



2Q 5/2026

Financial Results Presentation

January 9, 2026

Code: 7725

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- This document is the speech manuscript for the "Second Quarter Financial Results Briefing for the Fiscal Year Ending May 2026" held on January 9, 2026.
- This document contains forward-looking statements regarding future performance and other matters. These statements are based on judgments made by our Group at the time of publication using available information and involve various potential risks and uncertainties.
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Agenda

1. Summary of Financial Results
2. Progress of the Mid-Term Management Plan

-Appendix-

- "1. Summary of Financial Results" will be presented by Mr. Yoshizawa, Head of the President's Office.
- "2. Progress of the Mid-Term Management Plan" will be explained by Mr. Kiji, President & CEO.

Summary of Financial Results

- First, I will explain the Group's performance for the current period.

2Q Results (3-Month Period)

POINT

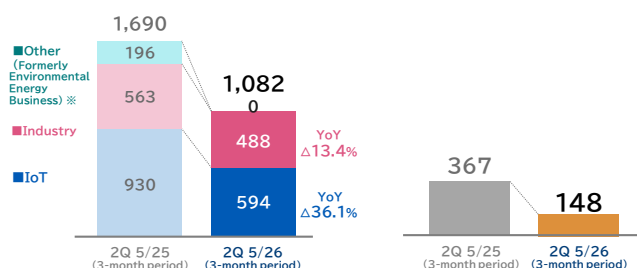
- For the 2Q(three months), consolidated performance saw both sales and profit decline year-on-year, primarily due to sluggish performance in the IoT related business.
- **IoT related Business:** Sales of products to overseas customers performed well, but sales of products to domestic customers were sluggish.
- **Industry 4.0 Promotion Business:** Sales of precision vibration isolation equipment and gear testing machines remained at the same level as the previous year.

Sales

Operating Profit

Trends in Key Management Indicators

(Million Yen)



(Million yen)	2Q 5/25 (3-month period)	2Q 5/26 (3-month period)	YoY Growth (%)
Sales	1,690	1,082	$\Delta 35.9$
OP	367	148	$\Delta 59.6$
OPM	21.7%	13.7%	–
RP	396	243	$\Delta 38.5$
NP	295	177	$\Delta 40.0$
EPS	¥26.99	¥17.50	–

*Effective from the first quarter of the current fiscal year, Air Gases Technos Co., Ltd., previously a consolidated subsidiary, has been excluded from the scope of consolidation. As a result, the Environmental Energy Business reporting segment no longer meets the threshold for separate disclosure and is now presented under "Other" starting from this first quarter.

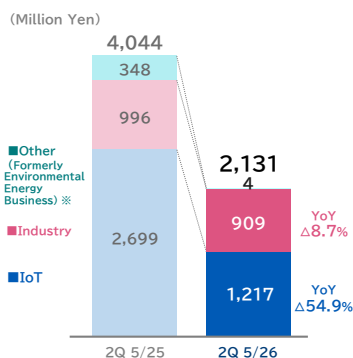
- For 2Q(three months) of the current fiscal year, the Group's performance was as follows: net sales of ¥1,082 million, operating profit of ¥148 million, ordinary profit of ¥243 million, net profit attributable to owners of the parent of ¥177 million, and quarterly net profit per share of ¥17.50.
- Compared to the same period last year, net sales decreased by 35.9% and operating profit decreased by 59.6%, resulting in lower sales and profit.

2Q Results

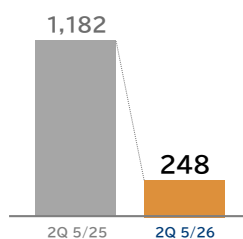
POINT

- Regarding the consolidated results for the 2Q, both sales and profit decreased compared to the same period last year, primarily due to sluggish performance in the IoT related business.
- **IoT related Business:** Sales of products to overseas customers performed well, but sales of products to domestic customers were sluggish.
- **Industry 4.0 Promotion Business:** Sales of precision vibration isolation equipment and gear testing machines remained at the same level as the previous year.

