- This document is the transcript of the speech delivered at the "Financial Results Briefing for the Fiscal Year Ended May 2026," held on July 13, 2026.

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

-Appendix-

- ”1. Financial Results Summary” will be presented by Mr. Kyan, Chief of the Management Control Team.
- “2. Progress of the Mid-Term Management Plan” will be presented by Mr. Kiji, President and CEO.

Financial Highlights for FY 5/26

Business Performance

➢ **4Q Results** (3 months)

- Revenue: 1,120 million yen (down 17.9% year-on-year) Operating Income: 43 million yen (down 69.9% year-on-year)
- Although the Promotion of Industry 4.0 business performed well, revenue decreased year-on-year due to sluggish performance in the IoT related business and the exclusion from consolidation of Air Gases Technos Co., Ltd., which had been included in the Environmental Energy Related Business through the previous fiscal year.

➢ **FY 5/26 Results** (Cumulative)

- Revenue: 4,822 million yen (down 27.7% from the previous fiscal year) Operating Income: 702 million yen (down 50.5% from the previous fiscal year)
- Revenue and profit both declined, primarily due to sluggish sales of products to domestic customers in the IoT related business.

➢ **FY 5/27 Forecast**

- Revenue: 7,212 million yen (up 49.6% year-over-year) Operating Income: 1,599 million yen (up 127.7% year-over-year)
- Although selling, general, and administrative expenses are expected to increase compared to the previous fiscal year, sales to major overseas customers are expected to drive earnings.

Business Trends

➢ In our IoT related business, we secured our largest-ever order (2,278 million yen) in April, primarily from major overseas customers. Revenue from this order is scheduled to be recognized between June 2026 and February 2027.
Meanwhile, while capital expenditure demand from major domestic customers remains subdued, we anticipate a recovery in capital expenditure demand over the medium to long term, as these customers are considering the establishment of production lines for image sensors used in physical AI applications—such as automotive and robotics—at their new factories.

Financial Results Summary

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

IoT related | Industry 4.0 Promotion | New Business

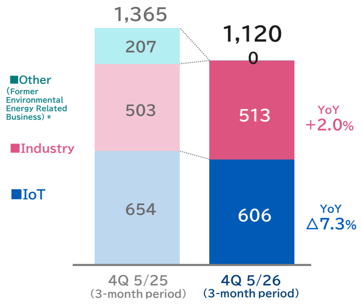
4Q (3-Month Period)

POINT

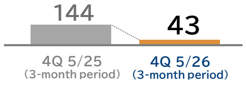
- Regarding consolidated results for 4Q (3 months), although the Promotion of Industry 4.0 business performed well, revenue decreased year-over-year due to sluggish performance in the IoT related business and the exclusion from consolidation of Air Gases Technos Co., Ltd., which had been included in the Environmental Energy Related Business through the previous fiscal year.
- **IoT related business:** Sales of Illuminators and Pupil Lens Module® were sluggish.
- **Promotion of Industry 4.0 business:** Sales of precision Vibration isolation systems and Gear testing systems were strong.

Sales

(Million yen)



Operating Profit



Trends in Key Management Indicators

(Million yen)	4Q 5/25 (3-month period)	4Q 5/26 (3-month period)	YoY Growth (%)
Sales	1,365	1,120	(17.9)
OP	144	43	(69.9)
OPM	10.6%	3.9%	–
RP	110	38	(65.6)
NP	76	35	(54.5)
EPS	7.01 yen	3.45 yen	–

*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 4Q (three months) of the current fiscal year, the Group’s financial results were as follows: net sales of 1,120 million yen, operating income of 43 million yen, ordinary income of 38 million yen, net income attributable to owners of the parent of 35 million yen, and net income per share of 3.45 yen.
- Compared to the same period of the previous year, net sales decreased by 17.9% and operating income fell by 69.9%, resulting in a decline in both revenue and profit.
- By segment, in the IoT related business, sales of Illuminators and Pupil Lens Module® remained sluggish.
- On the other hand, in the Promotion of Industry 4.0 business, sales of precision Vibration isolation systems and Gear testing systems remained strong.
- Although results for 4Q (three months) were sluggish, the order backlog for the next fiscal year has improved significantly thanks to the acquisition of a large order in April.

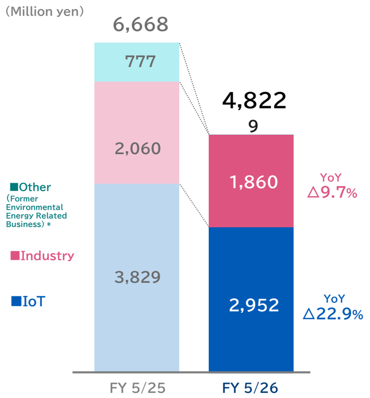
IoT related | Industry 4.0 Promotion | New Business

FY 5/26 (Cumulative)

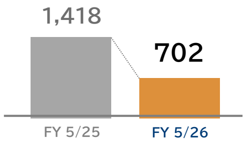
POINT

- For the full-year consolidated results for the fiscal year ending May 2026, both revenue and profit declined year-over-year, primarily due to sluggish performance in the IoT related business.
- **IoT related business:** While sales of products to overseas customers were strong, sales of products to domestic customers were sluggish.
- **Promotion of Industry 4.0 business:** Sales of precision Vibration isolation systems and Gear testing systems were sluggish.
- Regarding the consolidated earnings forecast, although selling, general, and administrative expenses exceeded expectations, results were generally in line with projections.

Sales



Operating Profit



Trends in Key Management Indicators / **For Reference: Comparison with Earnings Forecasts**

(Million yen)	5/25	5/26	YoY Growth (%)	FY 5/26 Consolidated Earnings Forecast (Revised as of Q3)	Earnings Forecast Comparison (%)
Sales	6,668	4,822	(27.7)	4,767	1.2
OP	1,418	702	(50.5)	722	(2.8)
OPM	21.3%	14.6%	–	15.2%	–
RP	1,386	835	(39.7)	858	(2.7)
NP	979	530	(45.8)	534	(0.9)
EPS	89.45 yen	51.64 yen	–	52.09 yen	–

*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.

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- For the fiscal year ended May 2026, the Group's financial results were as follows: net sales of 4,822 million yen, operating income of 702 million yen, ordinary income of 835 million yen, net income attributable to owners of the parent of 530 million yen, and net income per share of 51.64 yen.

- Compared to the previous fiscal year, net sales decreased by 27.7% and operating income fell by 50.5%, resulting in a decline in both revenue and profit.

