

IIJ Announces its Financial Results for the Fiscal Year Ended March 31, 2026

Tokyo, May 14, 2026 - Internet Initiative Japan Inc. (“IIJ”, TSE Prime: 3774) today announced its consolidated financial results for the fiscal year ended March 31, 2026 (“FY2025”, from April 1, 2025 to March 31, 2026) under International Financial Reporting Standards (IFRS).¹

Highlights of Financial Results for FY2025

Total revenues	JPY345.4 billion	up	9.0%	YoY ²
Operating profit	JPY34.8 billion	up	15.7%	YoY
Profit before tax	JPY35.2 billion	up	20.8%	YoY
Net profit ³	JPY24.2 billion	up	21.3%	YoY
ROE	16.2%			
Annual cash dividend	JPY39.00 per share of common stock			

Highlights of Financial Targets for FY2026 (fiscal year ending March 31, 2027)

Total revenues	JPY385.0 billion	up	11.5%	YoY
Operating profit	JPY38.5 billion	up	10.5%	YoY
Profit before tax	JPY37.0 billion	up	5.0%	YoY
Net profit	JPY25.0 billion	up	3.4%	YoY
Annual cash dividend	JPY43.00 per share of common stock			

Overview of FY2025 Financial Results and Business Outlook

“In the second year of our Mid-term Plan, we continued to drive scalable growth through our Service Integration⁴ model, supported by strong demand for network-related system construction and operations. In FY2025, we secured nineteen large-scale multi-year transactions, including two projects each exceeding JPY10.0 billion, with total contract value of approximately JPY62.0 billion, about 1.9 times higher than FY2023, the final year of the previous Mid-term Plan. Monthly recurring revenues (MRR) expanded to JPY274.5 billion, about 1.2 times higher than FY2023, and overseas revenue grew to JPY45.7 billion, about 1.3 times higher than FY2023. As for the FY2025 results, total revenue was JPY345.4 billion, up 9.0% YoY, which is tracking above our Mid-term Plan. Although operating profit was JPY34.8 billion, up 15.7% YoY, which was below our Mid-term Plan mainly due to revenue mix and inflationary cost pressure, we expect the expansion of our revenue base to deliver further profit growth through economies of scale in the long run,” said Yasuhiko Taniwaki, President of IIJ.

“For FY2026, we will remain focused on our existing strategy of enhancing our Service Integration model with accumulating MRR. By taking on enterprises’ internal network and IT operations, we aim to deepen customer engagements through large-scale IT outsourcing and our cybersecurity-related services, enhancing assessment and consulting functions. We will refine network service specifications and expand our service lineup in response to market needs. Moreover, by leveraging our own network infrastructure, we will offer industry-optimized network and system solutions. Based on these assumptions, we have set our FY2026 target at total revenue of JPY385.0 billion and operating profit of JPY38.5 billion,” continued Taniwaki.

“Our enduring differentiation lies in our network engineering and operational expertise. Building on this foundation, we are leveraging AI as an accelerator of our core capabilities to drive value creation for customers while improving the scalability and efficiency of our operations over the medium term. We target to replace approximately 30% of company-wide work by the end of FY2029 by using AI. We will enhance our long-term corporate value through the proactive adoption of AI,” concluded Koichi Suzuki, Founder and Chairman of IIJ.

¹ Unless otherwise stated, all financial figures discussed in this announcement are prepared in accordance with IFRS, unaudited and consolidated.

² YoY is an abbreviation for year over year change.

³ Net profit is “profit for the year attributable to owners of the parent.”

⁴ Service Integration offers our accumulated network services line-up with systems integration.

FY2025 Financial Results Summary

We provide combined network services and systems integration to customers, and therefore, Network services and Systems integration (SI) business is our main reportable segment. Our analysis by service is described below.

Operating Results Summary

	FY2024	FY2025	YoY Change
	JPY millions	JPY millions	%
Total revenues	316,831	345,395	9.0
Network services	162,577	178,738	9.9
Systems integration (SI)	151,306	163,639	8.2
ATM operation business	2,948	3,018	2.4
Total costs	(248,429)	(269,228)	8.4
Network services	(117,304)	(130,308)	11.1
Systems integration (SI)	(129,553)	(137,341)	6.0
ATM operation business	(1,572)	(1,579)	0.4
Total gross profit	68,402	76,167	11.4
Network services	45,273	48,430	7.0
Systems integration (SI)	21,753	26,298	20.9
ATM operation business	1,376	1,439	4.6
SG&A, R&D, and other operating income (expenses)	(38,298)	(41,332)	7.9
Operating profit	30,104	34,835	15.7
Profit before tax	29,184	35,242	20.8
Profit for the year attributable to owners of the parent	19,933	24,188	21.3

(Note) Systems integration includes equipment sales.

Segment Results Summary

	FY2024	FY2025
	JPY millions	JPY millions
Total revenues	316,831	345,395
Network services and SI business	313,920	342,411
ATM operation business	2,948	3,018
Elimination	(37)	(34)
Operating profit	30,104	34,835
Network services and SI business	28,932	33,603
ATM operation business	1,172	1,232
Elimination	-	-

FY2025 Revenues and Income

Revenues

Total revenues were JPY345,395 million, up 9.0% YoY (JPY316,831 million for FY2024).

Network services revenue was JPY178,738 million, up 9.9% YoY (JPY162,577 million for FY2024).

