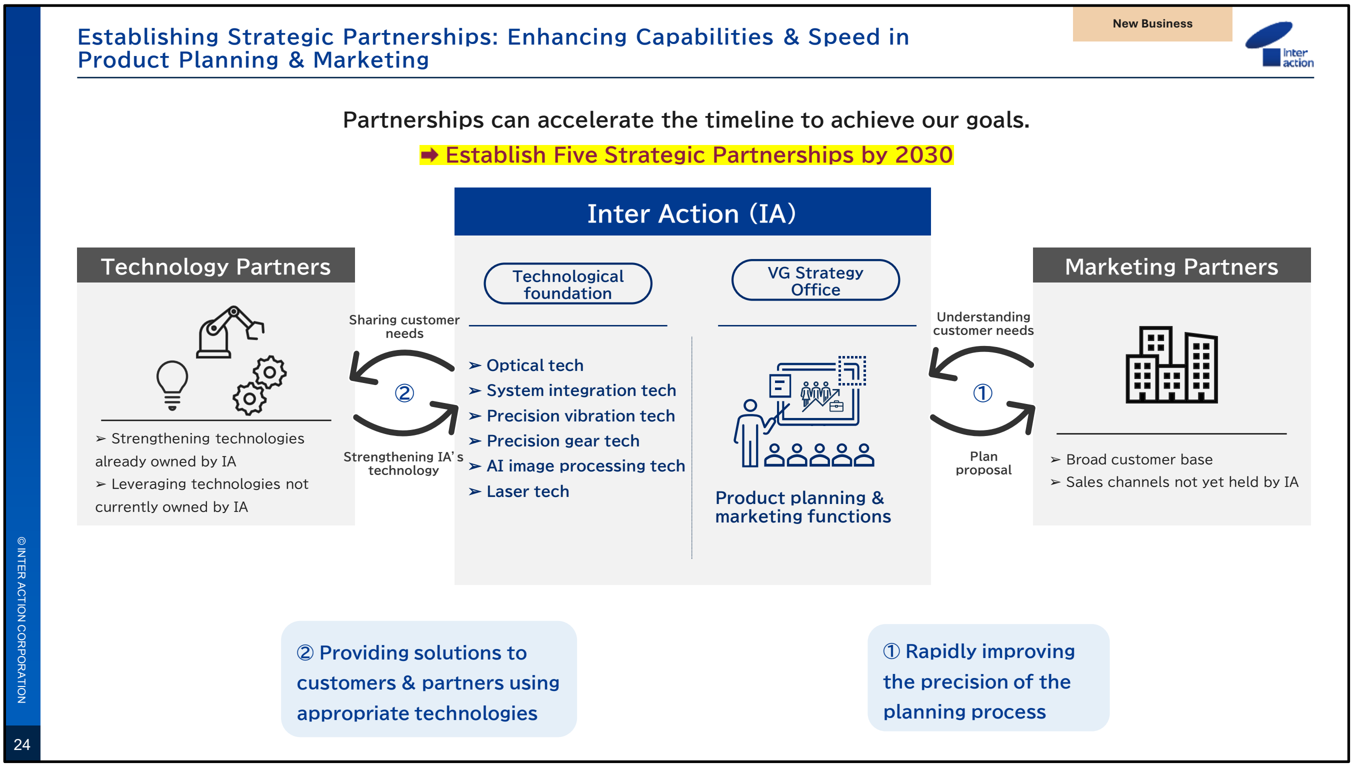


- Going forward, there are three markets where we aim to strengthen our presence.

- The first is the high-end mobile market.Smartphone camera performance is expected to continue advancing in terms of image quality and functionality, with applications such as video and AI processing becoming more diverse. In this expanding field, we will proactively introduce solutions for next-generation devices and establish a strong position in both domestic and global mobile markets.

- The second is the mid-range mobile, automotive, and robotics market, andthe third is the low-end device market.In addition to our existing high-end offerings, we will expand our product lineup to address all market segments and develop flexible business models tailored to their respective needs.

