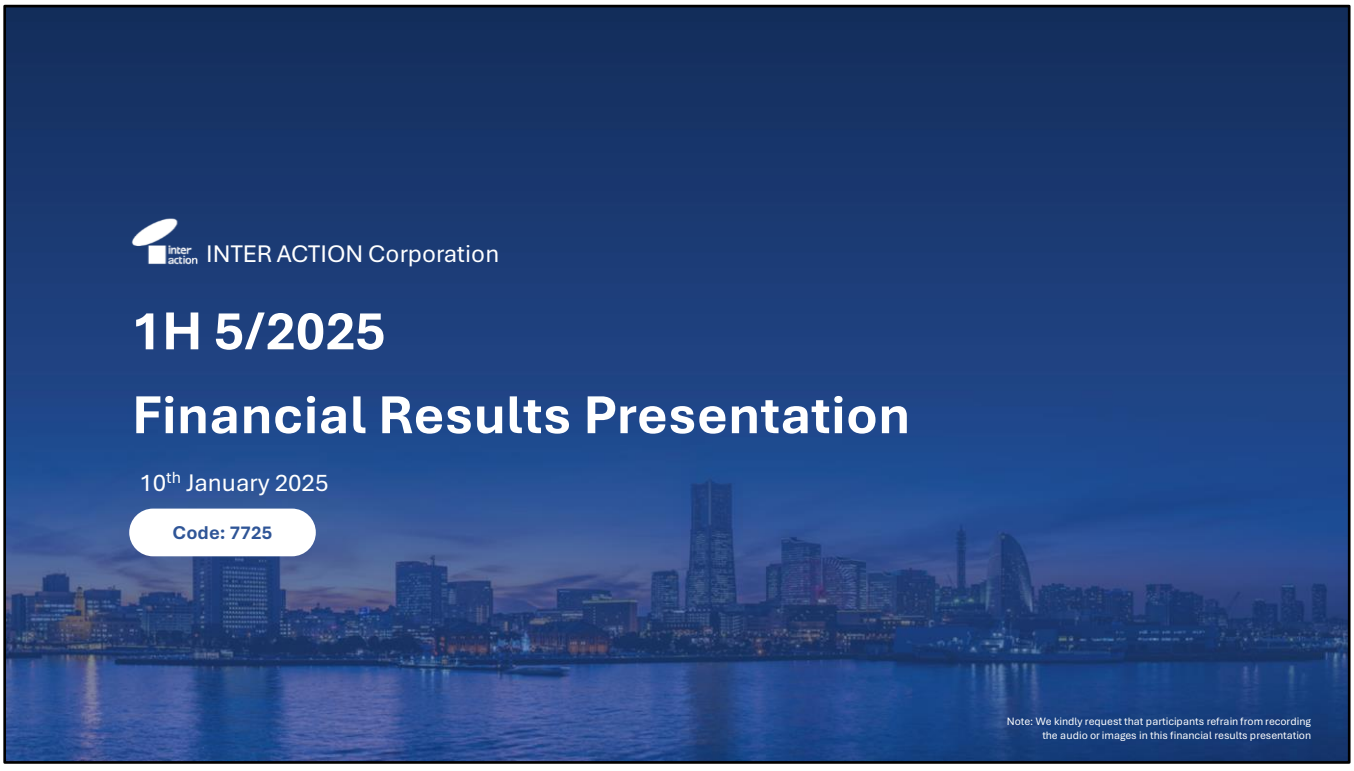

- This document is the script for the 1H 5/2025 Financial Results Presentation held on the 10th January 2025.
- The information contained in this document includes forecasts of future business performance etc. These forecasts were determined by the Group based on information available at the time of publication, & contain a number of potential risks & uncertainties.
- Please be aware that actual results will be subject to future market trends & economic conditions, & could differ significantly from the forecasts in this presentation.
- We have made every effort to ensure that the information provided in this presentation is correct, but we do not guarantee its accuracy or completeness. Please also note that the contents may be changed or deleted without notice.
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Agenda

1. **Summary of Financial Results**
2. **Progress Updates by Division**
   - IoT-Related Business (Image Sensor Inspection Business)
   - Laser Business
   - AI Image Processing Equipment Business
   - Vibration Solutions Business
   - Strengthening the Organizational Structure

-Appendix-

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- Presidential Administration Office Head Yoshizawa (Executive Officer, Management Operations Division, Corporate Management Department) will speak on the first point – 'Summary of Financial Results'.
- Our CEO & President, Nobuo Kiji, will speak on the second point –'Progress Updates by Division'.

Summary of Financial Results

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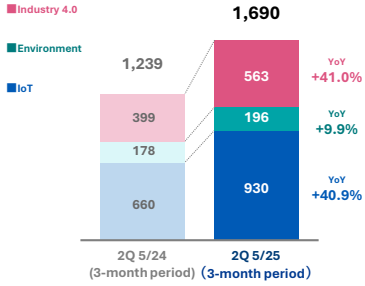
- To begin, we will outline the Group's 1H results.

2Q Results (3-Month Period)

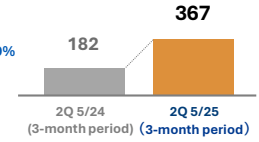
KEY POINTS

- Consolidated 2Q (3-month period) sales & OP increased YoY, as sales were strong across all businesses, & OP grew in the IoT-Related Business & Promotion of Industry 4.0 Business.
- **IoT-Related Business**: Illuminator sales, primarily from our main domestic customer, were strong.
- **Environmental Energy-Related Business**: Maintenance sales for exhaust gas treatment systems were robust.
- **Promotion of Industry 4.0 Business**: Precision vibration isolation system sales were strong.

Sales



Operating Profit



Changes in Major Management Indicators

(Million Yen)	2Q 5/24 (3-month period)	**2Q 5/24 (3-month period)**	YoY Growth (%)
Sales	1,239	**1,690**	36.4
OP	182	**367**	102.0
OPM	14.7%	**21.7%**	–
RP	199	**396**	99.1
NP	119	**295**	148.4
EPS	¥10.94	**¥26.99**	-

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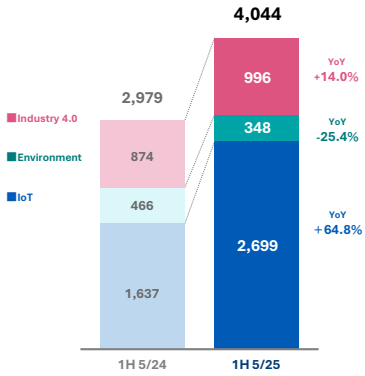
- In the 2Q (3-month period), sales were strong across all businesses. Consolidated OP increased YoY, primarily driven by the IoT-related business & the Promotion of Industry 4.0 business.
- In the IoT-Related Business, illuminator sales, primarily from our main domestic customer, were strong.
- In the Environmental Energy-Related Business, maintenance sales for exhaust gas treatment systems were robust.
- In the Promotion of Industry 4.0 Business, precision vibration isolation system sales were strong.

