

News Release Dated January 24, 2007



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President, CEO & COO: Masao Kimura

Listing: The Tokyo Stock Exchange Mothers Market

Stock code: 7725

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Notice Regarding Revisions to Group Medium-term Management Plan

The Board of Directors on January 24, 2007 approved revisions to the INTER ACTION Group Three-year Medium-term Management Plan (runs from the fiscal year ending May 2007 through the fiscal year ending May 2009), first announced on January 20, 2006, in view of recent trends in the Company's business results and changes in the operating environment. Details are attached.



INTER ACTION Group Revised Medium-Term Management Plan

Dash Toward ¥10 billion Sales Company

INTER ACTION Corporation
January 24, 2007

- Plan period:

From the fiscal year ending May 2007 (15th term)
through fiscal year ending May 2009 (17th term)

Fundamental Strategy and Goals

- Usher in a period of renewed growth by transforming INTER ACTION into the only company for total solutions by integrating optical and image processing technologies.
- Build a business portfolio resilient to changes in capital expenditures in the semiconductor imager sector.

Aim at ¥10 billion in Group sales as soon as possible

Revised Consolidated Sales Targets



While retaining the basic policies of the medium-term management plan, strategies have been partially revised and numerical goals revised in response to changes in the operating environment.

	(yen in millions)	FY5 / 07	FY5 / 08	FY5 / 09
Initial plan	INTER ACTION	2,750	2,700	2,800
	BIJ	250	1,000	2,000
	Consolidated sales	3,000	3,700	4,800
Revised plan	IA –established businesses	1,754	2,200	2,500
	IA –new businesses	-	300	600
	BIJ	200	300	400
	Consolidated sales	1,954	2,800	3,500

IA established businesses: Illuminator, IP module, camera module test system, LCD panel testing system

IA new businesses: Diagnostic test system

* Sales are after eliminations for consolidation.

- **We have adopted a conservative outlook based on the assumption of large fluctuations in capital expenditures by manufacturers of semiconductor imagers.**

[Background]

Current FY forecasts had to be lowered because of excessive inventories of camera-equipped mobile phones.

- **INTER ACTION is making substantial investments in new businesses to establish sources of growth in the coming years.**

[Actions]

Formed strategic partnership with Teseda Corporation (U.S.) under which INTER ACTION holds exclusive global rights to manufacture hardware using Teseda's diagnostic test system for improving production yields to supply worldwide.

- **Sales growth of security products has been revised to a more moderate rate.**

[Background]

Rebuild distribution channels.
(including construction and maintenance)
Revise marketing strategy.

Strategy by Product Line



Field	Optical technology	Image processing technology	Technology to improve production yields
Electronics testing equipment	Illuminator		Diagnostic test system
Other equipment			

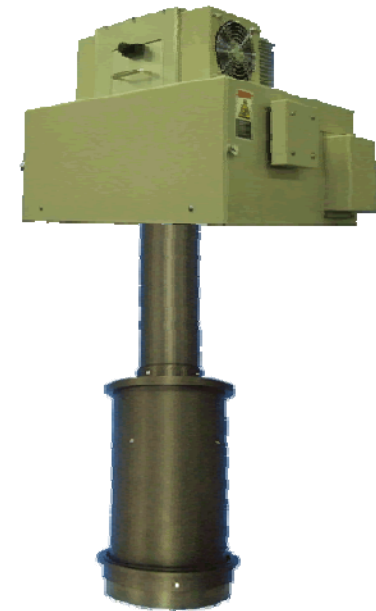
1. Illuminators



Shoot for market share exceeding 80 % by developing high-performance and test cost lowering options

Business Strategies

- Strictly enforce the customer-first strategy
- As a global market leader, differentiate INTER ACTION from competitors by untiring dedication to new product development
- Slash manufacturing cost



IA-OPT370
New Large-diameter
Illuminator

2. IP Modules



Continue to approach clients with proposals for high-performance and test cost lowering options

Business Strategies

- Step up marketing to customers who have already installed 93K testers
- Develop the China market (foundries, test houses)
- Step up marketing to US-based design houses
- Step up actions to meet needs for multi-unit/high-speed testing



