



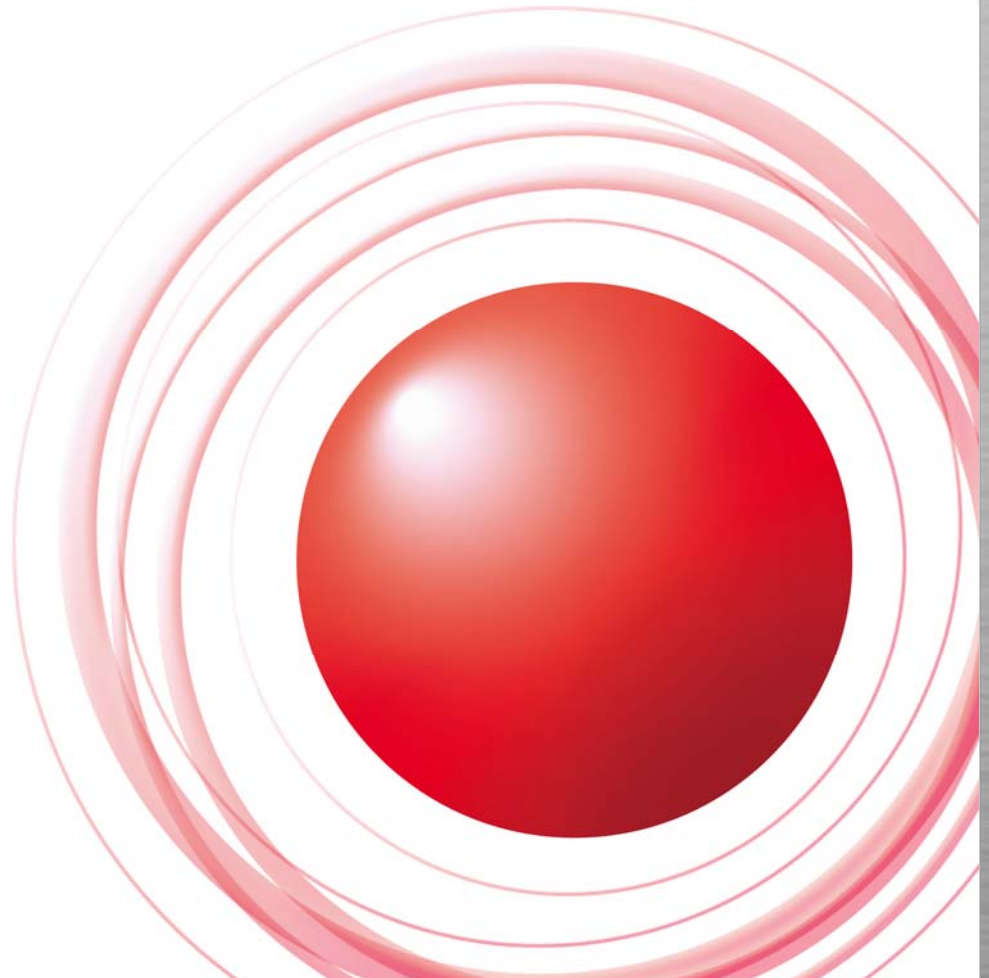
Internet Initiative Japan Inc.

**Europe Road Show
March 8-11, 2010**

<http://www.iij.ad.jp/en/IR>

TSE1:3774 NASDAQ:IIJI

Ongoing Innovation



Key Investment Highlights

- 1 Top IP Engineering Company in Japan**
- 2 Target Blue-chip and Governmental Organizations in Japan with dominant position**
- 3 Best Positioned in the Growing Outsourcing & Cloud Computing Market in Japan**
- 4 Stable revenue growth from the accumulating recurring revenue**
- 5 Solid Growth Strategy**

details to follow

TOP IP Engineering Company in Japan

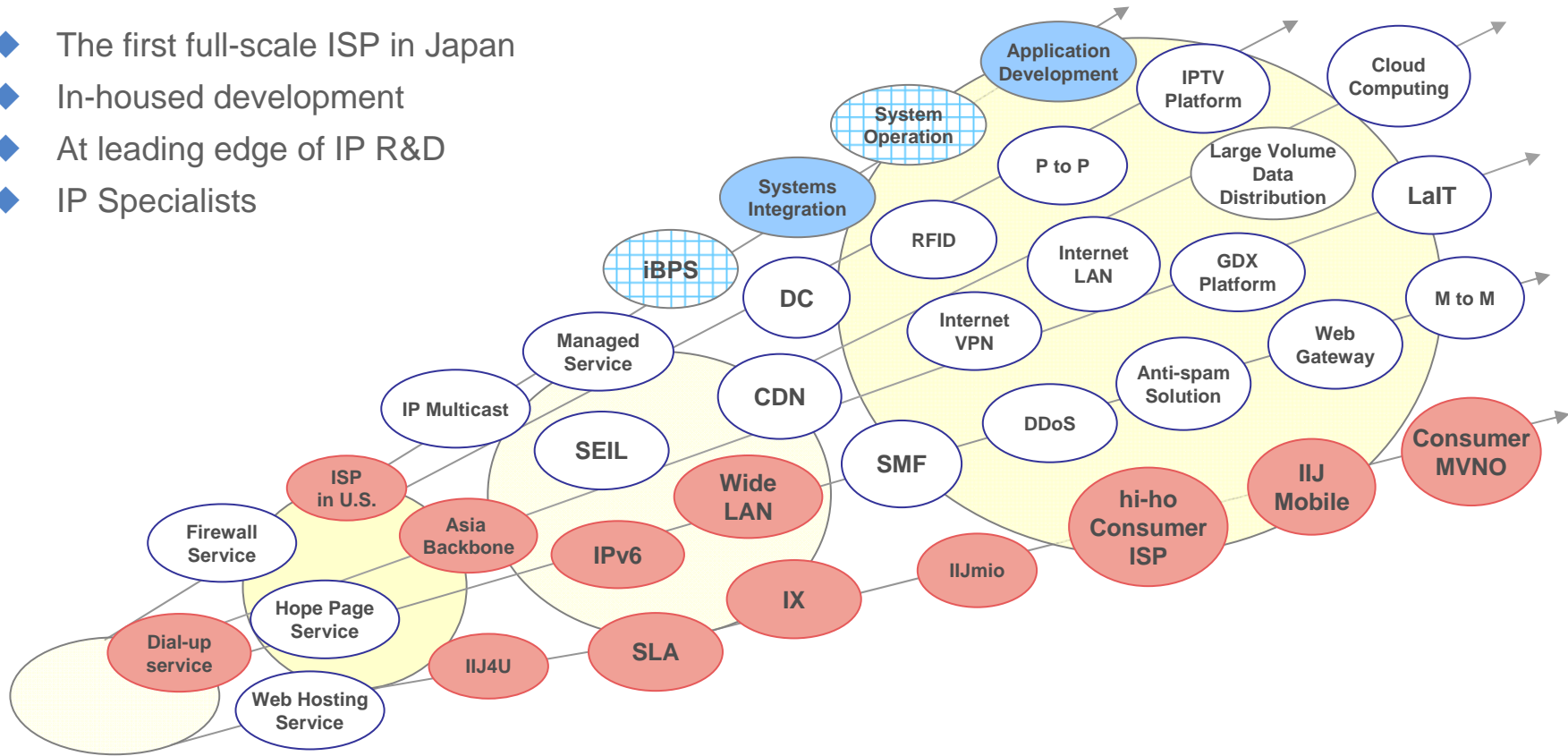
- ◆ The first established full-scale ISP in Japan
 - A group of highly motivated and skilled TOP Level IP Engineers
 - Pioneer of Network Technologies in Japan
- ◆ In-housed development
 - Operate one of the largest Internet Backbone in Japan
 - Fully develop its service and back office facilities
 - Internet Connectivity & Firewall Service, IP Multicast Delivery Service, IPv6 Service
 - NetBSD based Router Product Development (SEIL Series)
- ◆ “IIJ” brand among the Japanese IT market
 - Well known for its high engineering skills and network support skills
 - High customer Satisfaction with long term relationship
 - Around 6,500 clients, mainly governmental and large enterprise
- ◆ At the leading edge of IP R&D
 - IPv6, Mobile IPv6(MIPv6), NetBSD
 - Distributed and Parallel Processing Platform for very large data sets
 - Participation in world-wide research
 - Board Member of “Telecom-ISAC Japan”