1H Results

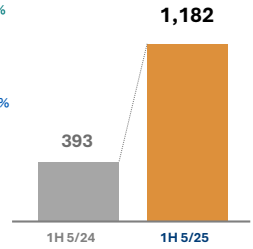
KEY POINTS

- Consolidated 1H sales & OP increased YoY, due to strength in the IoT-Related Business & Promotion of Industry 4.0 Business.
- **IoT-Related Business：** Domestic sales of illuminators & Pupil Lens Modules® were strong.
- **Environmental Energy-Related Business:** Main unit sales of both drying deodorizer equipment & exhaust gas treatment systems were sluggish.
- **Promotion of Industry 4.0 Business：** Precision vibration isolation system sales were strong.

Sales



Operating Profit



Changes in Major Management Indicators

(Million Yen)	1H 5/24	1H 5/25	YoY Growth (%)
Sales	2,979	**4,044**	35.8
OP	393	**1,182**	200.7
OPM	13.2%	**29.2%**	—
RP	439	**1,175**	167.7
NP	269	**8125**	206.0
EPS	¥24.83	**¥75.55**	—

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- Consolidated 1H sales & OP increased YoY.
- In the IoT-Related Business, domestic sales of illuminators & Pupil Lens Modules® were strong.
- In the Promotion of Industry 4.0 Business, precision vibration isolation system sales were strong.

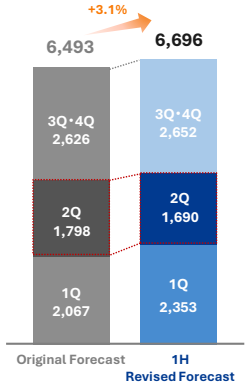
FY Forecast Revision & Progress

POINT

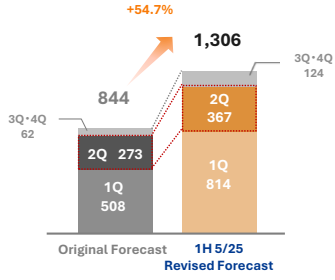
- Due to factors such as stronger-than-expected product sales & inquiries in the IoT-Related Business & Promotion of Industry 4.0 Business, we have raised our earnings forecast.
- We anticipate stronger-than-expected sales in the IoT-Related Business centred on sales of Pupil Lens Module® & overseas sales of illuminators.
- In the Promotion of Industry 4.0 Business, sales of precision vibration isolation systems were strong in the 1H, & sales of gear testing systems are expected to be strong in the 2H.

(Million Yen) **Sales**

We anticipate stronger-than-expected performance in the IoT-Related Business & the Promotion of Industry 4.0 business.



Operating Profit



Changes in Major Management Indicators

(Million Yen)	Original FY 5/25 Consolidated Earnings Forecast	FY 5/25 Consolidated Earnings Forecast (Revised at 2Q)	1H 5/25 Results	Progress Rate (%)
Sales	6,493	**6,696**	**4,044**	60.4
OP	844	**1,306**	**1,182**	90.5
OPM	13.0%	**19.5%**	**29.2%**	
RP	867	**1,319**	**1,175**	89.2
NP	559	**906**	**825**	91.0
EPS	¥51.37	**¥82.85**	**¥75.55**	—

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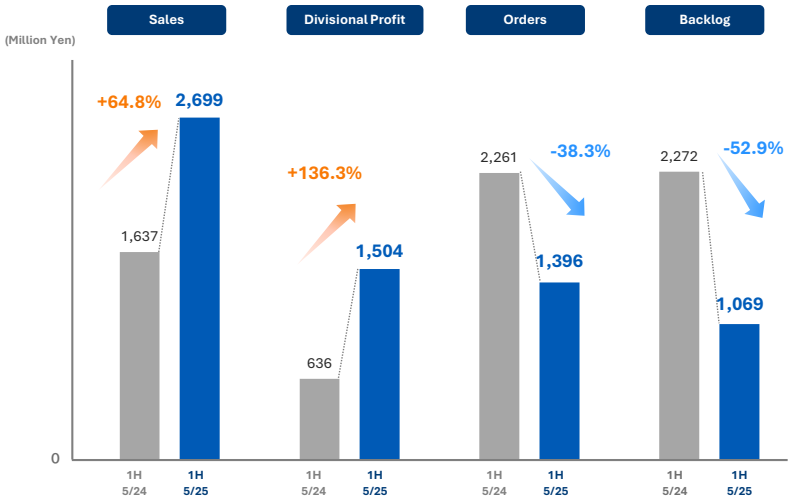
- Due to factors such as stronger-than-expected product sales & inquiries in the IoT-Related Business & Promotion of Industry 4.0 Business, we have raised our earnings forecast.
- We anticipate stronger-than-expected sales in the IoT-Related Business centred on sales of Pupil Lens Modules® & overseas sales of illuminators.
- In the Promotion of Industry 4.0 Business, sales of precision vibration isolation systems were strong in the 1H, & sales of gear testing systems are expected to be strong in the 2H.

IoT

IoT-Related Business

Strong domestic sales of illuminators & Pupil Lens Modules® led to **increased divisional sales & OP.**



➢ Domestic sales of illuminators, & domestic & overseas sales of Pupil Lens Modules® were strong.
➢ Demand for illuminators has been increasing from both overseas customers (mainly in Europe) as well as our major domestic customer.
➢ Inquiries for Pupil Lens Modules® have also been increasing.

➢ Due to large-scale capex at our major domestic customer FY 5/24, orders & backlog remained sluggish, continuing from the 1Q.
➢ As for our major overseas customer, while investment is gradually resuming, the timing for full-scale investment recovery remains uncertain.

Notes

➢ Inquiries for vehicle-mounted equipment are potentially on the rise.
➢ ※We are expanding personnel numbers for the **VG Strategy Office &** further strengthening its organizational structure.
This office will continue to create schemes that add value to our existing products beyond their original framework. Also, we will seek to create new businesses that are less susceptible to the capex trends of our customers.

※VG＝Value Generation

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- In the IoT-Related Business (which primarily consists of illuminators & Pupil Lens Modules® used in image sensor inspection), the sales of illuminators & Pupil Lens Modules® to our major domestic customer were strong due to customer capex demand. As a result, both divisional sales & OP increased.