- We have defined three strategic growth steps as the foundation for executing our transformation strategy.
- Step1 Connect : We will connect internal and external partnerships, organizations, technologies, and human resources—laying the groundwork for creating new value.
- Step2 Create : Through these connections, we will generate Interaction Value, including strategic products, business synergies, and profits.
- Step3 Expand : We will further expand the value generated in the first two steps by entering new markets, acquiring new customers, and developing new product areas.
- By following the rhythm of “Connect → Create → Expand,” we will combine our core strengths with diverse technologies to evolve into a company that drives global transformation.



- Currently, we are accelerating efforts in the first step—"Connect."
- Specifically, we are actively pursuing collaborations with external partners to strengthen our product planning and marketing capabilities, while also improving speed and agility in execution.

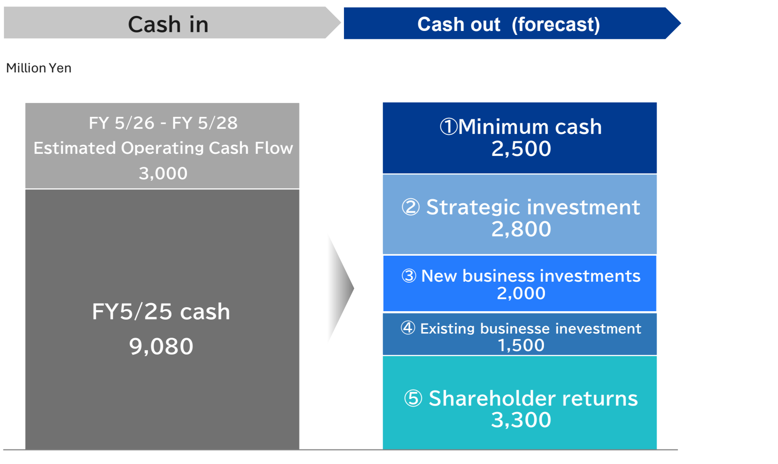
➢ By 2030, we aim to establish five or more high-quality partnerships.

➢ We are currently engaged in practical discussions with two companies. In collaboration with one of them—an Optical manufacturer: Company A - we aim to generate base revenue of JPY 400 to 500 million.

➢ We will continue to explore new opportunities and work toward building five or more sustainable, high value-added partnerships to expand base revenue and enhance the resilience of our business.

New Cash Allocation (May 2026 – May 2028)

- We will revise our cash allocation plan as of the third quarter of FY ending May 2025, and reset the allocation on a rolling three-year basis covering FY ending May 2026 through FY ending May 2028.
- We aim to enhance sustainable corporate value by balancing financial stability, business growth, and shareholder returns.
- We will consider using interest-bearing debt, as needed, to finance strategic initiatives such as alliances and M&A investments.



* Shortfalls, if any, will be financed with interest-bearing debt.

- In conjunction with the formulation of our new Medium-Term Management Plan, we have also updated our cash allocation policy.Based on our three-year business strategy—from the fiscal year ending May 2026 through the fiscal year ending May 2028—we have redefined our approach to cash utilization.

- ① Minimum Cash: This refers to the minimum amount of cash reserves required to ensure operational stability.Given our reliance on customer capital investment, our business is exposed to market volatility. This minimum level has been set based on our judgment of what is necessary to withstand unforeseen circumstances.

