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Listing: The Tokyo Stock Exchange Mothers Market

Stock code: 7725

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INTER ACTION Concludes Business Partnership Contract with U.S. Teseda Corporation

Inter Action Corporation and Teseda Corporation (head office: Portland, Oregon) have agreed to a strategic business partnership covering electronic components developed by Teseda.

1. Purpose of the partnership

The Inter Action group has been seeking out partner companies aiming to create synergies targeting new growth, and has now entered into a strategic partnership agreement with Teseda Corporation. Teseda is a leader in the field of test solutions to improve yield rates. With this partnership, Inter Action means to enter the new and expanding Diagnostic Test System* field, which requires better yield rates for mass-produced System on Chip (SOC) semiconductors. Inter Action plans to grow this field as a core business area.

* A system that facilitates fault analysis for SOC semiconductors at the development stage and contributes to yield improvement.

2. Details of the partnership

Inter Action holds exclusive manufacturing rights to the Diagnostic Test System hardware developed by Teseda, and will supply the hardware worldwide. Inter Action will also provide funds by underwriting Teseda-issued convertible bonds valued at US\$500,000.

3. Outline of Teseda Corporation

- (1) Company name: Teseda Corporation
- (2) Location: Portland, Oregon
- (3) Established: February 5, 2001
- (4) Representative: Armagan Akar
- (5) Business: Development of Diagnostic Test System for SOC semiconductors
- (6) Employees: 16
- (7) Website: www.teseda.com

4. Outlook

The partnership will have an insignificant impact on Inter Action's performance and financial condition in the current fiscal year (ending May 2007). The business plan for the next fiscal year (ending May 2008) is currently being formulated, and will be disclosed as soon as it becomes available.