

# Presentation Material for Consolidated Financial Results for FY25

(April 1, 2025 to March 31, 2026)



Internet Initiative Japan

**Internet Initiative Japan Inc. (IIJ)**

**The Prime Market of the Tokyo Stock Exchange (Ticker symbol: 3774)**

**May 14, 2026**

## Disclaimer

Statements made in this presentation regarding IIJ's or managements' 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, operating and net profitability 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.



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・ FY25 stands for a fiscal year from Apr. 1, 2025 to Mar. 31, 2026.  
・ Abbreviation: NW for network, SI for systems integration, DC for data center, HD for holdings, PF for platform, ¥ (JPY) bn for JPY billion, O/M for systems operation and maintenance



# I - 1. FY25 Overview and Progress of the Current Mid-term Plan

## FY25 Overview

Large-scale Service Integration has become the norm, driving continued growth in recurring revenue. Toward accelerating medium-to-long term growth, expanding our existing business scope including the provision of NW system platforms leveraging our infrastructure and the expansion of overseas business

Revenue	¥345.4 bn	+9.0%	YoY
Operating profit	¥34.8 bn	+15.7%	YoY
Net profit	¥24.2 bn	+21.3%	YoY
Dividend per share (annual)	¥39.00	+¥4.00	YoY

NW Service	<ul style="list-style-type: none"> <li>Focused on accumulation through the development of new services, enhancements to existing services, and the strengthening of sales organization <ul style="list-style-type: none"> <li>FY25 Revenue: ¥178.7 bn +9.9% YoY, Gross profit/margin: ¥48.4 bn (+7.0% YoY), 27.1% (-0.7 points YoY)</li> </ul> </li> <li>NW services MRR continued to accumulate, yet fell shorts of expectation</li> <li>Security service revenue continued to grow amid the increasingly sophisticated cyberattacks FY25: ¥40.9 bn +13.8%</li> </ul>
	<ul style="list-style-type: none"> <li>Strong demand continued such as for large-scale NW construction projects, SI O/M revenue largely grew <ul style="list-style-type: none"> <li>Revenue: Construction ¥67.9 bn, -1.3% (Reactionary decline mainly due to the absence of FY24's single large project), O/M ¥95.8 bn, +16.0%</li> <li>Order received: Construction ¥84.0 bn, +38.1%, O/M ¥123.1 bn, +26.9%</li> <li>Order backlog: Construction ¥31.9 bn, +102.1 %, O/M ¥127.0 bn, +27.4%</li> </ul> </li> <li>Gross margin improved driven by the SI O/M accumulation and SI revenue scale expansion <ul style="list-style-type: none"> <li>FY25 Gross profit/margin: ¥26.3 bn (+20.9% YoY), 16.1% (+1.7points YoY)</li> </ul> </li> <li>Securing large-scale projects* has become the new norm. Acquired two projects each exceeding ¥10.0 bn <ul style="list-style-type: none"> <li>Number &amp; total value of projects won in FY25: 19 projects, ¥62.0 bn, Revenues from large-scale projects* in FY25 One-time: ¥9.7 bn, MMR (including NW service): ¥14.5 bn</li> <li>Flagship projects: NW system construction &amp; O/M for a government agency ¥16.0 bn (2Q25), its additional order ¥2.5 bn (4Q25), overseas GPU platform construction ¥12.0 bn (4Q25), etc.</li> </ul> </li> </ul>
SI	
FY25 Topic	<ul style="list-style-type: none"> <li>Expanding DC capacity to cover services revenue expansion <ul style="list-style-type: none"> <li>Shiroi DC's 3<sup>rd</sup> site construction commenced (Jun. 2025), Matsue DC system module buildings began operations (Jun. 2025)</li> </ul> </li> <li>Established "Sensiphia," a JV with Sony Semiconductor Solutions Corporations, derived from our IoT business. The company is to advance sensor offering business leveraging proprietary technologies for precise soil moisture measurement (Feb. 2026)</li> <li>Steady increase in the number of employees. Maintained low turnover rate (FY25: 4.5%)</li> <li>DeCurret DCP: Increasing commercialization projects by continued social adoption of tokenized deposit</li> </ul>

## Progress of the Current Mid-term Plan (FY24-26)

Accelerating business growth through the business scope expansion  
Revenue exceeds the Mid-term targets, whereas OP remains below our expectations  
Aiming to enhance profitability through economies of scale over the medium-to-long term

	FY23 (Final Year of previous Mid-term Plan)	FY25 (2 <sup>nd</sup> year of the current Mid-term Plan)
■ SI	121.8	163.6
■ NW service	151.3	178.7
Ratio	1.3x	
Ratio	1.2x	
Securing Large-scale Projects	FY23 10 projects ¥33.8 bn FY25 19 projects ¥62.0 bn 1.9x	Growth in construction & SI O/M revenues from large-scale projects FY23: One-time ¥5.4 bn, MMR ¥3.1 bn FY25: One-time ¥9.7 bn, MMR ¥14.5 bn
MMR	FY23 ¥223.3 bn FY25 ¥274.5 bn 1.2x	Steady growth in network services and SI O/M amid domestic DX progress, with increasing contributions from large-scale projects
Total Security Revenue (SI+NW)	FY23 ¥34.8 bn FY25 ¥48.4 bn 1.4x	Accelerating demand amid increasingly sophisticated cyberattacks Advancing toward comprehensive security offerings, including assessment & consulting
Overseas Business	Overseas revenue (mainly booked as SI) FY23 ¥35.3 bn FY25 ¥45.7 bn 1.3x	Generating synergies through global network construction for Japanese enterprises Overseas DC construction & large-scale PTC projects also contributed
Total Mobile Subscriptions	FY23 Approx. 4.8 million FY25 Approx. 6.4 million 1.3x	IoT-driven growth in enterprise mobile Steady growth in consumer mobile through direct sales and operator channels
Management Structure	Ratio of outside directors FY23 43.8% FY26 plan 50.0%	President transition (Apr.2025) and a new management structure Ratio of female directors and auditors FY23: 18.8%, FY26 (planned): 28.6%
Human Capital	FY23-end 4,803 personnel FY25-end 5,533 personnel 1.2x	Headcount increasing in line with business growth Strengthening human capital, including management development Maintaining high employee satisfaction level
Free Cash Flow	FY23 ¥22.9 bn FY25 ¥24.1 bn	Working capital increased due to large-scale multi-year projects, while gradual recoupment is progressing Operating cash flow continues to grow with business expansion
Net Assets	FY23 ¥125.8 bn FY25 ¥158.0 bn 1.3x	Strengthening the capital base through profit accumulation ROE FY25: 16.2% Investing in Shiroi DC, etc.
* Implementation of NW Service price revision: Oct. 2024 in response to VMware with broader range, in Apr. 2026, for selected services * Pursuing feasibility studies for data utilization businesses, including validation of cross-organizational data linking via "data spaces" (Apr. 2026)		

\*Large-scale projects are defined as those exceeding JPY1.0 bn in total contract value



# I - 2. FY26 Business Plan

Unit: JPY¥ billion (bn), +%, YoY = Year over year comparison  
Net Profit is "Profit for the period attributable to owners of the parent"

Revenue			Operating profit (Margin)			Net profit (Margin)			Dividend per share			
FY24 Result	FY25 Result	FY26 Outlook	FY24 Result (9.5%)	FY25 Result (10.1%)	FY26 Outlook (10.0%)	FY24 Result (6.3%)	FY25 Result (7.0%)	FY26 Outlook (6.5%)	(Unit: JPY)	FY24	FY25	FY26 forecast
316.8	345.4	385.0	30.1	34.8	38.5	19.9	24.2	25.0	ROE: 15.8%	35.00	39.00	43.00
+9.0%	+11.5%		+15.7%	+10.5%		+21.3%	+3.4%		■ Year-end	17.50	19.50	21.50
									■ Intrim	17.50	19.50	21.50

**Seize business expansion opportunities by enhancing our Service Integration strategy**

- Expand business scope based on existing business by strengthening our cybersecurity business and addressing growing IT department outsourcing demand
- Expect profit growth driven by strong revenue expansion, scale merit, and stronger cross-selling

**Strengthen competitiveness through NW engineering & operational excellence**  
**Continue developing new services & enhancing our NW infrastructure**

- Leverage our own network infrastructure to deliver industry-optimized platforms and differentiate through operational excellence
- Ongoing development of new NW services as mid-to-long-term growth drivers
- Continuous capacity expansion of the NW system infrastructure and optimization including reconstruction

**Accelerate our strategy with AI**  
**Capture maximum benefits as a network services provider**

- Apply AI to our NW system platform and create added value for our customers over the medium-to-long term
- Improve productivity through company-wide AI adoption to ease human-capital bottlenecks
- Provide AI platform solutions for customers through SI implementation and operations

## FY26 Key Initiatives

**Shifting from SI & individual service/product delivery to an integrated services offering**

**NW & system infrastructure operations as our business and technology foundation**

NW services

NW/System Operation

NW infrastructure provision

Security services

IoT

Mobile

Cloud

SI

Consulting

Industry-specific solution

Global NW Service /SI

**Strengthen our Core Businesses and Accelerate Revenue Growth in Priority Areas**

Accelerate our core business through an integrated security business, enhanced with assessment and consulting

Differentiate our business through industry- and domain-optimized NW & system platforms, built on our own NW infrastructure

Accelerate MRR accumulation through continued large-scale Service Integration wins, driven by major NW renewals & IT operations outsourcing demand

Continuously enhance NW service specifications & expand our service lineup in response to market conditions & customer needs demand

**Key Enablers for Future Growth**

Implement AI enablement by enhancing efficiency and delivering AI-based solutions  
Replace about 30% of company-wide work with AI by the end of FY29

Reinforcement of sustainable operations through human capital development and TCFD/SSBJ readiness

**Profitability & Business Foundation Enhancement**

Continue inflation counter measures, including appropriate pricing actions, and sustain human-capital investment such as wage increases

AI-enabled service operations platforms  
Gradually implement an optimized business operating foundation toward the next Mid-term Plan



# II - 1. Consolidated Financial Results

Unit: ¥ (JPY) billion  
YoY = Year over year comparison

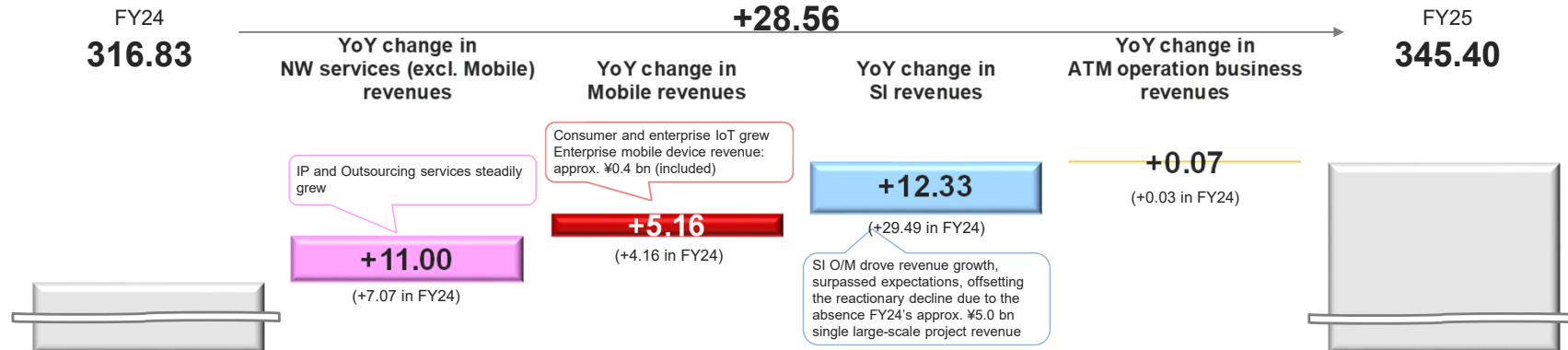
	% of revenue	% of revenue			% of revenue	
	FY25 Results	FY24 Results	YoY		FY25 Forecast	YoY
	Apr. 2025 - Mar. 2026	Apr. 2024 - Mar. 2025			(Announced in May 2025) Apr. 2025 - Mar. 2026	
Revenues	345.40	316.83	+9.0%	+28.56	340.0	+7.3%
Cost of Revenues	<sup>77.9%</sup> 269.23	<sup>78.4%</sup> 248.43	+8.4%	+20.80	<sup>77.4%</sup> 263.0	+5.9%
Gross Profit	<sup>22.1%</sup> 76.17	<sup>21.6%</sup> 68.40	+11.4%	+7.77	<sup>22.6%</sup> 77.0	+12.6%
SG&A etc.	<sup>12.0%</sup> 41.33	<sup>12.1%</sup> 38.30	+7.9%	+3.03	<sup>11.9%</sup> 40.5	+5.7%
Operating Profit	<sup>10.1%</sup> 34.84	<sup>9.5%</sup> 30.10	+15.7%	+4.73	<sup>10.7%</sup> 36.5	+21.2%
Profit before tax	<sup>10.2%</sup> 35.24	<sup>9.2%</sup> 29.18	+20.8%	+6.06	<sup>9.9%</sup> 33.7	+15.5%
Net Profit	<sup>7.0%</sup> 24.19	<sup>6.3%</sup> 19.93	+21.3%	+4.26	<sup>6.8%</sup> 23.0	+15.4%

- Profit for the period attributable to owners of the parent
- SG&A etc. represents the sum of SG&A, which includes R&D expenses, and other income/expenses

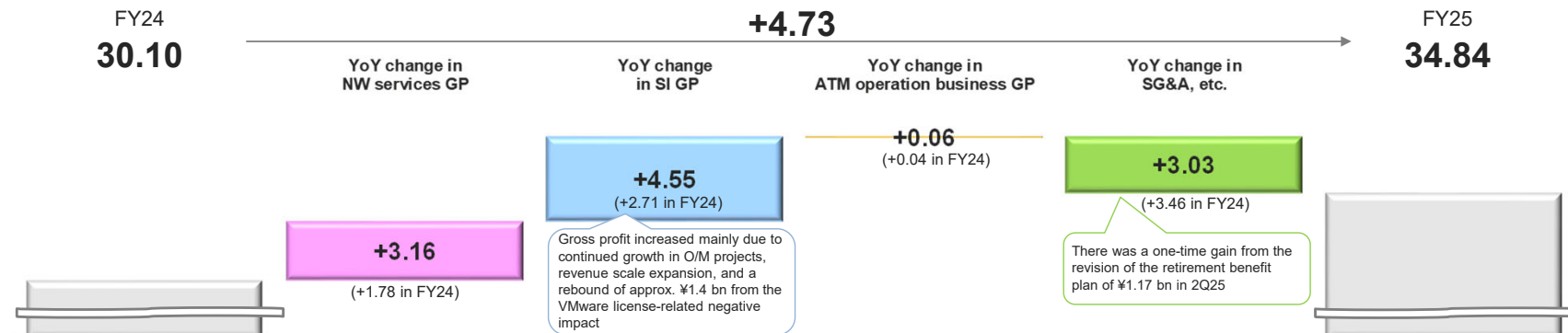


## II - 2. Year over Year Analysis

### Revenues



### Operating Profit

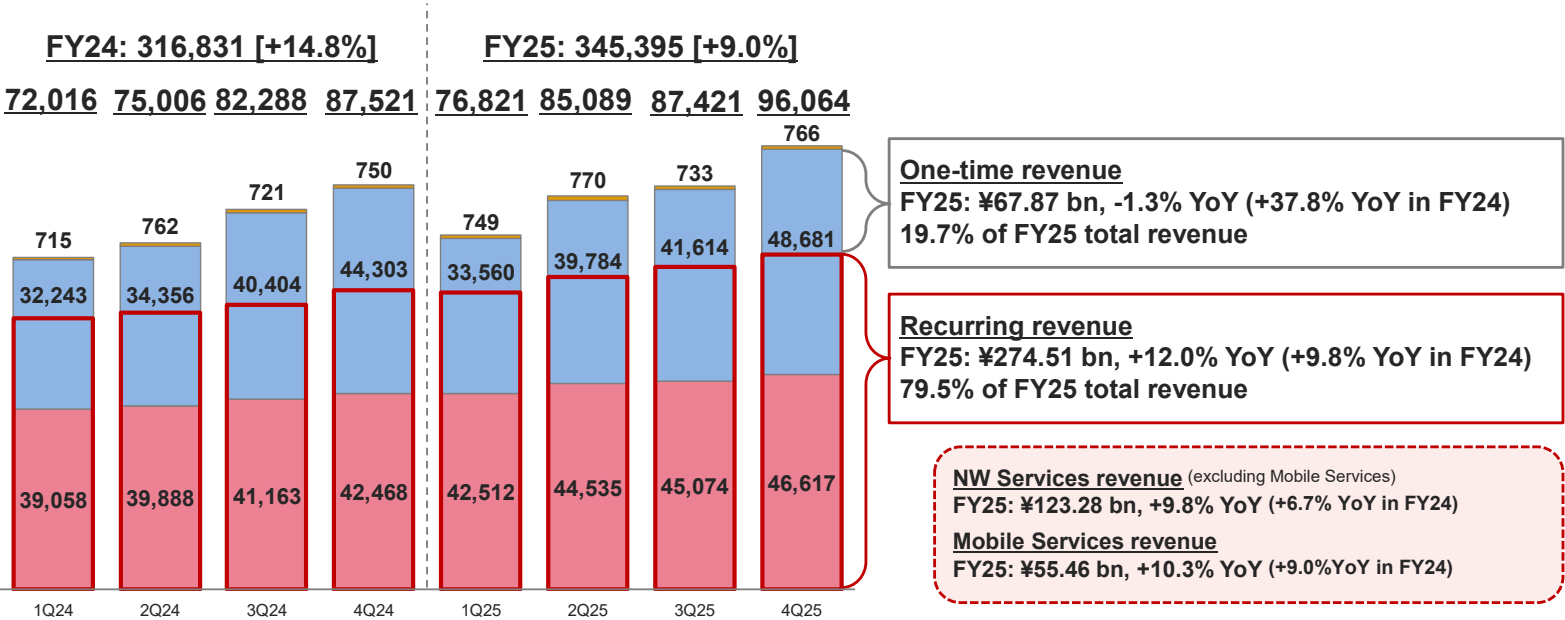
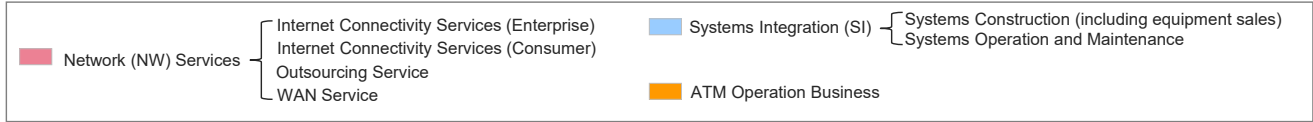


- NW services (excl. Mobile) revenues are calculated by deducting the below mentioned Mobile services revenues from total NW services revenues. The revenues include non-mobile consumer revenue which is a small amount
- Mobile services revenues include IJ Mobile Services (including MVNE) and IJmio (consumer mobile)
- NW services gross profit consists of gross profit related to NW revenues (excl. Mobile) and Mobile revenues (The two services have costs in common and cannot be broken down in accounting terms)
- SG&A, etc. in this slide represents the sum of SG&A, which includes R&D expenses, and other income/expenses