Revenues for Internet connectivity services for enterprise were JPY53,891 million, up 10.0% YoY (JPY48,994 million for FY2024), mainly due to an increase in revenues of enterprise mobile services and IP services.

Revenues for Internet connectivity services for consumers were JPY28,671 million, up 6.9% YoY (JPY26,832 million for FY2024), mainly due to an increase in IIJmio Mobile services revenues.

Revenues for Outsourcing services were JPY67,622 million, up 14.3% YoY (JPY59,145 million for FY2024), mainly due to an increase in security-related services revenues.

Revenues for WAN services were JPY28,554 million, up 3.4% YoY (JPY27,606 million for FY2024).

Network Services Revenues Breakdown

	FY2024	FY2025	YoY Change
	JPY millions	JPY millions	%
Total network services	162,577	178,738	9.9
Internet connectivity services (enterprise)	48,994	53,891	10.0
IP services (including data center connectivity services)	17,320	18,644	7.6
IIJ Mobile Services	26,859	30,174	12.3
Enterprise mobile services (IoT usages etc.)	15,478	18,196	17.6
IIJ Mobile MVNO Platform Service (MVNE)	11,381	11,978	5.2
Others	4,815	5,073	5.4
Internet connectivity services (consumer)	26,832	28,671	6.9
IIJmio Mobile Services	23,438	25,283	7.9
Others	3,394	3,388	(0.2)
Outsourcing services	59,145	67,622	14.3
WAN services	27,606	28,554	3.4

Number of Contracts and Subscription for Connectivity Services (Note 1)

	As of March 31, 2025	As of March 31, 2026	YoY Change
Internet connectivity services (enterprise)	4,535,036	5,046,516	511,480
IP service (greater than or equal to 1Gbps) (Note 2)	1,484	1,510	26
IP service (less than 1Gbps) (Note 2)	1,597	1,647	50
IIJ Mobile Services	4,427,695	4,938,755	511,060
Enterprise mobile services (IoT usages etc.)	3,176,021	3,573,098	397,077
IIJ Mobile MVNO Platform Service (MVNE)	1,251,674	1,365,657	113,983
Others	104,260	104,604	344
Internet connectivity services (consumer)	1,629,725	1,720,800	91,075
IIJmio Mobile Services	1,311,509	1,430,483	118,974
Others	318,216	290,317	(27,899)
Total contracted bandwidth (Gbps) (Note 3)	13,832.2	16,532.1	2,699.9

(Notes)

- Numbers in the table above show number of contracts except for “IIJ Mobile Services (enterprise)” and “IIJmio Mobile Services” which show number of subscriptions.
- The numbers of IP service contracts include the numbers of IIJ data center connectivity service contracts.
- Total contracted bandwidth is calculated by multiplying number of contracts under “Internet connectivity services (enterprise)” except for “IIJ Mobile Services” and the contracted bandwidths of the services respectively.

SI revenues, including equipment sales, were JPY163,639 million, up 8.2% YoY (JPY151,306 million for FY2024). Systems construction and equipment sales, a one-time revenue, was JPY67,871 million, down 1.3% YoY (JPY68,773 million for FY2024), reflecting the reactionary decline due to the absence of last year's approximately JPY5.0 billion single large-scale project revenue. Systems operation and maintenance revenue, a recurring revenue, was JPY95,768 million, up 16.0% YoY (JPY82,533 million for FY2024), mainly due to continued accumulation of systems operation and maintenance orders.

Orders received for SI, including equipment sales, totaled JPY207,106 million, up 31.2% YoY (JPY157,856 million for FY2024); orders received for systems construction and equipment sales were JPY84,004 million, up 38.1% YoY (JPY60,817 million for FY2024), and orders received for systems operation and maintenance were JPY123,102 million, up 26.9% YoY (JPY97,039 million for FY2024).

Order backlog for SI, including equipment sales, as of March 31, 2026 amounted to JPY158,910 million, up 37.7% YoY (JPY115,443 million as of March 31, 2025); order backlog for systems construction and equipment sales was JPY31,938 million, up 102.1% YoY (JPY15,805 million as of March 31, 2025) and order backlog for systems operation and maintenance was JPY126,972 million, up 27.4% YoY (JPY99,638 million as of March 31, 2025).

ATM operation business revenues were JPY3,018 million, up 2.4% YoY (JPY2,948 million for FY2024).

Cost of sales

Total cost of sales was JPY269,228 million, up 8.4% YoY (JPY248,429 million for FY2024).

Cost of network services revenue was JPY130,308 million, up 11.1% YoY (JPY117,304 million for FY2024), mainly due to the continued expansion of network facilities and increases in purchasing costs of mobile devices and personnel-related expenses. There was no one-time cost reimbursement in FY2025 related to the finalization of the mobile data interconnectivity charges for FY2024 usage (*), whereas reimbursements were recorded in prior years. Gross profit was JPY48,430 million, up 7.0% YoY (JPY45,273 million for FY2024) and gross profit ratio was 27.1% (27.8% for FY2024).

(*) The unit charge for mobile data interconnectivity is presented by MNOs for each fiscal year based on the future cost method, and our costs are initially recognized based on the estimated unit charge. When the unit charge is finalized in the following fiscal year based on the MNO's actual costs and other factors, differences from the initially assumed unit charge will result in a corresponding cost adjustment.