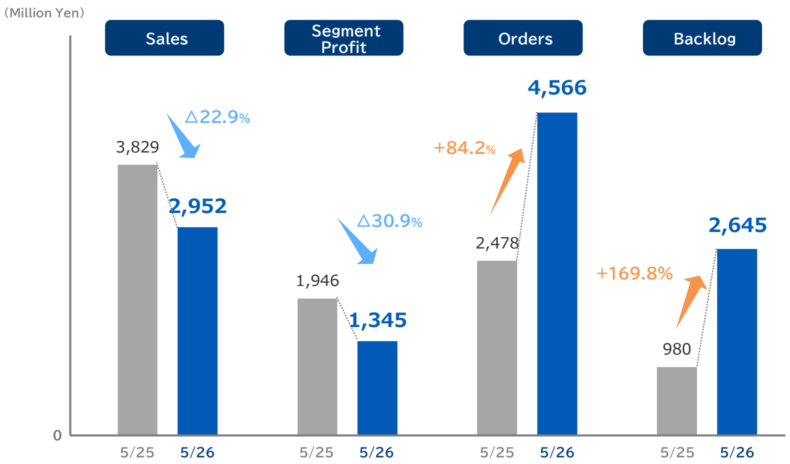
- The main factor was sluggish sales of products to domestic customers in our IoT related business.

- Furthermore, when compared to our earnings forecast, although selling, general, and administrative expenses exceeded expectations, our performance was generally in line with projections.

- Although the fiscal year ended May 2026 ended on a sluggish note, we secured our largest-ever order from a major overseas customer in April, and we have a solid backlog of orders to drive growth in the next fiscal year.

IoT related business

Although sales of products to overseas customers remained strong,
sales to domestic customers remained sluggish, resulting
in **a decline in both revenue and profit**
Due to the acquisition of a major order in April,
order intake and the backlog **increased significantly**



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- Sales of Illuminators and Pupil Lens Module® primarily for major overseas customers remained strong.
- In April, we secured our largest-ever order (2,278 million yen), centered on this customer*.
  We anticipate that robust demand for capital investment will continue.

*Revenue is scheduled to be recognized between June 2026 and February 2027.

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- Sales of Illuminators and Pupil Lens Module® to major domestic customers remained sluggish.
- Capital investment demand among major domestic customers remained subdued.

Notes

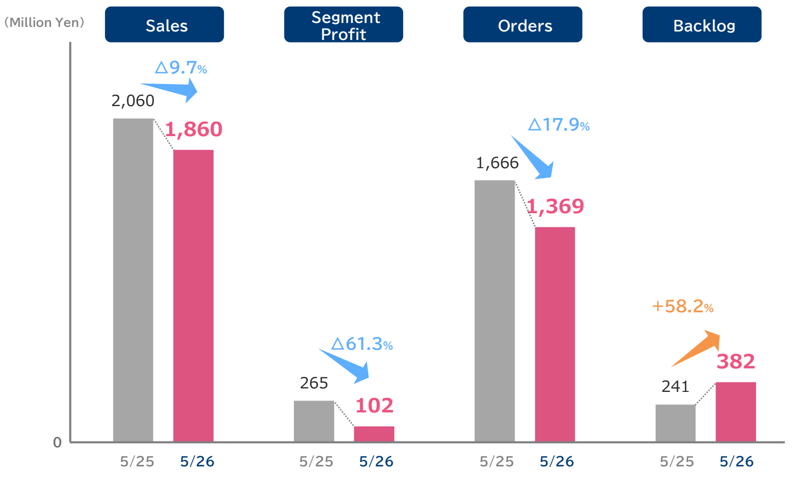
- There has been a slight delay in completing the automated production line for Pupil Lens Module®; however, there is currently no impact on future order plans or the timing of revenue recognition.
- While capital expenditure demand among major domestic customers remains subdued, a customer is considering constructing a production line at its new factory for image sensors used in applications such as automotive and robotics. Accordingly, we anticipate a recovery in capital expenditure demand over the medium to long term.

- Regarding capital expenditure trends among customers in the IoT related business (the segment primarily engaged in the sale of Illuminators and Pupil Lens Module®), sales of products to major domestic customers remained sluggish. As a result, both net sales and profits fell below the previous fiscal year’s levels.
- On the other hand, sales to major overseas customers performed well. In April, we secured a large order worth 2,278 million yen, leading to a significant increase in both order intake and the backlog.
- This order is expected to contribute to sales for the fiscal year ending May 2027, and the IoT related business is projected to drive a recovery in earnings for the next fiscal year.

Industry 4.0 Promotion

Promotion of Industry 4.0 business

Sales of products in the precision Vibration isolation systems and Gear testing systems fields were sluggish.



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➢ Sales of Gear testing systems to overseas customers remained strong.

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➢ Sales of gear testing systems to domestic customers remained sluggish.

Notes

➢ Sales of precision Vibration isolation systems remained at the previous year's level.
➢ For surface roughness testers, orders are expected from a major automaker in the next fiscal year.

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➢ Regarding the Promotion of Industry 4.0 business (a segment primarily engaged in the sale of precision Vibration isolation systems and Gear testing systems), while sales of precision vibration isolation systems and Gear testing systems were generally sluggish overall, sales of Gear testing systems to overseas customers remained strong.

➢ In addition, the backlog is increasing, and we have a growing number of projects that will lead to sales in the next fiscal year and beyond.

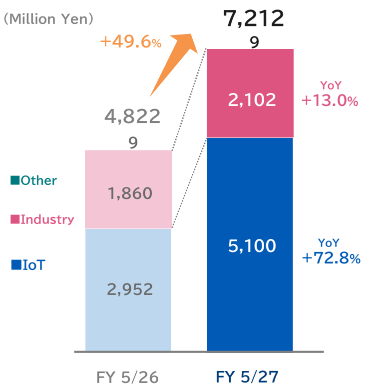
➢ Furthermore, regarding surface roughness testers, we expect to receive orders from a major automaker in the next fiscal year.

Next Year Forecast (YoY Comparison)

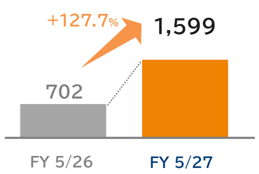
POINT

- For the next fiscal year, consolidated earnings are expected to show a significant increase in both revenue and profit compared to the previous fiscal year. Additionally, R&D expenses are expected to increase due to the development of a broad lineup of devices aimed at acquiring new customers in the IoT related business, as well as the development of new Semiconductor-Related Measurement Products in the Promotion of Industry 4.0 business.
  Consequently, selling, general, and administrative expenses are expected to increase compared to the previous fiscal year.
- IoT related business: Given the large number of products already on order and our assumption that our customer is making progress in acquiring new customers that manufacture products equipped with image sensors, we expect robust demand for capital investment to continue.
- Promotion of Industry 4.0 business: Sales of precision Vibration isolation systems and Gear testing systems are expected to remain strong.