# II - 3. Revenues

Unit: ¥ (JPY) million  
[ ], YoY = Year over year comparison



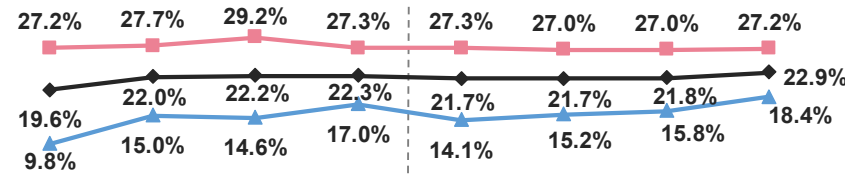
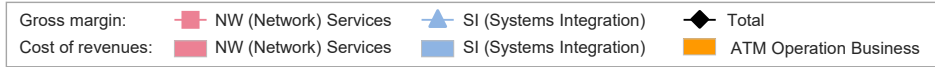
• One-time revenue, systems construction revenues which include equipment sales, is mainly recognized when systems and/or equipment are delivered and accepted by customers (Some revenues on a percentage-of-progress basis based on cost progression)

• Recurring revenue represents the following revenues: Internet Connectivity Services (Enterprise), Internet Connectivity Services (Consumer), Outsourcing Services, WAN Services, and Systems Operation and Maintenance

• Mobile services revenues include IJ Mobile Services (including MVNE) and IJmio (consumer mobile)



# II - 4. Cost of Revenues & Gross Profit Ratio



## ◆ Total gross profit

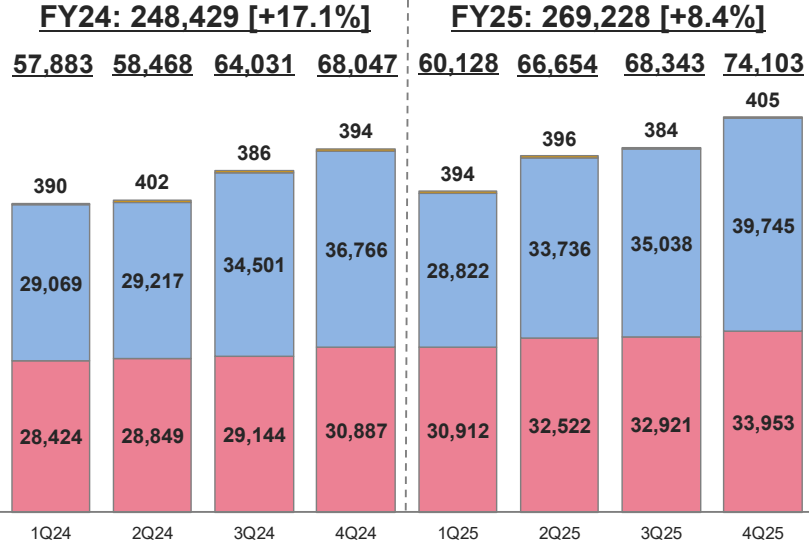
➢ FY25: ¥76.17 bn, Gross margin 22.1% +¥7.77 bn, +11.4%YoY

## ◆ Gross profit for NW services

- FY25: ¥48.43 bn, Gross Margin 27.1% +¥3.16 bn, +7.0% YoY
- There was no one-time cost reimbursement in 3Q25 related to mobile data interconnectivity charge that had occurred in prior years
  - At the beginning of 3Q24, price revision for certain NW services was implemented. At the beginning of 1Q26, price revisions for partial NW services has been implemented (slightly less than ¥0.8 bn positive impact on annual revenue)
  - Fixed-type costs such as maintenance fee, outsourcing and personnel-related costs have been on an upward trend

## ◆ Gross profit for SI

- FY25: ¥26.30 bn, Gross Margin 16.1% +¥4.55 bn, +20.9% YoY
- Gross margin improved YoY, mainly due to the accumulation of O/M projects, revenue scale expansion and the rebound effect from the VMware license-related negative profit impact (approx. ¥1.4 bn) in FY24

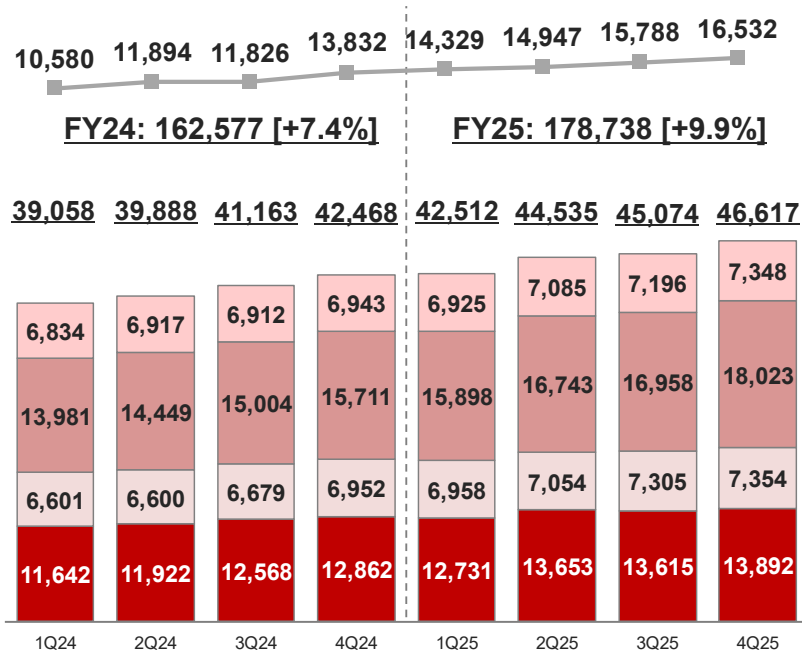


・ 3Q24 NW Services gross margin include one-time cost reimbursement related to the mobile data interconnectivity charge  
 ・ 4Q24 SI gross margin improved QoQ to seasonal revenue growth and economies of scale  
 ・ FY24 VMware license-related gross profit impact on NW Services: approx. ¥-0.1 bn (1Q: approx. ¥-0.3 bn, 2Q: approx. ¥-0.3 bn, 3Q: approx. +¥0.2 bn, 4Q: approx. +¥0.3 bn)  
 ・ FY24 VMware license-related gross profit impact on SI: approx.¥-1.4 bn (1Q: approx. ¥-0.9 bn, including approx. ¥-0.7 bn of one-time cost due to provisions, 2Q: approx. ¥-0.1 bn, 3Q: approx. ¥-0.2 bn, 4Q: approx. ¥-0.2 bn)



# II - 5. Network (NW) Services (1) Revenues

Unit: ¥ (JPY) million  
[ ] : YoY = Year over year comparison  
QoQ = Quarter over quarter comparison



## ◆ Internet Connectivity (enterprise) Services

- FY25: ¥53.89 bn, +10.0% YoY (+9.5% YoY in FY24)
  - Of which, IP Service: ¥18.64 bn, +7.6% YoY (+8.3% YoY in FY24)
  - Of which, Enterprise mobile: ¥18.20 bn, +17.6% YoY (+13.5% YoY in FY24)
    - ✓ 2Q25 enterprise mobile revenue included a contribution of approx. ¥0.4 bn from device sales
  - Of which, MVNE: ¥11.98 bn, +5.2% YoY (+7.9% YoY in FY24)

## ◆ Internet Connectivity (consumer) Services

- FY25: ¥28.67 bn, +6.9% YoY (+6.1% YoY in FY24)
  - Of which, consumer mobile (IIJmio): ¥25.28 bn, +7.9% YoY (+6.7% YoY in FY24)

## ◆ Outsourcing Services

- FY25: ¥67.62 bn, +14.3% YoY (+11.7% YoY in FY24)
  - Of which, security: ¥40.91 bn, +13.8% YoY (+16.2% YoY in FY24)

## ◆ WAN Services

- FY25: ¥28.55 bn, +3.4% YoY (-2.7% YoY in FY24)

### Enhancing existing services and introducing new offerings to accumulate NW service revenue

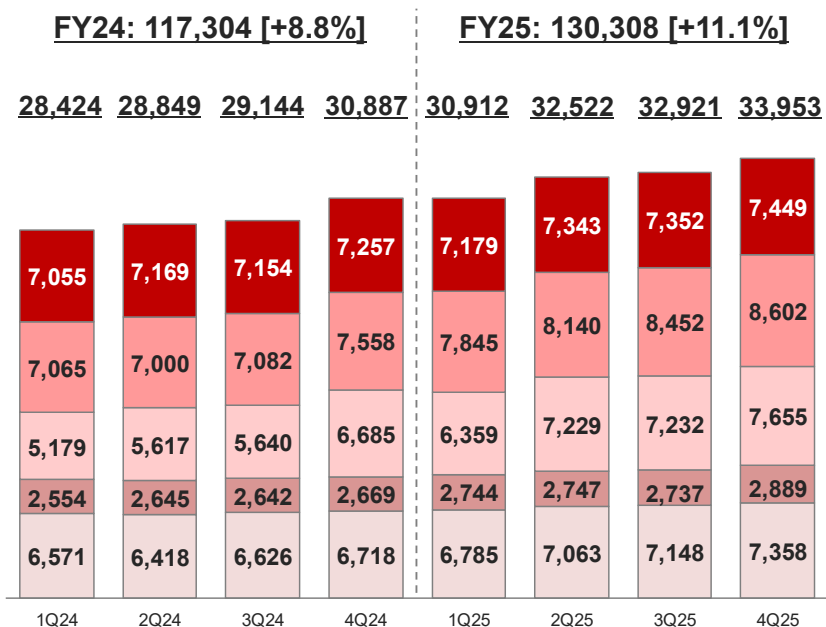
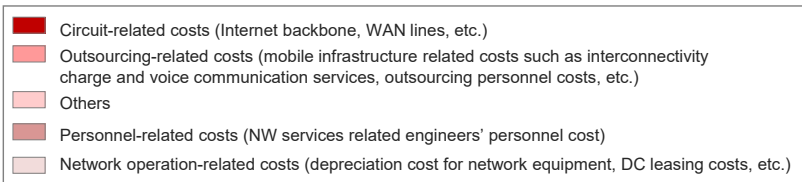
New: IIJ Security Doctor, IIJ Cloud Exchange Service for Prisma Access and more

Enhancement: IIJ IoT Service, IIJ Flex Mobility Service/ZTNA, IIJ Secure End Service and more

- Total contracted bandwidth is calculated by multiplying number of contracts by contracted bandwidths for IP service and broadband services respectively which are both under Internet connectivity services for enterprise
- Total contracted bandwidth in 4Q24 significantly increased, driven by multiple customers adding or newly acquiring over 100Gbps
- IP (Internet Protocol) Service is bandwidth guaranteed dedicated Internet connectivity services for enterprises. Contracts are based on bandwidth and enterprises use the service for their core and main Internet connectivity
- Enterprise mobile primarily refer to direct offerings for IoT and similar usages
- MVNE (sales of service to other MVNOs) refers to IIJ Mobile MVNO Platform Service
- 3Q24 consumer mobile (IIJmio) include approx. ¥0.18 bn of sales netting due to campaign expenses in 3Q23 for fiber optic internet service, which was confirmed after one-year usage



# II - 5. Network (NW) Services (2) Cost of Revenues



- FY25 Circuit-related costs: ¥29.32 bn, +2.4% YoY (-0.5% YoY in FY24)
  - Internet backbone circuit cost remains stable by leveraging scale merit with one of the largest Internet backbone networks
  - QoQ increase almost along with WAN service revenue
- FY25 Outsourcing-related costs: ¥33.04 bn, +15.1% YoY (+3.3% YoY in FY24)
  - Mobile data connectivity and voice-related costs continued to rise, in line with growth in mobile subscriber acquisitions
  - In 3Q25, there was no one-time cost reimbursement related to the finalization of FY24 mobile data interconnectivity charge
- FY25 Others: ¥28.48 bn, +23.2% YoY (+35.5% YoY in FY24)
  - License fees such as SASE increased along with related revenue growth
  - Increased mobile device purchasing costs: approx. +¥2.1 bn YoY  
(1Q25: approx. +¥0.3 bn YoY, 2Q25: approx. +¥1.0 bn YoY, 3Q25: approx. +¥0.6 bn YoY, 4Q25: approx. +¥0.2 bn)
- FY25 Personnel-related costs: ¥11.12 bn, +5.8% YoY (+12.4% YoY in FY24)
  - Increased mainly due to increased headcount and the revision of salary table at the beginning of the fiscal year
- FY25 Network operation-related costs: ¥28.35 bn, +7.7% YoY (+5.9% YoY in FY24)
  - Continued to increase along with facility expansions
  - Mainly due to the MVNO infrastructure replacement, depreciation costs and other related costs increased by approx. ¥0.9 bn YoY

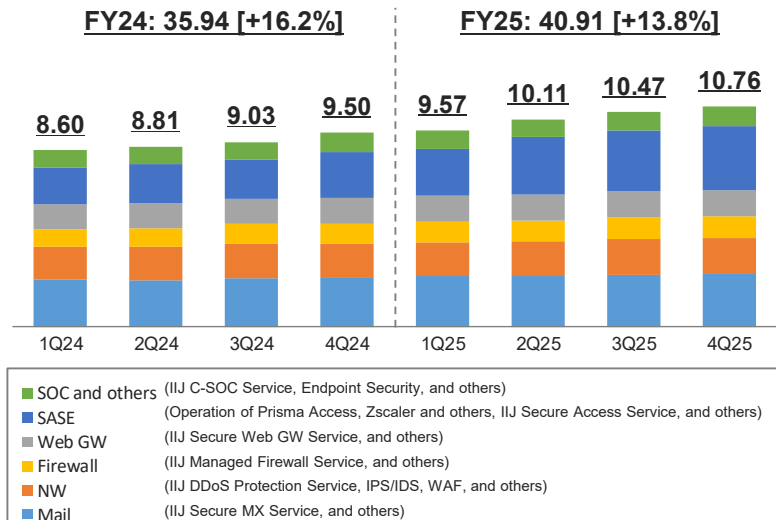
\* Outsourcing costs: 3Q24 Outsourcing-related costs include one-time cost reimbursement based on the difference between future cost method figures and actual figures regarding FY23 usage, which was similar in volume to that recorded in 3Q23  
 \* FY24 Others cost was impacted approx. +¥1.0 bn YoY included in by the VMware and enhancement of mobile procurement for 4Q promotional season (approx. +¥0.5 bn YoY)



# II - 5. Network (NW) Services (3) Security and Mobile/IoT

## Security Business

### ◆ Ongoing strong demand drives stable growth in security services (MRR)



### ◆ Strong corporate interest in cybersecurity measures

- Total security business volume (NW service + SI) FY25: ¥48.37 bn (FY24: ¥41.58 bn)
- Mail security revenue also continued to grow
- The number of companies participating in security-related service workshops increased 1.5 times YoY
- “IIJ Security Doctor” (launched in Nov. 2025), in which IIJ security experts provide comprehensive support for customers’ security measures and operations, is seeing growing demand and business expansion into the security assessment and consulting

• Security services (monthly recurring revenue) is recognized as Outsourcing services revenue

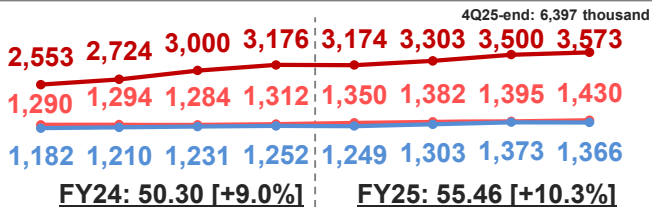
## Mobile/IoT Business

### ◆ Steady growth in both revenue and subscription across all segments

<b>Enterprise</b>	Continuous demand to connect devices such as IoT devices, taxi tablets, security cameras, dashboard cameras
<b>Consumer</b>	<ul style="list-style-type: none"> <li>Subscription continued to increase, supported by plan revisions in Mar. 2025 and JAL Mobile launched in Apr. 2025</li> <li>eSIM subscriptions increased over 200,000 (3Q25-end)</li> <li>Awarded No.1 overall satisfaction for two consecutive years (Oricon customer satisfaction survey in the “low-cost smartphone” category)</li> </ul>
<b>MVNE</b>	Steady growth in new MVNO clients is driving an increase in customers and subscriptions

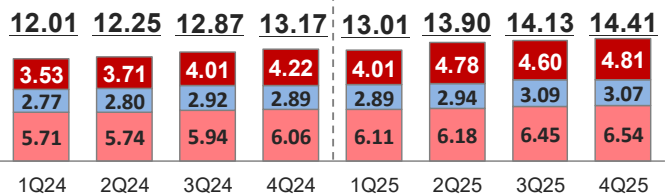
Subscriptions (Subs.)  
(unit: thousand)

● Enterprise mobile  
 ● IIJmio  
 ● MVNE



Revenues  
(unit: ¥ bn)

■ Enterprise mobile  
 ■ MVNE  
 ■ IIJmio



	1Q24-end	2Q24-end	3Q24-end	4Q24-end	1Q25-end	2Q25-end	3Q25-end	4Q25-end
Number of MVNE clients (unit: companies)	195	197	200	201	202	205	207	212
IIJmio GigaPlans Subs. (unit: thousand)	1,069	1,084	1,085	1,124	1,175	1,216	1,238	1,284

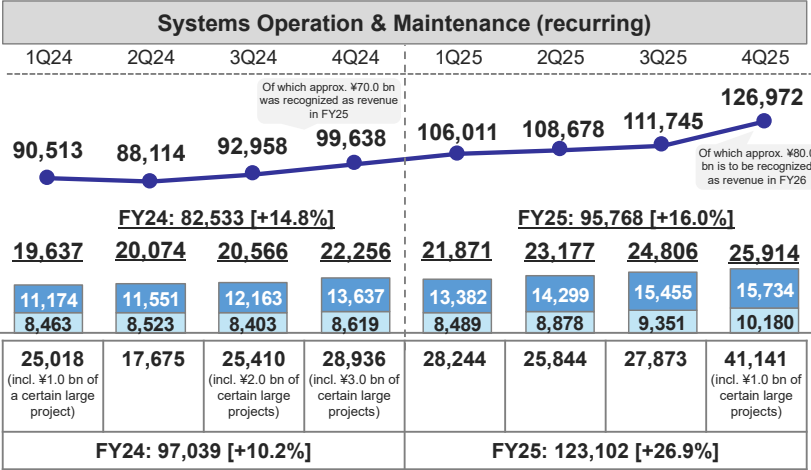
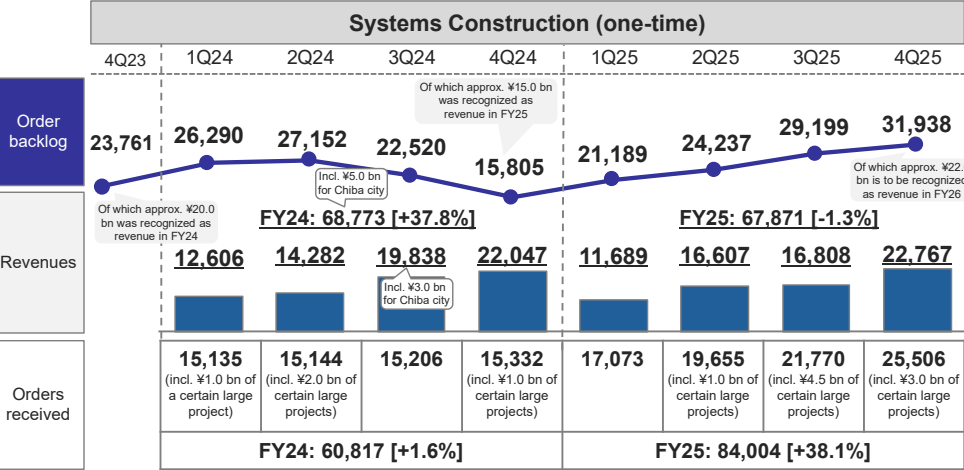
- Enterprise Mobile and MVNE refer to direct service offerings for IoT and other device connectivity use cases and IIJ Mobile MVNO Platform Services provided to other MVNO operators, respectively.
- 2Q25 enterprise mobile revenue included a contribution of approx. ¥0.4 bn from device sales



# II - 6. Systems Integration (SI) (1) Revenues

Unit: ¥ (JPY) million  
[ ] YoY = Year over year comparison  
QoQ = Quarter over quarter comparison

- Systems Construction revenues (including equipment sales)
- Systems operation & maintenance revenues on on-premise system
- Cloud revenues such as private cloud which are recognized as systems operation & maintenance revenues



- Favorable demand situation: strong demand to construct core NW/system from all industries
  - Consistently secured large-scale Service Integration projects from 4Q25 onward  
\*The project volume includes both SI and network services
    - GPU infrastructure construction through Singapore subsidiary PTC (¥12.0 bn, 5 yrs)
    - NW infrastructure construction and O/M for public institution (¥4.0 bn, 5 yrs)
    - NW system construction & O/M for public institution (additional) (¥2.5 bn, 18 yrs)
    - Virtualization platform construction and O/M for public institution (¥1.0 bn, 6 yrs)
    - Security enhancement for manufacturer (¥1.0 bn, 3 yrs)
    - System construction for government agency (¥1.0 bn, 3 yrs)
    - NW system construction and O/M for public institution (¥1.5 bn, 6 yrs)
- \* Large-scale projects are defined as those exceeding JPY1.0 bn in total contract value

Continued strong revenue growth including the start of SI O/M for large-scale projects.