3. Camera Module Test System



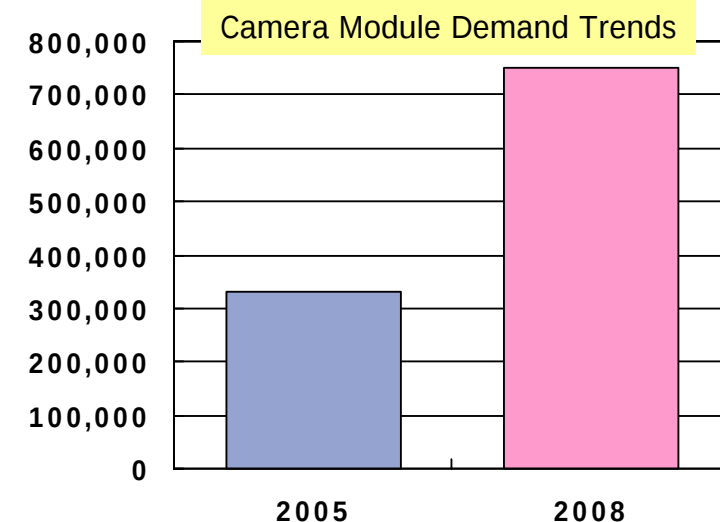
Become the de-facto standard for camera module test system

Business Strategies

- Develop camera module test systems that further cut testing expenses
- Start selling test systems for automotive camera modules
- Step up actions to supply fully automated test systems



(Unit: 1,000 modules)



Source: "Mobile Phone Camera Module Market – 2006,"
Chunichisha Co., Ltd., June 2006, Forecast by Chunichisha

4. New Optical Products



Develop and commercialize unique equipment by integrating optical and image processing technologies

Business Strategies

- Horizontal development: New applications for small-sized LCD panel optical testing devices
- Vertical development: New application areas
 - 1) Digital Mirror Device (DMD)
 - 2) Display device (organic EL and other types)

5. Diagnostic Test System



Use strategic partnership with Teseda to help manufacturers quickly improve semiconductor (SOC) production yields

Make diagnostic test system business less vulnerable to changes in market conditions for semiconductor imagers



Business Strategies

- Holds exclusive global rights to manufacture electronic components developed by Teseda, and supply worldwide

6. Security Systems

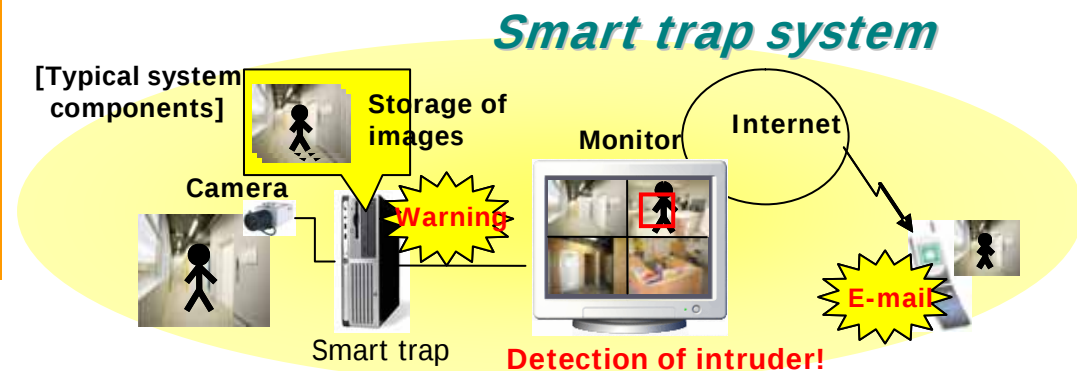


A security solutions business that leverages optical/fiber-sensor technology and image processing technology

Products

- Sheet beam sensors
- Heterocore optical fiber sensors
- Smart trap system

Establishment and Execution of Business Scheme



Expand development activities performed under consignment

Maintain high profitability through efficient management

- Lower manufacturing cost

- Clearly distinguish responsibilities of the head office and Kumamoto Plant
- Improve outsourcing efficiency

- Bolster marketing

- Precisely identify customer needs and offer explicit solutions



Kumamoto Site

- Strengthen management structure

Forward-Looking Statements

These presentation materials contain information that is based on the company's current expectations, estimates and forecasts. These forward-looking statements embody known and unknown risks and uncertainties that could cause the company's actual financial condition and operating results to differ from these statements.