Sales



Operating Profit



Trends in Key Management Indicators

(Million yen)	2Q 5/25	2Q 5/26	YoY Growth (%)
Sales	4,044	2,131	△47.3
OP	1,182	248	△79.0
OPM	29.2%	11.7%	-
RP	1,175	379	△67.7
NP	825	224	△72.8
EPS	¥75.55	¥21.62	-

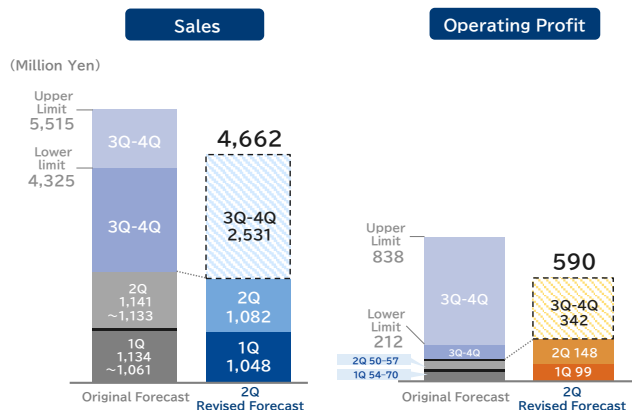
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- For 2Q, the Group's performance was as follows: net sales of ¥2,131 million, operating profit of ¥248 million, ordinary profit of ¥379 million, net profit attributable to owners of the parent of ¥224 million, and quarterly net profit per share of ¥21.62.
- Compared to the same period last year, net sales decreased by 47.3% and operating profit decreased by 79.0%, resulting in a decline in both sales and profit.

FY Forecast Revision & Progress

POINT

- Based on the order and sales status of products in the IoT related business, the full-year earnings forecast has been revised.
- While net sales, operating profit, ordinary profit, and net profit attributable to owners of the parent are not expected to reach the upper end of the range, they are now projected to exceed the lower end. For major domestic customers, while there was potential for an increase in future capital investment scale based on the investment plans announced by customers at the beginning of the period, formal orders had not been secured as of the end of the second quarter. Therefore, revenue recognition is expected to occur in the next fiscal year.
- Regarding major overseas customers, concrete negotiations are progressing, and it is anticipated that the strong capital investment appetite following the large orders already secured will continue into the second half of the fiscal year and beyond. On the other hand, it is highly likely that the timing of revenue recognition for these orders will be in the next fiscal year rather than this one.



Trends in Key Management Indicators

(Million yen)	Original FY 5/26 Consolidated Earnings Forecast	FY 5/26 Consolidated Earnings Forecast (Revised at 2Q)	2Q 5/26 Results	Progress Rate (%)
Sales	4,325 ~ 5,515	4,662	2,131	45.7
OP	212 ~ 838	590	248	42.1
OPM	4.9% ~ 15.2%	12.7%	11.7%	
RP	238 ~ 863	731	379	51.9
NP	42 ~ 485	427	224	52.5
EPS	¥3.90 ~ ¥44.28	¥41.64	¥21.62	—

- Based on the order intake and sales status of products in our IoT related business, we have revised our full-year consolidated earnings forecast.
- While sales, operating profit, ordinary profit, and net profit attributable to owners of the parent are not expected to reach the upper limit of the range, they are projected to exceed the lower limit.
- Regarding product orders and sales, while major domestic customers had the potential to increase their future capital investment scale based on plans announced at the beginning of the fiscal year, no formal orders had been received as of the end of the second quarter. Therefore, revenue recognition is expected to occur in the next fiscal year. For major overseas customers, concrete negotiations are progressing, and we anticipate that the strong capital investment appetite following the large order already secured will continue into the second half of the fiscal year and beyond. However, we have determined that the timing of revenue recognition for these orders is highly likely to be in the next fiscal year rather than this fiscal year.

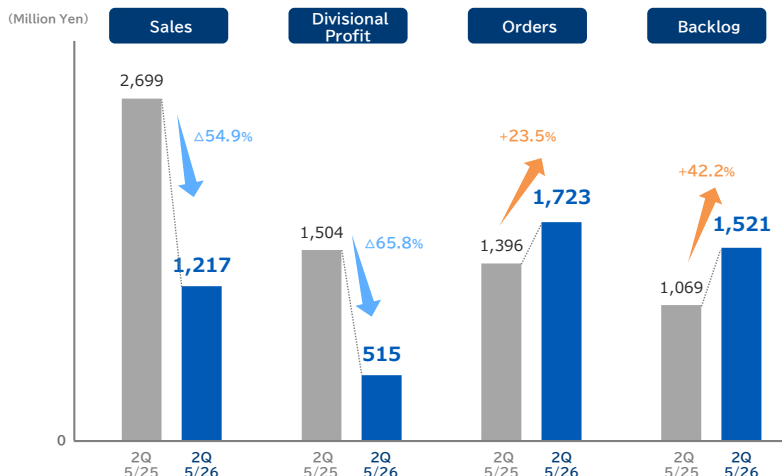
IoT related Business

IoT related



Sales of products to major domestic customers remained sluggish, resulting in **decreased sales and profit**.

However, orders received and order backlog are **trending upward**.



- Sales of Illuminators to overseas customers (primarily in Europe) remained strong.
- Sales of Pupil Lens Modules® to major overseas customers have been strong. For these customers, robust capital investment appetite is expected to continue into the second half of the fiscal year, following already secured a large order.