Sales



Operating Profit



Trends in Key Management Indicators

(Million yen)	FY 5/26	FY 5/27 Forecast	YoY Growth (%)
Sales	4,822	7,212	49.6
OP	702	1,599	127.7
OPM	14.6%	22.2%	
RP	835	1,620	94.0
NP	530	1,049	97.8
EPS	51.64 yen	103.41 yen	–

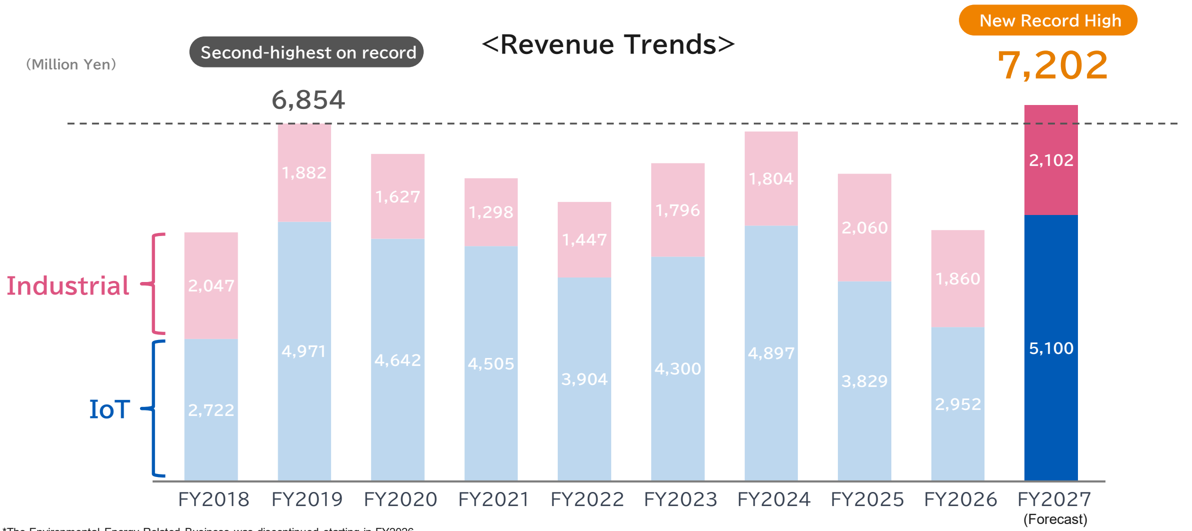
- Next, I will explain our full-year earnings forecast for the fiscal year ending May 2027.
- For the fiscal year ending May 2027, our Group’s results are projected to be as follows: net sales of 7,212 million yen, operating income of 1,599 million yen, ordinary income of 1,620 million yen, net income attributable to owners of the parent of 1,049 million yen, and net income per share of 103.41 yen.
- Compared to the previous fiscal year, net sales are expected to increase by 49.6% and operating income by 127.7%, resulting in a significant increase in both revenue and profit.
- The primary factor driving this substantial growth in revenue and profit is the expansion of sales to major overseas customers in our IoT related business.
- We have already secured a large number of orders, and in particular, a major order secured in April is expected to contribute significantly to our financial results for the fiscal year ending May 2027.
- At the same time, we will continue to invest in future growth.
- In our IoT related business, we are developing a broad lineup of devices to attract new customers, and in our Promotion of Industry 4.0 business, we are developing new Semiconductor-Related Measurement Products; therefore, selling, general, and administrative expenses, including research and development costs, are expected to increase compared to the previous fiscal year.
- Although the fiscal year ending May 2026 was a period of adjustment, we expect a significant recovery in business performance for the fiscal year ending May 2027.

IoT related | Industry 4.0 Promotion | New Business

Next Year Forecast (Supplementary Note 1)

POINT

➢ Net sales, excluding the impact of the former Environmental Energy Related Business, are expected to reach a new record high.



*The Environmental Energy Related Business was discontinued starting in FY2026

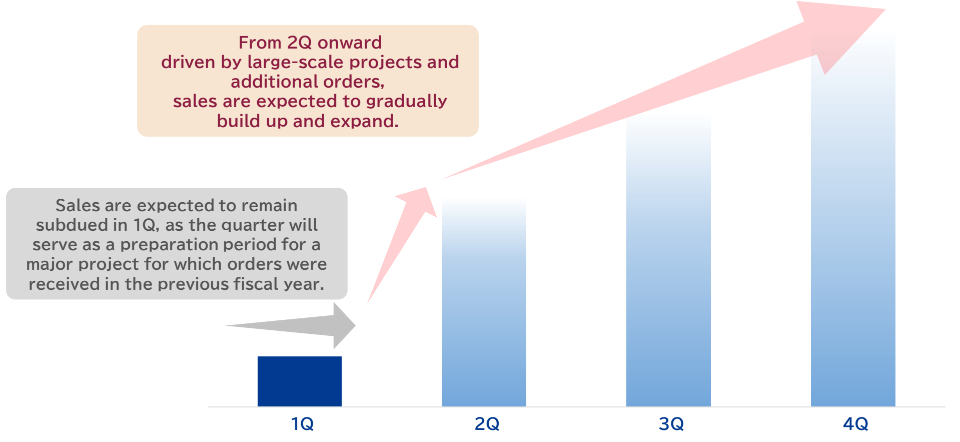
- Here is some additional information regarding our full-year earnings forecast for the fiscal year ending May 2027.
- This chart shows the historical trend in net sales, excluding the impact of the former Environmental Energy Related Business.
- We project net sales of 7,202 million yen for the fiscal year ending May 2027, which is expected to set a new record high.
- In addition, each segment is also expected to achieve record-high sales.

Next Year Forecast (Supplementary Note 2)

POINT

- Regarding consolidated net sales for the next fiscal year, net sales for 1Q are expected to remain subdued, partly because 1Q will serve as a preparation period for major projects in the IoT related business, which saw significant order intake during the previous fiscal year.
- From 2Q onward, consolidated net sales are projected to expand gradually, driven by contributions from these major projects and the accumulation of additional orders.

<Sales Trend (Cumulative)>



- Additionally, regarding the projected trend in consolidated net sales for the next fiscal year, net sales in 1Q are expected to remain subdued, partly because this period will serve as a preparation phase for a major project in the IoT related business for which order intake occurred in the previous fiscal year.
- From 2Q onward, consolidated revenue is expected to grow gradually, driven by the contribution of these major projects and the accumulation of additional orders.

Industry 4.0 Promotion | New Business

(For Reference) Tokyo Technical Instruments Inc.'s AI Inspection Technology Featured in the Nikkan Kogyo Shimbun

- An AI-equipped inspection system developed by Tokyo Technical Instruments inc.—a Group company engaged in the development, manufacture, and sale of gear inspection equipment—was featured in the June 30, 2026, issue of the Nikkan Kogyo Shimbun as a case study of a gear manufacturer that introduced the AI-powered system to automate and reduce labor in its inspection process.
- Tokyo Technical Instruments inc., a member of our group, was involved in the development of this system and contributed to streamlining the quality verification process, which had previously relied on manual labor.