Cost of SI revenues, including equipment sales was JPY137,341 million, up 6.0% YoY (JPY129,553 million for FY2024), mainly due to increases in outsourcing-related costs and personnel-related expenses. Gross profit was JPY26,298 million, up 20.9% YoY (JPY21,753 million for FY2024). In addition to revenue growth, the negative impact in FY2024 due to the substantial price increases of VMware products was mostly offset by the price pass-through, and gross profit ratio was 16.1% (14.4% for FY2024).

Cost of ATM operation business revenues was JPY1,579 million, up 0.4% YoY (JPY1,572 million for FY2024). Gross profit was JPY1,439 million, up 4.6% YoY (JPY1,376 million for FY2024) and gross profit ratio was 47.7% (46.7% for FY2024).

Selling, general and administrative expenses and other operating income and expenses

Selling, general and administrative expenses, including research and development expenses, totaled JPY42,445 million, up 10.8% YoY (JPY38,312 million for FY2024), mainly due to an increase in personnel-related expenses.

Other operating income was JPY1,313 million (JPY149 million for FY2024), mainly due to one-time gain of JPY1,169 million in 2Q25 related to the revision of the retirement benefit plans.

Other operating expenses was JPY200 million (JPY135 million for FY2024).

Operating profit

Operating profit was JPY34,835 million (JPY30,104 million for FY2024), up 15.7% YoY.

Finance income and expenses, and share of profit (loss) of investments accounted for using equity method

Finance income was JPY2,287 million (JPY580 million for FY2024). It included gains on financial instruments, mainly related to funds, of JPY1,760 million (gain of JPY201 million for FY2024), dividends received of JPY213 million (JPY145 million for FY2024), and foreign exchange gain of JPY45 million (gain of JPY47 million for FY2024).

Finance expense was JPY1,406 million (JPY1,086 million for FY2024). It included interest expenses of JPY1,366 million (JPY1,062 million for FY2024), mainly related to bank borrowing and lease transaction.

Share of loss of investments accounted for using equity method was JPY474 million (loss of JPY414 million for FY2024), mainly due to loss of DeCurret Holdings, Inc. of JPY816 million (loss of JPY553 million for FY2024).

Profit before tax

Profit before tax was JPY35,242 million (JPY29,184 million for FY2024), up 20.8% YoY.

Profit for the year

Income tax expense was JPY10,834 million (JPY9,080 million for FY2024). As a result, profit for the year was JPY24,408 million (JPY20,104 million for FY2024), up 21.4% YoY.

Profit for the year attributable to non-controlling interests was JPY220 million (JPY171 million for FY2024), mainly related to net income of Trust Networks Inc.

Profit for the year attributable to owners of parent was JPY24,188 million (JPY19,933 million for FY2024), up 21.3% YoY.

Comprehensive income for the year

Comprehensive income for the year was JPY23,823 million (JPY20,977 million for FY2024), up 13.6% YoY, mainly due to a decrease in the market value of investment securities and others (*) of JPY2,255 million (increase of JPY464 million for FY2024) and an increase of JPY1,283 million (decrease of JPY98 million for FY2024) resulting from changes in foreign exchange rates affecting the assets and liabilities of overseas subsidiaries.

Comprehensive income for the year attributable to owners of parent was JPY23,603 million (JPY20,806 million for FY2024), up 13.4% YoY.

(*) Regarding financial instruments under IFRS, we recognize changes in the fair value of funds as net profit or loss in the consolidated statements of profit or loss, while changes in the fair value of equity securities are recognized as changes in equity through other comprehensive income.

Financial Position as of March 31, 2026

As of March 31, 2026, the balance of total assets was JPY346,933 million, increased by JPY34,498 million from the balance as of March 31, 2025 of JPY312,435 million.

As of March 31, 2026, the balance of current assets was JPY152,167 million, increased by JPY21,972 million from the balance as of March 31, 2025 of JPY130,195 million. As for the major breakdown of balance and fluctuation of current assets, prepaid expenses increased by JPY9,697 million to JPY37,819 million mainly due to increases in project costs for customers, license fees and equipment-related costs, cash and cash equivalents increased by JPY5,861 million to JPY38,395 million, trade receivables increased by JPY5,723 million to JPY62,084 million, inventories increased by JPY2,451 million to JPY7,132 million and contract assets decreased by JPY2,753 million to JPY3,345 million.

As of March 31, 2026, the balance of non-current assets was JPY194,766 million, increased by JPY12,526 million from the balance as of March 31, 2025 of JPY182,240 million. As for the major breakdown of balance and fluctuation of non-current assets, tangible assets increased by JPY11,343 million to JPY45,114 million mainly due to purchases related to data centers, prepaid expenses increased by JPY5,231 million to JPY34,039 million mainly due to increases in project costs for customers and license fees, other investments increased by JPY1,980 million to JPY12,691 million, intangible assets increased by JPY1,634 million to JPY22,655 million, right-of-use assets, the rights under operating lease contracts such as office and data centers and under finance lease contracts such as data communication equipment, decreased by JPY6,646 million to JPY39,110 million mainly due to depreciation and investment securities (equity) decreased by JPY3,717 million to JPY12,106 million.