Company Profile (as of December 2009)	
Established	December 1992
Number of Employees	Consolidated: 1,699 (approx 70% engineers)
Listed Markets	NASDAQ(IIJI), TSE1(3774)
Large Shareholders	NTT(24.5%), Koichi Suzuki(6.2%), Itochu Corp.(5.1%), NTTCom(4.9%)

Entrepreneur of Network Technologies

Business and Service Development to Initiate the Market

- ◆ The first full-scale ISP in Japan
- ◆ In-housed development
- ◆ At leading edge of IP R&D
- ◆ IP Specialists

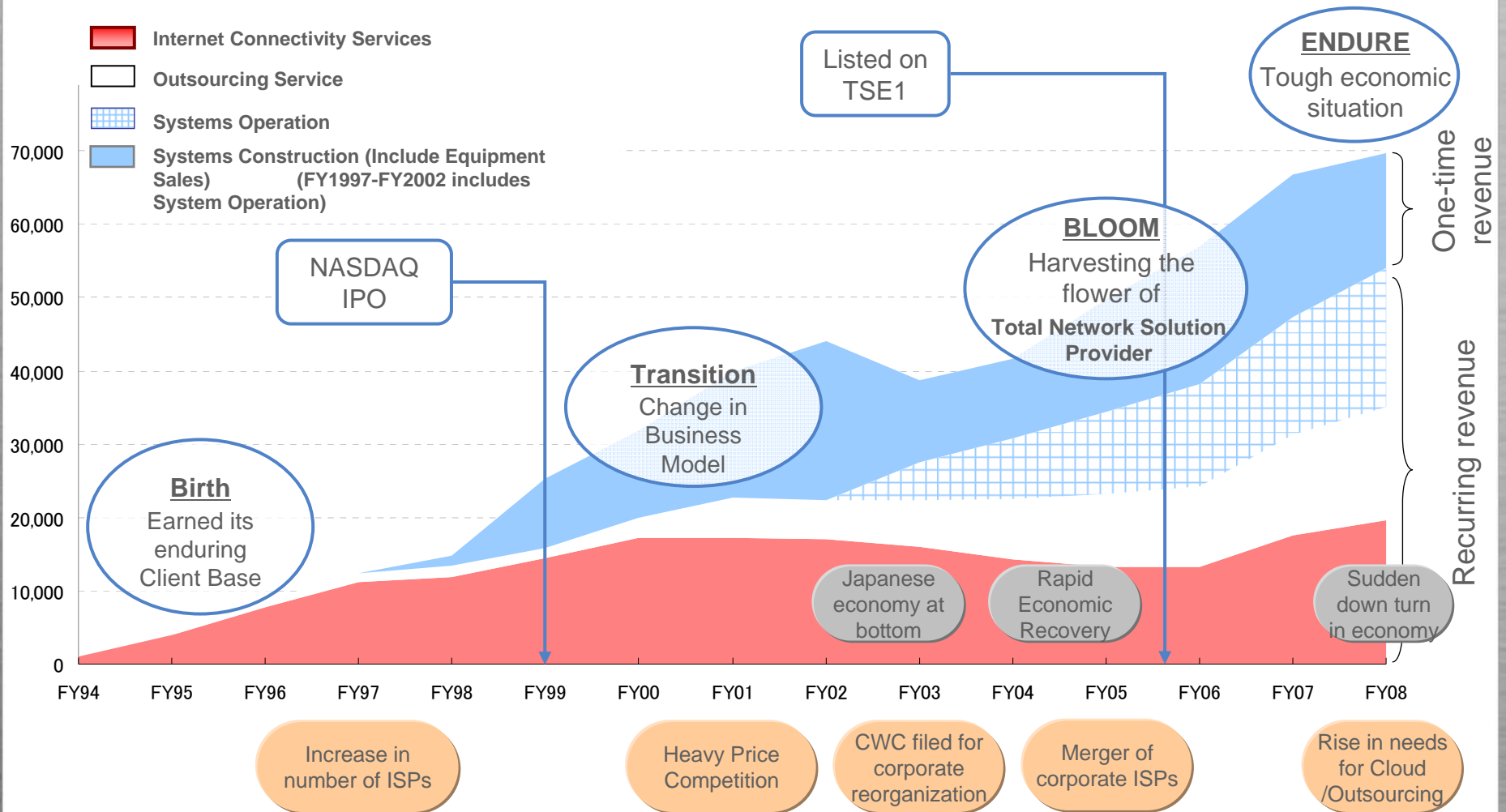


Year	1992	1995	1996	1997	1998	2004	2006	2007	2008
Company	IIJ (Internet Initiative Japan)	II Media Communications, A-Bone	IIJ America, IIJ Technology	Internet m/f	Net Cara	IF (II Financial Systems)	Net Char. Japan, i-revo	GDX (Trusted Communications), On Demand Solutions, hi-ho, Trust Networks	IIJ INNOVATION INSTITUTE