Media Outlet

Media Name	Nikkan Kogyo Shimbun
Publication Date	June 30, 2026
Article Title	"AI for Long-Length Gear Inspection" (Long-length gears: rod- or plate-shaped gears that are longer than standard gears)

Technical Overview

Client	Gear manufacturer (joint development)
Benefits	➢ Enables automatic inspection of microscopic cracks in long gears ➢ Replaces manual visual inspections with AI, reducing labor requirements ➢ Reduced inspection time (10 minutes → less than 4 minutes) ➢ Improved reproducibility and inspection accuracy through AI implementation ➢ Mechanization of work processes that are hazardous to human health

AI Image Processing System

*No article text or image of the newspaper page is included. The content is a summary provided by our company.
*Source: Nikkan Kogyo Shimbun (June 30, 2026) "AI for Inspecting Long Gears"

- For your reference, we would like to share an example of our initiatives under the Promotion of Industry 4.0 business.
- An AI-powered inspection system developed by Tokyo Technical Instruments inc.—a member of our group that specializes in gear inspection equipment—was featured in the Nikkan Kogyo Shimbun.
- This system uses AI to automatically inspect for microscopic cracks in long gears, and by replacing conventional visual inspections, it contributes to labor savings and reduced inspection times.
- By combining AI with existing gear inspection technologies, we will continue to contribute to automation, labor savings, and quality improvement on the manufacturing floor.

Progress of the Mid-Term Management Plan

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- I would now like to explain the progress of our mid-term management plan.
- As I just reported, the fiscal year ending May 2026 resulted in a decline in both revenue and profit—a challenging outcome. As the person in charge of management, I take this result very seriously.
- At the same time, over the past year, our front-line teams have been steadily laying the groundwork for our next phase of growth. The record-breaking large-scale order we secured in April 2026 is one such result. Today, in addition to reporting on our progress figures, I would like to speak frankly about the positive momentum I personally sense on the front lines.

IoT related

Review of the Fiscal Year Ended May 2026

1. Expansion of Business with South Korean Customers

Demand from major South Korean customers expanded, driving business growth.

2. Record-High Sales to European Customers

Revenue from European customers reached a record high. We will continue to focus on deepening relationships with customers beyond our major clients and acquiring new customers.

3. Expanding Business Opportunities in the Physical AI Sector

Business opportunities are expanding in the physical AI sector, including robotics and automation. We view this as a driver of growth over the medium to long term.

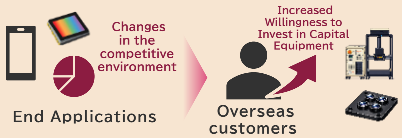
- First, let's review the fiscal year ending May 2026. Although our financial results were challenging, there were three developments that will shape our future.
- First, the expansion of our business with South Korean customers. Demand from our major South Korean customers grew, driving our performance growth for the fiscal year.
- Second, sales to European customers reached a record high. Going forward, we will continue to focus on deepening relationships with customers beyond our major clients and developing new customer bases.
- Third, the expansion of business opportunities in the physical AI sector. Business opportunities are expanding in the physical AI domain—including robotics and automation—and we view this as a driver of medium- to long-term growth.
- We view the fiscal year ending May 2026 as a year in which our revenue sources began to expand overseas and into new markets.

IoT related

IoT related business: Trends Among Major Customers

- Regarding major domestic customers, capital expenditure demand remained subdued during FY 5/26.
- On the other hand, regarding customers' capital expenditure plans, in addition to the introduction of advanced processes associated with the shift toward larger-format and higher-density image sensors, the establishment of production lines for image sensors used in physical AI applications, such as automotive and robotics, is being considered at a customer's new factory. Accordingly, we anticipate a recovery in capital expenditure demand over the medium to long term.
- Regarding major overseas customers, we secured our largest-ever order (2,278 million yen) in April 2026. We anticipate that robust capital expenditure demand will continue through the fiscal year ending May 2027 and beyond. In addition, demand for "Base Sales projects" —such as Pupil Lens Module® and Illuminator retrofits—is also increasing, and an increase in Base Sales is expected.

	Trends Among Domestic Customers	Trends Among Overseas Customers
FY 5/26	➢ Demand for capital investment remains subdued	➢ Secured the largest-ever major order (2,278 million yen) in April ➢ We anticipate that robust demand for capital investment will continue
FY 5/27 and beyond	**Potential for a Recovery in Capital Expenditure Demand** ➢ Since the construction of production lines for image sensors used in physical AI applications—such as automotive and robotics—is being considered at a customer's new plant, we anticipate a recovery in capital expenditure demand over the medium to long term.	**Due to changes in the competitive environment for end-use applications, etc., Increased demand for Illuminators and Pupil Lens Module®** ➢ Demand for Illuminators and Pupil Lens Module® is expected to remain strong. (Pupil Lens Module® is a "Base Sales project") ➢ We speculate that the increase in demand is driven by the customer's ongoing efforts to acquire new clients. ➢ Demand for retrofit projects is also on the rise.



Base Sales Projects

Illuminator Retrofit Projects
Demand is also on the rise

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- Here are the trends among our major customers in the IoT related business.

- Regarding major domestic customers, capital expenditure demand remained subdued during the fiscal year ended May 2026. However, customers are considering the introduction of advanced processes associated with larger-format and higher-density image sensors, as well as the establishment of new production lines at a customer's new factory for image sensors used in physical AI applications, such as automotive and robotics. Accordingly, we anticipate a recovery in capital expenditure demand over the medium to long term.

- Regarding major overseas customers, we secured a large-scale order worth 2,278 million yen in April 2026, the largest in our history. We expect robust capital expenditure demand to continue through the fiscal year ending May 2027 and beyond. We believe this increase in demand is driven by our customers' progress in acquiring new clients in response to changes in the competitive environment of their end applications.

- In addition, demand is rising for "Base Sales projects"—specifically, Pupil Lens Module® and Illuminator retrofit projects—and we expect an increase in Base Sales.

- We have received many questions from investors asking to what extent current orders and inquiries represent the total demand. While this is merely a rough estimate based on the level of demand visible to us at this point in time, we estimate that, including this large order, we have secured only about one-quarter of the total demand. Conversely, this means that the remaining three-quarters represent potential for future acquisition, indicating that we foresee a significant expansion in demand.

Growing Demand for Image Sensor Inspection Amid the Spread of Physical AI

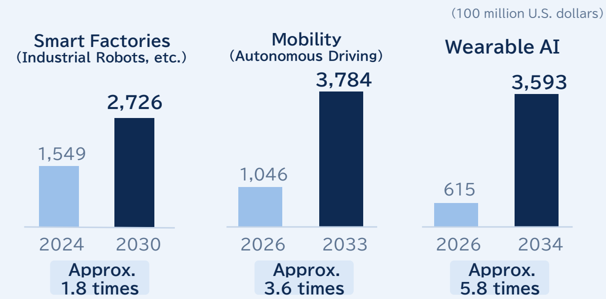
IoT related

- Physical AI refers to the technological field in which robots and mobility systems use cameras and sensors to perceive their surroundings and make autonomous decisions and act autonomously.
- Going forward, as Physical AI becomes more widespread, image sensors are expected to grow in importance as the “eyes” that perceive the real world, leading to an expansion of applications and increasingly sophisticated performance requirements.
- We view these market changes as medium- to long-term business opportunities and will continue to drive product development, including expanding our product lineup to tap into new markets.