As of March 31, 2026, the balance of current liabilities was JPY129,541 million, increased by JPY16,226 million from the balance as of March 31, 2025 of JPY113,315 million. As for the major breakdown of balance and fluctuation of current liabilities, contract liabilities increased by JPY7,094 million to JPY22,780 million, trade and other payables increased by JPY4,240 million to JPY34,478 million, other financial liabilities increased by JPY2,996 million to JPY23,875 million and borrowings increased by JPY1,954 million to JPY35,570 million.

As of March 31, 2026, the balance of non-current liabilities was JPY57,921 million, increased by JPY887 million from the balance as of March 31, 2025 of JPY57,034 million. As for the major breakdown of balance and fluctuation of non-current liabilities, contract liabilities increased by JPY6,015 million to JPY16,127 million, retirement benefit liabilities decreased by JPY3,836 million to JPY1,013 million and other financial liabilities decreased by JPY914 million to JPY36,785 million.

As of March 31, 2026, the balance of total equity attributable to owners of the parent was JPY158,007 million, increased by JPY17,324 million from the balance as of March 31, 2025 of JPY140,683 million. Ratio of owners' equity to total assets was 45.5% as of March 31, 2026.

FY2025 Cash Flows

Cash and cash equivalents as of March 31, 2026 were JPY38,395 million (JPY32,534 million as of March 31, 2025).

Net cash provided by operating activities for FY2025 was JPY50,460 million (net cash provided by operating activities of JPY28,528 million for FY2024). There were profit before tax of JPY35,242 million (JPY29,184 million for FY2024), depreciation and amortization of JPY32,674 million (JPY31,372 million for FY2024), including JPY11,653 million (JPY12,084 million for FY2024) of depreciation of right-of-use operating lease assets under IFRS 16, and income taxes paid of JPY10,045 million (JPY9,764 million for FY2024). Regarding changes in working capital, there was net cash out of JPY7,879 million (net cash out of JPY25,008 million for FY2024). As for the major factors for the increase in net cash out in comparison with FY2024, there were increases in proceeds from trade receivables and contract liabilities.

Net cash used in investing activities for FY2025 was JPY26,329 million (net cash used in investing activities of JPY21,749 million for FY2024), mainly due to payments for purchases of tangible assets, such as assets related to data centers, of JPY20,379 million (JPY11,904 million for FY2024) and purchases of intangible assets, such as software, of JPY8,111 million (JPY8,211 million for FY2024).

Net cash used in financing activities for FY2025 was JPY19,110 million (net cash used in financing activities of JPY19,667 million for FY2024), mainly due to payments of other financial liabilities of JPY24,804 million (JPY25,418 million for FY2024), which included payments under operating lease contracts such as office rent and finance lease contracts such as network equipment, proceeds from other financial liabilities of JPY10,456 million (JPY8,497 million for FY2024), dividends paid of JPY6,553 million (JPY6,134 million for FY2024) and net increase in short-term borrowings of JPY2,000 million (JPY7,000 million for FY2024).

Outlook for FY2026 (Fiscal year ending March 31, 2027)

With regard to the FY2026 outlook for the IIJ Group, in network services, we expect growth in monthly recurring revenues through the ongoing enhancement of service functions, as well as increased revenue contribution from large-scale Service Integration projects. In systems integration, we expect revenue growth mainly due to the order backlog as of March 31, 2026, and continued demand for enterprises' network renewal projects. We expect the gross margin of network services to be at the same level as FY2025, and the gross margin of systems integration to improve slightly mainly due to increased revenue scale.

Considering these factors, we set our consolidated financial targets for FY2026 as follows: total revenues of JPY385.0 billion, up 11.5% YoY and operating profit of JPY38.5 billion, up 10.5% YoY. As for profit before tax, we target JPY37.0 billion, up 5.0% YoY, which takes share of profit or loss of investment accounted for using equity method, and others into consideration. As for profit for the year attributable to owners of the parent, we target JPY25.0 billion, up 3.4% YoY, which takes income tax expenses at the normal effective tax rate, and others into consideration.

Dividend Policy, FY2025 Dividend and FY2026 Dividend Forecast

The basic dividend policy of IIJ is that IIJ pays dividends to its shareholders continuously and stably while considering the need to have retained earnings for the enhancement of financial position, mid-to-long term business expansion, future business investment and others. Based on the Articles of Incorporation of IIJ, the frequency of dividend payments is twice each fiscal year, an interim dividend and a year-end dividend. The interim dividend is decided by the meeting of the board directors of IIJ and the year-end dividend is approved at IIJ's general meeting of shareholders.

During the FY2024-FY2026 Mid-term plan, we set the dividend payout ratio target as 30% based on our capital allocation plan which considers increases in capital investment for further business growth and working capital along with an increase in the acquisition of large-scale projects. For FY2026, we expect additional capital expenditures of approximately JPY18.0 billion related to the construction of the Shiroi Data Center third site, in addition to our ongoing capital expenditures.

As for FY2025, considering this basic policy, our interim dividend was JPY19.50 per share of common stock and year-end dividend forecast is JPY19.50 per share of common stock. FY2025 total annual dividend forecast is JPY39.00 per share of common stock.

As for FY2026, our interim and year-end dividend forecasts are JPY21.50 per share of common stock respectively. FY2026 total annual dividend forecast is JPY43.00 per share of common stock.

Presentation

Presentation materials will be posted on our web site (<https://www.ij.ad.jp/en/ir/>) on May 14, 2026.

About Internet Initiative Japan Inc.