**Cloud Service Revenue (recurring)**

	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25
<b>Private Cloud</b> Own service, multi-cloud, etc.	7.1	6.9	6.9	7.0	6.9	7.3	7.8	8.2
<b>Raptor</b> FX system services for financial institutions	1.1	1.5	1.3	1.4	1.3	1.4	1.4	1.8
<b>Others</b> Own public cloud, overseas cloud, etc.	0.9	0.8	0.8	0.8	0.8	0.8	0.8	0.8
<b>Total</b>	9.1	9.1	9.0	9.2	9.1	9.4	9.9	10.7

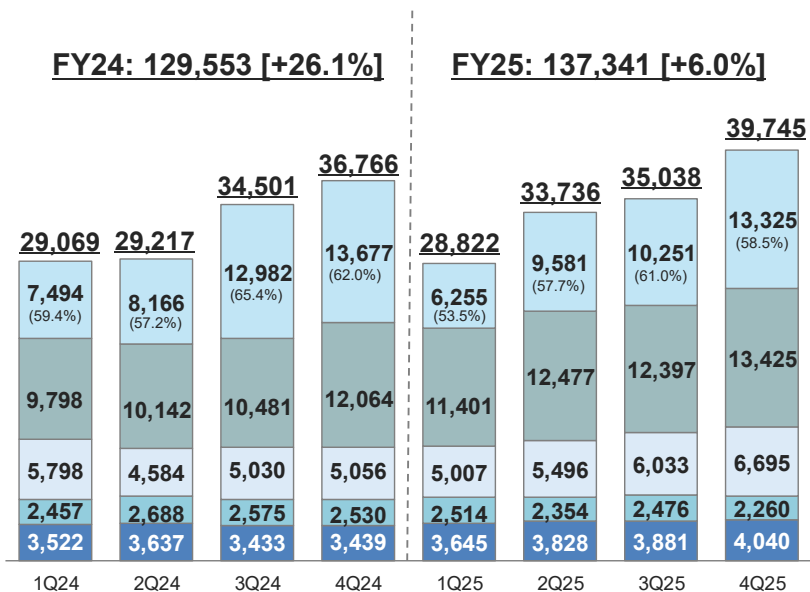
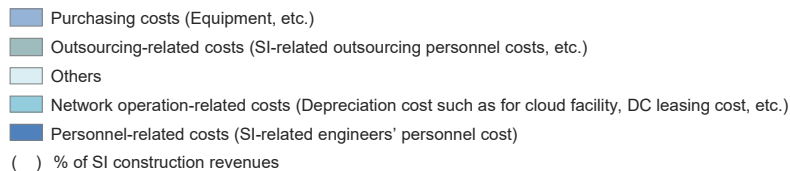
Unit: JPY bn

- Breakdown of FY25 cloud revenue
  - ✓ 94.3% Systems O/M
  - ✓ 5.7% Outsourcing service
- FY24 cloud service revenue was impacted by a certain multi-cloud project: 1Q24 revenue included +¥0.3 bn of one-time due to the termination of the transaction, 2Q, 3Q, and 4Q24 MRR decreased by approx. -¥0.6 bn/Q



## II - 6. Systems Integration (SI) (2) Cost of Revenues

Unit: ¥ (JPY) million  
[ ], YoY = Year over year comparison



- FY25 Purchasing costs: ¥39.41 bn, -6.9% YoY (+48.4% YoY in FY24)
  - Linked to the size of project and revenue to a certain degree
- FY25 Outsourcing-related costs: ¥49.70 bn, +17.0% YoY (+19.1% YoY in FY24)
  - Linked to the size of project and revenue to a certain degree
- FY25 Others: ¥23.23 bn, +13.5% YoY (+28.4% YoY in FY24)
  - Include license purchasing costs and others
- FY25 Network operation-related costs: ¥9.60 bn, -6.3% YoY (+4.9% YoY in FY24)
  - No significant change on a quarterly basis
- FY25 Personnel-related costs: ¥15.39 bn, +9.7% YoY (+9.0% YoY in FY24)
  - Increased mainly due to increased headcount and the revision of salary table at the beginning of the fiscal year

### Number of SI-related outsourcing personnel (unit: personnel)

1Q24-end	2Q24-end	3Q24-end	4Q24-end	1Q25-end	2Q25-end	3Q25-end	4Q25-end
1,513	1,525	1,510	1,596	1,578	1,603	1,607	1,633

- Due to many ongoing projects including ones before order-received, the number of outsourcing personnel has been at a high level

\* Regarding Others, the revenue-linked multi-cloud license cost decreased as expected along with the termination of a large client's transaction at the end of 1Q24. FY24 cost impact related to VMware license was approx. +¥2.6 bn YoY (including a one-time cost due to provisions of approx. ¥0.7 bn in 1Q24, resulting in a YoY increase of ¥1.2 bn for the quarter)



# II -6. Accumulation of large-scale projects as a new norm by Service Integration model

Along with accumulation of large-scale projects & progress in revenue recognition, MRR is gradually increasing

Revenue recognitions of large-scale projects	1H23	2H23	1H24	2H24	1H25	2H25
One-time revenue	Approx. ¥0.4 bn	Approx. ¥5.0 bn	Approx. ¥2.3 bn	Approx. ¥7.7 bn	Approx. ¥2.8 bn	Approx. ¥6.9 bn
MMR revenue	Approx. ¥1.4 bn	Approx. ¥1.7 bn	Approx. ¥2.3 bn	Approx. ¥4.5 bn	Approx. ¥6.6 bn	Approx. ¥7.9 bn

Revenue recognition category

NW service

SI

Win this time

<div>Educational information network for Chiba city</div> <div>¥12.3 bn, 5 yrs</div> <div>NW service, SI construction, SI O/M</div>	<div>Construction &amp; operation for service infrastructure for enterprise</div> <div>¥4.0 bn, 5 yrs</div> <div>NW service, SI construction, SI O/M</div>	<div>The first project of the new shared banking system platform for regional banks</div> <div>¥6.0 bn, 8 yrs</div> <div>NW service</div> <div>Revenue recognition from 3Q24</div>	<div>NW infrastructure renewal for real estate company</div> <div>¥3.0 bn, 5 yrs</div> <div>NW service, SI construction, SI O/M</div> <div>Revenue recognition from 1Q25</div>	<div>GIGA School infrastructure renewal for Ehime Prefecture</div> <div>¥1.0 bn, 6 yrs</div> <div>SI construction, SI O/M</div> <div>Revenue recognition from 2Q26</div>	<div>NW system construction &amp; O/M for public institution</div> <div>¥1.5 bn, 6 yrs</div> <div>SI Construction, O/M</div> <div>Revenue recognition from 3Q26</div>
<div>Next generation research platform for private university</div> <div>¥1.0 bn, 5 yrs</div> <div>SI construction, SI O/M</div>	<div>Large-scale IT infrastructure installment project</div> <div>¥1.0 bn</div> <div>SI construction</div>	<div>Security enhancement for manufacturer</div> <div>¥1.0 bn, 3 yrs</div> <div>NW service</div> <div>Revenue recognition from 2Q24</div>	<div>Remote access environment for construction company</div> <div>¥2.0 bn, 5 yrs</div> <div>NW service, SI construction, SI O/M</div> <div>Revenue recognition from 2Q25</div>	<div>Sales system renewal for service provider</div> <div>¥1.0 bn</div> <div>SI construction</div> <div>Revenue recognition from 4Q25</div>	<div>System construction for government agency</div> <div>¥1.0 bn, 3 yrs</div> <div>SI Construction, SI O/M</div> <div>Revenue recognition from 4Q26</div>
<div>Integrated operation system for public sector organization</div> <div>¥3.0 bn, 5 yrs</div> <div>NW service, SI construction, SI O/M</div>	<div>Large-scale NW renewal for prominent financial institution</div> <div>¥4.0 bn, 8 yrs</div> <div>NW service, SI construction, SI O/M</div>	<div>Sales system renewal for service provider</div> <div>¥2.0 bn, 2 yrs</div> <div>NW service, SI O/M</div> <div>Revenue recognition from 2Q24</div>	<div>Remote access implementation for manufacturer</div> <div>¥3.0 bn, 5 yrs</div> <div>NW service</div> <div>Revenue recognition from 3Q24</div>	<div>NW system construction &amp; O/M for public sector institution</div> <div>¥16.0 bn, 18 yrs</div> <div>NW service, SI construction, SI O/M</div> <div>Revenue recognition from FY29</div>	<div>Security enhancement for manufacturer</div> <div>¥1.0 bn, 3 yrs</div> <div>SI O/M</div> <div>Revenue recognition from 4Q25</div>
<div>Enhancement of security for carrier</div> <div>¥1.5 bn, 5 yrs</div> <div>SI construction, SI O/M</div>	<div>Large-scale NW renewal for prominent financial institution</div> <div>¥4.0 bn, 8 yrs</div> <div>NW service, SI construction, SI O/M</div>	<div>Remote work environment development for public sector organization</div> <div>¥1.0 bn</div> <div>SI construction</div> <div>Revenue recognition from 2Q24</div>	<div>Business operation environment for public institution</div> <div>¥2.0 bn, 3 yrs</div> <div>NW service, SI construction, SI O/M</div> <div>Revenue recognition from 3Q25</div>	<div>Email infrastructure operations for ISP</div> <div>¥1.5 bn, 2 yrs</div> <div>NW service, SI construction, SI O/M</div> <div>Revenue recognition from 4Q25</div>	<div>Virtualization platform construction &amp; O/M for public institution</div> <div>¥1.0 bn, 6 yrs</div> <div>NW service, SI Construction, SI O/M</div> <div>Revenue recognition from 3Q26</div>
<div>Next generation NW renewal for system integrator</div> <div>¥1.0 bn, 5 yrs</div> <div>NW service</div>	<div>Large-scale server construction for AI infrastructure</div> <div>¥3.0 bn, 3 yrs</div> <div>SI construction, SI O/M</div>	<div>Office IT installation for public sector organization</div> <div>¥1.0 bn, 3 yrs</div> <div>NW service</div> <div>Revenue recognition from 2Q24</div>	<div>ICT infrastructure for public institution</div> <div>¥3.0 bn, 5 yrs</div> <div>NW service, SI construction, SI O/M</div> <div>Revenue recognition from 4Q24</div>	<div>Security enhancement for financial institution</div> <div>¥1.0 bn, 5 yrs</div> <div>NW service</div> <div>Revenue recognition from 2Q25</div>	<div>NW system construction &amp; O/M for public sector institution (additional)</div> <div>¥2.5 bn, 18 yrs</div> <div>NW Service, SI Construction, SI O/M</div> <div>Revenue recognition from FY29</div>
			<div>The second project of the new shared banking system platform for regional banks</div> <div>¥11.0 bn, 8 yrs</div> <div>NW service, SI O/M</div> <div>Revenue recognition from 4Q24</div>	<div>Global NW for Japanese megabank</div> <div>¥5.5 bn, 5 yrs</div> <div>NW service, SI construction, SI O/M</div> <div>Revenue recognition from 2Q25</div>	<div>GPU infrastructure construction (PTC)</div> <div>¥12.0 bn, 5 yrs</div> <div>SI construction, SI O/M</div> <div>Revenue recognized from 2Q26</div>
			<div>Introduction of a service system for a public institution</div> <div>¥1.0 bn, 5 yrs</div> <div>SI construction, SI O/M</div> <div>Revenue recognition from 4Q24</div>	<div>Infrastructure for education service</div> <div>¥1.0 bn, 5 yrs</div> <div>NW service, SI construction, SI O/M</div> <div>Revenue recognition from 1Q25</div>	<div>Core system replacement for security company</div> <div>¥1.0 bn, 2 yrs</div> <div>NW service, SI construction, SI O/M</div> <div>Revenue recognition from 4Q25</div>
			<div>Information infrastructure system for a public sector organization</div> <div>¥3.0 bn, 4 yrs</div> <div>NW service, SI construction, SI O/M</div> <div>Revenue recognition from 3Q24</div>	<div>Business operation environment for public institution</div> <div>¥1.0 bn, 3 yrs</div> <div>NW service, SI construction, SI O/M</div> <div>Revenue recognition from 2Q25</div>	

• Service Integration: System integration incorporating our in-house developed network service portfolio. With large-scale network renewals within customers' organizations, business opportunities and proposal scope have expanded significantly. For details, please refer to "Timing of revenue recognition for large-scale complex flagship projects" in the past financial results presentation materials

• There were errors in the aggregation and presentation of one-time and monthly revenues from large-scale projects for 3Q23 (three months), as shown on this page and in the disclosure dated Feb. 6, 2026. The figures were incorrectly stated as approx. ¥5.7 bn for one-time revenue and approx. ¥5.9 bn for MRR, whereas the correct figures are approx. ¥2.8 bn for one-time revenue and approx. ¥3.4 bn for monthly revenue. The revenue for 2H25 figures on this page reflected this correction. There were no misstatements in the revenues disclosed on Feb. 6, 2026 for 3Q25 (three months) with respect to system construction (one-time), O/M (monthly), and NW services (monthly).

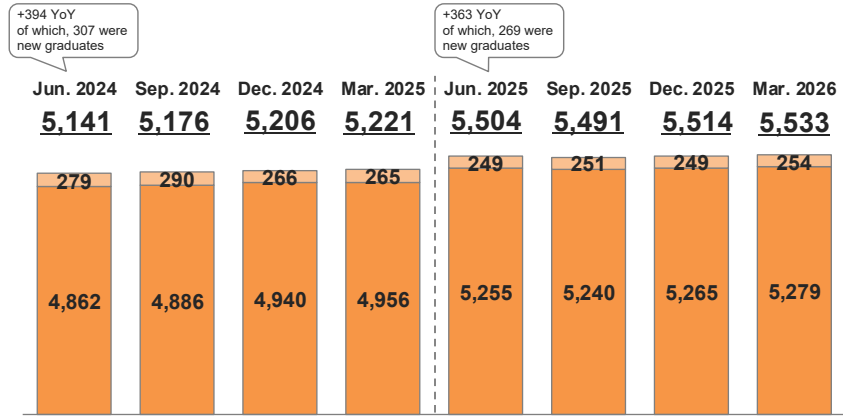
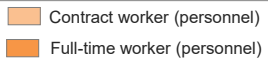
• Recorded revenues of winning large-scale projects amount over ¥1.0 bn since FY22

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# II - 7. Human Capital Disclosure

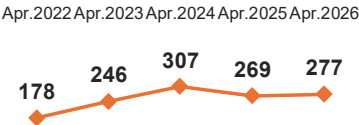
Number of Employees (consolidated basis)



Personnel adjustments were made at an overseas subsidiary in 2Q25

Number of New Graduates

(consolidated basis)  
Unit: personnel



Ratio of Female Managers (IIJ)

- Achieved FY24 and FY27 targets a year in advance
  - Initial targets:  
FY24 over 6%, FY27 over 8%

Apr. 2023	Apr. 2024	Apr. 2025	Apr. 2026
6.3%	7.5%	8.4%	8.8%

Personnel-related Costs & Expenses (consolidated basis)

Unit: ¥ (JPY) million

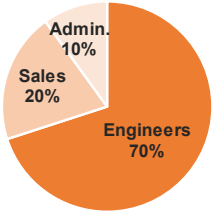
	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25
(Consolidated personnel-related costs & expenses (YoY))	10,333 (+10.4%)	10,665 (+15.3%)	10,299 (+9.4%)	10,341 (+7.5%)	11,049 (+6.9%)	11,305 <sup>2</sup> (+6.0%)	11,278 (+9.5%)	12,133 (+17.3%)
	FY24: 41,638 (+10.6%)				FY25: 45,765 (+9.9%)			
% of revenue	14.3%	14.2%	12.5%	11.8%	14.4%	13.3%	12.9%	12.6%

(\*) In 1H24, there was a one-time payment to address inflation. As a result, the YoY growth rate of personnel-related expenses in 1Q-3Q25 slightly declined

(\*) Gain on the revision of the retirement benefit plan was not included

- FY25
  - Number of employees increased by 312 personnel, including 269 new graduates
  - Average annual salary increased by approx. 6%, including the salary table revision, in Apr. 2025 (IIJ)
- FY26
  - Number of employees to increase by approx. 400 personnel, including 277 new graduates
  - Average annual salary increased by approx. 6%, including the salary table revision, in Apr. 2026 (IIJ)

Breakdown of Employees



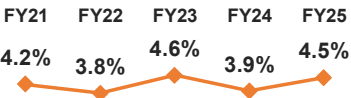
Employee Survey (IIJ)

- FY25 employee survey indicates high overall satisfaction level: 3.8 (out of 5)



Turnover Rates (IIJ)

- Lower than the industry average turnover<sup>(\*)</sup>



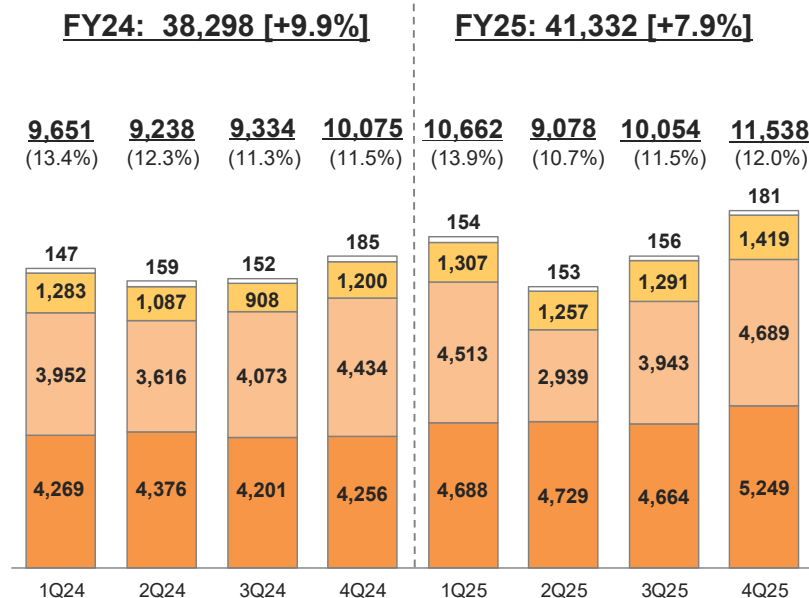
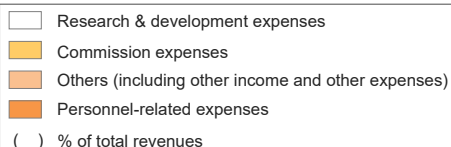
\* The Employee Survey(IIJ) is an annual engagement survey (approx. 50 questions), and each item is rated on a five-point scale: 1 (disagree), 2 (somewhat disagree), 3 (neutral), 4 (somewhat agree), and 5 (agree). The "Overall Satisfaction" is the result of a question, "I am satisfied overall."