1. Expansion of Physical AI
2. The use of cameras and sensors is expanding in fields such as robotics, smart factories, and mobility.
3. Expanding Applications and Increasing Performance Requirements for Image Sensors
4. Growing demand for image sensor inspection

Expansion of our medium- to long-term business opportunities

The market for physical AI-related applications is expected to grow



Source: Compiled by the Company based on publicly available information

Through our image sensor inspection-related products, we aim to expand our medium- to long-term business opportunities in the field of supporting the “eyes” that enable AI to perceive the real world.

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- Here, we will explain “Physical AI,” which we view as a medium- to long-term growth opportunity.

- Physical AI refers to the technological field in which systems—such as robots and mobility solutions—use cameras and sensors to understand their surroundings and make autonomous decisions and actions. For AI to function in the real world, “eyes” that perceive reality—that is, image sensors—are indispensable.

- As Physical AI becomes more widespread, the use of cameras and sensors will expand in fields such as robotics, smart factories, and mobility, leading to broader applications for image sensors and increasingly sophisticated performance requirements. This, in turn, will drive growing demand for image sensor inspection. This is where our medium- to long-term business opportunities lie.

- In terms of market size projections, the smart factory sector is expected to grow approximately 1.8-fold, from US$154.9 billion in 2024 to US$272.6 billion in 2030; the mobility sector, including autonomous driving, is projected to grow approximately 3.6-fold, from US$104.6 billion in 2026 to US$378.4 billion in 2033; and the wearable AI market is projected to grow approximately 5.8-fold, from US$61.5 billion in 2026 to US$359.3 billion in 2034.

- Through our image sensor inspection-related products, we aim to expand our medium- to long-term business opportunities in the field of supporting the “eyes” that enable AI to perceive the real world.

Financial Targets: Progress

- For the fiscal year ended May 2026, sluggish performance in the IoT-related business resulted in all indicators, except the gross profit margin, falling short of their targets.
- Going forward, we aim to increase Base Sales and improve profitability and capital efficiency by expanding sales of Pupil Lens Modules® to South Korean customers, regaining market share among domestic customers, and securing Illuminator retrofit projects.
- Over the medium to long term, we also aim to increase Base Sales through the launch of new businesses.

Pupil Lens Module®
By regaining domestic market share and expanding into the South Korean market, we see potential for market expansion of more than 1 billion yen.

Modification of illuminator equipment
We see potential for market expansion of more than 3 billion yen by targeting the cumulative base of Illuminators supplied to domestic and international markets over the years.

New product development
Planning and developing products with a broad market appeal that are not dependent on specific industries or customers. (Semiconductor-Related Measurement Products)

Factors Affecting Base Sales:
- Pupil Lens Module® Decrease due to declining market share
- South Korean Market Pupil Lens Module® Illuminator retrofit projects: Expected to increase
- Pupil Lens Module® and Illuminator retrofit projects + Launch of new business: Expected to increase

Indicator	Average over the past 5 years (FY 5/22-26)	FY 5/26	FY 5/27 Forecast	FY 5/30 Target
Base Sales※	789 million yen	755 million yen	1,400 – 1,800 million yen	3,000 million yen
GPR	56.8%	60.5%	—	50.0% or higher
OP per employee	20 million yen	8 million yen	—	30 million yen
OP CAGR	△17.4%	△53.4%	—	15.0% or higher
ROE (Consolidated)	8.5%	4.7%	—	15.0% or higher

※Base Sales: An indicator of business resilience that represents revenue from products and services that do not depend on capital expenditures and contribute to improvements in gross profit margin, operating profit per employee, and capital efficiency (CCC).

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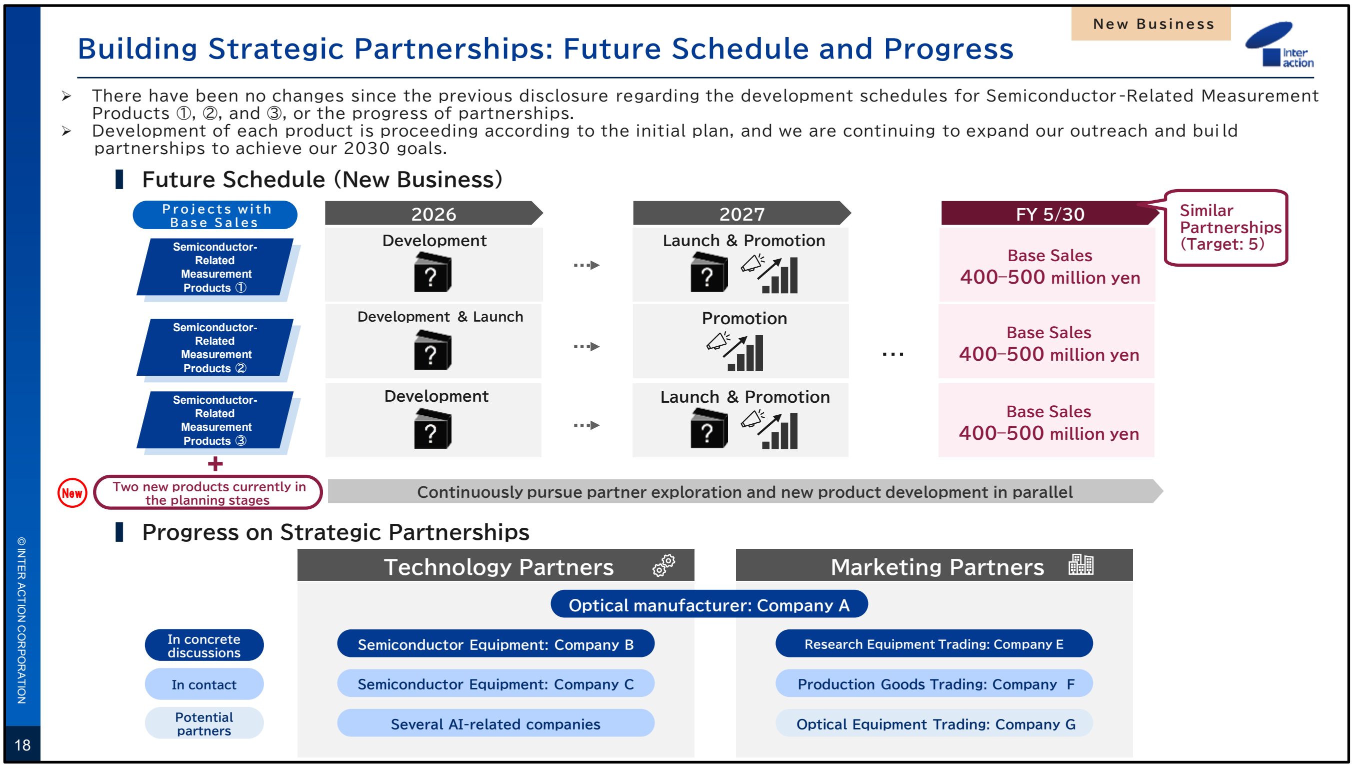
- Here is the progress toward the financial targets of our Mid-Term Management Plan.
- To be frank, for the fiscal year ended May 2026, due to sluggish performance in our IoT related businesses, all indicators except for the gross profit margin fell short of our targets. While the gross profit margin stood at 60.5%, exceeding the 2030 target of 50% or higher, Base Sales remained at 755 million yen, operating profit per employee at 8 million yen, and consolidated ROE at 4.7%.
- The key to overcoming this situation lies in increasing "Base Sales," which does not depend on capital investment. We have three strategies in place.
- The first is the Pupil Lens Module®. We see potential for market expansion of over 1 billion yen by regaining market share in Japan and developing the South Korean market.
- Second is the illuminator retrofit project. This targets the cumulative stock of illuminators we have supplied to domestic and international markets over the years, and we see potential for market expansion of over 3 billion yen.
- Third is new product development. We will plan and develop products with a broad appeal—such as Semiconductor-Related Measurement Products—that are not dependent on specific industries or customers.
- Through these initiatives, we aim to increase our Base Sales to between 1,400 million yen and 1,800 million yen by the fiscal year ending May 2027, and to 3,000 million yen by the fiscal year ending May 2030.