Founded in 1992, IIJ is one of Japan's leading Internet-access and comprehensive network solutions providers. IIJ and its group companies provide total network solutions that mainly cater to high-end corporate customers. IIJ's services include high-quality Internet connectivity services, mobile services, security services, cloud computing services, and systems integration. Moreover, IIJ operates one of the largest Internet backbone networks in Japan that is connected to the United States, the United Kingdom and Asia. IIJ listed on the First Section of the Tokyo Stock Exchange ("TSE") in 2006 and transitioned to the Prime Market of TSE from April 2022.

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Disclaimer:

Statements made in this press release regarding IIJ's or management's intentions, beliefs, expectations, or predictions for the future are forward-looking statements that are based on IIJ's and managements' current expectations, assumptions, estimates and projections about its business and the industry. These forward-looking statements, such as statements regarding revenues and profits, are subject to various risks, uncertainties and other factors that could cause IIJ's actual results to differ materially from those contained in any forward-looking statement.

Consolidated Statements of Financial Position (Unaudited)

	March 31, 2025	March 31, 2026
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and cash equivalents	32,534	38,395
Trade receivables	56,361	62,084
Inventories	4,681	7,132
Prepaid expenses	28,122	37,819
Contract assets	6,098	3,345
Other financial assets	2,247	3,183
Other current assets	152	209
Total current assets	130,195	152,167
Non-current assets		
Tangible assets	33,771	45,114
Right-of-use assets	45,756	39,110
Goodwill	10,307	10,773
Intangible assets	21,021	22,655
Investments accounted for using equity method	6,639	6,293
Prepaid expenses	28,808	34,039
Contract assets	327	2,447
Investment securities (Equity)	15,823	12,106
Other investments	10,711	12,691
Deferred tax assets	252	334
Other financial assets	8,361	8,870
Other non-current assets	464	334
Total non-current assets	182,240	194,766
Total assets	312,435	346,933

	March 31, 2025	March 31, 2026
	Millions of yen	Millions of yen
Liabilities and Equity		
Liabilities		
Current liabilities		
Trade and other payables	30,238	34,478
Borrowings	33,616	35,570
Income taxes payable	5,205	5,119
Provisions	316	480
Contract liabilities	15,686	22,780
Deferred income	36	32
Other financial liabilities	20,879	23,875
Other current liabilities	7,339	7,207
Total current liabilities	113,315	129,541
Non-current liabilities		
Retirement benefit liabilities	4,849	1,013
Provisions	1,551	1,255
Contract liabilities	10,112	16,127
Deferred income	209	181
Deferred tax liabilities	1,474	1,316
Other financial liabilities	37,699	36,785
Other non-current liabilities	1,140	1,244
Total non-current liabilities	57,034	57,921
Total liabilities	170,349	187,462
Equity		
Share capital	25,577	25,663
Share premium	35,865	35,930
Retained earnings	79,885	98,163
Other components of equity	11,266	10,006
Treasury shares	(11,910)	(11,755)
Total equity attributable to owners of the parent	140,683	158,007
Non-controlling interests	1,403	1,464
Total equity	142,086	159,471
Total liabilities and equity	312,435	346,933

Consolidated Statements of Profit or Loss (Unaudited)

	For the year ended March 31, 2025	For the year ended March 31, 2026
	Millions of yen	Millions of yen
Revenues		
Network services	162,577	178,738
Systems integration	151,306	163,639
ATM operation business	2,948	3,018
Total revenues	316,831	345,395
Cost of sales		
Cost of network services	(117,304)	(130,308)
Cost of systems integration	(129,553)	(137,341)
Cost of ATM operation business	(1,572)	(1,579)
Total cost of sales	(248,429)	(269,228)
Gross Profit	68,402	76,167
Selling, general and administrative expenses	(38,312)	(42,445)
Other operating income	149	1,313
Other operating expenses	(135)	(200)
Operating Profit	30,104	34,835
Finance income	580	2,287
Finance expenses	(1,086)	(1,406)
Share of profit (loss) of investments accounted for using equity method	(414)	(474)
Profit (loss) before tax	29,184	35,242
Income tax expense	(9,080)	(10,834)
Profit (loss) for the year	20,104	24,408
Profit (loss) for the year attributable to:		
Owners of the parent	19,933	24,188
Non-controlling interests	171	220
Total	20,104	24,408
Earnings per share		
Basic earnings per share (yen)	112.68	136.51
Diluted earnings per share (yen)	112.10	135.92

Consolidated Statements of Comprehensive Income (Unaudited)

	For the year ended March 31, 2025	For the year ended March 31, 2026
	Millions of yen	Millions of yen
Profit (loss) for the year	20,104	24,408
Other comprehensive income, net of tax		
Items that will not be reclassified to profit or loss		
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	464	(2,255)
Remeasurement of defined benefit plans	490	364
Total items that will not be reclassified to profit or loss	954	(1,891)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(98)	1,283
Share of other comprehensive income of investments accounted for using equity method	17	(9)
Effective portion of cash flow hedges	—	32
Total of items that may be reclassified to profit or loss	(81)	1,306
Total other comprehensive income, net of tax	873	(585)
Other comprehensive income for the year	20,977	23,823
Other comprehensive income for the year attributable to:		
Owners of the parent	20,806	23,603
Non-controlling interest	171	220
Other comprehensive income for the year	20,977	23,823

Consolidated Statements of Changes in Shareholders' Equity (Unaudited)
For the year ended March 31, 2025