\* The turnover rate of IIJ is calculated by dividing leavers for the fiscal year by the number of full-time employees at the beginning of that fiscal year. The industry average turnover rate of approx. 10% is announced by the Ministry of Health, Labor, and Welfare



## II - 8. SG&A, etc.

Unit: ¥ (JPY) million  
[ ], YoY = Year over year comparison  
QoQ = Quarter over quarter comparison

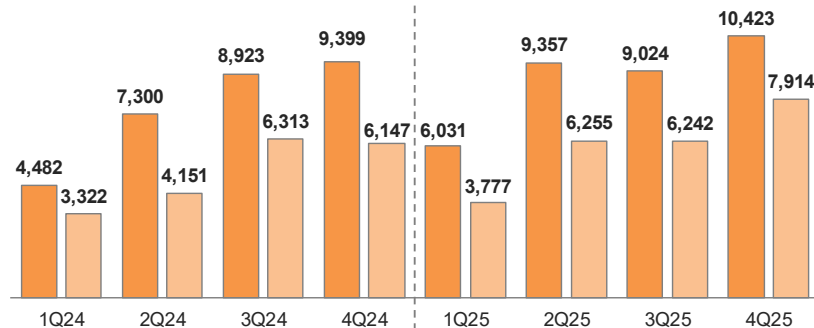
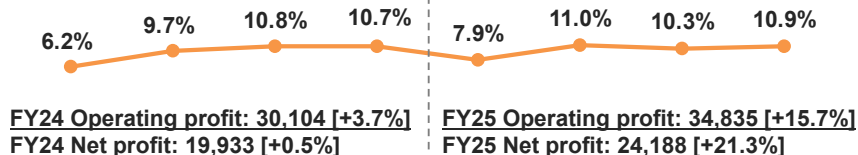
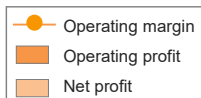


- Above figures are SG&A expenses plus other income and other expenses
- 1Q personnel-related and other expenses increase mainly due to an increase in training and human capital development expenses along with the entry of new graduates. Such expenses decrease in 2Q QoQ as expenses for new graduate engineers are recorded as cost of revenues from 2Q

- FY25 Research & development expenses: ¥0.64 bn, +0.2% YoY (+0.9% YoY in FY24)
  - Mainly personnel expenses of research institute division. No major changes
- FY25 Commission expenses: ¥5.27 bn, +17.8% YoY (-2.0% YoY in FY24)
  - Mainly recruitment expenses and credit card fees for consumers
- FY25 Others: ¥16.08 bn, +0.1% YoY (+12.0% YoY in FY24)
  - Increasing mainly because of increases in advertisement, activity-related expenses, and tax-related expenses. 1Q training expenses also increased temporarily due to new graduate hire
  - 2Q25 Other income included a one-time gain of ¥1.17 bn from the revision of retirement benefit plans (IIJ)\* which was slightly lower than expected
- FY25 Personnel-related expenses (salary, employee benefits, etc.) : ¥19.33 bn, +13.0% YoY (+11.9% YoY in FY24)
  - Upward trend, mainly due to the salary table revision and hiring of new graduate at the beginning of FY25
  - QoQ increase in 4Q25 mainly due to year-end bonuses



# II - 9. Profit



1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	
719	(1,294)	722	(653)	(186)	173	615	279	Finance income (expense), net
(162)	71	(173)	(150)	(108)	(118)	(157)	(91)	Share of profit (loss) of investments accounted for using equity method
(1,654)	(1,915)	(3,092)	(2,419)	(1,928)	(3,091)	(3,173)	(2,642)	Income tax expense
63	11	67	30	32	66	67	55	Profit (loss) for the period attributable to non-controlling interests

- Under IFRS, equity securities are measured at fair value through OCI (Other Comprehensive Income) while funds are measured through profit or loss
- Net profit shows "Profit for the period attributable to owners of the parent"

## ◆ FY25 Operating profit : ¥34.84 bn, +15.7% YoY

- Below expectations mainly due to revenue mix
- One-time gain from the revision of retirement benefit plan of ¥1.17 bn in 2Q25

## ◆ FY25 Profit before tax: ¥35.24 bn, +20.8% YoY

- Exceeded the forecast due to foreign exchange gain and valuation gain on funds, etc.
- Interest expense: ¥1,366 million (FY24: ¥1,062 million)
- Foreign exchange gain(loss) and valuation gain(loss) on funds: quarterly profit fluctuate due to FX impacts; initial forecast assumed ¥140/USD resulting in above expectations

	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25
Exchange rate at the end of Q (per USD)	161.07	142.73	158.18	149.52	144.81	148.88	156.56	159.88
Foreign exchange gain(loss)	+196	(249)	+196	(97)	(67)	(7)	+24	+95
Valuation gain(loss) on funds, etc.*	+585	(863)	+790	(311)	(14)	+446	+883	+445

\*Foreign exchange impacts were also included as lots of assets are dominated in USD

- Share of gain(loss) of investments accounted for using equity method:

-¥474 million (FY24: -¥414 million)

- DeCurret-related loss: -¥816 million as expected \*IJJ ownership from Sep. 2024: 34.8%

1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25
(182)	+25	(177)	(219)	(174)	(182)	(205)	(255)

2Q24 included gain of ¥209 million on change in equity interest due to DeCurret HD's capital increase in Sep. 2024

- Considering the social adoption timeline for tokenized deposits, the expected timing for monthly profitability has been pushed back from the second half of FY26 and is under review

## ◆ FY25 Net profit: ¥24.19 bn, +21.3% YoY

- Exceeded the forecasts, mainly supported by non-operating profit and loss



## II - 10. Consolidated Statements of Financial Position (Summary)

Unit: ¥ (JPY) million

	Mar. 31, 2025	Mar. 31, 2026	Changes		Mar. 31, 2025	Mar. 31, 2026	Changes
<b>Cash &amp; cash equivalents</b>	32,534	<b>38,395</b>	+5,861	<b>Trade &amp; other payables</b>	30,238	<b>34,478</b>	+4,240
<b>Trade receivables</b>	56,361	<b>62,084</b>	+5,723	<b>Borrowings (current &amp; non-current)</b>	33,616	<b>35,570</b>	+1,954
<b>Inventories</b>	4,681	<b>7,132</b>	+2,451	<b>Contract liabilities &amp; Deferred income (current &amp; non-current)</b>	26,043	<b>39,120</b>	+13,077
<b>Prepaid expenses (current &amp; non-current)</b>	56,930	<b>71,858</b>	+14,928	<b>Income taxes payable</b>	5,205	<b>5,119</b>	(86)
<b>Tangible assets</b>	33,771	<b>45,114</b>	+11,343	<b>Retirement benefit liabilities</b>	4,849	<b>1,013</b>	(3,836)
<b>Right-of-use assets</b>	45,756	<b>39,110</b>	(6,646)	<b>Other financial liabilities (current &amp; non-current)</b>	58,578	<b>60,660</b>	+2,082
Of which, operating leases (rent of office, data center etc.)	28,958	<b>22,367</b>	(6,591)	Of which, operating leases (rent of office, data center etc.)	29,714	23,123	(6,591)
Of which, finance leases (network equipment etc.)	16,798	<b>16,743</b>	(55)	Of which, finance leases (network equipment etc.)	19,172	19,895	+723
<b>Goodwill &amp; intangible assets</b>	31,328	<b>33,428</b>	+2,100	<b>Others</b>	11,820	<b>11,502</b>	(318)
<b>Investments accounted for using the equity method</b>	6,639	<b>6,293</b>	(346)	<b>Total liabilities:</b>	<b>170,349</b>	<b>187,462</b>	+17,113
<b>Investment securities (Equity)</b>	15,823	<b>12,106</b>	(3,717)	<b>Share capital</b>	25,577	<b>25,663</b>	+86
<b>Other investments</b>	10,711	<b>12,691</b>	+1,980	<b>Share premium</b>	35,865	<b>35,930</b>	+65
<b>Others</b>	17,901	<b>18,722</b>	+821	<b>Retained earnings</b>	79,885	<b>98,163</b>	+18,278
				<b>Other components of equity</b>	11,266	<b>10,006</b>	(1,260)
				<b>Treasury shares</b>	(11,910)	<b>(11,755)</b>	+155
				<b>Total equity attributable to owners of the parent:</b>	<b>140,683</b>	<b>158,007</b>	+17,324
				<b>Non-controlling interests</b>	<b>1,403</b>	<b>1,464</b>	+61
<b>Total assets:</b>	<b>312,435</b>	<b>346,933</b>	+34,498	<b>Total liabilities and equity:</b>	<b>312,435</b>	<b>346,933</b>	+34,498

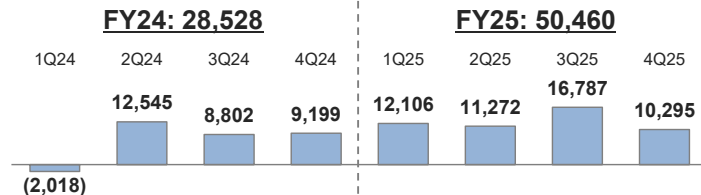
- Prepaid expenses increased mainly due to increases in projects for clients, license fee and maintenance for facility, etc., Expected to be recovered gradually over multiple years
- Tangible assets increased mainly due to investment in data centers
- Ratio of total equity attributable to owners of the parent: 45.0% as of Mar. 31, 2025, 45.5% as of Mar. 31, 2026



# II - 11. Consolidated Cash Flows

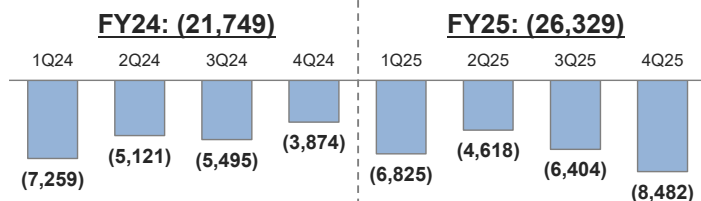
Unit: ¥ (JPY) million  
YoY = Year over year comparison

## Operating Activities



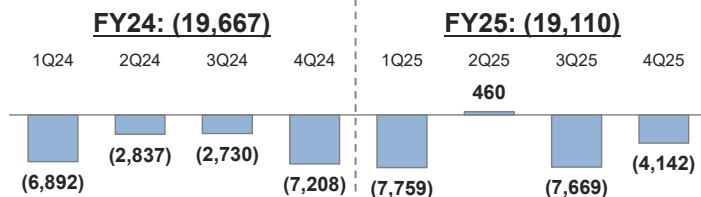
	FY25 Major Breakdown	YoY Change
Profit before tax	35,242	+6,058
Depreciation and amortization	32,674	+1,302
Changes in operating assets & liabilities	(7,879)	+17,129
Of which, decrease (increase) in prepaid expenses (recovering prepaid expenses)	(14,062)	+3,273
Income taxes paid	(10,045)	(281)

## Investing Activities



	FY25 Major Breakdown	YoY Change
Purchase of tangible assets	(20,379)	(8,475)
Of which, data center-related	(10,806)	(6,149)
Purchase of intangible assets such as software	(8,111)	+100

## Financing Activities



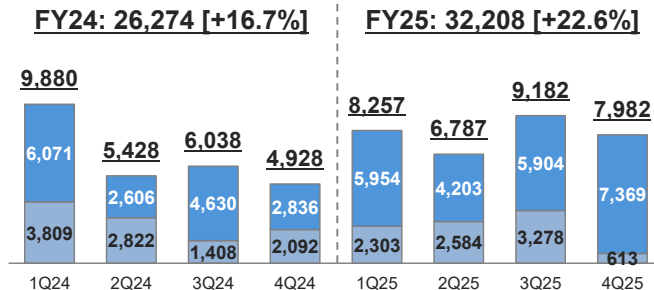
	FY25 Major Breakdown	YoY Change
Proceeds from other financial liabilities	10,456	+1,959
Payment of operating/finance leases and other financial liabilities	(24,804)	+614
Short-term borrowings	2,000	(5,000)
Dividends paid	(6,553)	(419)



## II - 12. Other Financial Data

### CAPEX

Cash CAPEX  
Finance lease



#### Major breakdown of CAPEX (Unit: ¥ bn)

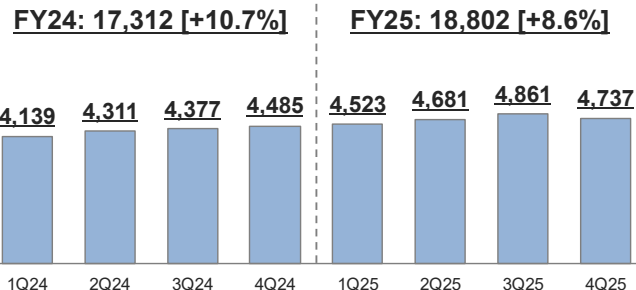
	FY24	FY25	Notes
Ordinal CAPEX (NW equipment & server, etc.)	12.5	13.7	Sustained investment
Shiroy data center-related (Of which 3rd site)	0.9 (0.3)	9.6 (8.5)	Individual investment for anticipated demand
Matsue data center-related	3.7	2.0	
Customer-related	4.3	3.7	Investment for each project
Renewal of Full-MVNO 5G infrastructure	4.1	3.0	Ad-hoc investment
Renewal of FX SaaS service facility	0.5	0.2	Ad-hoc investment

#### FY26 CAPEX plan: approx. ¥38.0 bn

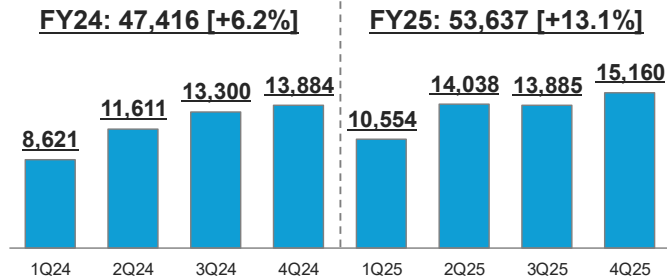
- Of which, approx. ¥18.0 bn is for Shiroy data center 3<sup>rd</sup> site construction
- Cumulative total CAPEX for Shiroy DC 3<sup>rd</sup> site of approx. ¥27.0 bn expected, progressing within the Mid-term Plan assumptions

- Total amount of capital expenditure is the amounts of acquisition of tangible and intangible assets by cash and entering into finance leases for the fiscal year, excluding duplication due to sale and leaseback transactions and acquisition of assets that do not have the nature of investment, such as purchase of small-amount equipment.
- CAPEX-related depreciation and amortization is calculated by excluding depreciation and amortization of assets that do not have the nature of capital investment, such as right-of-use assets related to operating leases, small-amount equipment and customer relationship.
- Adjusted EBITDA is calculated by adding operating profit and CAPEX-related depreciation and amortization.

### CAPEX-related depreciation and amortization



### Adjusted EBITDA

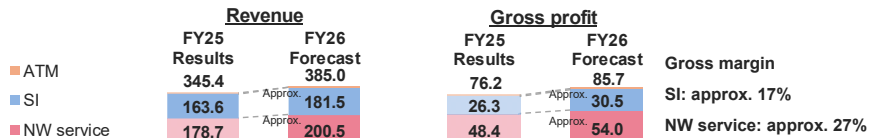




# III - 1. FY26 Financial Targets

	FY26 Forecast			
	% of total revenue	YoY	% of total revenue	YoY
	1H26 (Apr. 1, 2026 - Sep. 30, 2026)		FY26 (Apr. 1, 2026 - Mar. 31, 2027)	
Total Revenue	180.0	+11.2%	385.0	+11.5%
Gross Profit	21.7% 39.1	+11.2%	22.3% 85.7	+12.5%
SG&A etc.	13.2% 23.7	+20.1%	12.3% 47.2	+14.2%
Operating Profit	8.5% 15.4	(0.2%)	10.0% 38.5	+10.5%
Shares of profit(loss) of investments	(0.7)	-	(1.3)	-
Profit before tax	7.8% 14.1	(7.3%)	9.6% 37.0	+5.0%
Net Profit (Profit for the period attributable to)	5.3% 9.6	(4.8%)	6.5% 25.0	+3.4%
Dividend per share	¥21.50	+¥2.00	¥43.00	+¥4.00

## Breakdown



## Business Plan Assumptions

### ◆ NW Services

- Continued accumulation of NW services through new service development and enhancement of existing offerings
- Expect increasing demand driven by cybersecurity needs and industry- and domain-optimized platforms
- Price revision for partial services (Apr. 2026) to add slightly less than ¥0.8 bn in revenue in a year
- No consideration on mobile data interconnectivity reimbursement, same as FY25
- Approx. ¥1.5 bn of enterprise mobile device revenue will be recognized in 1Q26
- Gross margin expected to be almost at the same level as FY25

### ◆ SI

- Plan to recognize revenue from SI order backlog and new order acquisition
- Strong demand environment expected to support continued acquisition of large-scale projects
- Gross margin expected to improve slightly compared to FY25, driven by continued growth in recurring O/M revenue and scale merits

### ◆ Costs and SG&A

- Increases in line with business growth, including headcount increase, as well as due to inflation; annual salary increase rate of approx. 6% (including revision of salary table)
- Reversal impact of a one-time gain (¥1.17 bn) from the revision of retirement benefit plans in 2Q25, leading to a slight YoY decrease in 1H26 profit outlook

### ◆ Other

- Non-operating income/expenses: Assuming exchange rate ¥155/USD, expect foreign exchange losses
- Equity method income/loss is assumed to be -¥1.3bn (including DeCurret Holdings: JPY -¥1.5 bn)
- CAPEX: Approx. ¥38.0 bn