Strategic Shift in Business Model

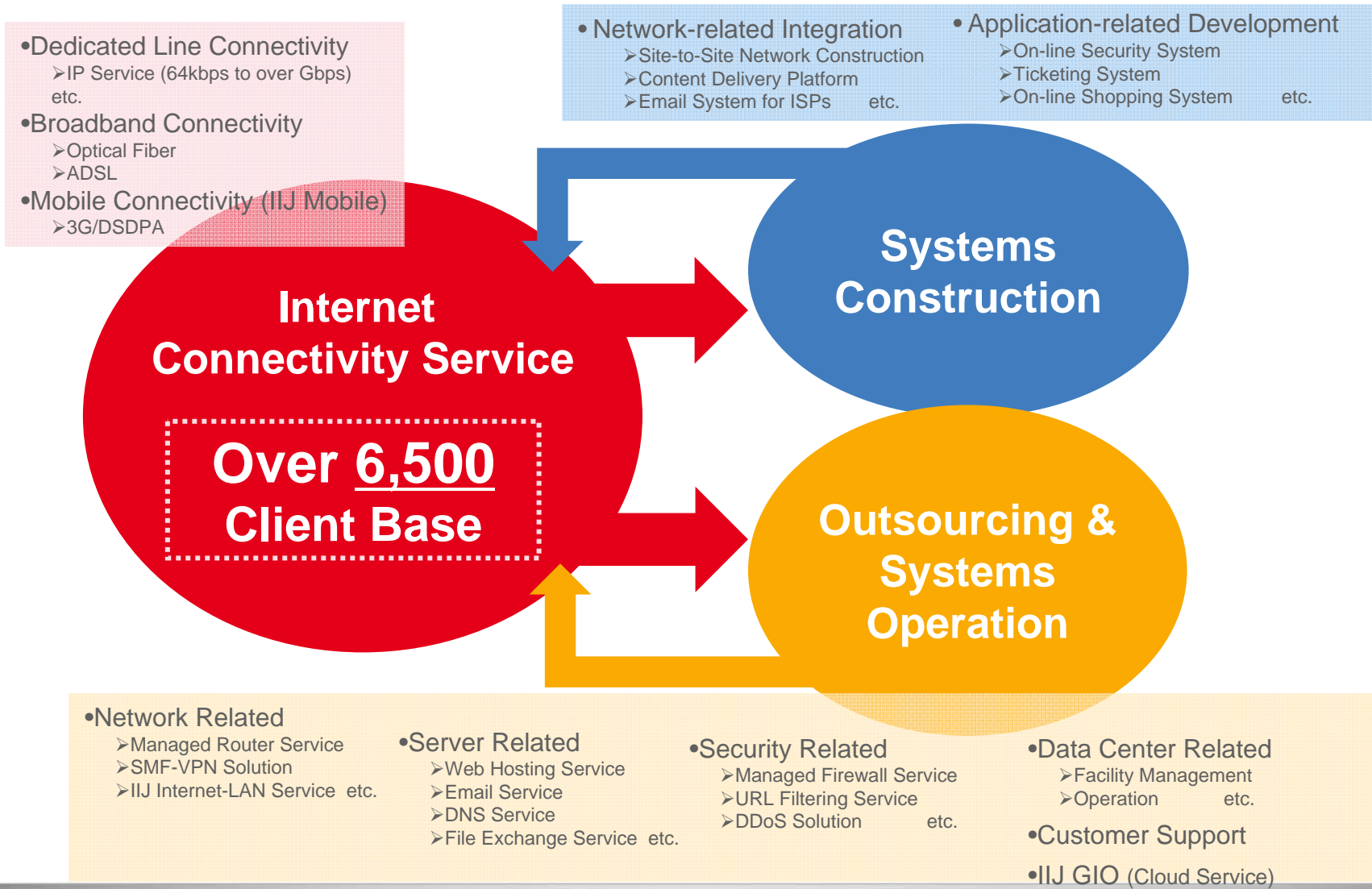
From "ISP" to "Total Network Solution Provider"

(Revenue, JPY million)