	Owners of the parent's shareholders' equity						Non-controlling interests	Total equity
	Share capital	Share premium	Retained earnings	Other components of equity	Treasury shares	Total		
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance, April 1, 2024	25,562	35,737	65,616	10,863	(12,027)	125,751	1,281	127,032
Comprehensive income								
Profit for the year	-	-	19,933	-	-	19,933	171	20,104
Other comprehensive income	-	-	-	873	-	873	-	873
Total comprehensive income	-	-	19,933	873	-	20,806	171	20,977
Transactions with owners								
Issuance of common stock	15	(15)	-	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	(0)	(0)	-	(0)
Disposal of treasury shares	-	24	-	-	117	141	-	141
Dividends paid	-	-	(6,134)	-	-	(6,134)	(49)	(6,183)
Stock-based compensation	-	119	-	-	-	119	-	119
Transfer from other components of equity to retained earnings	-	-	470	(470)	-	-	-	-
Total transactions with owners	15	128	(5,664)	(470)	117	(5,874)	(49)	(5,923)
Balance, March 31, 2025	25,577	35,865	79,885	11,266	(11,910)	140,683	1,403	142,086

For the year ended March 31, 2026

	Owners of the parent's shareholders' equity						Non-controlling interests	Total equity
	Share capital	Share premium	Retained earnings	Other components of equity	Treasury shares	Total		
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance, April 1, 2025	25,577	35,865	79,885	11,266	(11,910)	140,683	1,403	142,086
Comprehensive income								
Profit for the year	-	-	24,188	-	-	24,188	220	24,408
Other comprehensive income	-	-	-	(585)	-	(585)	-	(585)
Total comprehensive income	-	-	24,188	(585)	-	23,603	220	23,823
Transactions with owners								
Issuance of common stock	86	(85)	-	-	-	1	-	1
Disposal of treasury shares	-	73	-	-	155	228	-	228
Dividends paid	-	-	(6,553)	-	-	(6,553)	(63)	(6,616)
Stock-based compensation	-	78	-	-	-	78	-	78
Transfer from other components of equity to retained earnings	-	-	643	(643)	-	-	-	-
Transfer to non-financial assets	-	-	-	(32)	-	(32)	-	(32)
Changes in ownership interest in subsidiaries	-	(1)	-	-	-	(1)	(96)	(97)
Total transactions with owners	86	65	(5,910)	(675)	155	(6,279)	(159)	(6,438)
Balance, March 31, 2026	25,663	35,930	98,163	10,006	(11,755)	158,007	1,464	159,471

Consolidated Statements of Cash Flows (Unaudited)

	For the year ended March 31, 2025	For the year ended March 31, 2026
	Millions of yen	Millions of yen
Cash flows from operating activities		
Profit (loss) before tax	29,184	35,242
Adjustments		
Depreciation and amortization	31,372	32,674
Loss (gain) on sales/disposals of property and equipment	92	101
Shares of loss (profit) of investments accounted for using equity method	414	474
Finance income	(580)	(2,287)
Finance expenses	1,086	1,406
Other	2,551	1,678
Changes in working capital		
Decrease (increase) in trade receivables	(10,745)	(5,178)
Decrease (increase) in inventories	(1,390)	(2,178)
Decrease (increase) in prepaid expenses	(17,335)	(14,062)
Decrease (increase) in contract assets	(3,207)	649
Decrease (increase) in other assets	502	(57)
Decrease (increase) in other financial assets	(3,747)	(1,126)
Increase (decrease) in trade and other payables	4,331	3,732
Increase (decrease) in contract liabilities	4,617	12,237
Increase (decrease) in deferred income	2	(5)
Increase (decrease) in provisions	764	(285)
Increase (decrease) in other liabilities	794	(113)
Increase (decrease) in other financial liabilities	(169)	1,968
Increase (decrease) in retirement benefit liabilities	575	(3,461)
Subtotal	39,111	61,409
Interest and dividends received	352	507
Interest paid	(1,171)	(1,411)
Income taxes paid	(9,764)	(10,045)
Cash flows from operating activities	28,528	50,460

	For the year ended March 31, 2025	For the year ended March 31, 2026
	Millions of yen	Millions of yen
Cash flows from investing activities		
Purchases of tangible assets	(11,904)	(20,379)
Proceeds from sales of tangible assets	1,794	2,755
Purchases of intangible assets	(8,211)	(8,111)
Proceeds from sales of intangible assets	-	2
Purchase of investments accounted for using equity method	(1,925)	(200)
Purchases of investment securities (Equity)	(434)	(218)
Proceeds from sales of investment securities (Equity)	-	610
Purchases of other investments	(879)	(820)
Proceeds from sales of other investments	24	141
Payments for leasehold deposits and guarantee deposits	(304)	(323)
Proceeds from collection of leasehold deposits and guarantee deposits	139	68
Payments for refundable insurance policies	(75)	(94)
Proceeds from refundable insurance policies	-	225
Other	26	15
Cash flows from investing activities	(21,749)	(26,329)
Cash flows from financing activities		
Repayment of long-term borrowings	(3,563)	(48)
Net increase (decrease) in short-term borrowings	7,000	2,000
Purchase of treasury shares	(0)	-
Proceeds from other financial liabilities	8,497	10,456
Payments of other financial liabilities	(25,418)	(24,804)
Dividends paid	(6,134)	(6,553)
Payments for acquisition of interests in subsidiaries from non-controlling interests	-	(97)
Other	(49)	(64)
Cash flows from financing activities	(19,667)	(19,110)
Effect of exchange rate changes on cash and cash equivalents	(52)	840
Net increase (decrease) in cash and cash equivalents	(12,940)	5,861
Cash and cash equivalents, beginning of the year	45,474	32,534
Cash and cash equivalents, end of the year	32,534	38,395

Notes to Condensed Consolidated Financial Statements (Unaudited)

Going Concern Assumption

Nothing to be reported.