- Here is an update on our new Semiconductor-Related Measurement Products business.

- There have been no changes since our last disclosure regarding the development schedules for Products ①, ②, and ③ or the progress of our partnerships. Development of each product is proceeding according to the initial plan.

- Regarding strategic partnerships, we are conducting working-level discussions with Company A, an optical products manufacturer, as a Technology Partner, and are also in contact with Company C, a semiconductor manufacturing equipment manufacturer.

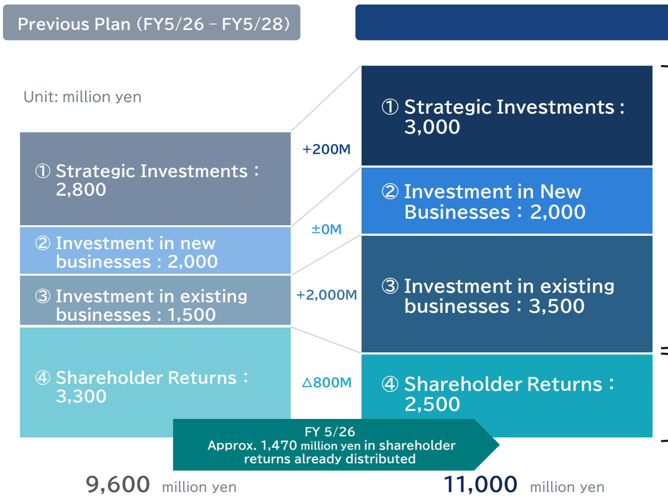
- Regarding Marketing Partners, we are continuing to expand our outreach to research equipment distributors, capital goods distributors, and optical equipment distributors. Additionally, we are currently planning two new products in collaboration with several AI-related companies.

- We anticipate Base Sales of 400 million to 500 million yen for each product, and we aim to establish five similar partnerships to achieve our target for the fiscal year ending May 2030.

- Looking ahead, we do not intend to limit this partnership strategy to a framework for simply co-developing and selling individual products. By leveraging the “Interaction Value” outlined in our management philosophy—that is, the power to generate innovation through the interaction of people, technology, and organizations—and by pooling the technology, know-how, and networks cultivated through co-creation with our partners, we will explore the evolution from a product-sales-based business model to a platform service model in the future.

New Cash Allocation (FY 5/27 through FY 5/29)

- We have revised the cash allocation as of the fourth quarter of the fiscal year ended May 2025 and **updated it on a three-year basis covering the fiscal years ending May 2027 through May 2029 (excluding minimum cash).**
- In the image sensor market, where our existing businesses operate, favorable trends are becoming apparent against the backdrop of advances in physical AI. To capitalize on these market opportunities, **we will expand our product lineup, acquire new customers, and advance solutions for physical AI.**
- Going forward, the company will aim to sustainably enhance corporate value while balancing financial stability, business growth, and shareholder returns in its business activities.
- With regard to alliances and M&A investments, the company will also consider utilizing interest-bearing debt as necessary.



Growth Investments (Proactive Investments)

① Strategic Investments: +200
- Strengthening alliances, M&A, and partnerships

② New Business Investment: ±0
- Maintain current level
  (Semiconductor-Related Measurement Products, etc.)

③ Investment in Existing Businesses: +2,000
- R&D and capital expenditures to prepare for market changes
  (Expanding product lineup, acquiring new customers, and developing solutions for physical AI)

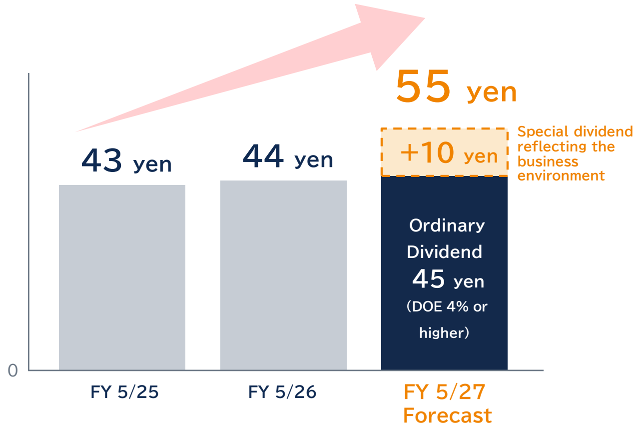
Shareholder Returns

④ Shareholder Returns: ▲800 (Since shareholder returns of approximately 1,470 million yen have already been implemented, the net increase is approximately 670 million yen)
- Fiscal Year Ending May 2026 (Already Implemented): Share buybacks of approximately 1,000 million yen + dividends of approximately 470 million yen
- Going forward: Maintain dividend levels (DOE 4%) + Pay special dividends + Conduct flexible share buybacks

- We would like to explain the revision to our cash allocation plan.
- We have revised the cash allocation plan presented as of fiscal year ended May 2025 and updated it to cover the three-year period from the fiscal year ending May 2027 to the fiscal year ending May 2029. The total amount has increased from 9,600 million yen to 11,000 million yen.
- The key focus is on strengthening growth investments (proactive investments). Against the backdrop of advances in physical AI, favorable trends are becoming apparent in the image sensor market, where our existing businesses operate.
- To capitalize on this market opportunity, we have increased investment in our existing businesses by 2,000 million yen to 3,500 million yen, and will further advance efforts to expand our product lineup, acquire new customers, and develop solutions for physical AI.
- We will also increase strategic investment by 200 million yen to 3,000 million yen to strengthen alliances, M&A, and partnerships.
- Investment in new businesses will remain at the same level of 2,000 million yen. Furthermore, regarding investments in alliances and M&A, we will consider utilizing interest-bearing debt as necessary.
- Although shareholder returns appear to have decreased by 800 million yen compared to the previous plan, totaling 2,500 million yen, we have already implemented shareholder returns totaling approximately 1,470 million yen for the fiscal year ending May 2026, consisting of approximately 1,000 million yen in share buybacks and approximately 470 million yen in dividends. Going forward, in addition to maintaining a DOE of 4% or higher, we will continue to pay special dividends and conduct flexible share buybacks.
- We will continue to aim for the sustainable enhancement of corporate value while balancing financial stability, business growth, and shareholder returns.