- Sales of Illuminators and Pupil Lens Modules® for major domestic customers remained sluggish.
- Following large-scale capital investment by major domestic customers in the period before last, customer demand for capital investment continues to be subdued.

Notes

- A large order (¥529 million) was received from a major overseas customer in September.
- Joint technical presentation of the Pupil Lens Modules® with JAPAN ELECTRONIC MATERIALS CORPORATION at "SWTest Asia 2025".
- Development of a mid-range model is progressing to the design stage. Development for mass production is scheduled to be carried out within this year.

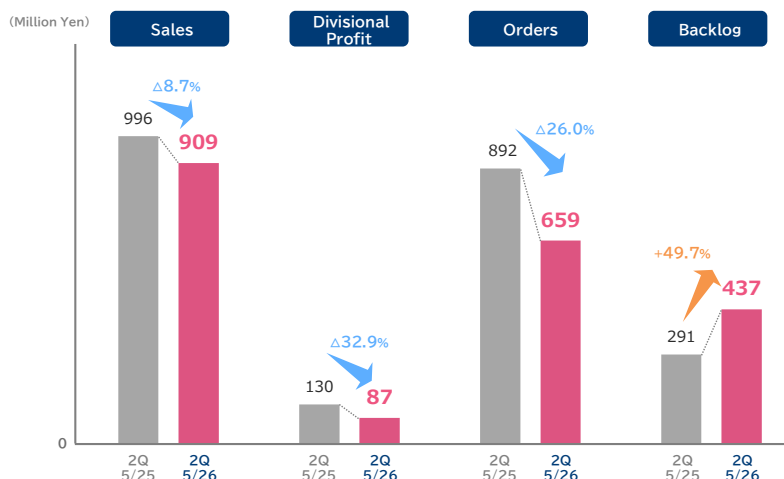
- In the IoT related business segment (primarily selling Illuminators and Pupil Lens Modules®), sales of products to major domestic customers remained sluggish due to weak customer capital investment trends.
- As a result, both net sales and divisional profit decreased compared to the same period last year.
- On the other hand, orders received and order backlog increased year-on-year.
- Sales of Pupil Lens Modules® to major overseas customers remained strong, and we anticipate that these customers' robust capital investment appetite, following large orders already secured, will continue into the second half of the fiscal year and beyond.

Industry 4.0 Promotion Business

Industry 4.0
Promotion



Performance is progressing largely as budgeted,
at a level slightly below the previous year.



➤ Order intake and order backlog are progressing steadily toward achieving the full-year budget.

➤ The decline in profit is attributable to the precision vibration isolation equipment field, high-margin large-scale projects in the precision vibration isolation equipment field during the second quarter of the previous year. progress is largely on track with the budget.

Notes

- Regarding the precision vibration isolation systems field, we exhibited vibration monitoring application-related products at the trade show.
- Regarding the AI image processing equipment field, we received inquiries from a major electronics manufacturer.

- The Industry 4.0 Promotion Business (primarily the segment selling precision vibration isolation devices and gear inspection equipment) performed at a level slightly below the previous year, progressing largely as budgeted.
- The decline in profit was due to the absence of a high-margin large-scale project in the precision vibration isolation equipment field that occurred in the second quarter of the previous year. Progress against the budget for the first half was largely as planned.

Progress of the Mid-Term Management Plan

- Next, I will explain the progress of our mid-term management plan.

Purpose

Innovation born from the interaction of people, technology, and organization

Shining a light on "invisible value"

Vision

Combining "Our Competitive Edge" with
Become a company that combines "In-house strengths" and "Diverse technologies" to
"Implement change" globally.

Value

Interaction Value

- First, let me be candid about our second-quarter results. The primary reason for the year-on-year decline in both revenue and profit was the postponement of capital investment plans by our major customers. We were unable to avoid this impact in the short term.
- However, I do not view this situation as mere stagnation. While the domestic market has been treading water, we have significantly shifted our management resources toward "overseas" and "new business areas," building a solid foundation for our next leap forward.
- As evidence of this progress, our order backlog has increased by more than 40% compared to the same period last year. It is not that demand has disappeared—it is simply in a "standby state."
- We will continue to create Interaction Value as a company that illuminates unseen value and implements change globally.

Financial Targets: Progress

IoT related

Industry 4.0
Promotion

New Business



- Base Sales for the 2Q of the fiscal year ending May 2026 were ¥304 million, with a gross profit margin of 56.4%.