Changes in Accounting Policies

Nothing to be reported.

Segment Information

The reportable segments of IIJ and its subsidiaries (collectively “the Company”) are defined as the Company's constituent units for which separated financial information is available and which are regularly reviewed by the Representative Director, President and Executive Officer of IIJ, who is the chief decision-maker regarding business operations in order to determine the allocation of resources and evaluate performance. The Representative Director, President and Executive Officer of IIJ evaluates the performance of each segment, with operating revenue and operating profit as the primary indicator.

The Company defined two reportable segments: “Network service and systems integration business” and “ATM operation business.” Network service and systems integration business is provided comprehensively with Network services, which is composed of Internet connectivity services, WAN services, outsourcing services, and systems integration service. ATM operation business constructs and operates ATMs and network systems for them, and receives a commission for each bank withdrawal transaction when a customer uses its serviced ATMs.

Segment information for the Company is as follows:

Fiscal year ended March 31, 2025

	Reportable segments		Adjustments	Consolidated
	Network service and systems integration business	ATM operation business		
	JPY millions	JPY millions	JPY millions	JPY millions
Revenue				
Customers	313,883	2,948	—	316,831
Intersegment transactions	37	—	(37)	—
Total revenue	313,920	2,948	(37)	316,831
Segment operating profit	28,932	1,172	—	30,104
Finance income				580
Finance expense				(1,086)
Share of profit (loss) of investments accounted for using the equity method				(414)
Profit before tax				29,184

Fiscal year ended March 31, 2026

	Reportable segments		Adjustments	Consolidated
	Network service and systems integration business	ATM operation business		
	JPY millions	JPY millions	JPY millions	JPY millions
Revenue				
Customers	342,377	3,018	—	345,395
Intersegment transactions	34	—	(34)	—
Total revenue	342,411	3,018	(34)	345,395
Segment operating profit	33,603	1,232	—	34,835
Finance income				2,287
Finance expense				(1,406)
Share of profit (loss) of investments accounted for using the equity method				(474)
Profit before tax				35,242

Intersegment transactions are based on market price. Operating income is used as segment operating profit.

Substantially all revenues are from customers operating in Japan. Geographic information for revenues is not presented due to immateriality of revenue attributable to international operations. In addition, non-current assets (excluding financial instruments, deferred tax assets and assets related to retirement benefits) are not presented because substantially all non-current assets are located in Japan and non-current assets located overseas are not material.

This information is not presented because no revenue from a single external customer accounts for 10% or more of total revenue of the Company.

Earnings per share

Basic earnings per share attributable to owners of the parent and diluted earnings per share attributable to owners of the parent for the years ended March 31, 2025 and 2026 were as follows:

	For the year ended March 31, 2025	For the year ended March 31, 2026
Numerator :		
Basic earnings attributable to owners of the parent (millions of yen)	19,933	24,188
Denominator :		
Weighted average number of shares — basic (shares)	176,901,512	177,182,655
Dilution arising from stock options (shares)	912,516	771,478
Weighted average number of shares — diluted (shares)	177,814,028	177,954,133
Earnings per share attributable to owners of the parent		
Basic (yen)	112.68	136.51
Diluted (yen)	112.10	135.92

Subsequent Events

Nothing to be reported.

Note: The following information is provided to disclose Internet Initiative Japan Inc. ("IIJ") financial results (unaudited) for the fiscal year ended March 31, 2026 in the form defined by the Tokyo Stock Exchange.

Consolidated Financial Results for the Fiscal Year ended March 31, 2026 [Under IFRS]

May 14, 2026

Company name: Internet Initiative Japan Inc.

Exchange listed: Tokyo Stock Exchange

Ticker symbol: 3774

URL: <https://www.iij.ad.jp/>

Representative: Yasuhiko Taniwaki, Representative Director, President and Executive Officer

Contact: Akihisa Watai, Member of the Board, Executive Vice President and CFO

TEL: +81-3- 5205-6500

Scheduled date for annual general shareholders' meeting: June 26, 2026

Scheduled date for dividend payment: June 29, 2026

Scheduled date for filing of annual report (*Yuka-shoken-houkokusho*) to Japan's regulatory organization: June 25, 2026

Supplemental material on annual results: Yes

Presentation on annual results: Yes (for institutional investors and analysts)

(Amounts of less than JPY one million are rounded)

1. Consolidated Financial Results for Fiscal Year ended March 31, 2026 (April 1, 2025 to March 31, 2026)

(1) Consolidated Results of Operations

(% shown is YoY change)