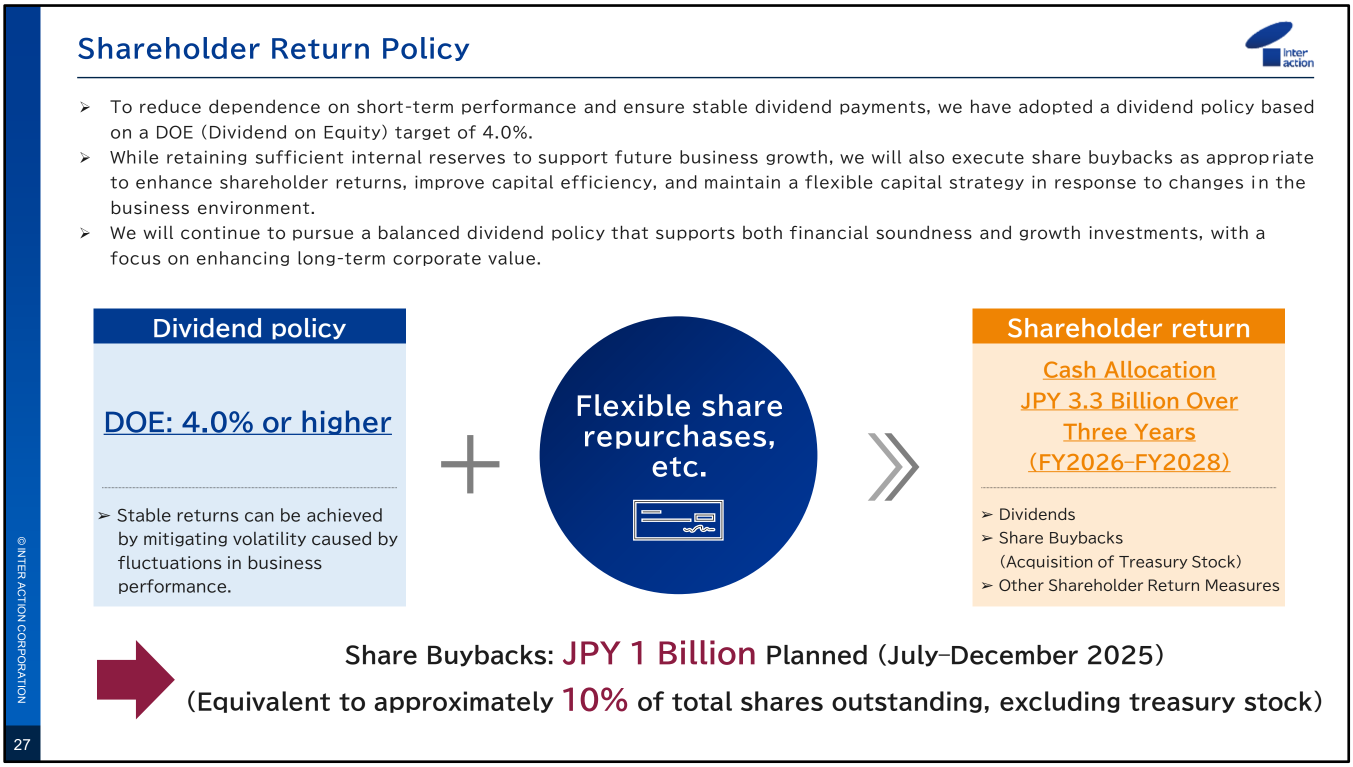
- ② Strategic Investment: This allocation is intended to provide flexibility to support the acceleration of partnership development.We are currently in discussions with two potential partners and aim to establish five or more partnerships by 2030. The amount has been set in consideration of this target.

- ③ New Business Investment: This fund is reserved for the creation of new businesses through internal initiatives and co-creation with external partners, as well as for talent investment essential to those efforts.

- ④ Existing businesse inevestment : We will continue to strengthen and grow our existing core businesses through focused reinvestment.

- ⑤ Shareholder Returns: We will return profits to shareholders through dividends and share buybacks, based on capital policy and performance outlook.

- In the event of a shortfall, we will flexibly consider the use of debt financing.



- We will maintain a basic target of a dividend on equity (DOE) of 4.0% or higher, with a focus on delivering stable and sustainable dividends.
- As a recent initiative, we have decided to implement a treasury share buyback program of approximately JPY 1 billion, to be carried out between July and December 2025.
- Going forward, we will continue to pursue a dividend policy that strikes a balance between financial soundness and growth investment, while working to enhance medium- to long-term corporate value.

Enhancing Management Quality and Corporate Value

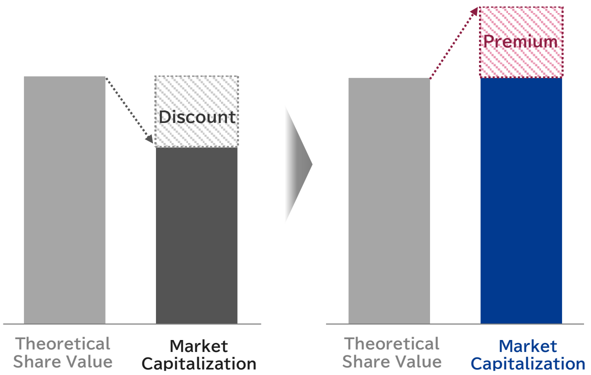
- Capital markets have taken a cautious view of our diversification strategy and capital efficiency, contributing to a valuation discount.
- We aim to turn our valuation discount into a premium by further enhancing management quality and driving long-term corporate value.