Shareholder Returns: Dividends for the Next Fiscal Year—Planned Special Dividend

- For FY 5/27, after comprehensively considering the current order backlog, the earnings outlook for the next fiscal year, the financial position, and the status of shareholder returns, among other factors, the Company plans to pay a special dividend of 10 yen per share.
- As a result, for the FY 5/27, the annual dividend is expected to be 55 yen per share, comprising an interim dividend of 10 yen and a year-end dividend of 45 yen (including a special dividend of 10 yen).

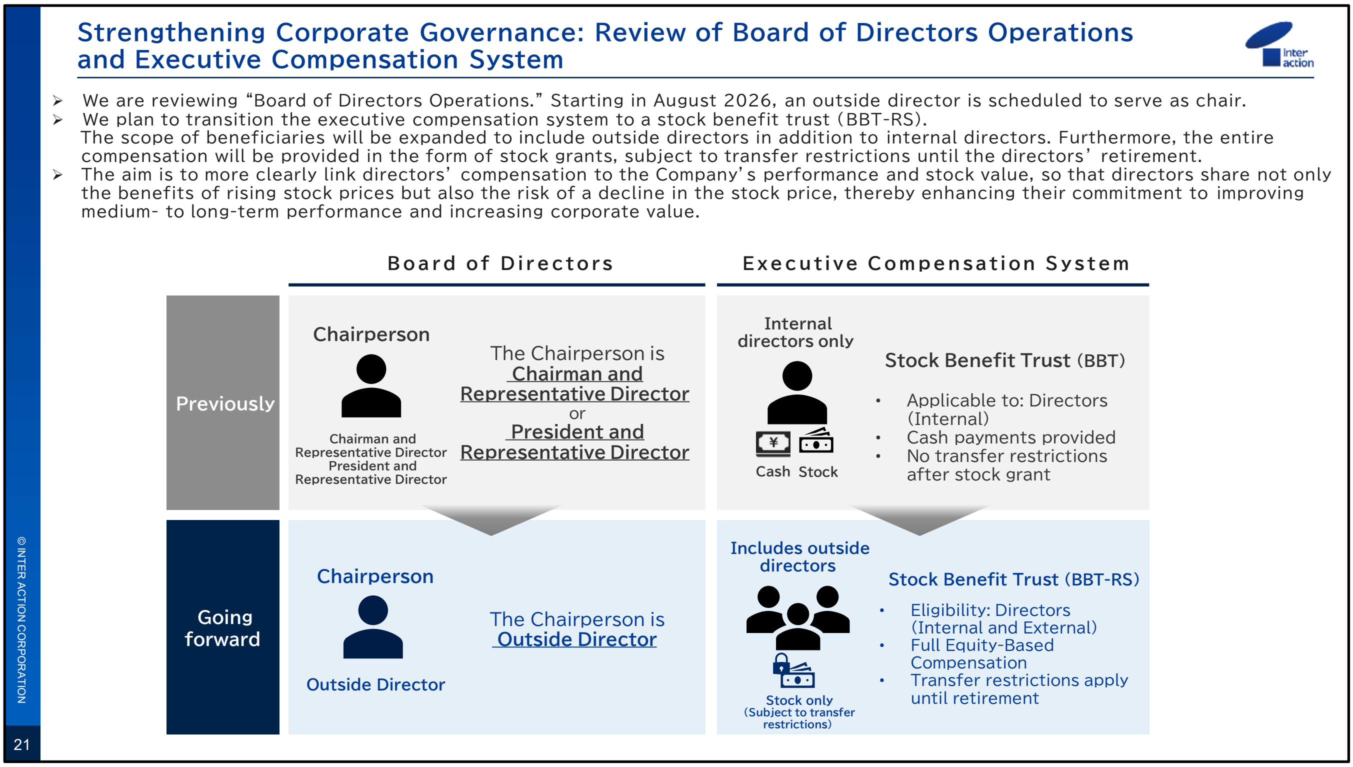


Dividend Forecast for the Next Fiscal Year (FY 5/27)

55 yen per share

Breakdown:
Ordinary Dividend 45 yen (Interim and Year-End) + Special Dividend 10 yen (Year-End)

- Regarding shareholder returns and dividends.
- We plan to pay a year-end dividend of 34 yen per share for the fiscal year ending May 2026. Combined with the interim dividend of 10 yen per share already paid, the annual dividend will total 44 yen per share.
- For the fiscal year ending May 2027, after comprehensively considering current order backlog, the earnings outlook for the next fiscal year, our financial position, and the status of shareholder returns, we plan to pay a special dividend of 10 yen per share to return a portion of our growth achievements to our shareholders.
- Consequently, for the fiscal year ending May 2027, the annual dividend is expected to be 55 yen per share, comprising an interim dividend of 10 yen and a year-end dividend of 45 yen (including the 10-yen special dividend).



- Finally, I would like to explain our plans to strengthen corporate governance.

- First, we will review the operation of the Board of Directors. Historically, the Chair of the Board has been held by the Chairman and Representative Director or the Representative Director and President; however, starting in August 2026, an outside director is scheduled to serve as Chair.

- Second, we will revise the executive compensation system. We plan to transition from the current BBT stock benefit trust to the BBT-RS system. We will expand eligibility to include outside directors in addition to internal directors, provide the full amount of compensation in the form of stock grants, and impose transfer restrictions until the directors’ retirement.

- By establishing a clearer link between directors’ compensation and the Company’s performance and stock value—and by ensuring that directors share not only the benefits of rising stock prices but also the risks of falling stock prices with our shareholders—we will foster a greater commitment among directors to contributing to medium- to long-term performance improvement and the enhancement of corporate value.

- This concludes my explanation of the progress of our Mid-Term Management Plan.

- The fiscal year ending May 2026 was a challenging one in terms of the numbers. However, we secured our largest-ever major order, expanded our customer base in Europe and South Korea, and are riding the major trend of “Physical AI.” The building blocks for our next phase of growth are certainly falling into place. Every single employee is moving forward with a sense of momentum, and I have strong confidence in this company’s growth for the next fiscal year and beyond.