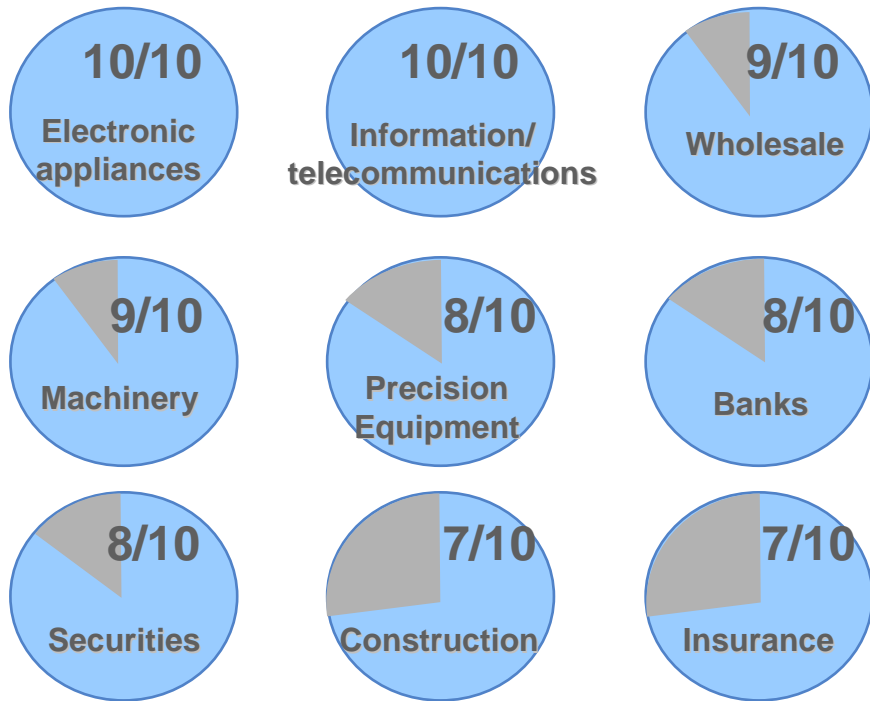
Recurring Business Model

Cross Selling of Total Network Solutions



Excellent Blue-chip Client Base

Top Tiers



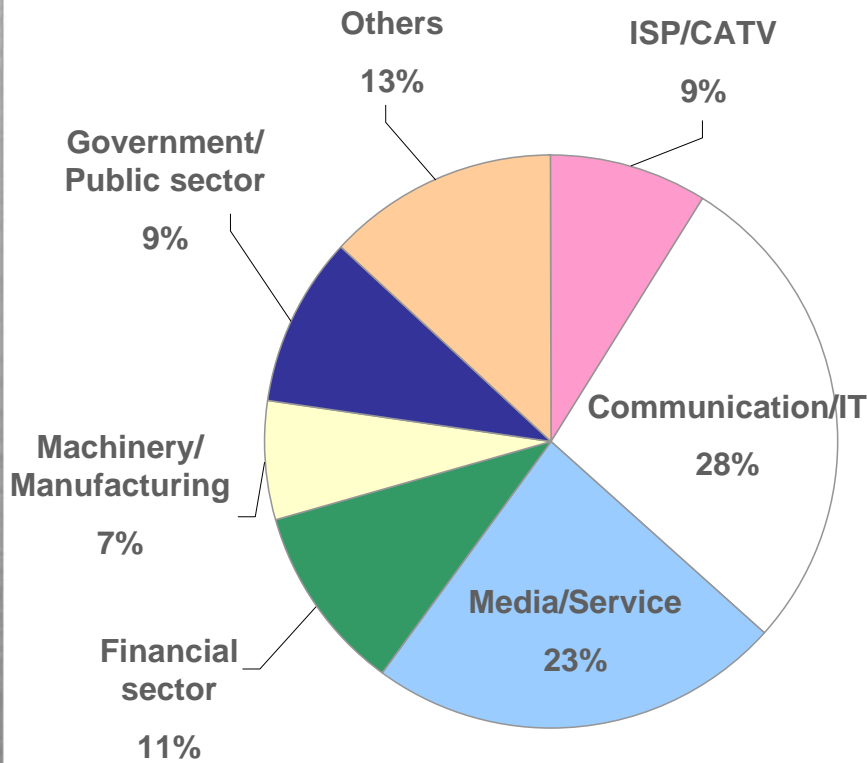
- The number of contracts we have among 10 major companies listed by annual consolidated revenue in each industry.
- Revenue data based on Toyo Keizai Shimpo "Kaisha Shikiho," and Nihon Keizai Shimbun "Nikkei Industry Map"