Shiroi DC 3rd site: CAPEX outlook

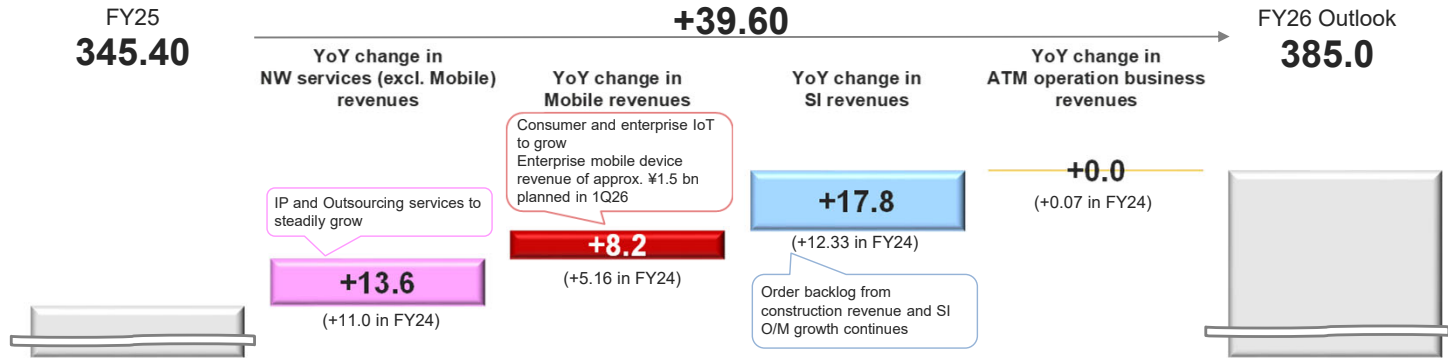
FY24	FY25	FY26 (forecast)	Cumulative (forecast)
Approx. ¥0.3 bn	Approx. ¥8.5 bn	Approx. ¥18.0 bn	Approx. ¥27.0 bn

- Net increase in consolidated employees: Approx. +400 (including 277 new graduates)



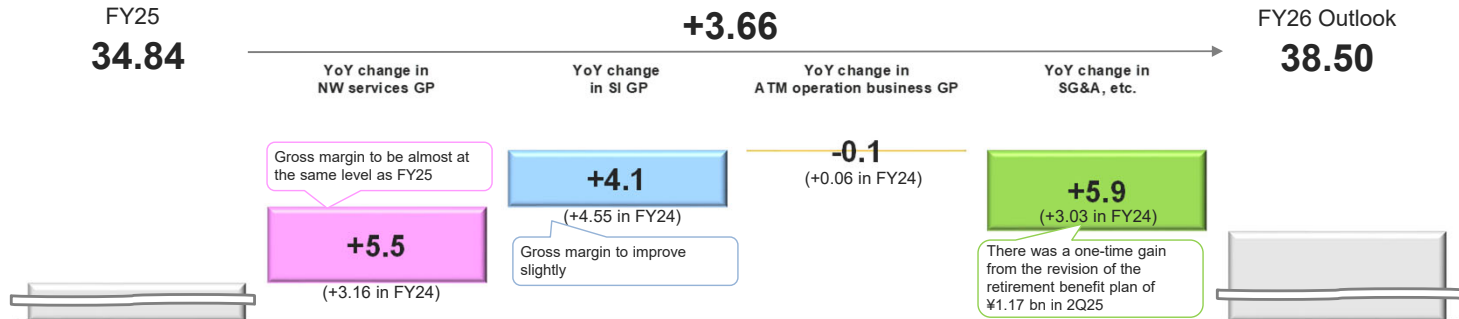
## III - 2. Year over Year Analysis

### Revenues



- NW services (excl. Mobile) revenues are calculated by deducting the below mentioned Mobile services revenues from total NW services revenues. The revenues include non-mobile consumer revenue which is a small amount
- Mobile services revenues include IIJ Mobile Services (including MVNE) and IIJmio (consumer mobile)

### Operating Profit

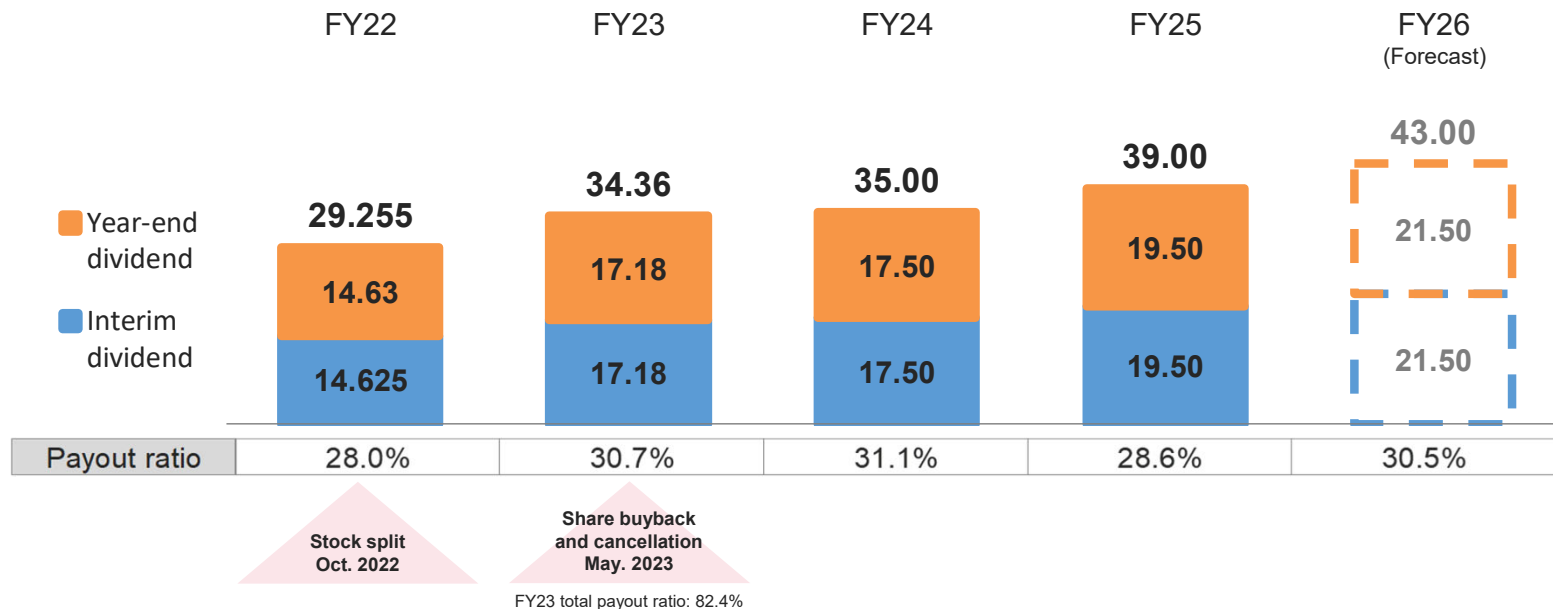


- NW services gross profit consists of gross profit related to NW revenues (excl. Mobile) and Mobile revenues (The two services have costs in common and cannot be broken down in accounting terms)
- SG&A, etc. in this slide represents the sum of SG&A, which includes R&D expenses, and other income/expenses



### III - 3. FY26 Dividend Forecast

- ◆ **Basic shareholders' return policy:**  
Continuous and stable dividend payment while considering the need to have retained earnings for the enhancement of financial position, mid-to-long term business expansion and future investment
- ◆ **Dividend per share:**

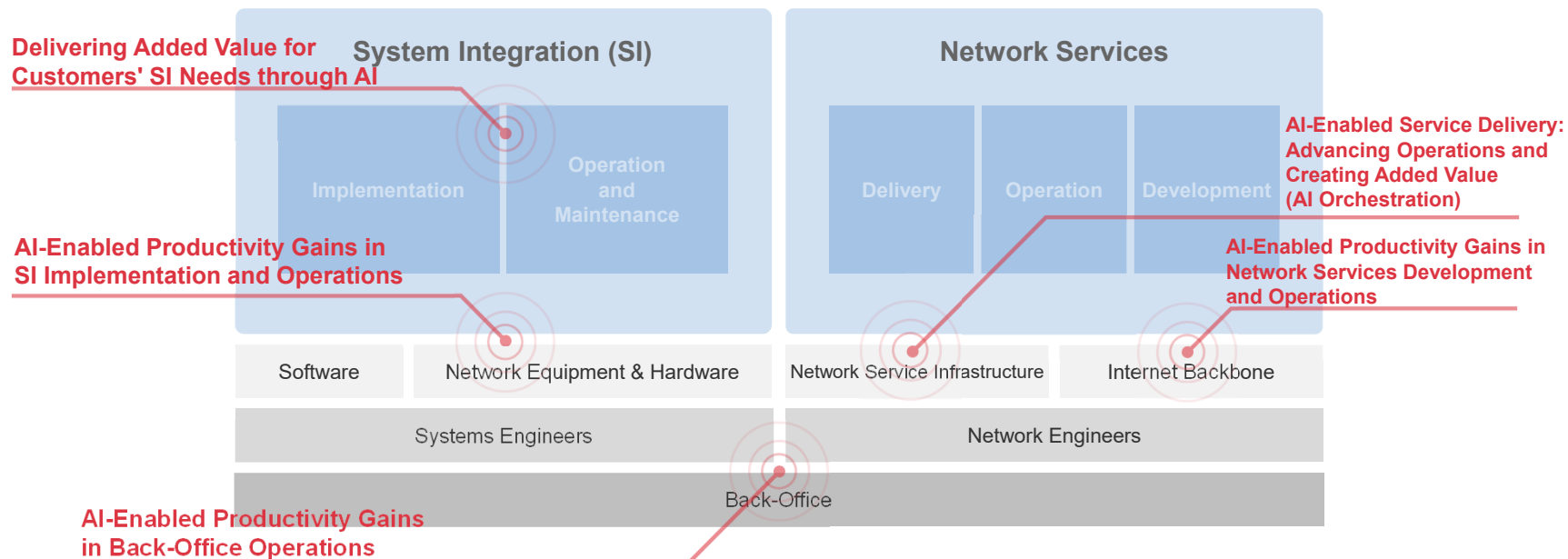




# Advancing IIJ's Offering Model with AI

As a network services provider, IIJ aims to create added value through AI-native service offerings and capture the transformative benefits of AI.

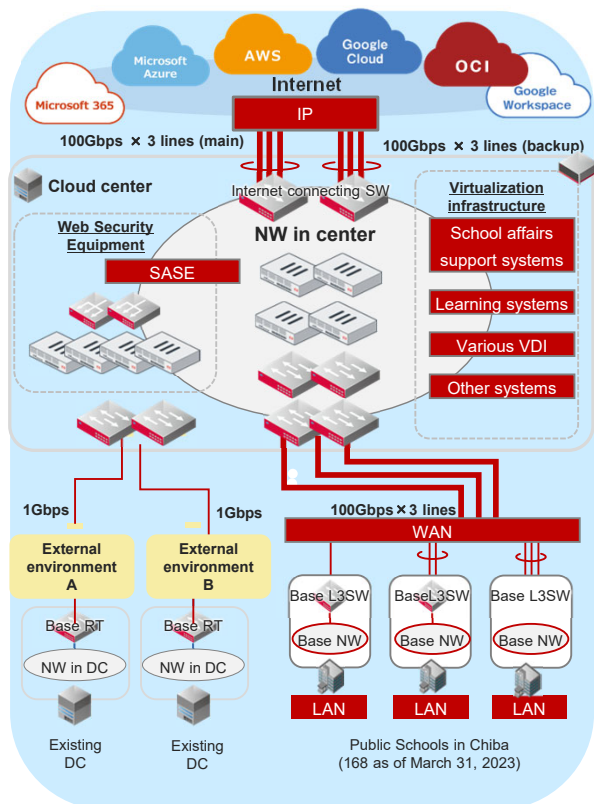
Target about 30% of the company-wide works to be replaced by AI by the end of FY2029



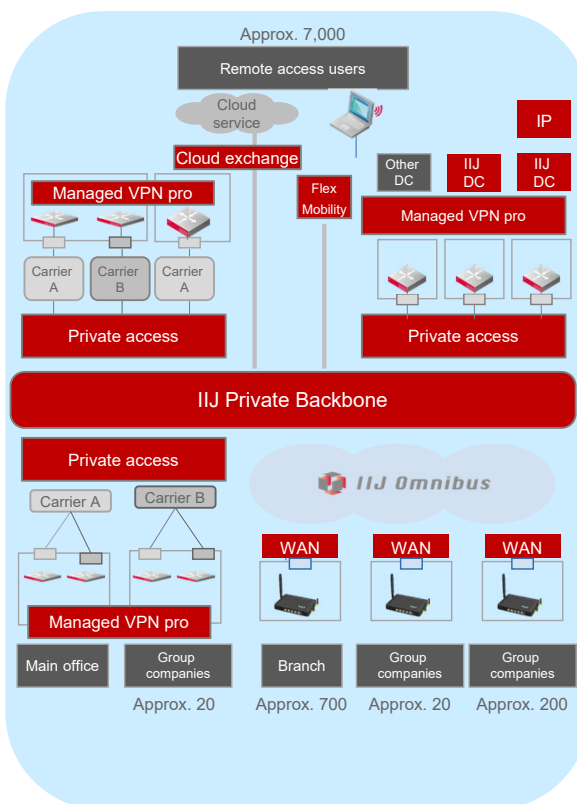


**Network Services**      **System Integration**

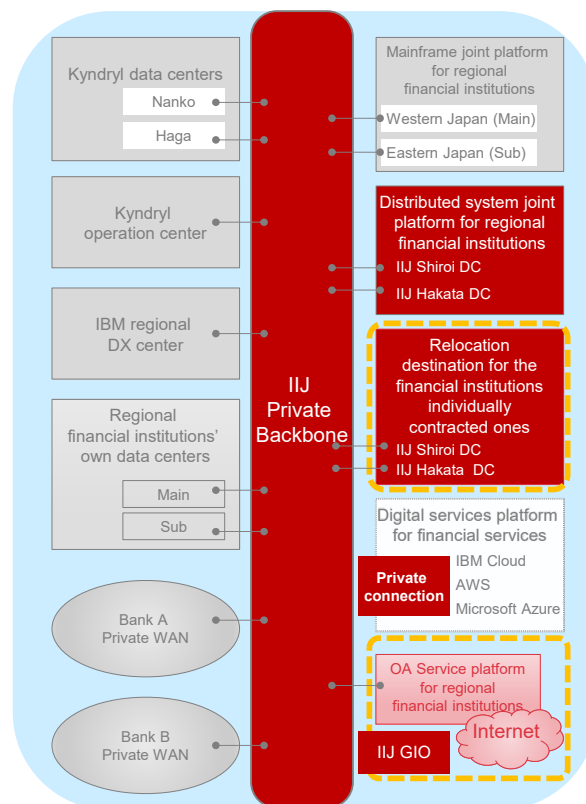
### Educational Information NW for Chiba city



### Total NW project for a prominent company group



## Shared Banking System Platform





# NTT Docomo's Mobile data interconnectivity charge (Mbps Unit charge, monthly)

Fiscal Year	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28
New						Announced in Mar. 2026 ¥10,931 +0.5% YoY	¥10,104 -7.6% YoY	¥9,488 -6.1% YoY
Fixed	¥27,024 -27.5% YoY	¥19,979 -26.1% YoY	¥15,042 -24.7% YoY	Future cost method No one-time cost reimbursement ¥12,862 -14.5% YoY	To be fixed in Dec. 2026			
Old					Announced in Mar. 2025 ¥10,874 -15.5% YoY	¥10,383 -4.5% YoY	¥9,052 -12.8% YoY	
				Announced in Mar. 2024 ¥12,862 -14.5% YoY	¥10,874 -15.5% YoY	¥10,708 -1.5% YoY		
			Announced in Mar. 2023 ¥15,644 -21.7% YoY	¥13,084 -16.4% YoY	¥11,255 -14.0% YoY			
		Announced in Apr. 2022 ¥20,327 -24.8% YoY	¥15,697 -22.8% YoY	¥13,207 -15.9% YoY				
	Announced in Mar. 2021 ¥28,385 -23.9% YoY	¥22,190 -21.8% YoY	¥18,014 -18.8% YoY					

- Under the future cost method, MNOs are to disclose the charges for next three yrs based on their prediction about cost etc. Its calculation is (Data communication cost + profit)/demand
- The charge disclosed based on the future cost method is to be finalized based on MNOs actual cost results etc.
- The YoY (Year over Year) decrease percentage written under each charge is compared with the previous year charge
- The charge is public information disclosed in NTT Docomo's service terms and conditions document uploaded on NTT Docomo's website (only available in Japanese) <https://www.docomo.ne.jp/binary/pdf/corporate/disclosure/mvno/business/oroshi.pdf>



# Mobile service for consumers “IIJmio GigaPlans”

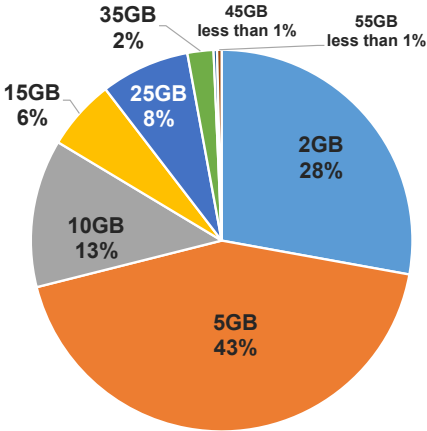
Price list for “IIJmio GigaPlans”

The price list was updated in Mar. 2025. The 15GB plan was revised in Mar. 2026.

2GB	With voice	¥850
	Data-only	¥740
5GB	With voice	From ¥990 to ¥950
	Data-only	From ¥900 to ¥860
10GB	With voice	From ¥1,500 to ¥1,400
	Data-only	From ¥1,400 to ¥1,300
15GB	With voice	From ¥1,800 to <b>¥1,600</b> *from Mar. 2026
	Data-only	From ¥1,730 to <b>¥1,530</b> *from Mar. 2026
From 20GB to 25GB	With voice	¥2,000
	Data-only	¥1,950
From 30GB to 35GB	With voice	From ¥2,700 to ¥2,400
	Data-only	From ¥2,640 to ¥2,340
From 40GB to 45GB	With voice	¥3,300
	Data-only	¥3,240
From 50GB to 55GB	With voice	¥3,900
	Data-only	¥3,840

GigaPlans: by data plans

As of Mar. 31, 2026



Shift from low bundled to mid-to high bundled plans

	Mar. 31, 2025	Jun. 30, 2025	Sep. 30, 2025	Dec. 31, 2025	Mar. 31, 2026
2GB	33%	30%	29%	28%	28%
5GB	44%	44%	44%	43%	43%
10GB	11%	13%	13%	14%	13%
15GB	4%	3%	3%	4%	6%
25GB	7%	8%	8%	8%	8%

As of Mar. 31, 2026, 83% of IIJmio GigaPlans were with voice plan



## Company Profile

## DeCurret Holdings

(IIJ's equity method investee)

Scheduled absorption-type merger on July 1, 2026

## DeCurret DCP

## Shareholders (43 companies)

- IIJ (shareholding ratio: 34.8%), financial institutions (banks, securities, and insurance), telecom carriers, IT service providers, logistics and transportation companies, retailers, real estate firms, energy and infrastructure providers, advertising agencies, security service companies, and general trading companies, etc.