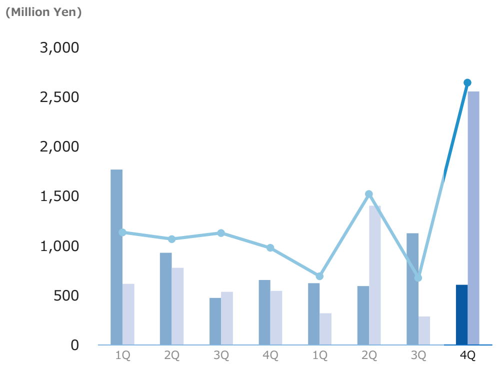
- For the fiscal year ending May 2027, we are determined to achieve significant growth in both revenue and profits and set a new record for sales, and we will ensure that these results are returned to our shareholders. We ask for your continued support.

Appendix ①

Sales, Orders & Order Backlog

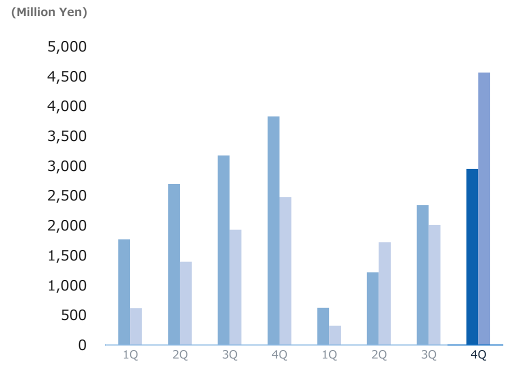
IoT related business

Sales/Orders/Order Backlog (by quarter)



	1Q 5/25	2Q 5/25	3Q 5/25	4Q 5/25	1Q 5/26	2Q 5/26	3Q 5/26	4Q 5/26
Sales	1,768	930	475	654	622	594	1,127	606
Orders	617	778	537	545	320	1,403	286	2,556
Backlog	1,135	1,069	1,130	980	694	1,521	677	2,645

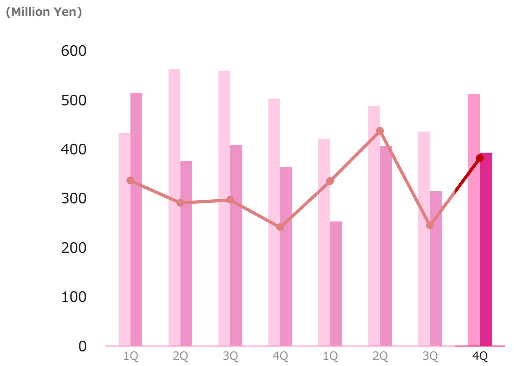
Sales/Orders (cumulative)



	1Q 5/25	2Q 5/25	3Q 5/25	4Q 5/25	1Q 5/26	2Q 5/26	3Q 5/26	4Q 5/26
Sales	1,768	2,699	3,175	3,829	622	1,217	2,345	2,952
Orders	617	1,396	1,933	2,478	320	1,723	2,009	4,566

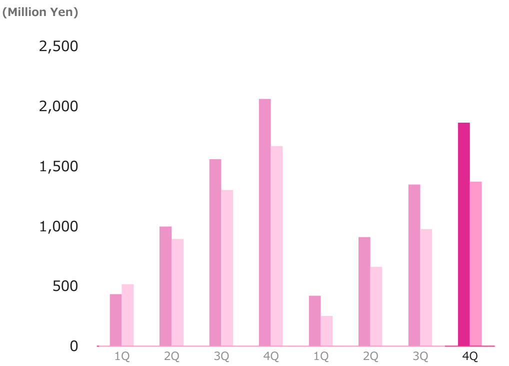
Promotion of Industry 4.0 business

Sales/Orders/Order Backlog (by quarter)



	1Q 5/25	2Q 5/25	3Q 5/25	4Q 5/25	1Q 5/26	2Q 5/26	3Q 5/26	4Q 5/26
Sales	433	563	560	503	421	488	436	513
Orders	515	376	409	364	253	406	315	393
Backlog	336	291	297	241	335	437	245	382

Sales/Orders (cumulative)



	1Q 5/25	2Q 5/25	3Q 5/25	4Q 5/25	1Q 5/26	2Q 5/26	3Q 5/26	4Q 5/26
Sales	433	996	1,557	2,060	421	909	1,346	1,860
Orders	515	892	1,301	1,666	253	659	975	1,369

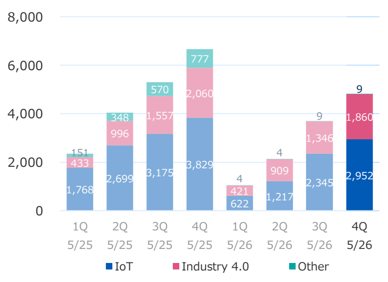
IoT related | Industry 4.0 Promotion

Entire Group

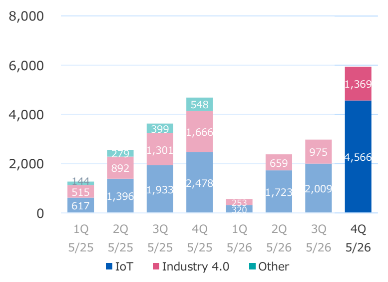
5/2026 (Million Yen)

Businesses	Sales		Orders		Order Backlog	
	Results	YoY Growth	Results	YoY Growth	Results	YoY Growth
IoT related Business	2,952	(22.9%)	4,566	84.2%	2,645	169.8%
Industry 4.0 Promotion Business	1,860	(9.7%)	1,369	(17.9%)	382	58.2%
Other (Former Environmental Energy Related Business)	9	(98.8%)	—	—	—	—
Total	4,822	(27.7%)	5,935	26.4%	3,028	102.1%

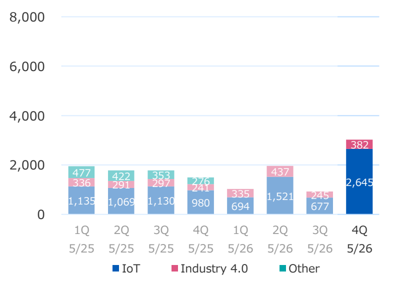
Sales (cumulative)



Orders (cumulative)



Order Backlog (by quarter)



*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

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

Company Information

Name	INTER ACTION Corporation
Established	June 25, 1992
Representative	Nobuo Kiji CEO & President
Capital	￥1,760 million
Employees	123 (FY 5/26)
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
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	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

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

INTER ACTION Corporation
Investor Relations Division, Corporate Strategy Team, President's Office

10th Floor. Industry & Trade Center Building, 2 Yamashita Town, Naka Ward, Yokohama City, Kanagawa Prefecture
231-0023
E-mail : ir@inter-action.co.jp

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

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