Enduring Relationship with leading companies



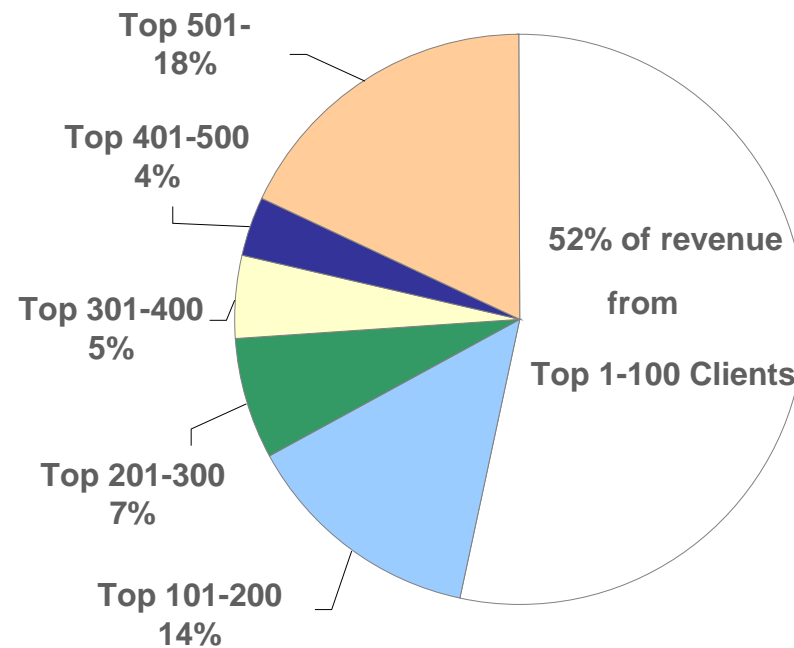
Broad Client Base

Revenue Distribution by Industry



Source: IIJ's consolidated data for FY2008

Revenue Distribution by Clients



Source: IIJ's non-consolidated data for FY2008

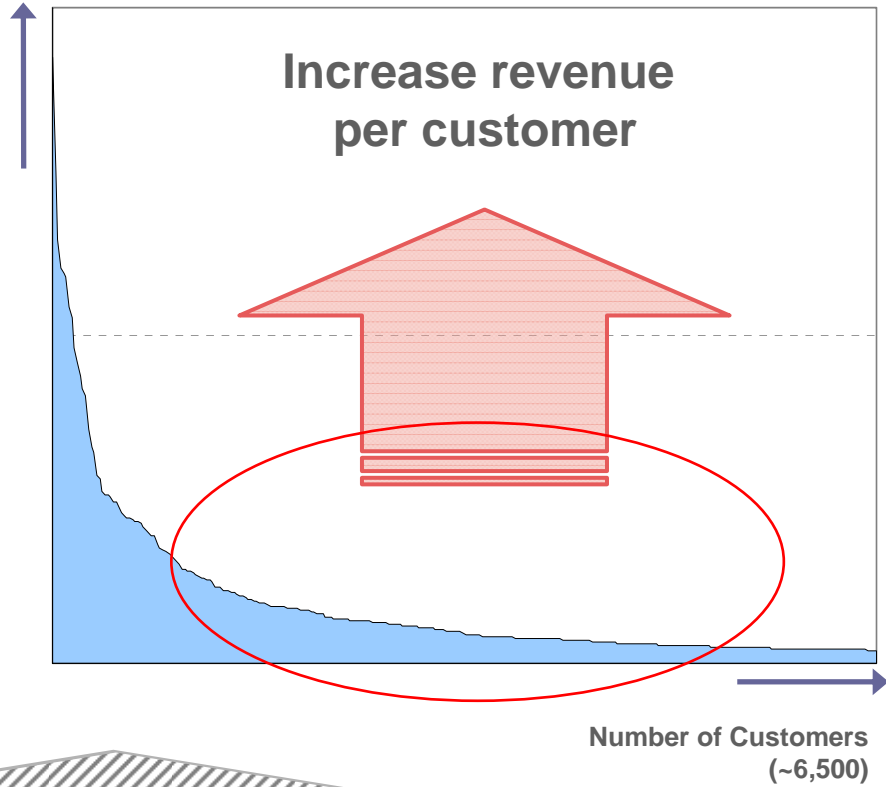
• Not dependent on specific industry

• Not dependent on specific company
 • Revenue by Top1 Client is less than 4%

Solid Growth Model

- Customer Retention Strategy
- Cross Selling of Services
- Provide high quality/reliable total network solution
- Introduce new services
- Increase recurring revenues for Stable revenues and profit growth

Revenues by Customer (JPY million)

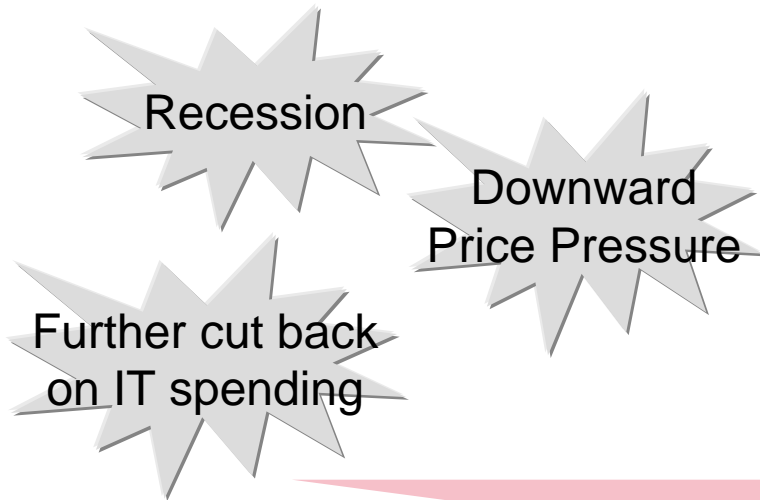


- IT market growth to continue
- Rise in demands from Outsourcing/Cloud Computing
- IT spending is indispensable in the mid/long term

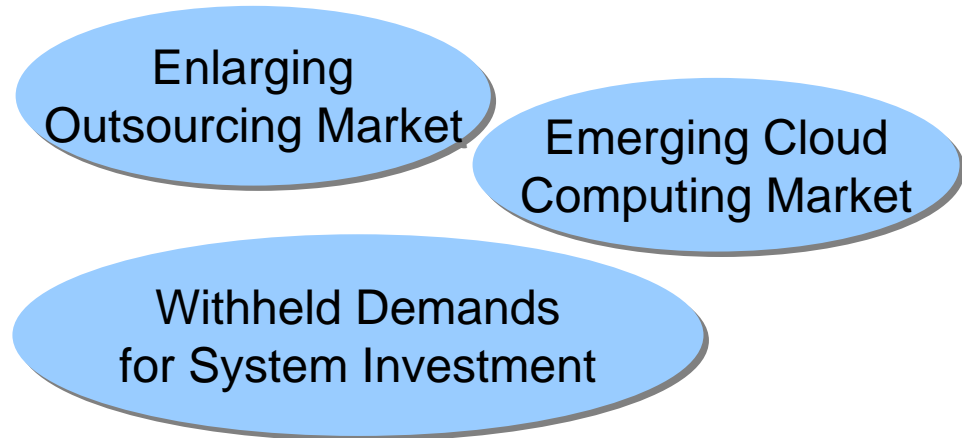
**Current Business Situation
and
Developments for Future Growth**