## Impact on IIJ's financials

- DeCurret-related shares of loss of investments accounted for using equity method investee: FY25 JPY0.8 bn, FY26 plan: approx. JPY1.5 billion

## Business

- Digital currency business (Electronic Payment Services Operators)
- Growing number of commercialization projects driven by continued market adoption of tokenized deposit concepts
- FY26 costs are expected to increase, mainly due to higher development expenses associated with the expansion of the Financial Zone, including increased development headcount

## Digital Currency Forum

- DeCurret DCP serves as the secretariat and examines use cases for digital currencies
- Number of members: over 100 including enterprises and local governments (Jan. 2026)
- Observers: Financial Services Agency (FSA), Ministry of Internal Affairs and Communications (MIC), Ministry of Finance (MOF), Ministry of Economy, Trade and Industry (METI), Bank of Japan (BOJ)
- Senior advisor: Mr. Endo (former Commissioner of FSA)

## Use Cases of DCJPY

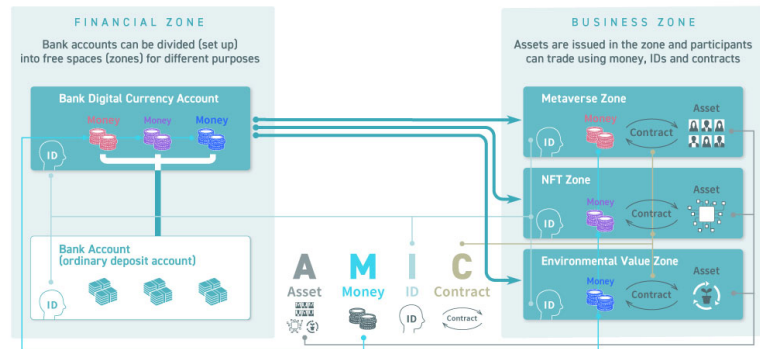
## DCJPY Network

## Financial Zone (FZ)

**Banks:**  
Minting & transferring digital currency, etc.

## Business Zone (BZ)

**Enterprises & government agencies, etc.:**  
Implementing the use case



## Tokenized Bank Deposits

## Electronic payment instrument (Stable Coins)

## DCJPY

## Type I

## Type III: specific trust beneficiary right (money trust)

Legal framework

Banking Act, Deposit Insurance Act, etc.

Payment Services Act

Legal nature

Deposit claims

Trust beneficiary interests, etc.

Underlying asset

Bank deposits themselves (not underlying asset)

Preservation through deposit, etc.

Trust assets (deposits, etc.)

Issuers

Banks

Type II funds transfer service providers

Trust banks &amp; trust companies

Features

- There is no upper limit on transfer amounts
- Treatment equivalent to bank deposits (covered by the deposit insurance system, etc.)
- Along with the expansion of BZ, use cases for digital currency are to also expand

- There is an upper limit on transfer amounts (Type II funds transfer service providers: JPY1 million maximum per transaction)

- Trust banks have no upper limit on transfer amounts, while trust companies have some restrictions



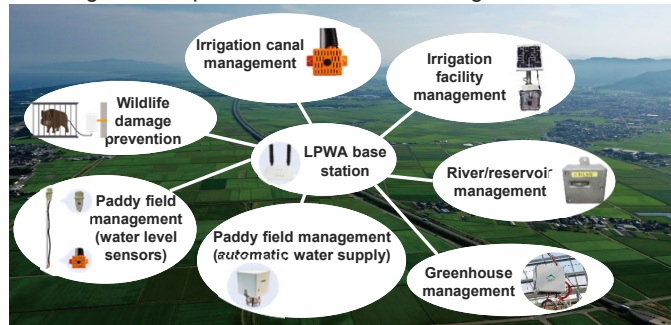
# Established a JV for soil moisture sensing business with Sony Semiconductor Solutions Corporation

## Company Overview

Company Name	Sensiphia, Inc.
Shareholders	IIJ: 85%, Sony Semiconductor Solutions Corporation ("Sony"): 11%, Other: 4%
Capital, etc.	JPY559 million
Establishment	February 20, 2026
Representative	Representative Director, President & CEO: Toru Saito (Former Deputy Division Director, IoT Business Division, Network Services Business Unit, IIJ)
Business Overview	Development, sales, and support of moisture sensors and agricultural support services using soil moisture sensing technology

## IIJ's Strengths

- ◆ Extensive know-how in developing IoT businesses in the agriculture sector, built through collaboration with local governments nationwide in deploying communication infrastructure for agricultural areas
- ◆ Capability to build and operate wide-area communication infrastructure, including support for regions with poor mobile network coverage



\*LPWA (Low Power, Wide Area): A wireless communication technology optimized for IoT/M2M applications, characterized by low power consumption and long-range connectivity.

© Internet Initiative Japan Inc.

## Background of Establishment / Business Development

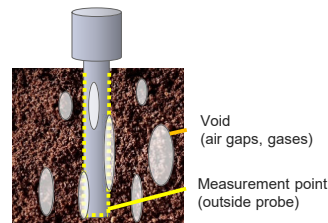
- ◆ IIJ provides smart agriculture solutions that integrate communication infrastructure, sensor devices, and data management as part of its IoT business since 2019. By combining these with Sony's technological expertise in sensor development, Sensiphia is to develop and offer products and services that enhance operational quality and efficiency in agricultural field
- ◆ As a data-driven agricultural support service leveraging sensor data, Sensiphia is to provide comprehensive support for irrigation optimization, efficient water usage, and yield improvement
- ◆ Sensiphia will initially focus on the domestic facility cultivation market, with medium- to long-term expansion plan into overseas facility cultivation and open-field agriculture

## Sony's Strengths

- ◆ Unique sensor technology that is less affected by soil conditions
- ◆ Conventional methods measure soil moisture in direct contact with the sensor and are therefore affected by soil voids, whereas the Sensiphia method measures soil moisture between sensors using RF signals, enabling stable soil moisture measurement.

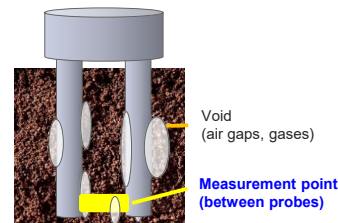
### Conventional method (contact-type)

Measures soil moisture in direct contact with the sensor



### Sensiphia method (non-contact type)

Measures soil moisture between sensors



\*RF (Radio Frequency) signals: A high-frequency electromagnetic wave (radio wave) or electrical signal used for wireless communication and data transmission.



**【Reference】**  
**Presentation material for company profile**  
**P. 29 ~ P. 45**



## IIJ has been taking initiatives in Internet Infrastructure field in Japan

Established	December 1992 (The first established full-scale ISP in Japan)
Number of Employees	5,533 (approx. 70% engineers)
Large Shareholders	NTT Group, KDDI, ITOCHU Techno-Solutions (CTC), Koichi Suzuki (Founder)

### ◆ The first established full-scale ISP (Internet Service Provider) in Japan

- ✓ Introduce many in-house developed Internet-related network services
- ✓ Highly skilled IP (Internet Protocol) engineers from the inception
- ✓ Operate one of the largest Internet backbone networks in Japan

**Approx. 80% recurring revenue**  
Stable and Scalable Business Foundation

### ◆ Well recognized “IIJ” brand among Japanese blue-chip companies’ IT division

- ✓ Differentiate by reliability and quality of network and systems operation
- ✓ Long-term (approx. 30 yrs) client relationship since the establishment of IIJ

### ◆ Development of innovative Internet-related services

- ✓ Differentiate by continuous network service developments and business investments
- ✓ Focus on Cloud, mobile, security, solutions related to Big Data, IoT and data governance
- ✓ Always ahead of telecom carriers and systems integrators (Slers) with regards to services development and operation

• Number of employees (consolidated basis) and large shareholders are as of Mar. 31, 2026



# Management structure (Planned as of end-June, 2026)

Ratio of female directors  
and auditors  
28.6%

Ratio of outside directors  
50.0%

Company  
Profile

## Board of Directors (10 members)

**Koichi Suzuki**  
Representative  
Director,  
Chairman,  
Executive Officer,  
Co-CEO



**Yasuhiko Taniwaki**  
Representative  
Director,  
President,  
Executive Officer,  
Co-CEO & COO



**Koichi Kitamura**  
Vice President  
Executive Officer

**Akihisa Watai**  
Vice President  
Executive Officer  
CFO

**Junichi Shimagami**  
Vice President  
Executive Officer  
CTO

### Outside Directors (50.0%, 5 out of 10)

**Takashi Tsukamoto**  
(since 2017)

Former Chairman of  
Mizuho Financial Group,  
Inc.  
Former President and  
CEO of  
Mizuho Bank, Ltd.

Independent

**Kazuo Tsukuda**  
(since 2020)

Former Chairman and  
Representative Director  
of Mitsubishi Heavy  
Industries, Ltd.

Independent

**Yoichiro Iwama**  
(since 2021)

Former President and  
Representative Director  
of Tokio Marine Asset  
Management Co., Ltd.  
Outside Director and  
Chairman of the Board  
of Amova Asset  
Management Co., Ltd.

Independent

**Atsushi Okamoto**  
(since 2022)

Former President and  
CEO of Iwanami Shoten,  
Publishers

Independent

**Kaori Tonosu**  
(since 2022)

Former Board Member  
of Deloitte Touche  
Tohmatsu LLC

Independent

Female

## Board of Company Auditors (4 members)

**Masayoshi Tobita**

**Masako Tanaka**

Female

### Outside Auditors

**Shio Harada**  
Attorney at law

Female

**Kumiko Aso**  
CPA

Female

## About President Taniwaki (Since Apr. 2025)

- Joined MIC in 1984 and led major telecom reforms including NTT's restructuring and mobile policy initiatives. Served as Vice-Minister for Policy Coordination in 2019, promoting lower mobile charges. Joined IJ in 2022 as Executive VP, driving growth in cybersecurity and digital transformation.

## Director Compensation

- Revamped the director compensation system in FY24. Restricted stock-based compensation is linked to both annual performance and the Mid-term Plan. With regard to Mid-term Plan-linked compensation, the directors are evaluated mainly based on financial performance (revenue, operating profit, and segment performance overseen by each director), engagement metrics (including employee satisfaction), ROE (19%), sustainability targets.

## IJ's Business Philosophy

- To develop network infrastructure through technological innovation**

We are committed to the ongoing pursuit of initiatives in the field of Internet technology to open the future of the digital society through new value created by ever faster networks and computing.

- To provide solutions (IT services) that supports a networked society**

We continuously develop and introduce highly reliable and value-added IT services that anticipate changes taking place around the world, to support the use of networks by society and individuals.

- To provide meaningful opportunities for growth to our employees**

(a place where human resources with diversified talents and values can play an active role)

We aim to offer meaningful working opportunities for growth through business, in which our staff can take a proactive approach to technical innovation and social contribution and actively demonstrate their abilities with pride and a sense of satisfaction. We aspire to be a company where employees are never satisfied with the status quo, and are always thinking about the future world, contributing to social development, and achieving personal growth through work that has value for society.



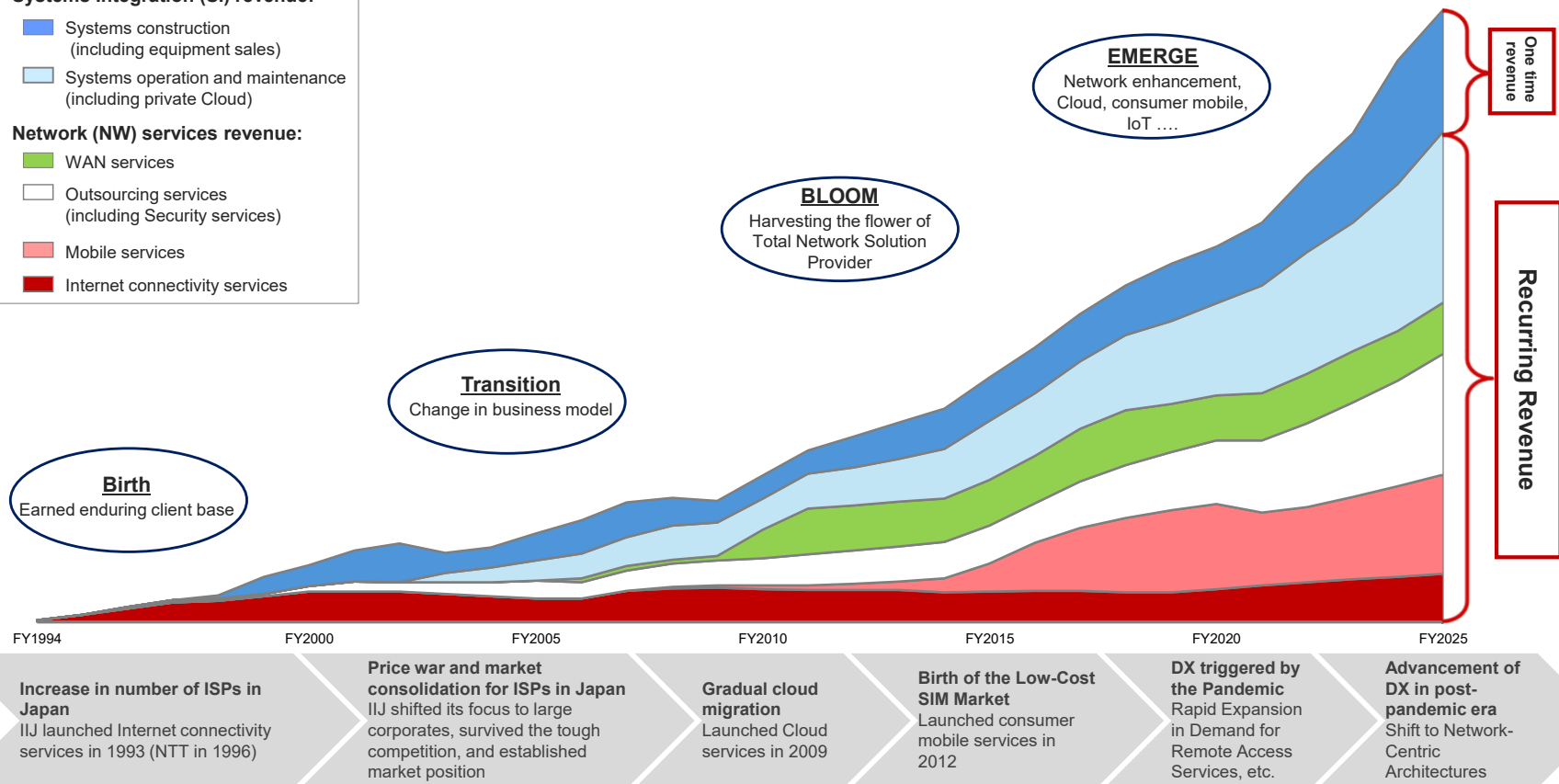
# From ISP to Total Network Solution Provider

## Systems Integration (SI) revenue:

- Systems construction  
(including equipment sales)
- Systems operation and maintenance  
(including private Cloud)

## Network (NW) services revenue:

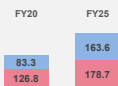
- WAN services
- Outsourcing services  
(including Security services)
- Mobile services
- Internet connectivity services





# Network Engineering Capabilities as Our Core Value - Business Model -

Revenue (¥ bn)



## Client Base

### Private Sectors in Japan

- ICT
- Finance
- Services
- Construction
- Retail
- Manufacturing

### Public Sectors in Japan

- Central government agencies
- Local governments
- Educational institutions

### Top MVNO by market share

- Over 30%\*
- Over 200 MVNE clients

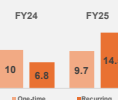
\*MM Research Institute, as of Mar. 31, 2025

### Overseas Business

- Supporting Japanese companies operating overseas
- Developing IIJ's local businesses in ASEAN

- Approx. 16,000 clients
- Longstanding client relationships
- High penetration to top tier 10 companies each industry
- Continue to meet Internet-related demands
- Exceptionally low churn
- Advancing large-account strategy

Large-scale projects revenue (¥ bn)



## Transactions and Projects Trends

**Large-scale projects**  
Network replacement

**Strong Demands from Finance and Public sectors**

**IoT-related Projects to Increase**

**Full-outsourcing Needs to Prevail**

- Provide total solution as one suite
- Large-scale Service Integration projects increasing
- SI to enhance network service business development

## Service Elements

### Internet/Network

- Dedicated Internet connectivity
- Broadband connectivity
- Cloud network optimization
- Proprietary router
- Wireless LAN
- WAN

### Security

- SOC
- Secure web gateway
- Mail security
- Managed firewall
- Zero Trust
- SASE

### Cloud

- File servers
- Virtualization platform
- Backup servers
- Multi-cloud
- Data integration platform
- Dedicated cloud connectivity

### MVNO

- Private network SIM
- Mobile router
- 5G
- eSIM
- Multi-carrier
- IMSI

### IoT

- LoRa WAN
- Agriculture IoT
- Paddy field management
- Smart meter
- Factory automation
- Transportation data log

### System Integration

- Consultation
- Operation and maintenance



### Professional Services

- Cloud integration
- IT consulting
- Full-outsourcing of IT operation

**Over 2,000 talented network engineers**

**Proven operational excellence in network services**

**In-house development of a wide range of network services**

**One of the largest Internet backbone networks in Japan**



Network equipment



Backoffice system



Support desk



Data Centers



Servers

## Network Engineering Capabilities

- Network availability; 99.9999%
- Fully redundant configuration through multicarrier architecture, etc.
- Low HR turnover rate: 3-4%
- Established service brand in Japan



# Extensive Service Lineups

Unit: ¥ (JPY) billion (bn)