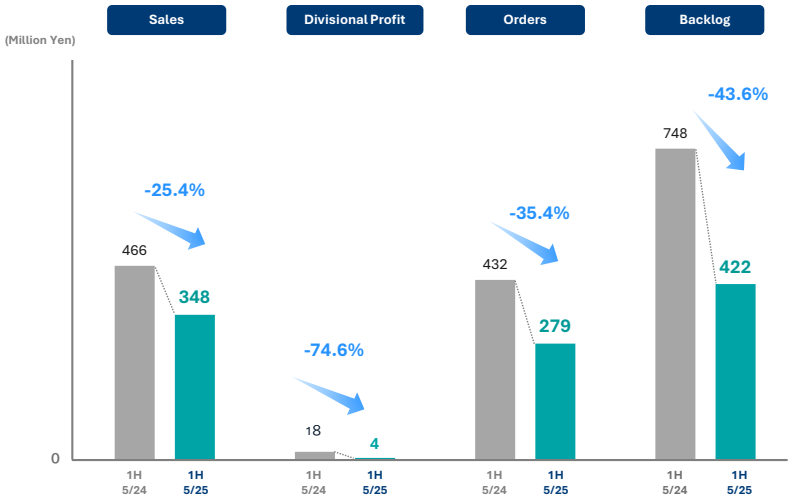
- Demand for illuminators has been increasing not only from our major domestic customer but also from overseas customers, primarily in Europe.

- Following strong domestic capex demand FY 5/24, order received & order backlog continued to be sluggish, similar in trend to the 1Q.

- We are expanding personnel numbers for the **VG Strategy Office &** further strengthening its organizational structure, & we will continue to create schemes that add value to our existing products beyond their original framework.

Environmental Energy-Related Business

Weak product sales of drying deodorizer equipment & exhaust gas treatment systems led to **decreased divisional sales & OP.**



➢Maintenance sales for drying deodorizer equipment were strong.

➢Sales of drying deodorizing equipment units were sluggish.
➢High-margin maintenance sales for exhaust gas treatment systems were sluggish. Capex-related demand is also expected to be more stable than in FY 5/24.

Notes

➢ The verification of AE sensors (failure prediction sensors) is nearing completion.

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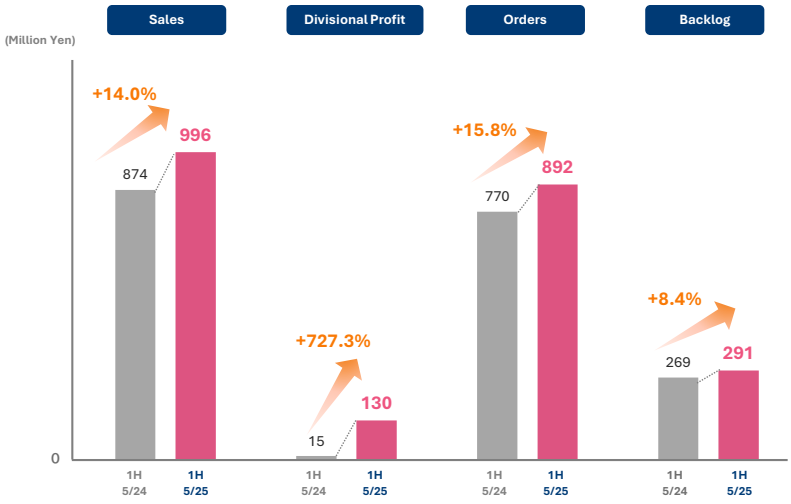
- In the Environmental Energy-Related Business (which primarily consists of drying deodorizer equipment & exhaust gas treatment systems), drying deodorizer equipment & exhaust gas treatment systems sales were weak, causing sales & OP to decline.

- Regarding exhaust gas treatment systems, sales of high-margin maintenance projects have been sluggish, & capex demand for FY 5/25 is expected to be more stable than in FY 5/24.

Industry 4.0

Promotion of Industry 4.0 Business

Strength primarily in precision vibration isolation system sales led to **increased divisional sales & OP.**



➢ For precision vibration isolation systems, high-margin product sales were strong.
➢ For gear testing systems, we achieved our first sales of our new roughness testing equipment. We also participated in the JIMTOF2024 exhibition, where we exchanged opinions with domestic automobile manufacturers & reaffirmed the demand for our roughness testing equipment, as we continue improving our product & expanding its sales.

➢ For gear testing systems, sales of products mainly for overseas customers were sluggish.

Notes

➢ We are continuing our efforts to secure an order from a Korean customer, following their inquiry for several dozen units of our vibration monitoring app.
➢ Our AI image processing equipment is scheduled for commercial launch as a platform-based product within FY 5/25.

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- In the Promotion of Industry 4.0 Business (which primarily consists of precision vibration isolation systems & gear testing systems), sales & OP increased YoY mainly due to strong sales of precision vibration isolation systems.
- For gear testing systems, we achieved the first sales of our new roughness testing machine. We also participated in the Japan International Machine Tool Fair (JIMTOF2024) exhibition, where we exchanged opinions with domestic automobile manufacturers & reaffirmed the demand for our roughness testing equipment, as we continue improving our product & expanding its sales.
- We are continuing our efforts to secure an order from a Korean customer, following their inquiry for several dozen units of our vibration monitoring app.
- Our AI image processing equipment is scheduled for commercial launch as a platform-based product within FY 5/25.

Progress Updates by Division

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- We will now explain how each of our businesses are progressing.

Semiconductor-Related Market | IoT | New Business

Assessing the Present Business Situation

➢ Our main challenges include adapting our business strategy to meet trends in the image sensor market, scaling our new businesses & responding to competition.

	Strengths	Challenges
Customers & Market	◆Larger image sensors ➢ Image sensors are becoming larger & larger. As a result, the yield per wafer is decreasing, meaning customers will need to increase the quantity of wafers used in production. This will also lead to an increase in the demand for illuminators. ◆Expansion of image sensor applications ➢ While the pace of progress has been slow, we have expanded into the non-mobile applications of image sensors such as vehicle-mounted & robotic applications.	◆Changes in mobile image sensors. ➢ Smartphone sales have slowed compared to their peak. ➢ The added value in smartphones is shifting focus from image sensor systems to AI functions. ➢ The total monetary share of image sensors in smartphones components could be at risk of decreasing. Image Sensors < AI Functions
Inter Action	◆Increased importance & demand for illuminators & Pupil Lens Modules® ➢ We have a near monopoly on the share of illuminators to our major customers. ➢ With performance improvements in our illuminator & Pupil Lens Module® products, it is possible to increase the overall productivity of the customer's inspection process. Increased Performance → Increased Productivity	◆High dependence on the Image Sensor Inspection Business ➢ Presently, we do not have any products with a profitability equal to or greater than our illuminator & Pupil Lens Module® products. ➢ We are highly dependent on our existing business, the performance of which has been at a consistent level for the last several years. ➢ As the new businesses are just starting up, short-term growth expectations remain conservative.
Competition	◆The illuminator business's competitive edge ➢ Poor performance & an increasing number of people retiring has weakened our competitors in the industry. Increased Competitive Advantage	◆ Competition with the Pupil Lens Module® Business ➢ Although demand for the Pupil Lens Modules® in the inspection process for image sensors is increasing, a portion of our domestic market share has been taken up by our competitors & we have not been able to make up for this.