	Indicator	Five-Year Average (FY2021-FY2025)	FY2026 2Q	FY2030 Target
Business resilience	Base Sales※	¥912 million	¥304 million	¥3,000 million
Product competitiveness	GPR	57.5%	56.4%	50.0% or higher
Human resources	OP per employee	¥25 million	—	¥30 million
Profit growth	OP CAGR	△10.5%	—	15.0% or higher
Management quality	ROE (Consolidated)	10.1%	—	15.0% or higher

※Revenue from products and services that contribute to improving gross profit margin, operating profit per employee, and capital efficiency (CCC), without relying on capital investment, serving as an indicator of business resilience.

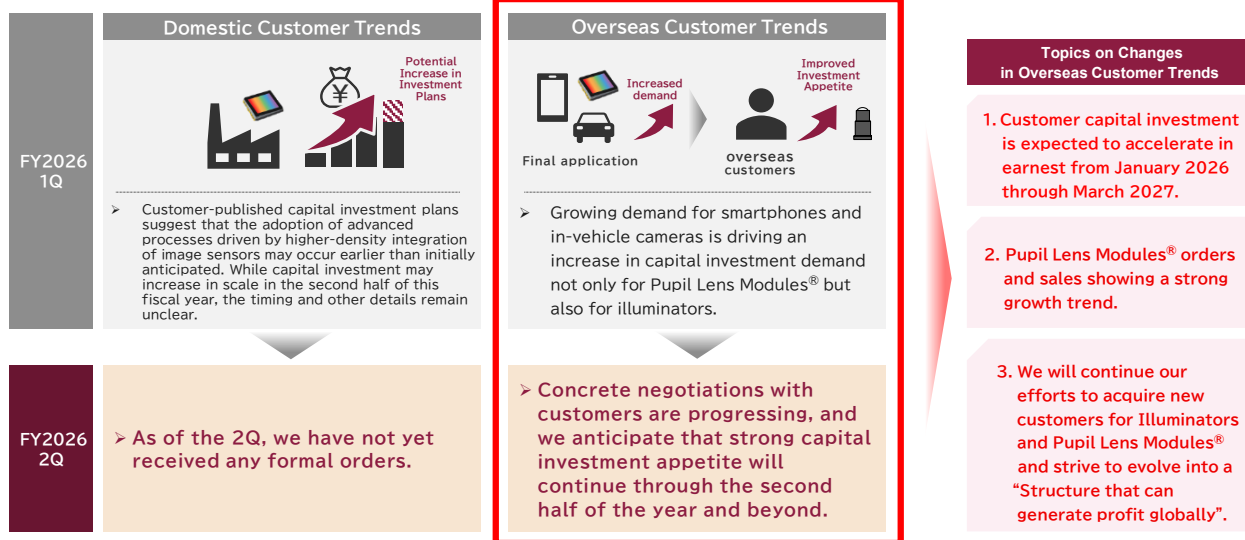
- Regarding “Base Sales,” I would like to address this point. Compared with our 2030 target of ¥3.0 billion in base sales, the current figure is approximately ¥300 million. There is no need to view this gap negatively.
- On the contrary, the initiatives we will implement to close this gap represent our greatest growth potential.
- Expanding the overseas market for Pupil Lens Modules® and regaining market share for Pupil Lens Modules® in the domestic market—combined with the launch of new products—are well within our reach. This very gap in our current performance is the source of energy driving our transformation.
- Furthermore, the standalone gross profit margin, which reflects the underlying competitiveness of our products, remains strong at over 50%.

IoT related Business: Major Customer Trends

IoT related



- Regarding major domestic customers, while there was potential for an increase in future capital investment scale based on the plans announced at the beginning of the period, no formal orders had been secured as of the end of the 2Q.
- Regarding major overseas customers, concrete business negotiations are progressing, and we anticipate that strong capital investment appetite—following the large orders already secured—will continue into the second half of the fiscal year, and beyond.