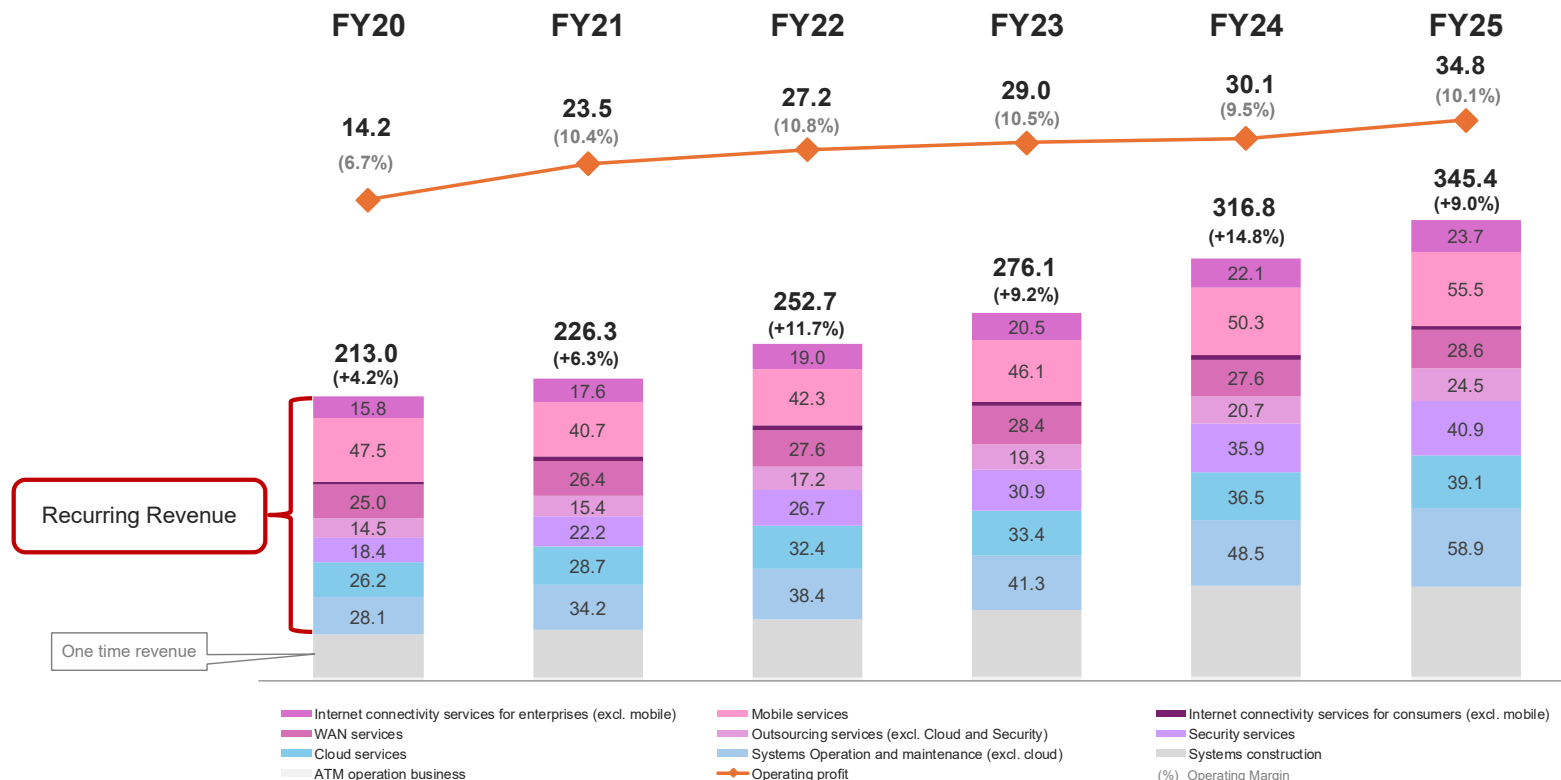
Revenue category		FY25 revenue	YoY growth	Cost Structure	Gross Margin	About	Business situation, growth drivers and outlook
Network services	Internet connectivity services for enterprise	53.89	+10.0%	Mostly common costs	27.1%	<div><div>IP (Internet Protocol)</div><div>18.64</div><div>+7.6%</div><div><ul style="list-style-type: none"><li>IIJ's flagship service since the inception</li><li>Highly reliable dedicated connectivity services with multi-carrier redundancy</li><li>Bandwidth-based contracts driving scalable revenue growth</li></ul></div></div> <div><div>Mobile</div><div>30.17</div><div><div>Enterprise mobile</div><div>18.20</div><div>+17.6%</div></div><div><div>MVNE</div><div>11.98</div><div>+5.2%</div></div><div>Provide data connectivity for mainly IoT usages</div><div>Provide mobile services for other MVNOs</div></div> <div>(Others) Broadband Internet services, etc.</div>	<div>IP<ul style="list-style-type: none"><li>Matured market (hard to entry)</li><li>Very low churn rate, loyal clients for over 30 years</li><li>Expect Internet traffic volume to continuously increase along with cloud penetration, CDN, SaaS, DX, etc.</li></ul></div> <div>Mobile<ul style="list-style-type: none"><li>Unified mobile infrastructure for enterprise, MVNE and consumer Traffic management strategy</li><li>Current infrastructure provisioning based on peak consumer traffic patterns. Peak demand concentrated during commuting hours and lunchtime</li><li>Leading market share in Japan's consumer MVNO segment</li></ul></div>
	Internet connectivity services for consumers	28.67	+6.9%			<div><div>Mobile</div><div>25.28</div><div>+7.9%</div><div><ul style="list-style-type: none"><li>Provide SIM with monthly data limits (voice as option)</li></ul></div></div> <div>(Others) Broadband Internet services and email services for households, etc.</div>	
	Outsourcing	67.62	+14.3%			<div>Various in-house developed Internet-related service line-ups</div> <div><div>Security</div><div>40.91</div><div>+13.8%</div><div><ul style="list-style-type: none"><li>Managed security services, Security Operation Center services and so many more</li></ul></div></div> <div>(Others) NW monitoring, VPN services, public cloud services, and many more</div>	<ul style="list-style-type: none"><li>Have been developing services based on the Zero Trust concept</li><li>Drive enterprise growth through cross-selling</li><li>Ongoing service development is key</li><li>Security demand is expected to remain strong</li></ul>
	WAN (Wide Area Network)	28.55	+3.4%			<ul style="list-style-type: none"><li>Traditional method of connecting multiple sites via intranet and closed networks</li><li>Direct procurement of dedicated WAN lines</li></ul>	<ul style="list-style-type: none"><li>Stable market</li><li>Positioned as a cross-selling element</li></ul>
SI	Operation and Maintenance	95.77	+16.0%	Cost plus	16.1%	<div><div>On-premise Systems</div><div>58.87</div><div>+21.3%</div><div><ul style="list-style-type: none"><li>Operation and maintenance of deployed systems</li></ul></div></div> <div><div>Private Cloud, etc.</div><div>36.90</div><div>+8.5%</div><div><ul style="list-style-type: none"><li>Promote cloud migration with robust, reliable and value-driven capabilities</li></ul></div></div>	<ul style="list-style-type: none"><li>Strong mid-to-long business opportunity driven by cloud migration of internal IT systems</li><li>Revenue expected to grow steadily as construction projects accumulate</li></ul>
	Construction (including equipment sales)	67.87	-1.3%			<ul style="list-style-type: none"><li>Primarily network integration projects, including server setup</li></ul>	<ul style="list-style-type: none"><li>Securing large-scale projects as Japanese enterprises shift to network-based systems requiring integrated network functions</li></ul>



# Recurring Revenue Accumulation & Expansion of Economies of Scale

Unit: ¥ (JPY) billion (bn)  
% = Year over year change

Company  
Profile



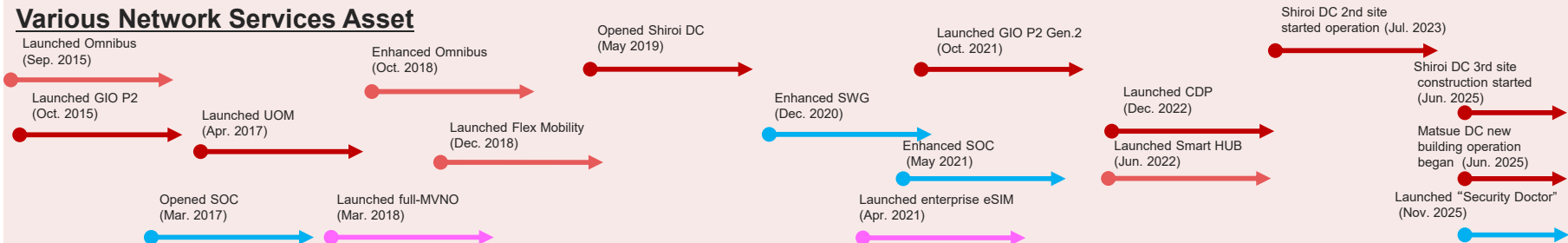
- WAN revenue decreased year over year in FY19 and FY20 mainly due to certain large customers' migration to our mobile services (cheaper than WAN to connect multiple sites)
- During FY20, ATM operation business was impacted by the COVID-19 pandemic due for example to the store closure and smaller number of users coming to stores
- Mobile revenue decreased year over year in FY21 due to ARPU decrease for consumers and change in unit charge for MVNE clients
- Systems construction and systems operation & maintenance revenue increase for FY21 includes PTC revenue which became IIJ's consolidated subsidiary from Apr. 2021
- FY24 Operating margin includes the significant increase of VMware licenses



# Financial Performance

		FY21	FY22	FY23	FY24	FY25
<b>Total Revenue</b>		<b>226.3</b>	<b>252.7</b>	<b>276.1</b>	<b>316.8</b>	<b>345.4</b>
	YoY	+6.3%	+11.7%	+9.2%	+14.8%	+9.0%
NW services		128.2	138.9	151.3	162.6	178.7
	YoY	+1.1%	+8.4%	+8.9%	+7.4%	+9.9%
NW services (excl. Mobile services)		87.5	96.6	105.2	112.3	123.3
	YoY	+10.3%	+10.5%	+8.9%	+6.7%	+9.8%
Mobile services		40.7	42.3	46.1	50.3	55.5
	YoY	(14.3%)	+3.8%	+9.1%	+9.0%	+10.3%
SI		95.3	110.9	121.8	151.3	163.6
	YoY	+14.5%	+16.4%	+9.8%	+24.2%	+8.2%
<b>Operating Profit</b>		<b>23.5</b>	<b>27.2</b>	<b>29.0</b>	<b>30.1</b>	<b>34.8</b>
	YoY	+65.3%	+15.6%	+6.6%	+3.7%	+15.7%
<b>Operating Margin</b>		<b>10.4%</b>	<b>10.8%</b>	<b>10.5%</b>	<b>9.5%</b>	<b>10.1%</b>
<b>Net Profit</b>		<b>15.7</b>	<b>18.9</b>	<b>19.8</b>	<b>19.9</b>	<b>24.2</b>
	YoY	+61.4%	+20.3%	+5.2%	+0.5%	+21.3%
<b>ROE</b>		<b>16.2%</b>	<b>17.0%</b>	<b>16.3%</b>	<b>15.0%</b>	<b>16.2%</b>
<b>NW service gross margin</b>		<b>27.8%</b>	<b>27.5%</b>	<b>28.7%</b>	<b>27.8%</b>	<b>27.1%</b>
<b>SI gross margin</b>		<b>15.7%</b>	<b>16.7%</b>	<b>15.6%</b>	<b>14.4%</b>	<b>16.1%</b>
<b>CAPEX</b>		<b>16.1</b>	<b>20.8</b>	<b>22.5</b>	<b>26.3</b>	<b>32.2</b>
NW services, etc.		9.0	9.7	12.9	15.0	13.6
Shiroy, Matsue DCs		1.6	5.6	5.7	4.7	11.6
Cloud		2.3	2.0	1.5	2.0	3.4
SI, others		3.2	3.5	2.4	4.6	3.6

## Various Network Services Asset





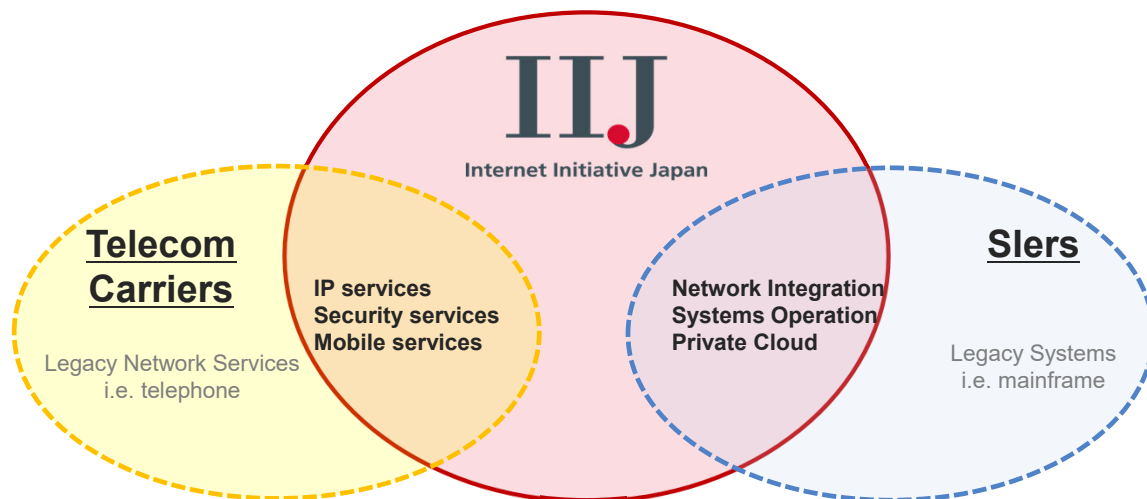
# Competitive Advantages

## Against telecom carriers, IIJ

- Has highly skilled IP (Internet Protocol) engineers
- Is faster to move than bureaucratic organizations
- Focuses on blue-chip companies' IT needs with SI

## Against systems integrators (Slers), IIJ

- Operates one of the largest Internet backbone (Slers do not)
- Has NW services asset and development capability (Slers do not)
- Focuses on Internet-related open type systems

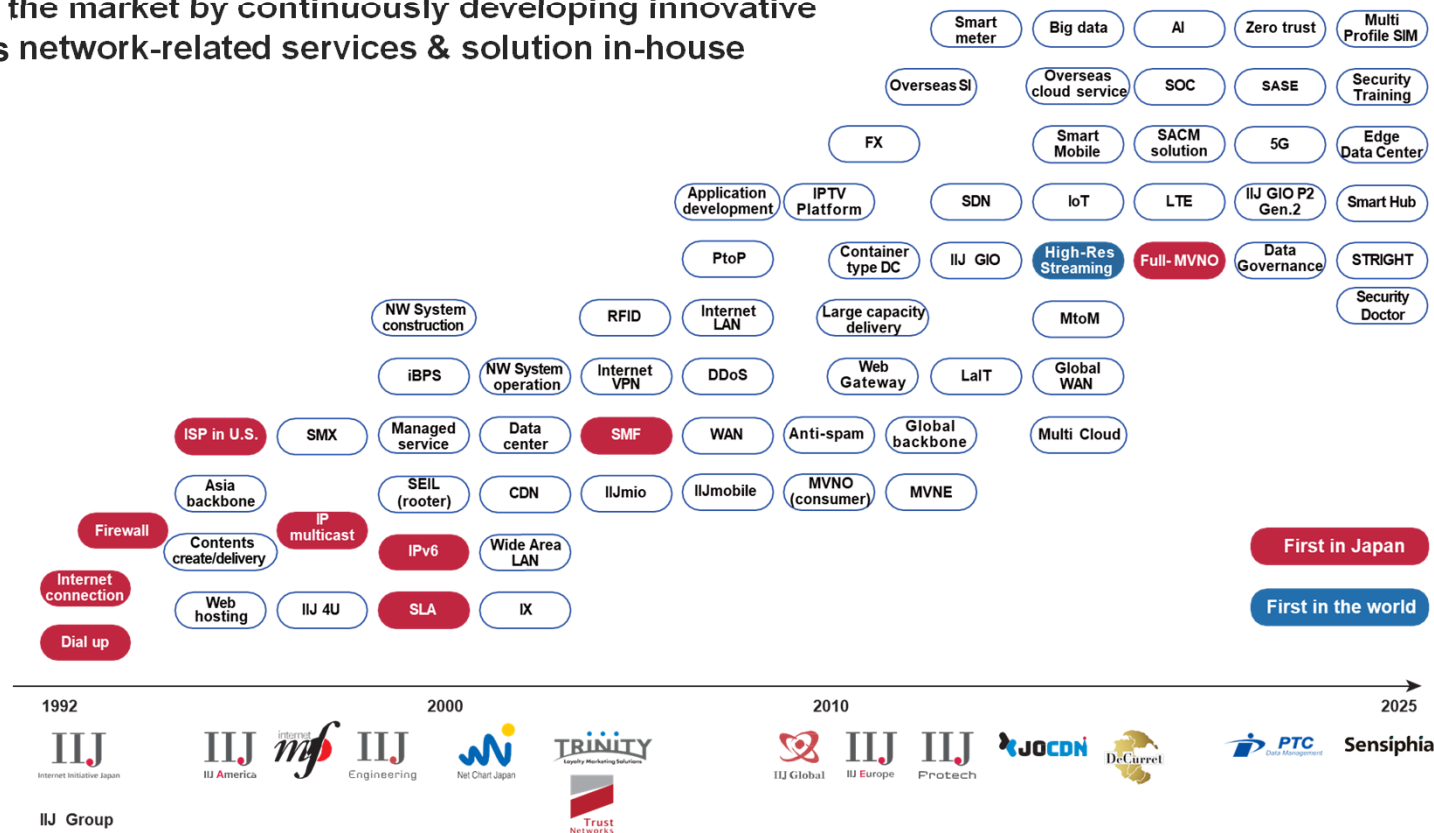


**IIJ deals with newer systems and growing IT market  
(Not involved in heavy and legacy systems)**



# Service & Solution Development Capability

Initiate the market by continuously developing innovative various network-related services & solution in-house

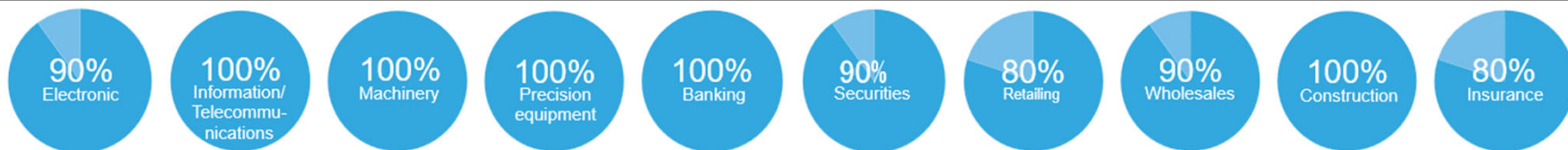




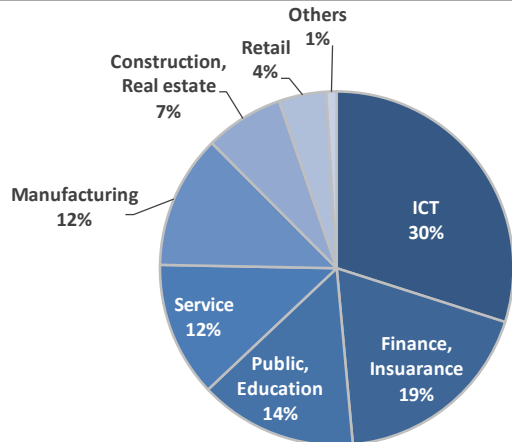
# Excellent Customer Base

- ◆ Number of IIJ Group's clients: approx. 16,000 as of March 31, 2026
- ◆ Through reliable operation, continuous use of Internet connectivity services since the inception of IIJ
- ◆ Our reliable infrastructure operation and cross-sell strategy have led to low churn rate

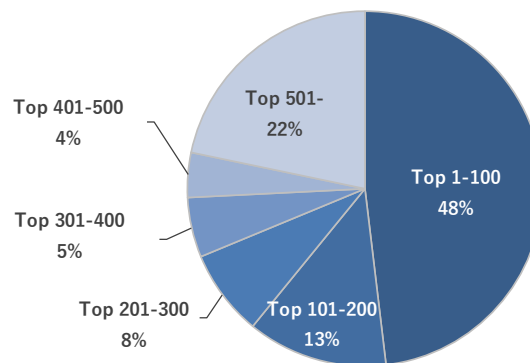
## Cover Most of Top Revenue Companies



## Client Distribution by Industry



## Client Distribution by Revenue Volume



\* Top ten firms in each industry taken from annual revenues are selected by IIJ based on the Yahoo! Japan Finance website (finance/sales/whole market/daily)

\* The service penetration and the revenue distributions are based on IIJ's FY25



# Mid-term Plan (FY24 ~ FY26)

**Accelerate business scale expansion toward the Mid-to-long Term Vision by advancing the business structure transformation in FY23**  
**Revenue growth led by integration and profit growth through economies of scale as a NW service operator**



## Further enhancement of the existing core business area

### SI as Revenue driver

- Accelerate revenue growth by rolling out NW construction/renewal projects to various industry, enhancing account sales & PM, expanding human resource
- Enhance SI project management

### NW service as Profit driver

- Accelerate NW service accumulation through Service Integration
- Demonstrate the strength of stable NW operation in the DX era

### Promotion of large transactions & clients

- Comprehensive outsourcing of client's NW and open systems
- Add large volume revenue to the multi-industry recurring revenue base
- Stable additional profit source for the future

### Enhancement of Service Control

- Higher efficiency for service development & operation by new technology such as AI
- Implement appropriate pricing in response to inflation & cost increase

### Further enhancement of service development & operation

- Focus on strengthening cyber-security service development
- Respond to DX progress with DWP lineup
- Develop services that would be PF for AI, data lake, etc.