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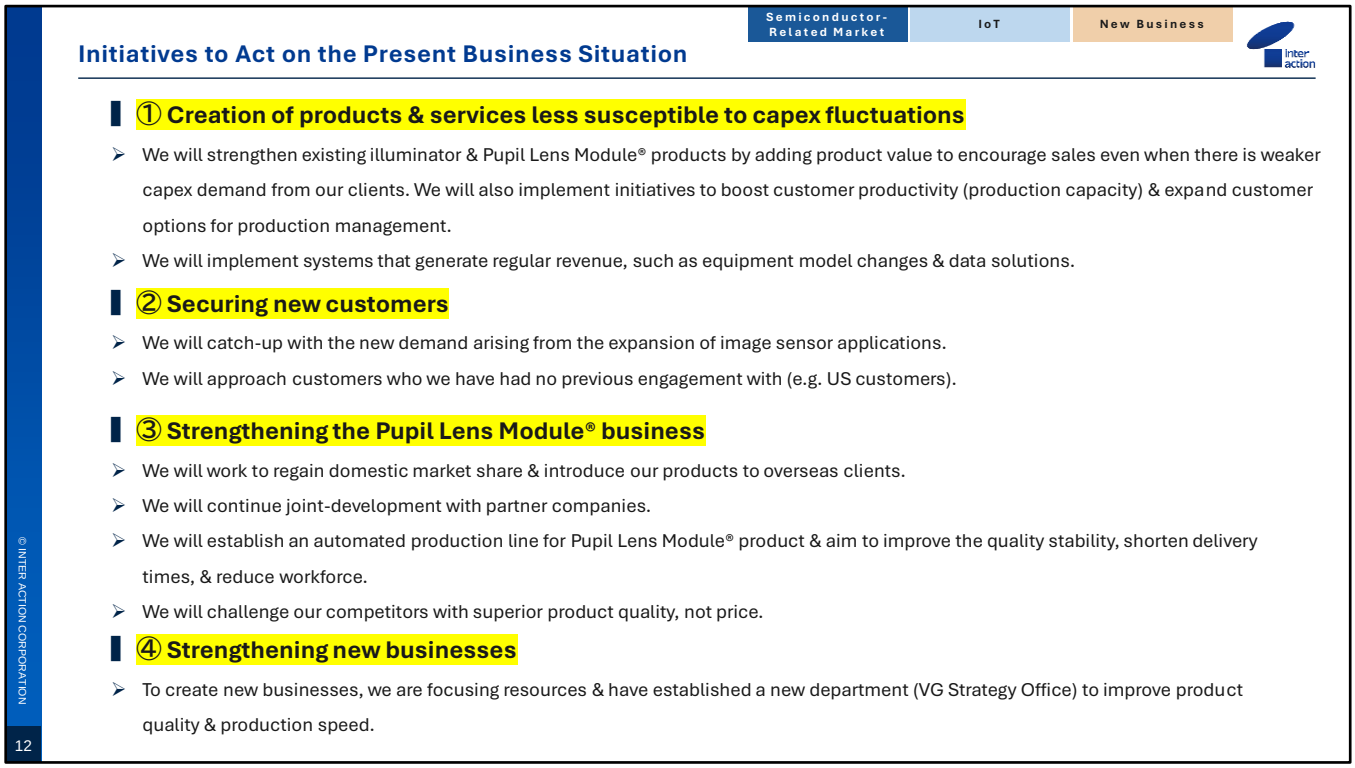
- Regarding the image sensor market, we anticipate that the demand for image sensors will expand not only for smartphone cameras but also for use in vehicles & robots.
- In the automotive sector, we anticipate applications related to automated driving, & in the robotics sector, we expect applications that will be able to acquire visual information from their external environment at the same capacity as a human & process this information with AI.
- We anticipate that image sensors themselves will not only capture conventional 2D image data but will also advance sensor fusion technology which combines distance measurement sensors such as ToF sensors & LiDAR sensors to recognize objects in 3D.
- With the improvement in the performance of image sensors for smartphones, there is a growing trend towards larger sensor sizes. As a result, the yield per wafer is decreasing, & customers will need further capex to maintain & expand the supply of image sensors. Therefore, we anticipate that the demand for illuminators will continue to grow.
- Presently, the added value in smartphones is shifting focus from image sensors to AI functions. However, for AI to function more effectively, the performance of the image sensors themselves needs to be enhanced. Therefore, we believe that the competitive focus will return to image sensors.
- We recognise that our illuminators & Pupil Lens Modules® are very unique. This is because they are used in conjunction (via docking) with other devices such as testing equipment & probers. Therefore, performance improvements in our illuminators & Pupil Lens Modules® will lead to the enhancement of the overall testing process, which ultimately contributes to the improvement of the customer's manufacturing process.
- On the other hand, we presently do not have any products with profitability equal to or greater than that of illuminator & Pupil Lens Module® products. From an external perspective, this poses a challenge, as short-term growth expectations for our new businesses may be modest.
- Regarding competitors, our company's advantage in the field of illuminators is increasing. However, despite the rising demand for Pupil Lens Modules®, we are losing some market share, making recovery efforts an urgent task.



➢ Based on the present situation, we plan to focus on four main initiatives going forward.

➢ First, we aim to ① create products & services less susceptible to capex fluctuations. The performance improvements in our illuminators & Pupil Lens Modules® can lead to the enhancement of the overall testing process, which in turn can increase the production capacity of our customers. With the increase in production capacity, it is possible to expand the options for customers' production management. Additionally, by adding functions such as data solutions, we will implement systems that will add product value & generate regular revenue even when the demand for capex from customers is sluggish.

➢ Secondly, in response to the increasing demand arising from the expanding applications of image sensors, we are working to ② expand our customer base. We are particularly strengthening our efforts towards acquiring new customers in the US & Europe, & we have recently secured a large order from a European customer.

➢ Thirdly, regarding the ③ strengthening of Pupil Lens Modules®, we believe that if we can regain domestic market share & expand overseas, we can double or triple our sales. As part of our efforts to achieve this, we are engaging in joint development with partner companies to further enhance the added value of our Pupil Lens Modules®. Additionally, we are establishing an automated production line for Pupil Lens Modules® at our Kumamoto plant. By providing higher quality products & shorter delivery time, we aim to compete on added value rather than price.