Present Situation

Undervalued by capital markets

Going forward

From Discount to Premium Through Stronger Management and Enhanced Corporate Value



Key Measures

- Institutionalizing Investor Perspectives in Management
- Appointment of New Directors and Changes in Board Operations
- Driving Synergies through Business Portfolio Management

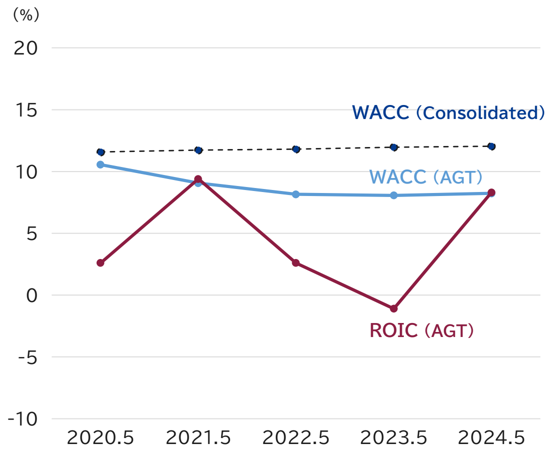
- Currently, our stock is undervalued by the capital market, reflecting concerns about the effectiveness of our diversification strategy and capital efficiency. These concerns have contributed to a valuation discount.

- Our goal is to transform this discount into a valuation premium over the next five years.To achieve this, we will focus on three Key Measures: Investor Perspectives in Management, Appointment of New Directors and Changes in Board Operations, Driving Synergies through Business Portfolio Management.

Institutionalizing Investor Perspectives in Management: Transfer of All Shares in Consolidated Subsidiaries (Exit from Environmental Energy Business)

- AIR GASES TECHNOS Inc. (AGT) has consistently underperformed its cost of capital over the past five years and meets the criteria for divestment.
- The transferee operates in the gas industry and has been identified as the best owner for AGT.

ROIC WACC



Overview of the Transferee Company

Company Overview

Source:TSR

Company Name	Chikuho Trading Inc.
Established	October 1949
Headquarters	Iizuka, Fukuoka, Japan
CEO	Shoji Kubo
Number of Employees	35
Sales	JPY 1.2 billion (as of 2023)
Core Business	Sales of high-pressure gas, propane gas, gas appliances, etc.
Major Suppliers	Air Liquide Japan、Taiyo Nippon Sanso Corporation、Saibu Gas Co. Ltd.、Iwatani Corporation

Estimated Synergies

- Geographic Complementarity between AGT's Bases (Kanto and Kansai) and the Transferee's Base (Kyushu)
- AGT's drying and deodorizing equipment utilizes gas combustion,
- creating potential synergies with the transferee's gas sales operations.

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- As part of our efforts to strengthen our internal investor function, we executed the transfer of shares in Air Gases Technos Inc., a consolidated subsidiary, to Chikuho Trading Inc., on July 2, 2025, based on a strategic review of financial performance over the past five years.
- The acquiring company, which has deep expertise in the gas industry, was determined to be the best owner to maximize the subsidiary's value.
- Going forward, we will continue to enhance our internal investor function by regularly monitoring the roles, value, and future potential of each business. Through timely and appropriate measures, we aim to improve management quality and maximize corporate value.

Appointment of New Directors and Changes in Board Operations:
(1) New Director Appointments (Planned)

- To further strengthen corporate governance, we plan to appoint two new outside directors.
- Enhancing financial and corporate management perspectives is expected to lead to stronger governance.