Current Business Situation

Threats



Opportunities

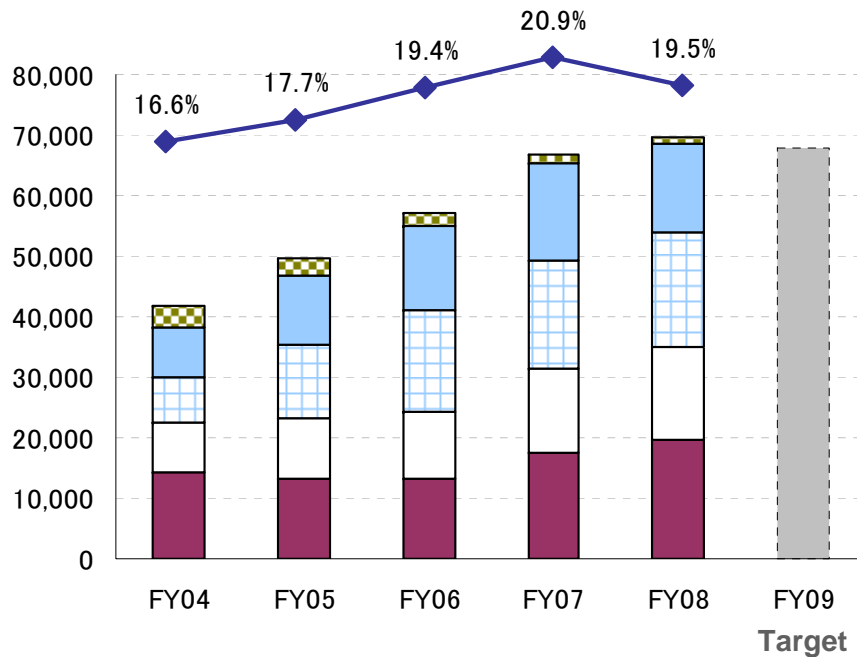


FY2009 Summary

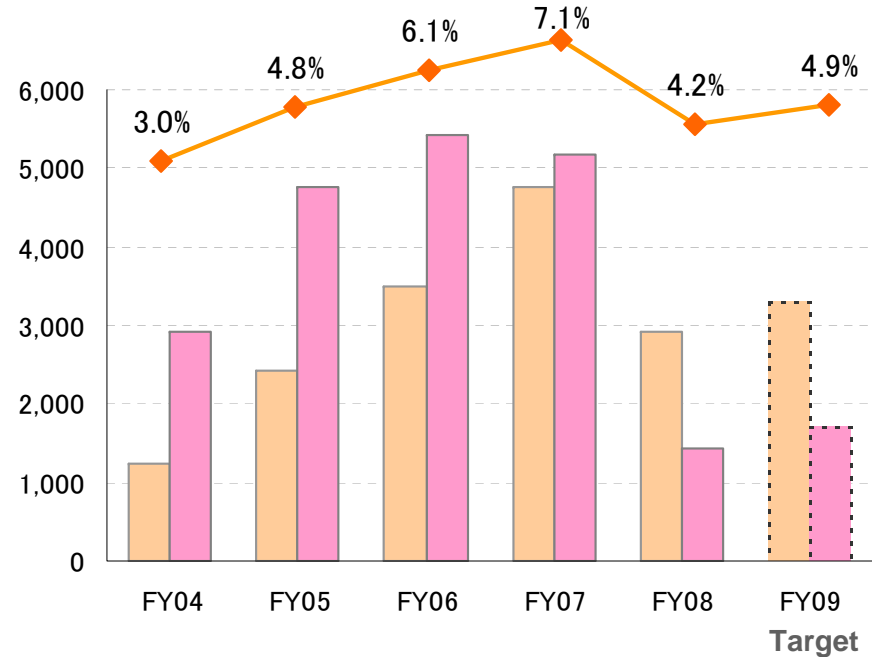
- Connectivity and outsourcing service revenues are steadily growing
 - continuous demands for higher bandwidth and outsourcing needs
- SI is weak heavily affected by the cut back on IT spending
- Cost control in progress
- Improving profitability despite the weak Japanese Economy
 - FY09 target: OP ¥3.3billion (up 13.1%), net income ¥1.7 billion (up 19.8% YoY)

Revenue and Income Figures

Revenue
Gross Margin Ratio



Operating Income, Net Revenue
and Operating Income Ratio



JPY millions	2005/3	2006/3	2007/3	2008/3	2009/3	2010/3 (Target)
Revenue	41,703	49,813	57,055	66,835	69,731	68,000
Operating Income	1,248	2,411	3,500	4,759	2,917	3,300
Net Income	2,906	4,754	5,410	5,177	1,419	1,700

Growth Opportunity Awaits Ahead

Exterior Growth Opportunity

Connectivity Service

- Increase in bandwidth (over Gbps)
- Contents Delivery Network
- Mobile data service (emergence of M2M market)
- IPv6

Outsourcing Service

- Security Services (DDoS, Spam, etc)
- Cloud Computing Services
- Data Center Market Growth

Systems Integration

- Mid sized network integration projects which are withheld for quite a long time
- “Cloud Computing” related SI for cost reduction
- Indispensable New IT investments for Japanese corporate to remain competitive

Solid Growth Model

Best positioned with growing IT demands

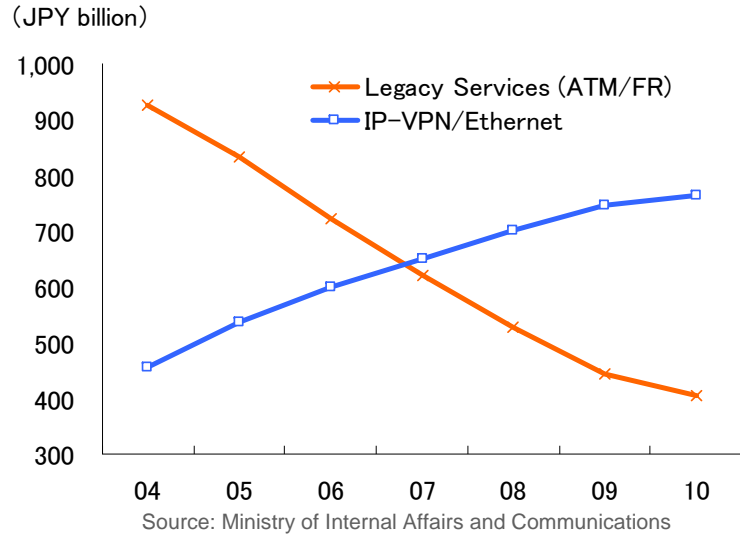
IIJ's Strength

- Strong Technical Skills
- High Reputation in Reliability
- Established brand within the IT market
- Enduring relationship with blue-chip companies
- Decentralized Customer Distribution

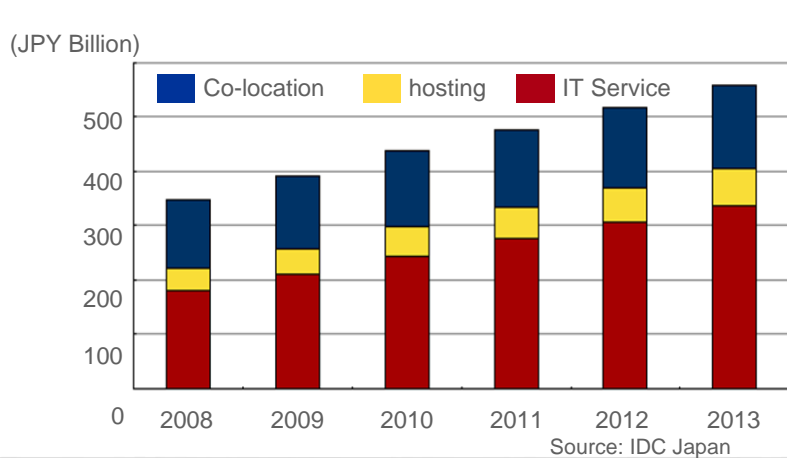
Total Network Solution Provider
Cross Selling Strategy