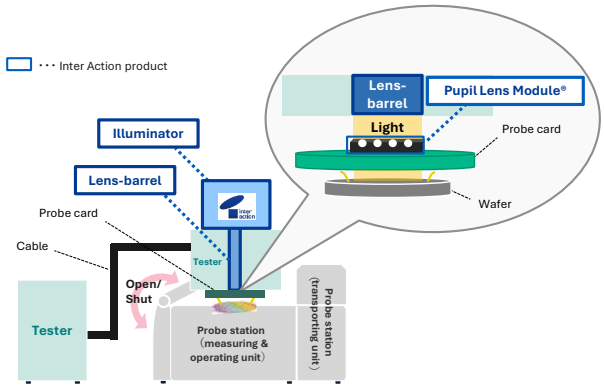
➢ Fourthly, to ④ improve the quality & speed of creating new businesses, we are focusing resources & have established a new department (VG Strategy Office) to improve product quality & production speed.

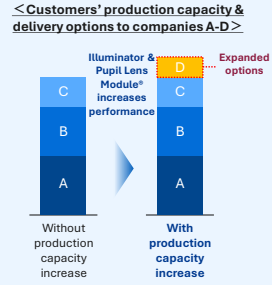
Semiconductor-Related Market | IoT

The Impact of Existing Illuminator & Pupil Lens Module® Products on Customer Productivity

- Illuminators & Pupil Lens Modules® are used in conjunction (via docking) with testing equipment & a probe stations.
- This docking feature means that performance improvements in our illuminators & Pupil Lens Modules® will also synergistically enhance productivity throughout our customers' entire inspection process.
- Our product therefore expands customers' options available for production management.

A diagram showing image sensor inspection equipment





Increased illuminator & Pupil Lens Module® performance

Increased synergies, improving productivity across docked devices

Increases customer's overall production capacity, expanding their delivery options.

E.g.
A 5% increase in productivity (production capacity)

An estimated ¥9-10 billion increase in customer production volume.

※Based on research conducted by Inter Action. Calculated from customer data (current as of November 2024).

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- As part of our efforts to create products & services that are less dependent on capex, we are focusing on the impact that existing products (illuminators & Pupil Lens Modules®) have on customer productivity.

- Illuminators & Pupil Lens Modules® are unique because they can be used in conjunction with testing equipment, probe stations, & probe cards. This docking feature means that the performance improvements in our illuminators & Pupil Lens Modules® will also synergistically enhance productivity throughout our customers' entire inspection process.

- If productivity increases, it can expand the options for our customers' production management. For example, if we can improve the customer's productivity by 5%, it is estimated that the monthly production volume could increase by approximately ¥9-10 billion.

IoT | Environment Energy | Industry 4.0

Forecast Market Size & Share of Each Product in Existing Businesses

➢ If market positioning can be improved, sufficient performance growth of our existing businesses are also possible.

➡ **In parallel with strengthening the existing business, we will new businesses to continuously increase our corporate value.**

(Unit: ¥100 million)

Existing business	Sales (5-year average)	Annual market size (estimated)	Share in target market (estimated)
Illuminators	31.2	30～80	High
Pupil Lens Modules®	9.8	20～35	Medium
Gear testing systems	6.4	40	Low
Precision vibration isolation systems	8.7	50	Low
Drying deodorizing equipment	8.0	10	High

※Market size figures are based on research conducted by Inter Action

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➢ We recognise that there is growth potential in our existing businesses, including illuminators & Pupil Lens Modules®.

➢ The table shows the market size & share forecast for each product in our existing business.

➢ Improving our market positioning can lead to sufficient growth in the existing businesses. We particularly recognise that expanding the market share of Pupil Lens Modules® can have a substantial impact on enhancing corporate value.

➢ Although we already have a high market share for illuminators, we believe that advancements in the performance of our products can further expand the market size.

Semiconductor-Related Market | IoT

IoT-Related Business (Image Sensor Inspection business): Strategies for Major Customers

- For illuminators, we will continue to promote strategies that decrease dependence on customer capex fluctuations & add value.
- For Pupil Lens Modules®, we expect to begin to introduce mass production for major overseas customers within FY 5/25.

	Main Domestic Customer EXISTING		Main Overseas Customer EXISTING	
	Illuminators	**Pupil Lens Modules®**	**Illuminators**	**Pupil Lens Modules®**
Business & Customer Trends	Although there were some variations in delivery time for the new illuminator model, progress is generally in line with plan. A large order has also been secured for FY 5/26. Discussions on the customer side are progressing for the **Modification Project①**.	Demand for Pupil Lens Modules® was stronger-than-expected.	Continuing from the 1Q, while there are no large-scale investments, capex is resuming.	Mass production is expected to begin within FY 5/25. We have completed a prototype for internal review for our jointly developed product with our partner company.
Future Strategies	■ **3 axes of leadership**. **(1) Eliminating individual differences = Modification Project ①** ➢ Adjustment of minute individual differences between products ⇒**While it is still undecided whether this will be implemented, operational policies etc on the customer side are moving full-scale into the consideration phase.** **(2) Space saving = Modification Project②** ➢ Improvement of customer's productivity per unit area. ⇒**Following on from the 1Q, we are proposing modifications to existing equipment (e.g. expanding light irradiation area).** **(3) Data utilization** ⇒ **We are collaborating with partner companies & making proposals to customers, while also organising sales flow & other related tasks.**	■ We are pushing forward with efforts to install **automatic Pupil Lens Module® manufacturing machines** & are on schedule to start operation by the end of FY2026. ⇒**The renovation of our Kumamoto facility is scheduled to be completed by the end of January, with personnel already having been assigned to it. The introduction of equipment into each work process is progressing, with operations due to begin in phases.**	■ We will continue **providing equipment models.** ⇒**There is a strong demand for high value-added products.** ■ The development of **next-generation equipment** is under ongoing consideration. ■ We aim to strengthen communication with customers to properly understand capex trends & customer needs.	■ **Efforts to introduce mass production** ⇒**A "small start" to mass production is scheduled for the 2H FY 5/25. If operation & demand proceeds favourably, then we expect full-scale production to start in FY 5/26.** We continue to work on developing an **automatic Pupil Lens Module® manufacturing machine** to ensure stable mass production. ■ **Jointly developed products with partner companies.** ⇒**We are developing prototypes to levels suitable for mass production & customer proposals. We target completion by the end of FY 5/25.**

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- We will continue to promote efforts to add product value to our illuminators that is not dependent on capex demand.

- Regarding Pupil Lens Modules®, we anticipate that mass production will be introduced to major overseas customers within FY 5/25. Additionally, the renovation of our Kumamoto facility is proceeding as planned, & the establishment of an automated production line for Pupil Lens Modules® is also on schedule.