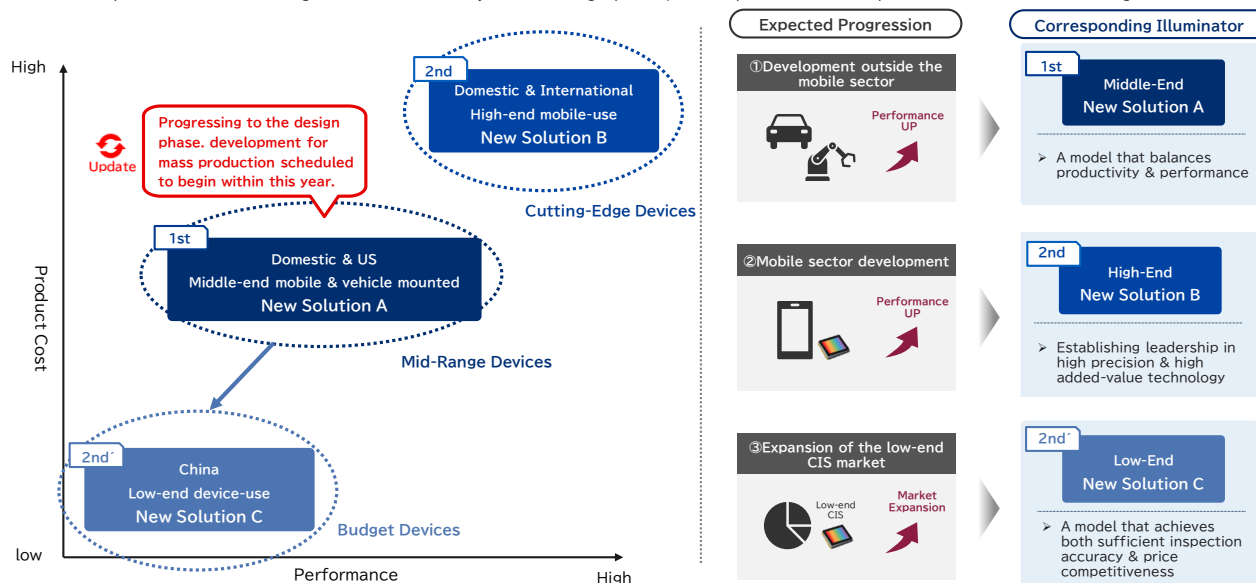
- The primary driver of the revenue decline is our IoT related business, but there is an important point I would like to share with everyone here.
- As shown in the graphs and breakdowns I have presented, while the domestic market is currently in an adjustment phase, sales to overseas customers are progressing steadily.
- The overseas strategy we have been preparing is beginning to bear fruit, with adoption increasing in global markets such as Europe and South Korea.
- In other words, Interaction is currently in a transitional phase, evolving from a “domestic-only approach” to a “structure that can generate profit globally”.
- Domestic projects have not disappeared; rather, they are expected to be carried over into the next fiscal year and beyond.
- Accordingly, we view the 2Q as a “temporary pause” as we prepare for a leap forward in the next fiscal year. In particular, we are confident that the long-awaited overseas expansion of our Pupil Lens Modules® will deliver visible results in the near future.

(Reference)IoT related Business: Addressing Diversifying Needs & Product Development Strategy

IoT related



- By placing 'the improvement of customer productivity' at the core of our business strategy, we aim to develop products tailored to 3 key markets. This will allow us to address a wide range of customer needs & fully leverage our technological capabilities & ability to make proposals.
- Development of the mid-range model is currently in the design phase, development for mass production scheduled to begin in 2026.



- I have two points to share regarding our IoT related business. First, our market is evolving from “smartphones and cameras” to “AI factories”.
- AI data centers are now being built worldwide, but for AI to learn and make accurate judgments, the visual data feeding into it must be reliable. This follows the principle of “Garbage In, Garbage Out”.
- Our light source technology is not merely an inspection component. It is increasingly serving as a unique “standard” for verifying whether image sensors worldwide deliver accurate vision.
- Indeed, while the domestic market is undergoing adjustments, inquiries from overseas (Europe, South Korea, and Taiwan) are intensifying. This clearly demonstrates that our technological advantage is gaining global recognition.
- Second, our Global South strategy. By intentionally introducing low-end (mass-market) models, we aim to capture the volume segment in emerging markets poised for explosive growth“.
- Cutting-edge AI” and “vast emerging markets”—we will accelerate growth driven by these two engines.



Niche Dominance Strategy

Aim to establish a No. 1 position in areas where major players are not active but where steady demand exists.



Focusing on semiconductor lineside market

Develop new measurement equipment primarily for engineers and developers, with the goal of launching multiple products.



Compounding effect

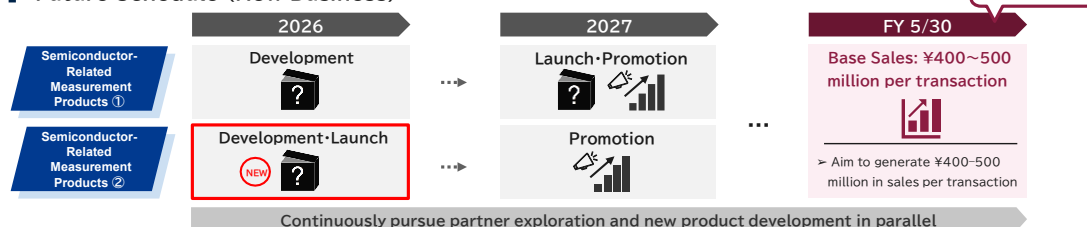
Reinvest generated cash into new business ventures and product development, accelerating this cycle to build the next pillar of revenue.

