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To whom it may concern

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**Q&A for the Financial Results Briefing
for the 3Q of the Fiscal Year Ending May 31st 2026 (Excerpts)**

Our company conducted an online financial results briefing for the third quarter of the fiscal year ending May 31, 2026, on April 10, 2026. This document summarizes and presents the main points from the Q&A session held during that briefing. Please note that some content has been edited and revised for clarity and ease of understanding.

Q1: Regarding the large order received in April, could you please provide details on the product breakdown and the anticipated delivery regions? Additionally, to the extent possible, could you explain whether there is a possibility that projects currently destined for South Korea might be expanded to the U.S. in the future, as well as the likelihood of continuing to receive similar orders going forward?

A1: The majority of the large-scale order consists of Illuminators for customers in South Korea, and we understand that sales of Pupil Lens Modules® are just beginning to gain momentum. Furthermore, regarding the customer's capital investment plans, we do not currently view this as a project intended for delivery to the U.S. To secure continued orders in the future, we need to continue advancing negotiations with the customer and addressing technical requirements; however, our field teams are steadily making progress, and we anticipate an expansion of orders going forward.

Q2: Regarding capital expenditure trends among domestic customers, have there been any changes in the situation since the last earnings briefing?

A2: Currently, we are focusing our management resources on overseas markets, particularly on developing new markets for the Pupil Lens Modules®. While we do not currently perceive any significant changes in trends among domestic customers, we believe there is a high likelihood that capital investment will resume and expand in the medium to long term, as the adoption of advanced processes is expected to accompany the trend toward larger-format and higher-density image sensors.

Q3: Regarding your plans for the next fiscal year, while a more aggressive plan might be expected given the current order backlog and profitability, we get the impression that your company typically formulates plans based on conservative assumptions. We would like to hear your thoughts on your performance plan for the next fiscal year.

A3: Regarding our plans for the next fiscal year, we view the business environment positively, as we have recently secured our largest-ever major order and anticipate further progress with the Pupil Lens Modules®.

That said, we intend to formulate our plans based on realistic and steady assumptions, taking into account both business opportunities and risks, without making overly optimistic projections.

Q4: To what extent is the weak yen having an impact? I would also like to ask about any risks in the supply chain.

A4: Given the competitiveness of our products and the fact that we conduct most of our transactions in yen, we believe the direct impact of the weak yen on our current order book is limited.

On the other hand, while a further weakening of the yen could potentially affect our purchase prices through factors such as rising prices, we do not currently view this as a major concern.

Regarding the supply chain, while we recognize that, generally speaking, all companies face certain risks, we do not currently have any significant issues that have materialized within our company.

Q5: I would like to ask about the items included in the Base Sales of 626 million yen. Does this include both the Pupil Lens Modules® and the Illuminators?

A5: At present, the majority consists of Pupil Lens Modules®.

Q6: What factors do you see as driving the recovery in domestic customer investment?

A6: The primary drivers include the trend toward larger-format and higher-performance image sensors, which makes it difficult for existing equipment to keep up. As a result, we anticipate that demand for new equipment will emerge, potentially leading to a resumption of capital investment.

Q7: Regarding the reorganization of the VG Strategy Office announced in the 2Q earnings report, could you please explain the background behind it and the benefits you anticipate from the reorganization?

A7: The former VG Strategy Office had integrated product planning, marketing, and development functions. However, since the roles and functions required for planning and development differ, we determined that it would be preferable to clearly separate them, and thus implemented this change. This has clarified the division of responsibilities between "Product Planning" and "Product Development."

The benefits of this reorganization include the fact that each department can now focus more easily on its own area of responsibility, leading to greater utilization of expertise and improved responsiveness.

Furthermore, the name "VG Strategy Office" did not clearly convey our roles to external parties, and there were instances where it took time to explain our functions to clients. Therefore, we revised the name to one that more succinctly reflects our functions. Based on the principle that the organization should follow strategy, we restructured the organization into a framework better suited to our current business initiatives, and we are seeing positive results.

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