Name (Date of birth)	Past experience, positions and responsibilities in the Company, and significant concurrent positions	Number of the Company's shares held
* Noboru Araki (June 8, 1973) [Outside]	October 1998 Joined Chuo Audit Corporation (now PricewaterhouseCoopers Japan LLC). May 2002 Registered as certified public accountant. September 2003 Joined KPMG FAS Co., Ltd. April 2020 Established Araki CPA Office. Representative, Araki CPA Office (to present) April 2020 Registered as certified tax accountant July 2021 Established Hayabusa Trust Audit Corporation. Representative Partner, Hayabusa Trust Audit Corporation (to present) July 2021 Established Hayabusa Trust Accounting Corporation. Representative Partner, Hayabusa Trust Accounting Corporation (to present) April 2022 Established Bloom Advisory K.K. Representative Director, Bloom Advisory K.K. (to present) Significant concurrent positions outside the Company: Representative, Araki CPA Office Representative Partner, Hayabusa Trust Audit Corporation Representative Partner, Hayabusa Trust Accounting Corporation Representative Director, Bloom Advisory K.K.	–
Reasons for nomination as a candidate for Outside Director and outline of expected role: Although Mr. Noboru Araki has not been directly involved in the management of a business corporation, he has considerable insight into finance and accounting from his experience as a certified public accountant, tax accountant, and his service at KPMG FAS Co., Ltd. We propose his election as an Outside Director because we expect his abundant experience and broad insight will be conducive to enhancing the Company's corporate governance.		

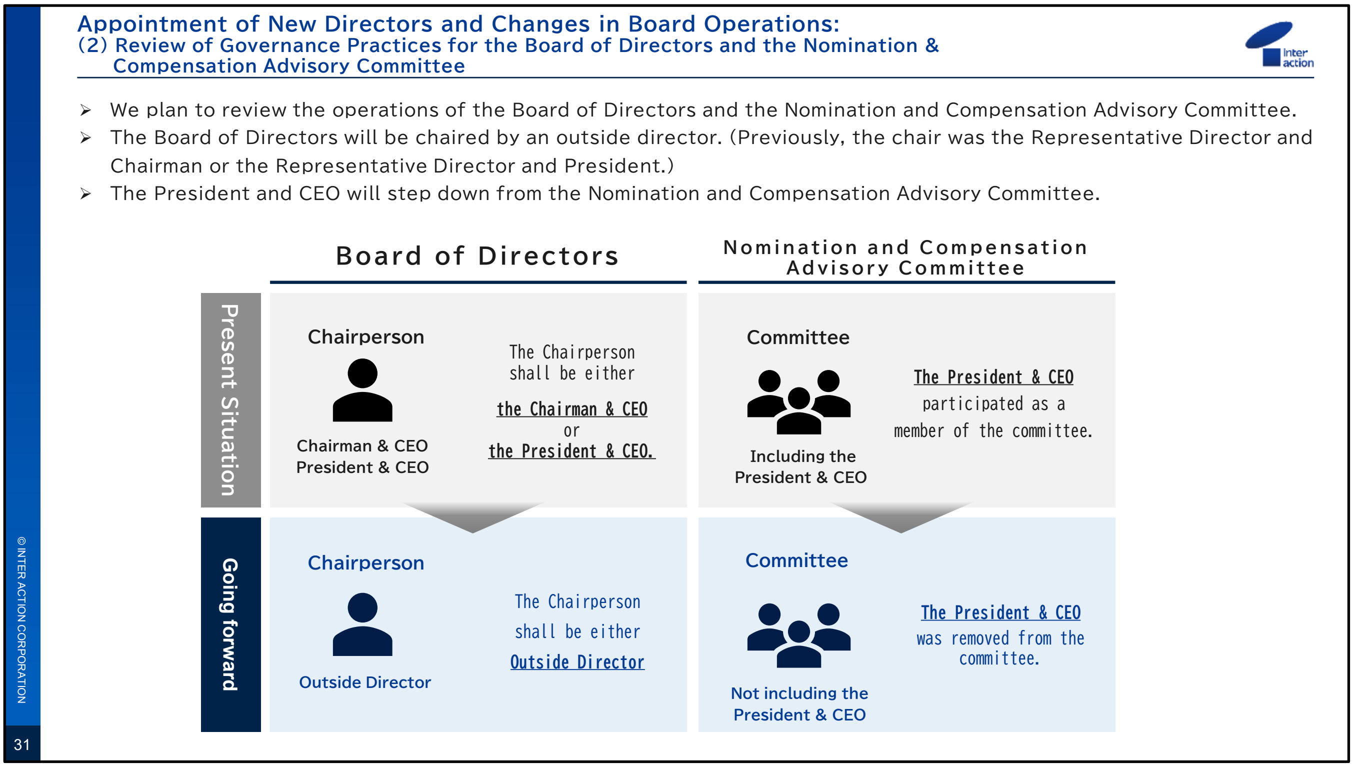
*Subject to change.