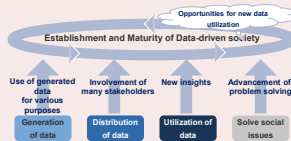
### Continuous expansion of NW infrastructure Pursuit of differentiation

- Construct the third site of Shiroy DC for long-term growth
- Deploy full-MVNO 5G SA

## Creation of new growth area

### Initiatives for Data-driven society

- Operate data utilization business, generate meaningful data, data distribution mechanisms & operations, etc.  
 → Study & create business models in conjunction with the existing infrastructure & services



### Achieve the spread of Digital Currency in Japan

(Equity method investee: DeCurrent)

- First in Japan to issue commercial digital currency as a practical case (scheduled in Jul. 2024)
  - ✓ Digitalized token of environmental value transaction
- Within FY26, anticipate loss to shrink & become profitable on a monthly basis
- Executing STO(\*) of digital currency, invoice chain(\*), web3/NFT(\*) & other practical projects

(\*) STO (Security Token Offering): securities issued using electronic means such as blockchain, replacing traditional mechanism of stocks and bonds

(\*) Invoice chain: concept of industry standard systems for corporate intercompany reimbursement

(\*) NFT (Non-Fungible Token): Token issued on the blockchain that can prove uniqueness and cannot be replaced

## Enhancement of business foundation

### Thorough expansion of Human Capital

- Continuous expansion of human resources
- Develop next-generation human resources for long term growth
- Maintain & enhance top-tier engineering capabilities & expand that to multiple layer

### Enhancement of cash control

- Appropriate management of increasing SI-related working capital
- Investment allocation Shiroy DC & growth areas
- Increase payout ratio when the Mid-to-long Term Vision is realized

### Maintain & improve Sustainability /Governance

- Strengthen governance in line with growth
- Contribute to the productivity of future society through continuous stable NW operation
- Introduce a new executive compensation scheme linked to the new Mid-term Plan

### Complement growth through M&As

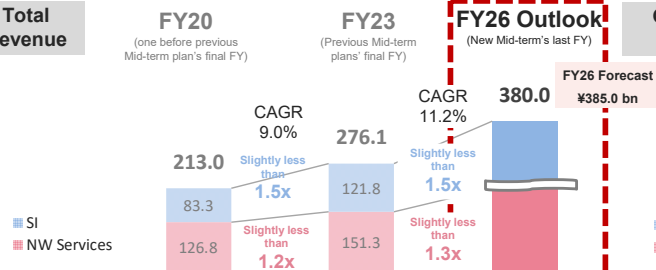
- Pursuit M&A opportunities as a supplemental means of expanding domestic resources & technology
- Leverage residual borrowing capability (up to ¥70.0 bn is envisioned image)



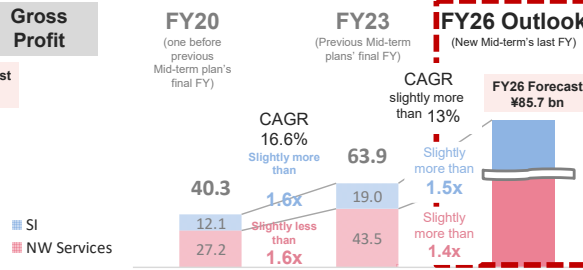
# Mid-term Plan's Financial Outlook

## Breakdown image of financial outlook

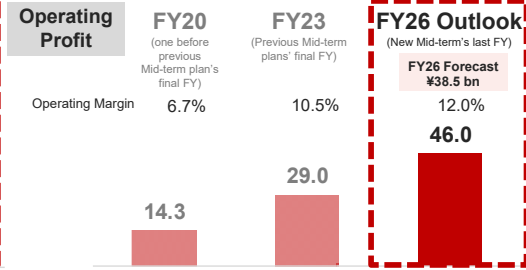
### Total Revenue



### Gross Profit



### Operating Profit



## Capital allocation (FY24-FY26, 3 yrs in total)

### Cash in

Profit level trending below expectations

Cash generated from business approx. ¥134.0 bn<sup>(\*)</sup>

<sup>(\*)</sup> post-tax, pre-depreciation

### Debt

Up to approx. ¥65.0 bn

### Cash out

#### Investment: approx. ¥90.0 bn

Ordinal NW infrastructure, etc. approx. ¥51.0 bn

Stable with economies of scale

Shiroy DC 3<sup>rd</sup> Site construction approx. ¥30.0 bn

Mainly for own services

Strategic investment for new growth areas

Along with an increase in large complex project  
Increase in working capital and lease obligation

Approx. ¥13.0 bn

Payout ratio 30%  
Dividend

Approx. ¥24.0 bn

Scheduled repayment of long-term borrowing

Approx. ¥1.5 bn

M&As

up to ¥70.0 bn

### Overview

Execution progressing as planned

#### Shiroy DC 3<sup>rd</sup> site construction

- ◆ Start the construction within the new Mid-term plan period, but the schedule is undetermined
  - First site: CAPEX approx. ¥8.3 bn, No. of racks: approx. 700, started operating from May 2019
  - Second site: CAPEX approx. ¥12.8 bn (plan), No. of racks: approx. 1,100, started operating from Jul. 2023

#### Strategic Investment

- ◆ Specific investment details have not fixed and will be discussed going forward

#### Increase in working capital & lease obligations

- ◆ Increase in work in process, prepayments, etc. due to an increase in large scale multi-year SI projects
  - The impact of increased working capital should gradually be reduced due to the constant revenue recognition of large-scale projects

#### M&As

- ◆ M&As to be conducted in sequence with borrowing capacity
  - Maintain debt/equity ratio & financial discipline, Up to ¥70.0 bn of additional debt could be implemented for M&As

Pipeline exists, but M&A execution remains uncertain



# Mid-to-long Term Vision

The figures mentioned below are all assumed status and image

## Previous Mid-term (FY21-FY23)

### Established profit base by enterprise recurring revenue growth

- Enhancement of NW infrastructure & service lineup
- Profit expansion through economies of scale by recurring revenue accumulation
- Increase in large scale projects through NW renewals, etc.
- Cloud, security & IoT demands
- Started expansion of overseas business, including M&As
- Expansion of human resources
- Initiatives for digital currency and other new business areas

## Mid-term (FY24-FY26)

### Accelerate business expansion by focusing on the existing core areas Pursue business scale for long term growth

- Further enhancement of the existing core business areas
- Creation of new growth areas
- Enhancement of business foundation

Execute actions early to realize revenue volume of ¥500 bn

## Mid-to-long Term Vision

### Total revenue around ¥500.0 bn Operating Margin 12% ~ 15%

- **Strongest focus on the core areas as NW operator & IT provider**  
**Positioned as one of the leading IT providers in Japan**  
Reliable NW operation & service as differentiator  
Enlarge SI business driven by Service Integration  
Expand large customer base to realize business scale
- **Provide NW platforms which support the NW society**  
Create optimal NW & security platforms for the spread of AI & the advent of data-driven society, etc.
- **Maintain and develop IIJ corporate culture as a challenger**  
Unchanged since the inception, diverse employees take on new challenges autonomously

## Beyond 5,000

\*5,000 is derived from the Japanese unit of ¥5,000 oku (oku = one hundred million) which is ¥500 bn

### Deliver added value as an IT full outsourcer for infrastructure operation to support realization of NW society

- Develop integrated PF to enable processing various types of data, together with security & high performance. IIJ to become a full outsourced IT providers equipped with DC (including edge computing) & cloud resources, including wired and wireless NWS
- Achieve high profit margins by managing large customers' NW & IT scopes as fully outsource
- Leadership including M&As amidst a changing industry landscape
- Become leading IT service provider by leveraging domestic knowledge & SWOT in ASEAN

## Targets (consolidated)

Total Revenue
Operating Margin
Payout ratio

FY23 result

¥276.1 bn

10.5%

FY26 forecast

¥385.0 bn

10.0%

30.5%

Initial Mid-Term Plan  
targets for FY26

¥380.0 bn

12%

30%

¥500.0 bn

12% ~ 15%

30% ~ 40%

Payout ratio to gradually increase along with an increase in business scale



# Enterprise internal NW & systems in Japan becoming to change

30 yrs ago

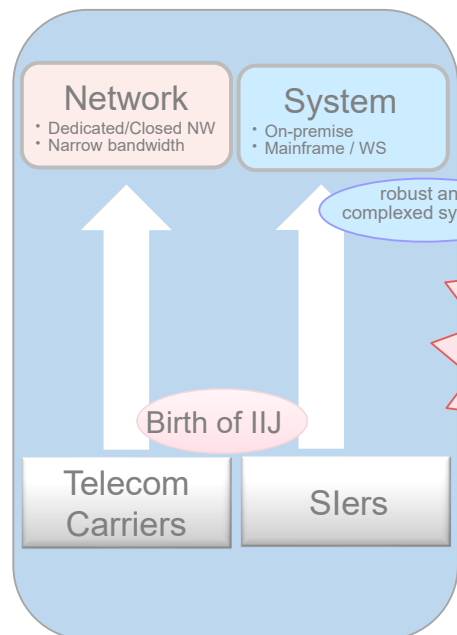
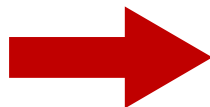
IIJ covered external NW with Internet  
Carriers & Slers covered internal NW & systems

Stick to legacy NW systems

Nowadays

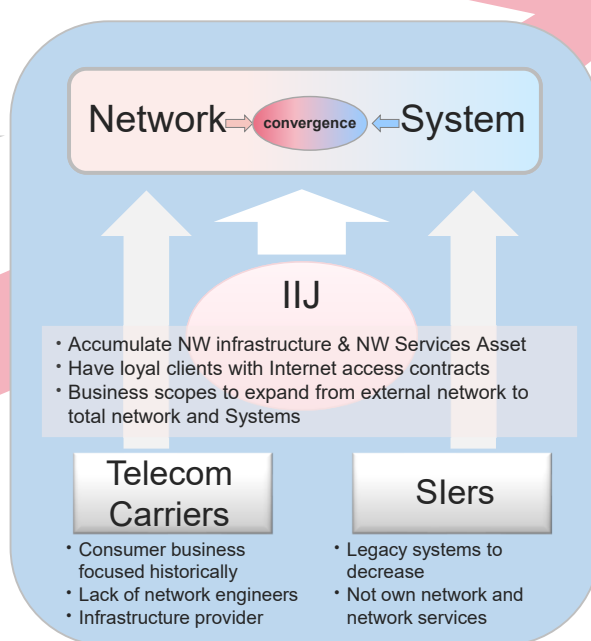
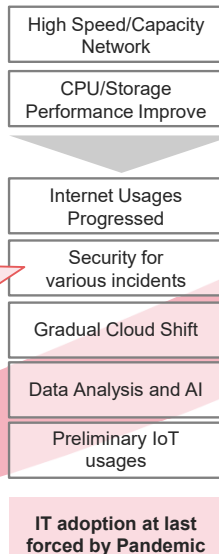
IIJ's opportunities rise to cover entire NW & system  
utilizing various NW functions

Finally systems & NW began to change in Japan after the COVID-19



Emergence of Internet

Struggling switch to open systems



Labor shortage requires more IT

Every CEO says DX  
(Digital Transformation)

Legacy NW and Systems to be reformed

Internet traffic continues to increase

Cyber security demands

Cloud systems penetration

5G SA adoption and advanced IoT projects

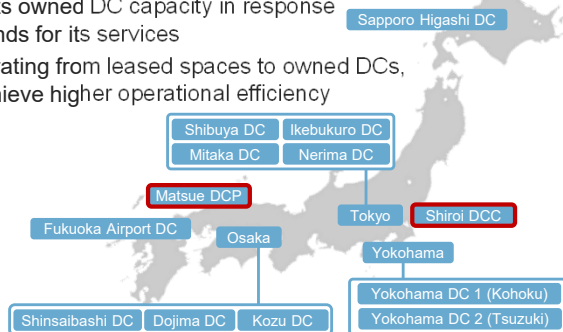
Importance of stable operation of large-scale NW remains unchanged



# Data Centers (DCs)

- ◆ IIJ operates 13 DCs in Japan, 2 of which are owned by IIJ (as of May 2026), the remaining facilities are leased from DC owners on floor-by-floor basis

- IIJ is expanding its owned DC capacity in response to growing demands for its services
- By gradually migrating from leased spaces to owned DCs, IIJ expects to achieve higher operational efficiency



## Initiatives for Environment

Measures	TCFD Targets			
Usage of renewable energy	To increase the renewable energy usage rate of DCs (Scope 1 and 2) to 85% in FY30			
	Results	FY23: 50%	FY24: 55%	FY25: 65%
Improvement of energy conservation	To keep the PUE of the DC at or below the industry's highest level (1.4) until FY30 through continuous technological innovation			
	Results	FY23	FY24	FY25
	Matsue DCP	1.33	1.34	1.38
	Shiroi DCC	1.36	1.32	1.31

- PUE(Power Usage Effectiveness) is a metric that shows how efficiently electricity is used at a data center. The closer to 1.0 is considered to be good
- TCFD: Task Force on Climate-related Financial Disclosures
- Scope 1 and 2 (Greenhouse gas emissions by a company): Direct emissions from the use of fuels and industrial processes at the company and indirect emissions from the use of electricity and heat purchased by the company (as defined by the GHG Protocol)

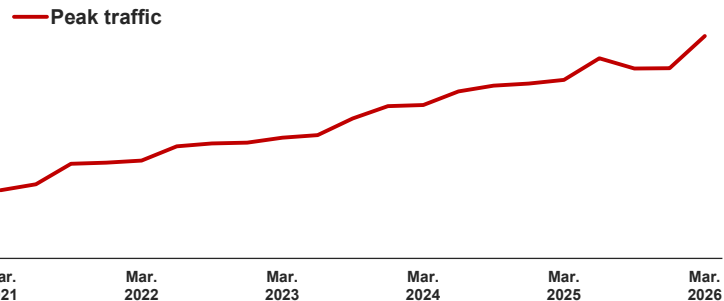
## 2 DCs owned by IIJ

	Matsue DCP (opened in Apr. 2011)	Shiroi DCC (opened in May 2019)
Objective	Used as facilities to accommodate in-house service infrastructure (cloud, network, security, etc.)	
Location	Matsue City, Shimane Prefecture	Shiroi City, Chiba Prefecture
Features	<ul style="list-style-type: none"> <li>• Container-type DC modules and system modules developed by IIJ</li> <li>• First deployment in Japan of IIJ's external air-cooling container unit</li> <li>• Modular container-based design enables phased expansion in line with demand</li> <li>• Renewable energy generated via on-site large-scale solar panels</li> <li>• Dedicated containers for individual customers also available</li> </ul>	<ul style="list-style-type: none"> <li>• Energy-efficient technologies including external air cooling</li> <li>• System module approach allows flexible and low-cost capacity expansion</li> <li>• Use of lithium-ion batteries to reduce peak power demand during summer</li> <li>• Renewable energy generation via on-site solar panels</li> <li>• Direct procurement of non-fossil certificates to supply effectively renewable energy</li> <li>• Supports diversified colocation needs</li> </ul>
Land	Approx. 16,000m <sup>2</sup>	Approx. 40,000m <sup>2</sup>
Capacity	Approx. 700 racks <ul style="list-style-type: none"> <li>• Site 1               <ul style="list-style-type: none"> <li>✓ IT module: approx. 100 racks (since Apr. 2011)</li> <li>✓ System module: approx. 300 racks (since Jun. 2025)</li> </ul> </li> <li>• Site 2               <ul style="list-style-type: none"> <li>✓ Approx. 300 racks (since Nov. 2013)</li> </ul> </li> </ul>	Approx. 1,800 racks <ul style="list-style-type: none"> <li>• 1<sup>st</sup> site: approx. 700 racks (since May 2019)</li> <li>• 2<sup>nd</sup> site: approx. 1,100 racks (since Jul. 2023)</li> </ul>
Recent Developments	<ul style="list-style-type: none"> <li>• System module building started operations (Jun. 2025)</li> </ul>	<ul style="list-style-type: none"> <li>• 2<sup>nd</sup> site is to be fully occupied around FY26 by IIJ's own service facilities and colocation</li> <li>• 3<sup>rd</sup> site construction               <ul style="list-style-type: none"> <li>✓ Expected CAPEX: approx. ¥27.0 bn</li> <li>✓ Started constructing from Jun. 2025</li> <li>✓ Scheduled operation from FY26</li> <li>✓ Construction area: approx. 5,400m<sup>2</sup></li> <li>✓ Approx. 1,000 racks</li> </ul> </li> </ul>



# Market Environment & Growth Forecast, etc.

## Historical traffic data of major domestic IX



Source: INTERNET MULTIFEED CO., IX = Internet Exchange

## SIM type MVNO market share in Japan

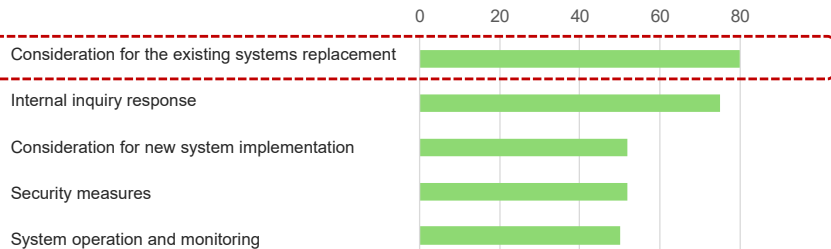
### ◆ Maintain top share in the domestic SIM-type MVNO market

	Mar. 31, 2024		Mar. 31, 2025		Sep. 30, 2025	
1 <sup>st</sup>	IIJ	21.6%	IIJ	23.3%	IIJ	24.2%
2 <sup>nd</sup>	NTT DOCOMO	9.7%	Optage	8.1%	Optage	8.1%
3 <sup>rd</sup>	Optage	8.7%	NTT DOCOMO	7.1%	NTT DOCOMO	6.4%
4 <sup>th</sup>	Fujitsu	5.6%	NTT DOCOMO Business	4.9%	NTT DOCOMO Business	5.1%
5 <sup>th</sup>	Aeon Retail	4.7%	Fujitsu	4.6%	Fujitsu	4.5%

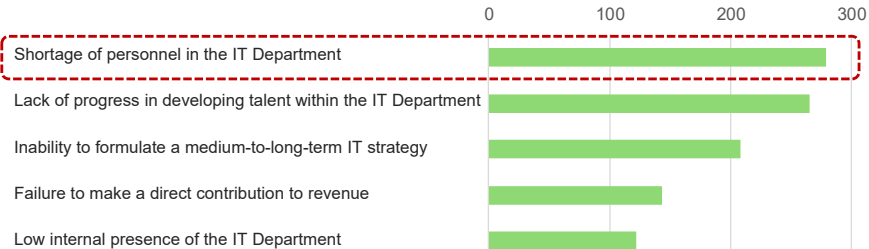
- Source: The Ministry of Internal Affairs and Communications
- NTT DOCOMO's figures as of Mar. 31, 2024 was formerly NTT Resonant's one
- NTT DOCOMO Business figures as of March 31, 2025 are based on NTT Communications prior to the name change

## Nationwide survey on IT department 2025

### ◆ Operation where IT department spends the most time



### ◆ Challenges for IT department



Source: Internet Initiative Japan "Nationwide survey on IT department 2025," Questionnaire conducted by IIJ since 2021 targeting IT departments of companies, etc.





The internet started in Japan in 1992, along with IIJ. Since that time, the IIJ Group has been building the infrastructure for a networked society, and with our technical expertise, we have continued to support its development. We have also continued to evolve our vision for the future and innovate to make it a reality. As an internet pioneer, IIJ has blazed the trail so that others could realize the full potential of a networked society, and that will never change. The middle "I" in "IIJ" stands for "initiative," and IIJ always starts with the future.