Semiconductor-Related Market | IoT

Strategies for Other Customers

- There has been an increase in inquiries from our European customers.
- We are continuing to approach US customer① with a **high-end illuminator model** & US customer ② a **low-end illuminator model.**

	US Customer①	US Customer②	EU Customer
Business & Customer Trends	We are continuing an active approach, with a focus on vehicle-mounted (sensing) equipment. Following on from the 1Q, we are evaluating a demo unit for a **high-end illuminator model.**	Capex is mainly focused on mobile & vehicle-mounted equipment. Whilst we have received inquiries, there have been no sales developments from this customer.	With the strengthening our overseas business & the recovery of the market for end applications, **there is an increasing demand for illuminators for sensing equipment (including mobile & vehicle-mounted).** We have secured a large order.
Future Strategies	■ We are continuing to collaborate with our partner company to aim for the introduction of illuminators used with vehicle-mounted equipment. ■ We are targeting the introduction of a **high-end illuminator model.**	■ We will continue to gather data from our units. ■ **We are continuing to develop the low-end illuminator model.** ■ **We are also considering proposals regarding Pupil Lens Modules®.**	■ We are continuing to respond to inquiries (including illuminator equipment for sensing, post-processing illuminator equipment, modification projects, etc.). ■ At present, inquiries for illuminators are primarily for the **high-end model.**

Most ← Degree of Priority → Least

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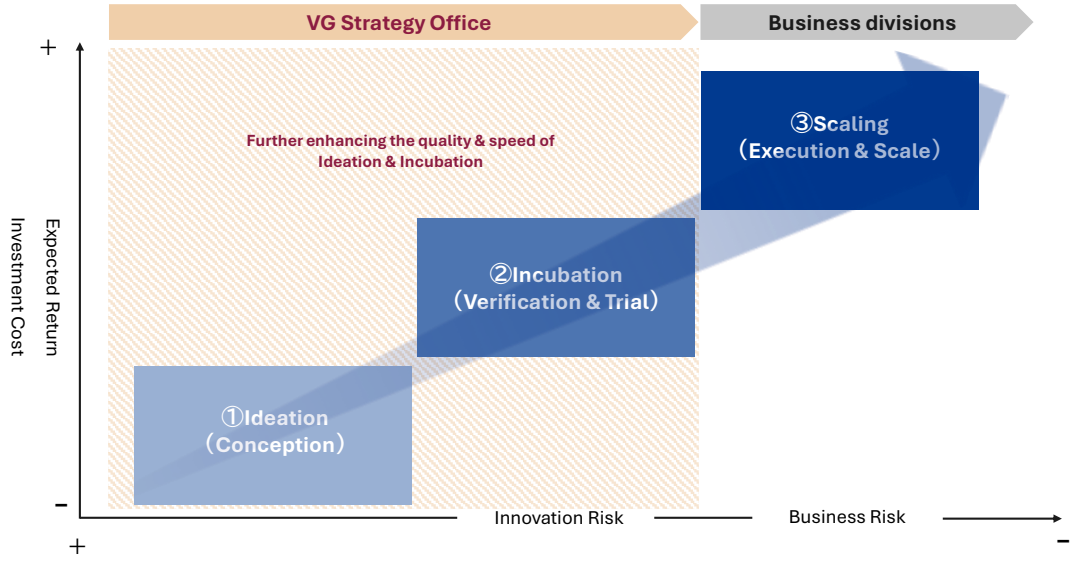
- In addition to our sales efforts with major customers, we will also work on expanding our customer base to prepare for the growing applications of image sensors.
- We are particularly strengthening our efforts towards customers in the US & Europe, & we have recently secured a large order from a European customer.
- We will continue to expand our sales activities while keeping up with changes in customer needs.

Image of New Business Expansion

- ①Ideation ➡ ②Incubation ➡ ③Scaling
- The VG (Value Generation) Strategy Office develops ideas from conception to verification. Once an idea is deemed feasible, it is deployed & undergoes scaling to each business division.
- The office will further enhance the quality & speed of ①・② .



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- While efforts towards improving existing products are important for continuous corporate value improvement, we also recognise the importance of creating systems for developing new products & new businesses.

- We are accelerating the creation of our new businesses, focusing resources & having established a new department (VG Strategy Office) to improve product quality & production speed.

- The VG Strategy Office will undertake ideation & incubation. It will conduct product planning & marketing, & handle the process until it is handed over to sales & other various business departments. Our goal is to create a department that can ensure a 100% success rate in this handling process.

New Products & Their Estimated Market Size

- Market size is calculated based on current inquiries, product sale price, production volume & value in each market.
- We will further enhance the quality & speed of new products in the incubation stage.
- We will increase the number of products that can be targeted for scaling (execution & scale).

(Unit: ¥100 million)

New Businesses	Total order & inquiries (Present Status)	Annual market size (Estimated)
Laser business	—	60～540
AI image processing	0.6	90
Roughness testing	0.5	80～90
Vibration monitoring	1.2	8～9
Data solution	—	40～50

※Market size figures are based on research conducted by Inter Action
※As in the 1Q, the laser business is still undergoing policy scrutiny.
※Data solution will be a new initiative. Presently, only a rough estimate of the market size has been made & is still undergoing scrutiny.

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- This table shows the inquiry volume & market forecast for new products.
- The market size was calculated based on the current inquires, product sales prices, & production volume & value in each market.
- We will focus on further improving the quality & speed of ideation & incubation for new products, increasing the number of products that can achieve scaling (implementation & scale), & creating a product group with profitability equal to or greater than that of illuminators & Pupil Lens Modules® within five years.
- From the next page, we will explain the present status & overview of new products.

New Business | Next-Generation Factory Market | Industry 4.0

AI Image Processing Equipment Business

- We are continuing to drive the platformization of our equipment, with completion expected within FY 5/25.
- In the future, we will evolve this business into a system solution that utilizes image data.

Est. Market Size: ¥9 billion a year

Next-Generation Factory Market

Platformization



+

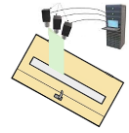
Marketing

Schedule

- Musical instrument manufacturer：Orders are expected around 3Q FY 5/25
- Home appliance manufacturer：Orders are expected FY 5/26 (in line with the customer's capex timing)
- Gear manufacturer：Orders are expected once the platform is complete.

※Due to the prolonged verification process in the semiconductor market & the restructuring of the customer's organization, this schedule is under review.

The appeal of AI inspection from a marketing standpoint.

Visual Inspection	AI Inspection
 Even if 90% of products meet quality standards, each product must be inspected to catch the defective 10%.	 Machines can decide if 80% of products meet quality standards, with humans only needing to inspect the remaining 20%.
 Defects can be located in difficult to reach places, especially in products sized over 2m, but need to be caught.	 Machines can detect potential defects, so humans only need to confirm whether the areas flagged by the machines are defective.



Increases worker productivity & inspection precision.

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- First, the AI image processing equipment. This is a product that can contribute to improving human productivity. We have received inquiries & orders from musical instrument manufacturers, home appliance manufacturers, gear manufacturers, & others.

- Presently, we are working on platformization of our equipment to prepare for the expansion of orders, & we are building an efficient business foundation. In the future, we aim to evolve into system solution that utilizes image data.