- Next, regarding our new product strategy, I will explain it in slightly more detail than last time.
- Our new product strategy is a niche dominance strategy. We will pioneer markets where major players are not active.
- First, we will develop the market for measurement instruments used on semiconductor manufacturing lines. As I will explain later, we already plan to launch one product in 2026.
- After that, we will increase the number of new products launched each year, efficiently reinvesting the cash generated by existing products into new product development.

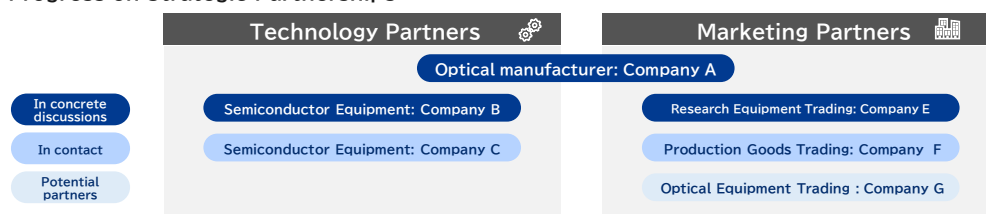
Strategic Partnership Development: Future Schedule and Progress

- We are currently developing a new semiconductor-related measurement product②, scheduled for launch in 2026.
- We are currently engaged in working-level discussions with three companies. To achieve our 2030 goals, we will expand our outreach and establish multiple partnerships.

Future Schedule (New Business)



Progress on Strategic Partnerships



- We are now facing a significant opportunity. To ensure we capitalize on it, we have taken two major steps this term.
- The first is building partnerships. We are currently in the process of selecting the best partners for both technology and sales channels.
- Rather than insisting on doing everything ourselves, we are combining “makers” who can deepen our technology with “traders” who can expand it globally, enabling us to capture market share in the shortest possible time.
- We are also steadily advancing preparations behind the scenes for a new partnership that fuses “processing” and “inspection”—one that has the potential to overturn industry conventions.

Strategic Partnership Development: Joint Technology Presentation with JAPAN ELECTRONIC MATERIALS CORPORATION

IoT related

New Business



- Joint technical presentation with JAPAN ELECTRONIC MATERIALS CORPORATION at "SWTest (Semiconductor Wafer Test) Asia 2025."
- By leveraging this technology, we expect to enhance the optical performance of Pupil Lens Modules®, increase the number of simultaneous measurements, and improve the electrical characteristics of probe cards.

This is expected to enable a higher-quality and more efficient image sensor testing environment.



[Reference] Details of the Technical Announcement

Conventional Pupil Lens Modules®



- The probe card was connected using a dedicated fixture composed of multiple parts. Due to mechanical variations in the fixture, misalignment occurred between the Pupil Lens Modules® and the sensor.

Pupil Lens Modules® Using the New Technology



- By developing a technology that splits the Pupil Lens Modules® into two parts and directly connects certain lenses to the probe card, we successfully reduced positional misalignment.
- This also contributed to the miniaturization of the lenses and the probe card aperture.

- We also delivered a joint technical presentation with JAPAN ELECTRONIC MATERIALS CORPORATION regarding our existing business.