Name (Date of birth)	Past experience, positions and responsibilities in the Company, and significant concurrent positions	Number of the Company's shares held
* Yoshihiro Ueda (May 11, 1959) [Outside]	March 1982 Joined ASICS Corporation June 2009 Director and Manager, Management Information Department, KEYENCE CORPORATION June 2014 Full-time Auditor, KEYENCE CORPORATION October 2015 Executive Officer, Senior General Manager, Global Financial Control Division, ASICS Corporation June 2020 Director, Lead Executive Officer, General Manager, Administration Division and Manager, Public Relations Department, OSAKA SODA CO., LTD. June 2022 Outside Director and Member of Audit and Supervisory Committee, ALPS LOGISTICS CO., LTD. June 2025 Outside Director, O-Well CORPORATION (to present) Significant concurrent positions outside the Company: Outside Director, O-Well CORPORATION	–
Reasons for nomination as a candidate for Outside Director and outline of expected role: Mr. Yoshihiro Ueda has experience working for listed companies where, in addition to overseas assignments, he was engaged in general administrative operations including accounting, finance, and legal affairs, and was involved in corporate management. We propose his election as an Outside Director because we expect his abundant experience and broad insight will be conducive to enhancing the Company's corporate governance.		

*Subject to change.

- As part of our initiatives to reform the Board of Directors structure and its operational practices, we plan to appoint two new outside directors to further strengthen our corporate governance framework.

- Through this, we aim to enhance the diversity and expertise of the Board, promote more effective oversight and constructive dialogue, and ultimately improve both the functionality of the Board and the overall quality of management.



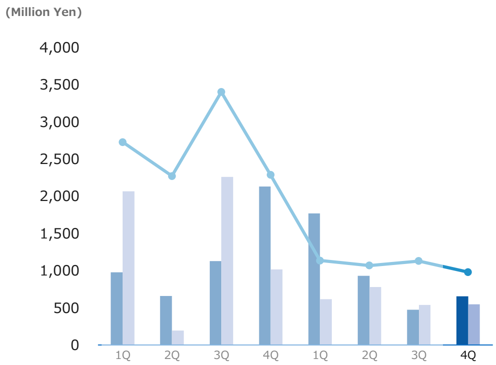
- In addition to increasing the number of outside directors, we will implement structural reforms to further strengthen governance by revising the composition of both the Board of Directors and the Nomination and Compensation Advisory Committee.
- The Board of Directors will shift to a structure in which the Chairperson is an outside director, enhancing objectivity and independence in oversight.
- In the Nomination and Compensation Advisory Committee, the President & CEO will no longer serve as a committee member, ensuring more neutral and transparent decision-making processes.
- Through these reforms—and while navigating a challenging business environment—we remain committed to enhancing corporate value over the long term.

Appendix ①

Sales, Orders & Order Backlog

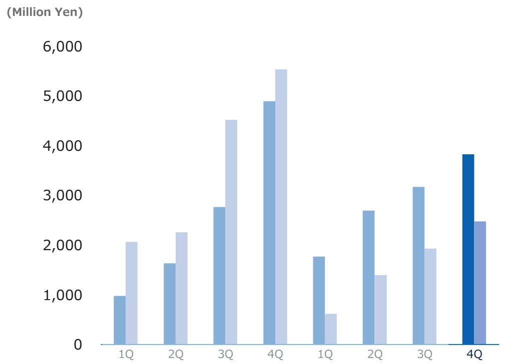
IoT-Related Business

Sales/Orders/Order Backlog (by quarter)



	1Q 5/24	2Q 5/24	3Q 5/24	4Q 5/24	1Q 5/25	2Q 5/25	3Q 5/25	4Q 5/25
Sales	977	660	1,129	2,130	1,768	930	475	654
Orders	2,066	195	2,261	1,018	617	778	537	545
Backlog	2,728	2,272	3,402	2,288	1,135	1,069	1,130	980