Supporting Data

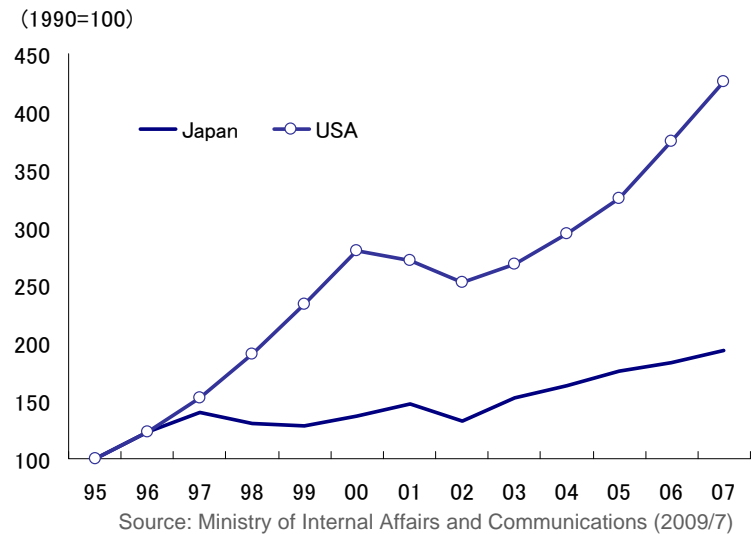
Japanese IP Network Market Growth



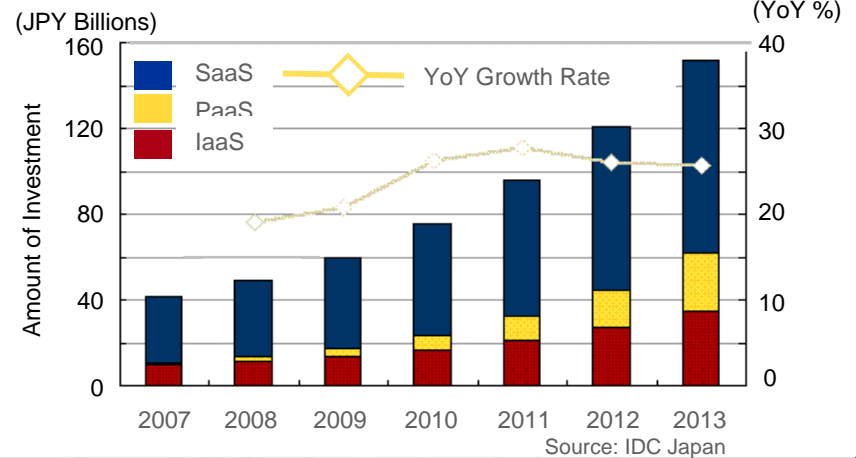
Japanese Internet Data Center Market Growth



Comparison of Japan-U.S. Real IT Investment



Japanese Cloud Computing Market Growth

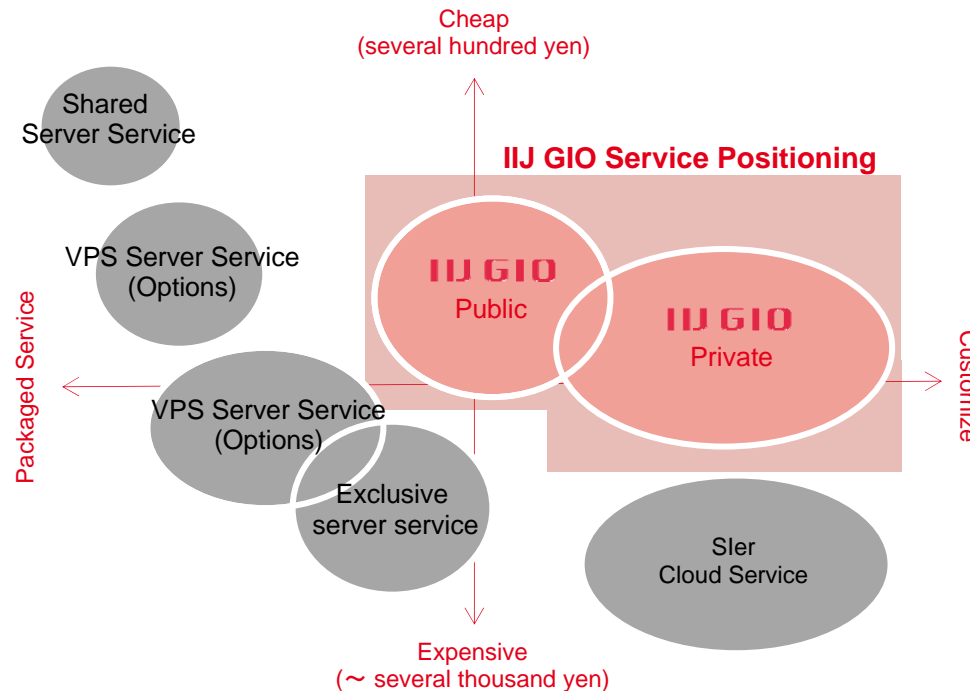


Cloud Computing

◆ “IIJ GIO” the new cloud computing service

- Launched in November 2009
- Places cloud computing platform in IIJ’s Data Center facility which connects directly to IIJ’s backbone network.
- Provided with the expertise and know-how accumulated while operating one the largest backbone network in Japan
- Highly cost efficient

Cloud Computing Market and IIJ’s stand point



Mobile Data Communication Service (MVNO)

◆ Data communication service for business and consumer use

- Launched in January 2008 (NTT Docomo/EMOBILE)
- Security features Exclusively for IIJ Mobile Service
 - IP Address Access Restriction, Remote Access VPN
 - IIJ Direct Access (provides a complete private network at low cost)
- Contributing to revenue growth
 - Reached over 36,000 lines as of Dec 2009
 - Target + 20,000 for FY09 and 100,000 in 3 years
 - Average monthly fee: 4,000 to 5,000 yen



Data Card

◆ Large Potential Market

- Market growth: from 140 billion yen (FY2007) to 290 billion yen (FY2010)
- Growing needs in several different areas
 - BCP and pandemic needs
 - M2M (Machine to Machine)
 - Synclient
 - Enterprise PDA market
 - Corporate WAN with mobile network



PDA Image



"SEIL/X1"
and "IIJ Mobile"

High-quality Content Delivery Platform



◆ Network Platform System for Japanese IPTV

- “NHK On-Demand”, “Japan International Broadcasting” & “acTVila”
- Revenue share model with “acTVila” and “NHK” of around 10%

◆ Situation of IPTV Services in Japan

- Digital terrestrial TV broadcasts in FY2011 is expected to boost “acTVila”
- AcTVila aims to reach 600 million acTVila compatible TVs & 200 million unique users
 - As of March 2009, penetration rate of digital terrestrial TV per household reached 60.7%
 - As of October 2009, AcTVila reached 130 million acTVila compatible TVs

“NHK On-Demand”

Launched in December, 2008
A new IPTV service provided by Japan Broadcasting Corporation.