Organizational Changes

New Business

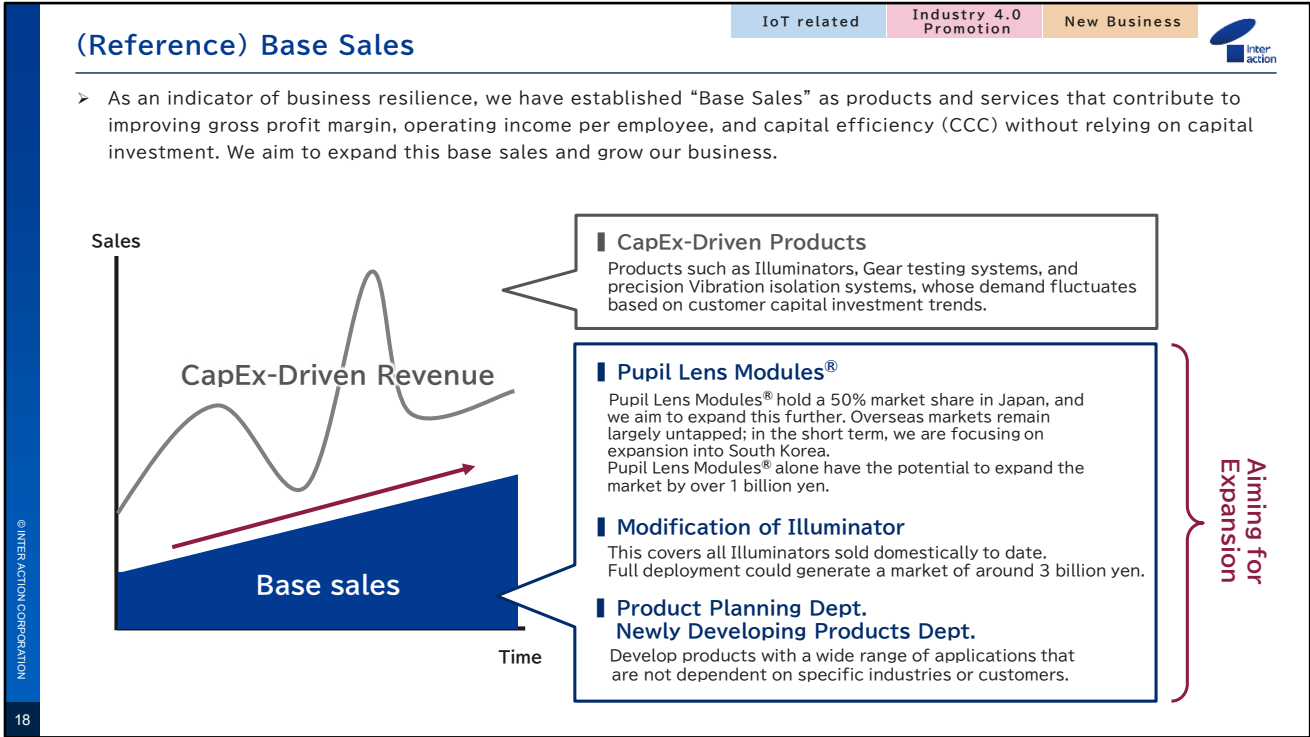


- The “VG Strategy Office” has been abolished, and the “Product Planning Dept.” and the “Newly Developing Products Dept.” have been newly established.
- We have established a planning and development structure that encompasses not only new businesses but also the IoT related business and other ventures.
- Effective January 2026.

Organizational Structure After January 2026



- Another change is organizational restructuring.
- We dissolved the VG Strategy Office and established the “Product Planning Dept.” and the “Newly Developing Products Dept.” This has significantly increased our speed in turning market needs into products.
- While we cannot make definitive statements about full-year figures, our focus extends beyond the numbers for the next few months.
- Not only INTER ACTION Corporation itself, but also the “vibration isolation technology” of our group company MEIRITZ SEIKI CO.,LTD and the “precision measuring instruments” of Tokyo Technical Instruments inc. are indispensable in precision AI manufacturing environments. We will leverage the full strength of our group to support the stability of AI infrastructure.
- As a company that implements change globally while supporting “AI-era infrastructure,” we will use this adjustment phase as a springboard to return to a growth trajectory that exceeds your expectations in the next fiscal year and beyond. We sincerely ask for your continued support and look forward to your expectations for INTER ACTION Corporation’s ongoing challenges.



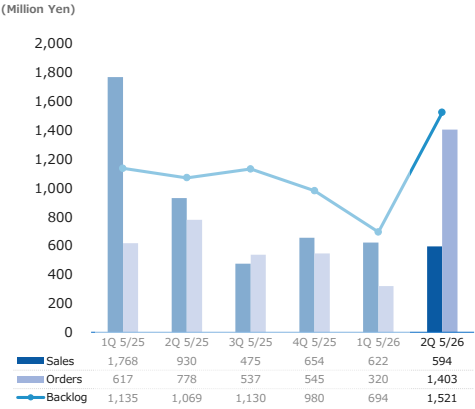
➤ (Reference: Base Sales Overview)

Appendix ①

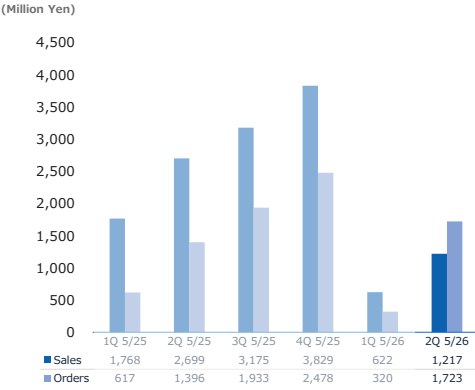
Sales, Orders & Order Backlog

IoT related Business

Sales/Orders/Order Backlog (by quarter)



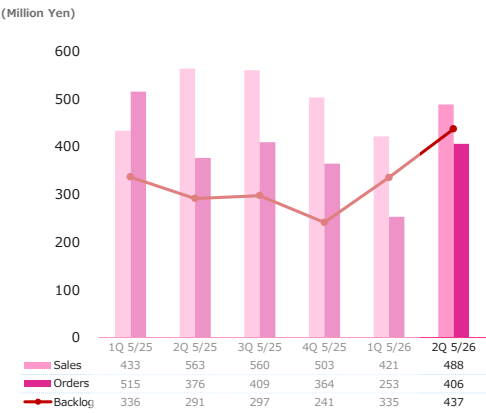
Sales/Orders (cumulative)