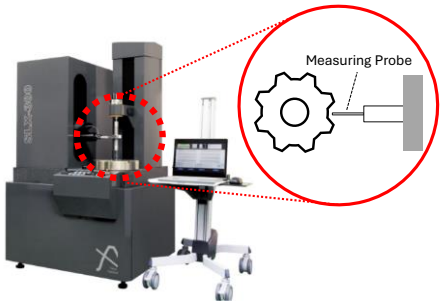
New Business | Next-Generation Factory Market | Industry 4.0

Gear Roughness Testing System

- The “gear roughness testing system” pertains to equipment used for precisely inspecting the surface roughness of gears.
- The quietness of engineless BEVs (Battery Electric Vehicles) has become a high-value feature. However, noise generated by surface roughness in the vehicle’s gears compromises this feature, & has created a demand for new measurement & evaluation methods in this area.
- We have secured orders from a major automobile manufacturer for this system.

Est. Market Size: ¥8-9 billion a year

Business Overview



- The surface of the gear is traced with a probe to measure roughness.
- Vibration-dampening equipment is also used, enabling high-precision measurements.

Primary Application

There is an increasing demand for quietness



A normal vehicle — BEV (Battery Electric Vehicles)

- Demand for gear inspection for BEVs, where quietness is a feature, is increasing.
- Orders have been secured from a major automobile manufacturer, with some units sold.
- We are also exploring expansion into products requiring quietness & precision in other fields (such as electronics, aerospace, & medical applications).

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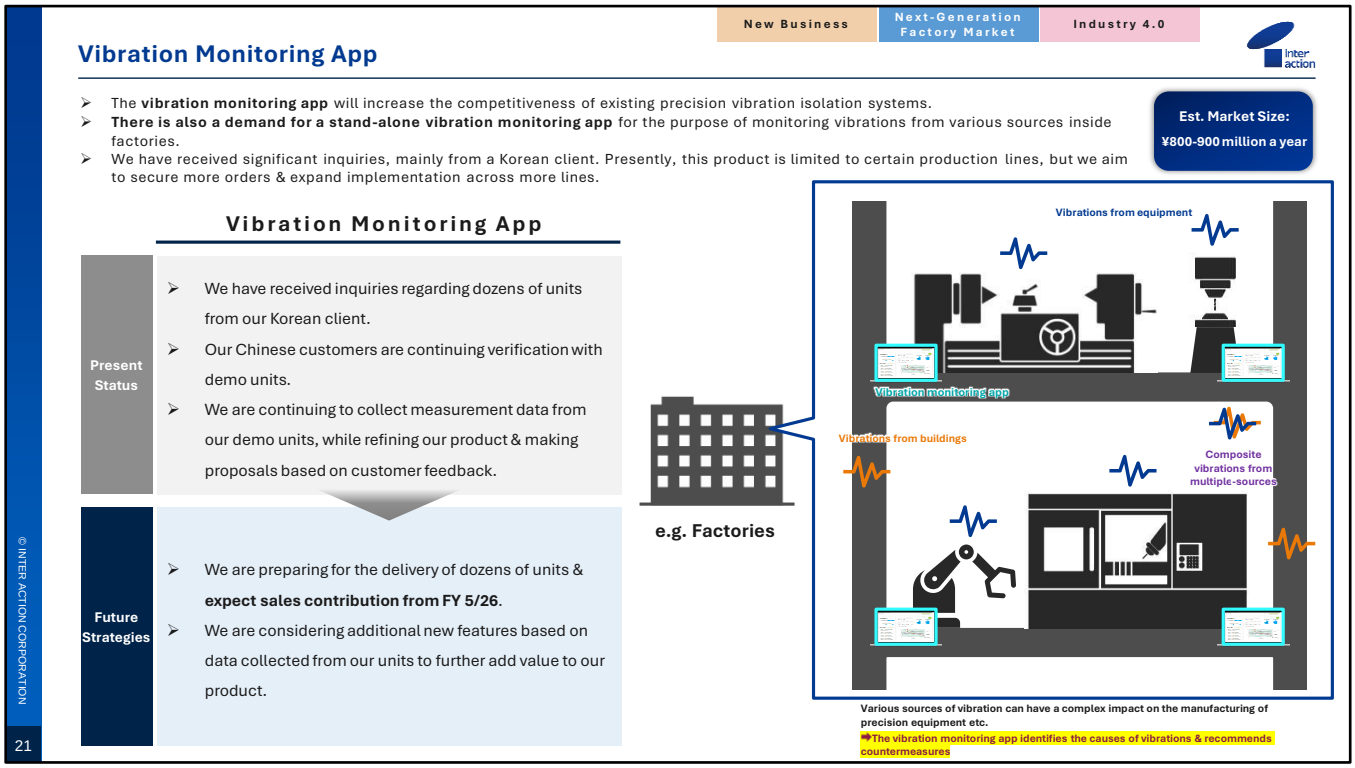
- Next is the gear roughness testing system. While there are many surface roughness testing systems available, the unique feature of this testing system is that it is specialised for the automotive sector & rotating objects such as gears.
- In BEVs, the absence of engine noise means that the vehicle's quietness itself has become a high-value feature.
- Consequently, gears installed in BEVs also need to be quiet, facilitating the establishment of new measurement & evaluation methods that did not exist before. This product is ahead of such trend changes.
- We have already received orders from major automobile manufacturers, & we will promote the introduction to mass production lines & expand sales to other automobile manufacturers in the future.



- The vibration monitoring app enhances the added value of our existing precision vibration isolation systems & contributes to business growth.
- Additionally, there is demand for the vibration monitoring app as a standalone product, & we are receiving substantial inquiries primarily from Korean customers.
- Presently, we have various new business plans, & the VG Strategy Office aims to accurately determine the growth potential of each product, deciding which projects to continue, change, or discontinue.
- In the short term, we aim to improve the quality & speed of ideation & incubation, while in the medium to long term, we will increase the volume & work towards building a company that can continuously enhance corporate value.

