News Release Dated September 9, 2008

Company: INTER ACTION Corporation
President: Hideo Kiji
Listing: The Tokyo Stock Exchange Mothers Market
Stock code: 7725
Contact: Takao Kiji, Director, General Manager of Operation Department
Tel: +81-45-788-8373
URL: http://www.inter-action.co.jp/Eng

Notice Concerning Business Partnership with U.S. Teseda Corporation and Additional Financing

INTER ACTION Corporation has agreed to purchase the convertible bonds to be issued by Teseda Corporation (Head office: Portland, Oregon, USA), its business partner for DFT test systems, in order to finance Teseda's business expansion. Details are as follows.

1. Status of Business Partnership and Reason for Providing Additional Funds

Teseda was established in 2001 with the aim of achieving complete integration of hardware and software in the DFT (Design-for-Test) field, and to develop products that can contribute to the reduction of production costs and improvement of product yield for semiconductor products. The V520 developed by Teseda, with a design optimized for DFT, is an extremely small device adequately equipped with the necessary evaluation and analysis functions, and has been spotlighted among test platforms. Furthermore, the V550—its successor launched at the end of 2007 and officially sold starting 2008, attempted to expand functions further with a high frequency of 100Mhz and compliance with 512 pins, and has been highly evaluated by major semiconductor manufacturing companies, foundries, universities and research institutes, in Japan and other countries.

INTER ACTION has been in partnership with Teseda since January 2007 for the sale of Teseda products. INTER ACTION has also purchased the convertible bonds issued by Teseda to finance the development of basic technologies. (The Company purchased convertible bonds with a face value of US$1,200,000.00 by August 2007, at a conversion price 8 to 10 cents per share.)

Teseda's management team and its main shareholders KT Venture Group (an investment subsidiary of KLA-Tencor, the major American semiconductor equipment manufacturer) and SmartForest Ventures, after extensive consultations, has agreed to INTER ACTION's purchase of the newly-issued Teseda convertible bonds (US$1,000,000.00) to finance further product development by Teseda. In addition, further support will be required as sales of Teseda-developed products are expected to expand from the Japanese market to the rest of the world. The conversion price has been set at 14 cents per share in view of the financing received by Teseda from other sources, including KT Venture Group in April 2008. INTER ACTION plans to finance the purchase with internal funds.

Following the above purchase, INTER ACTION will own US$2,200,000.00 worth of Teseda-issued convertible bonds. In the event that all these convertible bonds are converted to shares, it will own approximately 40% of Teseda's outstanding shares. However, the conversion of the bonds and other issues will be reviewed hereafter, taking into account the trends of Teseda's business performance.

2. Outlook

It will have only an insignificant effect on INTER ACTION's current term results of operations.