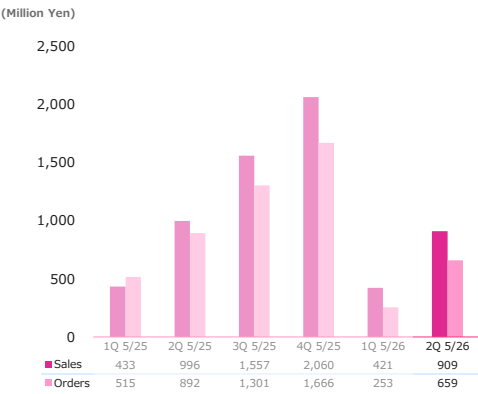


Industry 4.0 Promotion Business

Sales/Orders/Order Backlog (by quarter)



Sales/Orders (cumulative)



Entire Group

IoT related

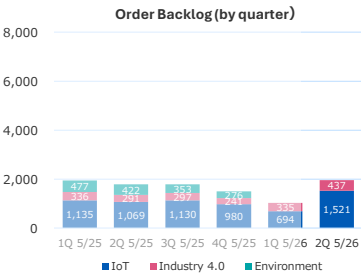
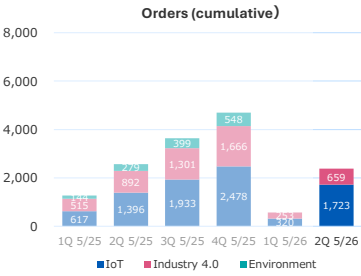
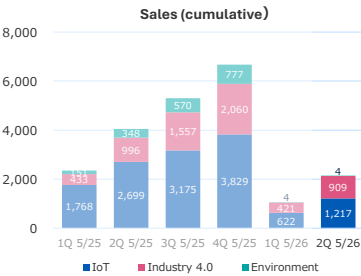
Industry 4.0
Promotion



2Q 5/2026

(Million Yen)

Businesses	Sales		Orders		Order Backlog	
	Results	YoY Growth	Results	YoY Growth	Results	YoY Growth
IoT related Business	1,217	Δ54.9%	1,723	23.5%	1,521	42.2%
Industry 4.0 Promotion Business	909	Δ8.7%	659	Δ26.0%	437	49.7%
Other (Former Environmental Energy Related Business)	4	Δ98.8%	—	—	—	—
Total	2,131	Δ47.3%	2,383	Δ7.2%	1,958	9.8%



*Effective from 1Q of the current fiscal year, Air Gases Technos Co., Ltd., which was a consolidated subsidiary, has been excluded from the scope of consolidation. As a result, the significance of the "Environmental Energy Related Business" reporting segment diminished, so it is presented as "Other" starting from the first quarter of the current fiscal year. Furthermore, since there are no longer any businesses operating on a build-to-order basis, order intake and order backlog are presented as "-".

Appendix ②

Company Information

Company Information



Name	INTER ACTION Corporation	Exchange	Tokyo Stock Exchange Prime Market
Established	June 25, 1992		
Representative	Nobuo Kiji CEO & President	Code	7725
Capital	¥1,760 million	Fiscal Year	1 st June to 31 st May
Employees	117 (As of the end of the interim period)	URL	https://www.inter-action.co.jp
HQ Address	14th Floor, Yokohama Kanazawa High-Tech Centre 1-1 Fukuura, Kanazawa Ward, Yokohama City Kanagawa Prefecture 236-0004 TEL: 045-788-8373 FAX: 045-788-8371	Group Companies	MEIRITZ SEIKI CO., LTD. Tokyo Technical Instruments Inc. Xian INTER ACTION Solar Technology Corporation Shaanxi Chaoyangitong Precision Device Co., Ltd. MEIRITZ KOREA CO.,LTD Taiwan Tokyo Technical Instruments Corp. TOKYO TECHNICAL INSTRUMENTS (SHANGHAI) CO.,LTD Lastec Co., Ltd.
Offices	Naka Ward, Yokohama City Koshi City, Kumamoto Prefecture Nagasaki City, Nagasaki Prefecture		

Company Information



KPIs	Base sales , GPR , OP per employee , OP CAGR , ROE (Consolidated)
Dividend Policy	Over 4.0% DOE
M&A Policy	<ul style="list-style-type: none">- 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
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10th Floor, Industry & Trade Center Building, 2 Yamashita
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Or please contact us through our online inquiry form:
<https://www.inter-action.co.jp/inquiry/>

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