	Revenues		Operating profit		Profit (loss) before tax		Profit (loss) for the year		Profit (loss) attributable to owners of the parent		Comprehensive income for the year	
	JPY millions	%	JPY millions	%	JPY millions	%	JPY millions	%	JPY millions	%	JPY millions	%
Fiscal Year ended March 31, 2026	345,395	9.0	34,835	15.7	35,242	20.8	24,408	21.4	24,188	21.3	23,823	13.6
Fiscal Year ended March 31, 2025	316,831	14.8	30,104	3.7	29,184	0.9	20,104	0.6	19,933	0.5	20,977	(14.5)

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ratio of profit before taxes to total assets	Ratio of operating profit to revenues
	JPY	JPY	%	%	%
Fiscal Year ended March 31, 2026	136.51	135.92	16.2	10.7	10.1
Fiscal Year ended March 31, 2025	112.68	112.10	15.0	10.0	9.5

(Reference) Share of profit (loss) of investments accounted for using equity method

Fiscal year ended March 31, 2026: JPY(474) million, Fiscal year ended March 31, 2025: JPY(414) million

(2) Consolidated Financial Position

	Total assets	Total equity	Total equity attributable to owners of the parent	Ratio of owners' equity to total assets	Owners' equity per share
	JPY millions	JPY millions	JPY millions	%	JPY
As of March 31, 2026	346,933	159,471	158,007	45.5	891.38
As of March 31, 2025	312,435	142,086	140,683	45.0	795.19

(3) Consolidated Cash Flow

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents (end of the year)
	JPY millions	JPY millions	JPY millions	JPY millions
Fiscal year ended March 31, 2026	50,460	(26,329)	(19,110)	38,395
Fiscal year ended March 31, 2025	28,528	(21,749)	(19,667)	32,534

2. Dividends

	Dividend per Shares					Total cash dividends for the year	Payout Ratio (consolidated)	Ratio of Dividends to Shareholder's Equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	JPY	JPY	JPY	JPY	JPY	JPY millions	%	%
Fiscal Year Ended March 31, 2025	—	17.50	—	17.50	35.00	6,192	31.1	4.6
Fiscal Year Ended March 31, 2026	—	19.50	—	19.50	39.00	6,913	28.6	4.6
Fiscal Year Ending March 31, 2027 (forecast)	—	21.50	—	21.50	43.00		30.5	

3. Targets of Consolidated Financial Results for the Fiscal Year ending March 31, 2027 (April 1, 2026 through March 31, 2027)

(% shown is YoY change)

	Revenues		Operating profit		Profit (loss) before tax		Profit (loss) for the year attributable to owners of the parent		Basic earnings per share
	JPY millions	%	JPY millions	%	JPY millions	%	JPY millions	%	JPY
Interim Period Ending September 30, 2026	180,000	11.2	15,350	(0.2)	14,050	(7.3)	9,550	(4.8)	53.88
Fiscal Year Ending March 31, 2027	385,000	11.5	38,500	10.5	37,000	5.0	25,000	3.4	141.03

* Notes:

(1) Changes in significant subsidiaries: None

(2) Changes in accounting policies and estimate

i. Changes in accounting policies required by IFRS: None

ii. Other changes in accounting policies: None

iii. Changes in accounting estimates: None

(3) Number of shares issued (common stock)

i. Number of shares issued (inclusive of treasury stock):

As of March 31, 2026: 183,448,852 shares

As of March 31, 2025: 183,184,884 shares

ii. Number of treasury stock:

As of March 31, 2026: 6,186,958 shares

As of March 31, 2025: 6,268,144 shares

iii. Number of weighted average common shares outstanding:

For the fiscal year ended March 31, 2026: 177,182,655 shares

For the fiscal year ended March 31, 2025: 176,901,512 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2026 (April 1, 2025 to March 31, 2026)

(1) Non-consolidated Results of Operations

(% shown is YoY change)

	Revenues		Operating income		Ordinary income		Net income	
	JPY millions	%	JPY millions	%	JPY millions	%	JPY millions	%
Fiscal Year ended March 31, 2026	286,348	10.4	25,982	14.6	28,844	17.7	22,050	24.9
Fiscal Year ended March 31, 2025	259,314	13.6	22,669	(3.2)	24,501	(5.5)	17,661	(4.9)

	Net income per share		Diluted net income per share	
	JPY		JPY	
Fiscal Year ended March 31, 2026	124.45		123.99	
Fiscal Year ended March 31, 2025	99.84		99.32	

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	JPY millions	JPY millions	%	JPY
As of March 31, 2026	255,051	130,168	50.9	731.78
As of March 31, 2025	227,115	116,711	51.1	656.17

(Reference) Equity

As of March 31, 2026: JPY129,716 million, As of March 31, 2025: JPY116,088 million

* Status of Audit Procedures

This document is not subject to the audit procedures by certified public accountant or independent auditor.

* Explanation on the Appropriate Use of Future Outlook and other special instructions

i) Forward-looking statements

Forward-looking statements disclosed in this document are based on IIJ Group's expectation, estimates, and projections based on information available to IIJ Group as of May 14, 2026. As these forward-looking statements are subject to known and unknown risks and uncertainties, actual results may differ from those disclosed due, for example, to but not limited to changes in business climate and/or market trends. As for our latest forecast of our financial targets, please refer to "Outlook for FY2026" written on page 8 of this document.

ii) Adoption of IFRS

We have adopted IFRS from the Annual Securities Report (*Yuka-shoken-houkokusho*) for the fiscal year ended March 31, 2019.

iii) Others

Presentation material will be disclosed on TDnet as well as posted on our website on May 14, 2026.