Sales/Orders (cumulative)

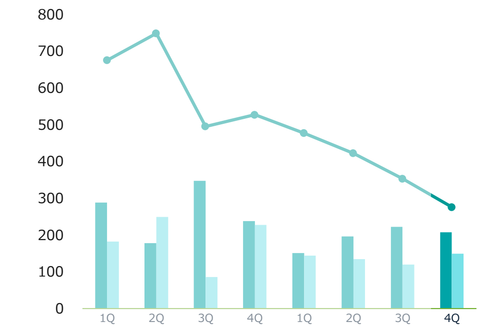


	1Q 5/24	2Q 5/24	3Q 5/24	4Q 5/24	1Q 5/25	2Q 5/25	3Q 5/25	4Q 5/25
Sales	977	1,637	2,767	4,897	1,768	2,699	3,175	3,829
Orders	2,066	2,261	4,523	5,541	617	1,396	1,933	2,478

Environmental Energy-Related Business

Sales/Orders/Order Backlog (by quarter)

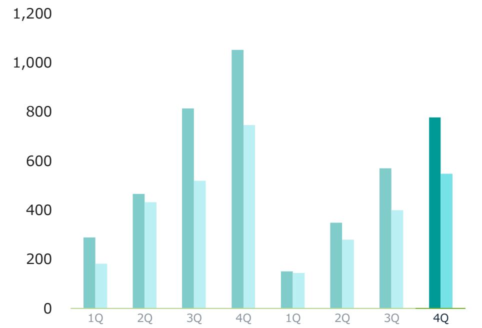
(Million Yen)



	1Q 5/24	2Q 5/24	3Q 5/24	4Q 5/24	1Q 5/25	2Q 5/25	3Q 5/25	4Q 5/25
Sales	288	178	347	238	151	196	222	207
Orders	182	249	86	227	144	134	120	149
Backlog	675	748	495	527	477	422	353	276

Sales/Orders (cumulative)

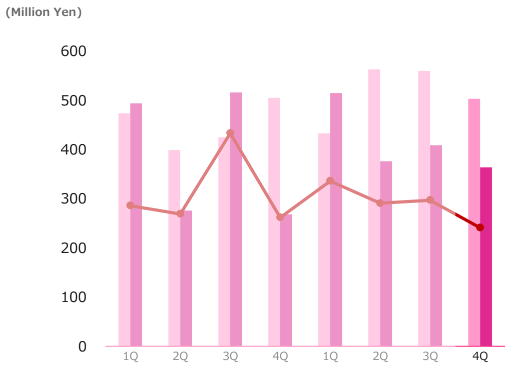
(Million Yen)



	1Q 5/24	2Q 5/24	3Q 5/24	4Q 5/24	1Q 5/25	2Q 5/25	3Q 5/25	4Q 5/25
Sales	288	466	813	1,052	151	348	570	777
Orders	182	432	519	746	144	279	399	548

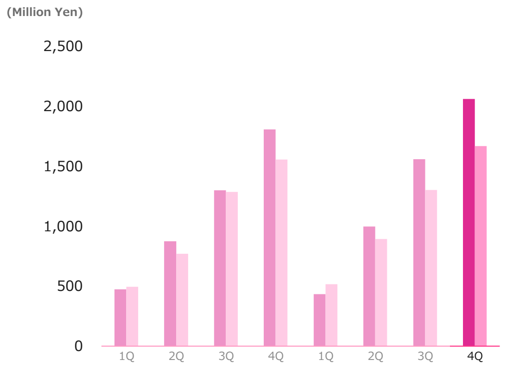
Promotion of Industry 4.0 Business

Sales/Orders/Order Backlog (by quarter)



	1Q 5/24	2Q 5/24	3Q 5/24	4Q 5/24	1Q 5/25	2Q 5/25	3Q 5/25	4Q 5/25
Sales	474	399	425	505	433	563	560	503
Orders	494	276	516	268	515	376	409	364
Backlog	286	269	433	262	336	291	297	241

Sales/Orders (cumulative)