Appendix①

Sales, Order Value & Order Backlog

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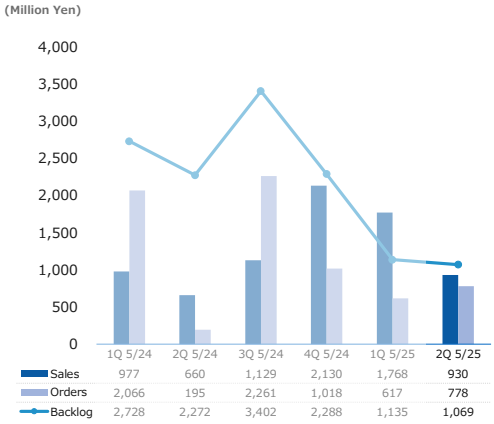
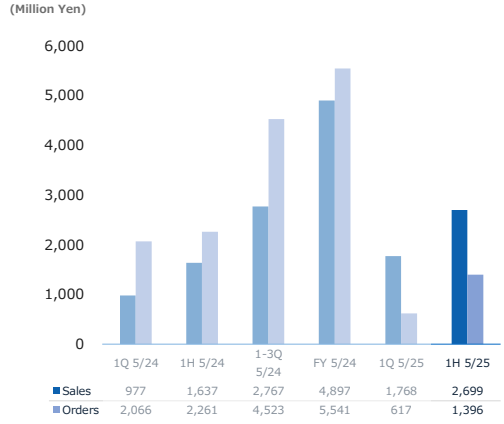
IoT-Related Business

Sales/Orders/Order Backlog (by quarter)



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

Sales/Orders (cumulative)



	1Q 5/24	1H 5/24	1-3Q 5/24	FY 5/24	1Q 5/25	1H 5/25
Sales	977	1,637	2,767	4,897	1,768	2,699
Orders	2,066	2,261	4,523	5,541	617	1,396

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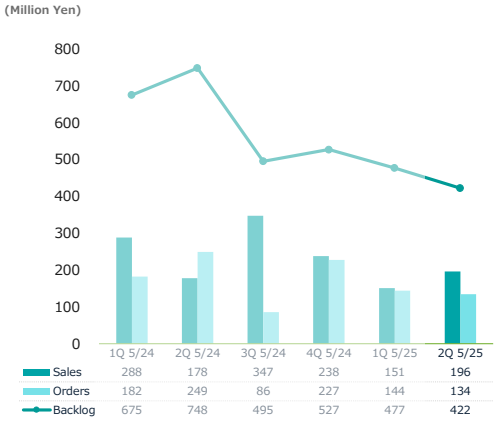
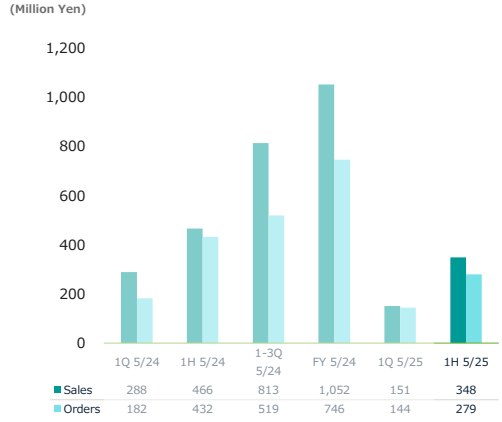
Environment Energy-Related Business

Sales/Orders/Order Backlog (by quarter)



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

Sales/Orders (cumulative)



	1Q 5/24	1H 5/24	1-3Q 5/24	FY 5/24	1Q 5/25	1H 5/25
Sales	288	466	813	1,052	151	348
Orders	182	432	519	746	144	279

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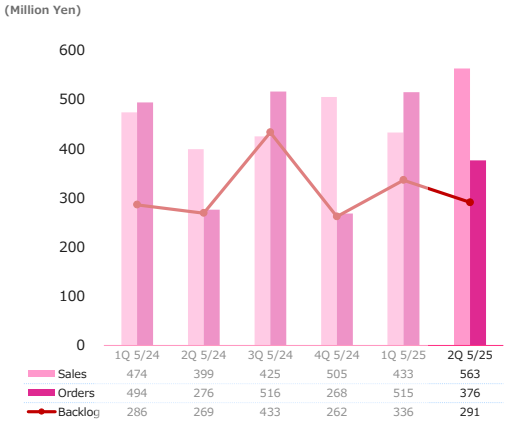
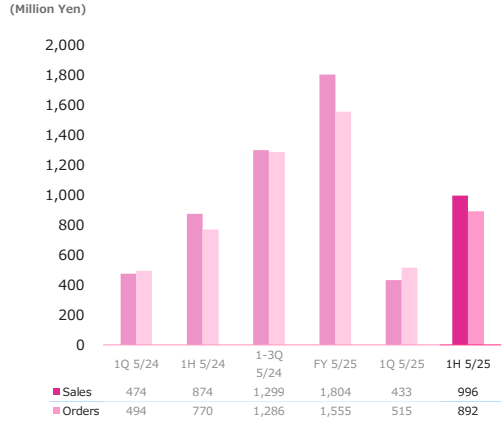
Promotion of Industry 4.0 Business

Sales/Orders/Order Backlog (by quarter)



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

Sales/Orders (cumulative)



	1Q 5/24	1H 5/24	1-3Q 5/24	FY 5/25	1Q 5/25	1H 5/25
Sales	474	874	1,299	1,804	433	996
Orders	494	770	1,286	1,555	515	892

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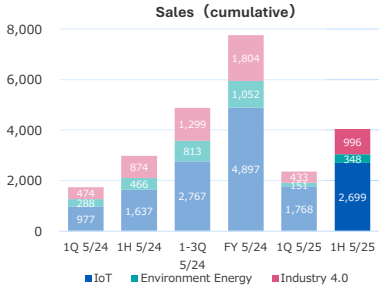
IoT | Environment Energy | Industry 4.0

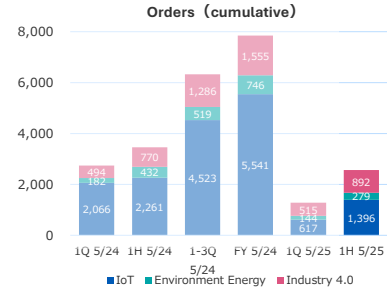
Across the Group

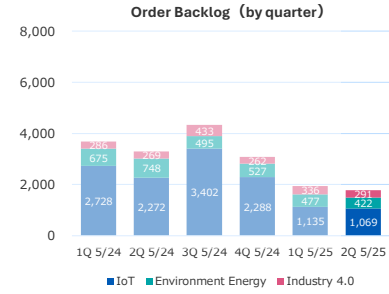
1H FY 5/25

(Million Yen)

Businesses	Sales		Order Value		Order Backlog	
	Results	YoY Growth	Results	YoY Growth	Results	YoY Growth
IoT-Related Business	2,699	64.8%	1,396	-38.3%	1,069	-52.9%
Environment Energy-Related Business	348	-25.4%	279	-35.4%	422	-43.6%
Promotion of Industry 4.0 Business	996	14.0%	892	15.8%	291	8.4%
Total	4,044	35.8%	2,567	-25.9%	1,784	-45.8%







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Appendix ②

Company Information

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Company Information

Name	INTER ACTION Corporation
Established	June 25, 1992
Representative	Nobuo Kiji CEO & President
Capital	1,760 million yen
Employees	128 (entire group; as of May 2024)
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	June 1 to May 31
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.

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Company Information

KPIs	Equity Spread ROE
Dividend Policy	Total Payout Ratio 30%
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

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Company Information

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

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Investor Relations Division, Business Administration Team

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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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