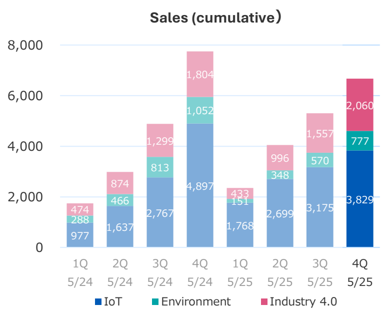


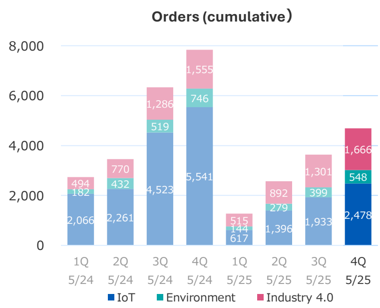
	1Q 5/24	2Q 5/24	3Q 5/24	4Q 5/24	1Q 5/25	2Q 5/25	3Q 5/25	4Q 5/25
Sales	474	874	1,299	1,804	433	996	1,557	2,060
Orders	494	770	1,286	1,555	515	892	1,301	1,666

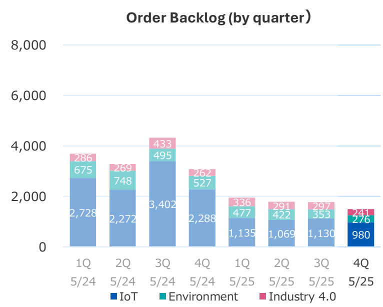
Entire Group

FY 5/2025 (Million Yen)

Businesses	Sales		Orders		Order Backlog	
	Results	YoY Growth	Results	YoY Growth	Results	YoY Growth
IoT-Related Business	3,829	△21.8%	2,478	△55.3%	980	△57.2%
Environmental Energy-Related Business	777	△26.0%	548	△26.5%	276	△47.7%
Promotion of Industry 4.0 Business	2,060	14.2%	1,666	7.1%	241	△7.7%
Total	6,668	△14.0%	4,694	△40.2%	1,498	△51.3%







Appendix ②

Company Information

Company Information

Name	INTER ACTION Corporation
Established	June 25, 1992
Representative	Nobuo Kiji CEO & President
Capital	1,760 million yen
Employees	112
HQ Address	14th Fl. Yokohama Kanazawa High-Tech Centre 1-1 Fukuura, Kanazawa Ward, Yokohama City Kanagawa Prefecture 236-000 TEL: 045-788-8373 FAX: 045-788-8371
Offices	Naka Ward, Yokohama City Koshi City, Kumamoto Prefecture Nagasaki City, Nagasaki Prefecture

Exchange	Tokyo Stock Exchange Prime Market
Code	7725
Fiscal Year	1st June to 31st May
URL	https://www.inter-action.co.jp
Group Companies	AIR GASES TECHNOS CO., LTD. MEIRITZ SEIKI CO., LTD. Tokyo Technical Instruments Inc. Xian INTER ACTION Solar Technology Corporation Shaanxi Chaoyangyitong Precision Device Co., Ltd. MEIRITZ KOREA CO.,LTD Taiwan Tokyo Technical Instruments Corp. TOKYO TECHNICAL INSTRUMENTS（SHANGHAI）CO.,LTD Lastec Co., Ltd.

Company Information

KPIs	Base sales , GPR , OP per employee , OP CAGR , ROE (Consolidated)
Dividend Policy	Over 4.0% DOE
M&A Policy	- Growing fields, or fields with growth potential - Fields in which our accumulated technological expertise & business know-how can be used to develop the business - NPV positive when estimated cash flow is discounted by the WACC for the next 5 years

Mailing List

We send information relating to INTER ACTION Group to our mailing list.

Mailing list information on our website:
https://www.inter-action.co.jp/ir/ir_mail/

Registered information will be used solely for our IR mailing list. Details on how we handle personal information is available on our website.
Please see our privacy policy here:
https://www.inter-action.co.jp/privacy/

Contact

INTER ACTION Corporation
Investor Relations Division, Business Administration Team

10th Floor of Industry & Trade Center Building, 2 Yamashita Town, Naka Ward, Yokohama City, Kanagawa Prefecture
231-0023
TEL:045-263-9220

Or please contact us through our online inquiry form:
https://www.inter-action.co.jp/inquiry/

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