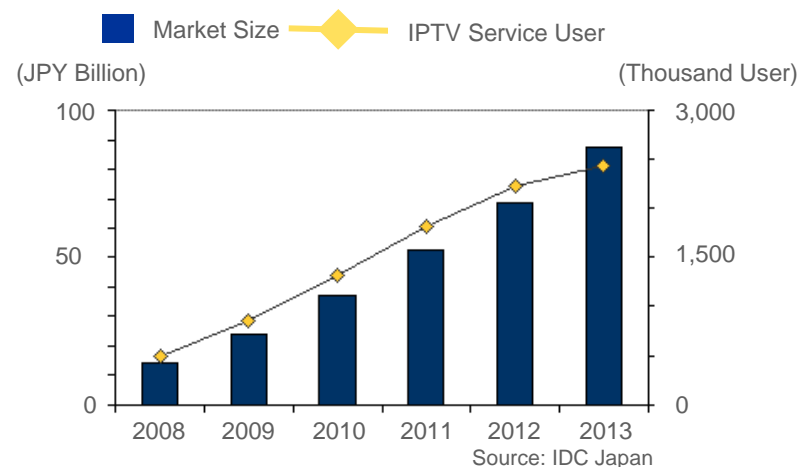
“Japan International Broadcasting Inc. (JIB)”

Established April 2008.
Broadcast toward recipient in North America, Europe, the Middle East, North Africa, Southeast Asia, and other regions around the world using Satellite Broadcasting and the Internet

“acTVila”

Established by Panasonic, Sony and three major home electronic companies in Japan.

Japanese IPTV Market Growth Rate



Trust Networks Inc.



◆ ATM Network Operation Business

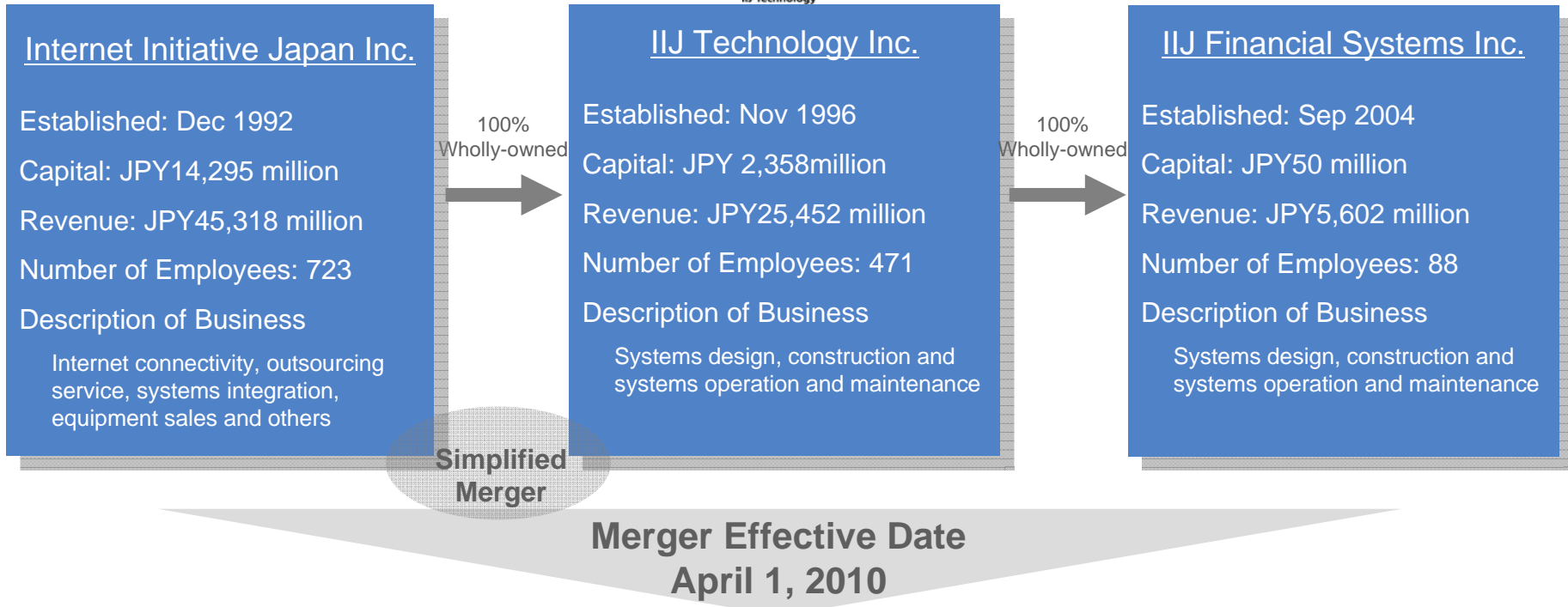
- Established July 2007
- Places ATMs in Amusement Parlors
- Operates 147 ATMs as of Feb 2010
- Receives commission from each withdrawal
- Similar model to “Seven Bank”
 - (ex.) Seven Bank FY08 Revenue; 90 billion yen,
Operating Income; 29 billion yen with 13,803 ATMs
- Daily usage per ATM is the key to profit growth

The total number of ATMs placed and the daily usage per ATM is the key to profit growth



ATM Image

The Merger of IIJ's 100% Owned Consolidate Subsidiaries



Surviving Company: Internet Initiative Japan Inc.

To provide a total network solution that best meets the needs desired by the IT outsourcing market by uniting our network related service and systems integration as one

Because this merger is between IIJ's 100% owned consolidated subsidiaries, there will be no direct impact on the consolidated financial statements.

Figures for the above capital is as of March 31, 2009, revenue is of FY2008, number of employee is as of December 31, 2009. All non-consolidated bases.

Purpose of the Merger

To seize mid-term IT demands, IIJ will united its network related service and SI business to strengthen and establish the foundations for its group management which are necessary for achieving further business growth

(Planned Achievements)

Improve its service quality by combining its network service and SI business

- Further strengthen customer relationships and customer satisfaction, and meet high customer need through the introduction of a industrial based business unit system (Sales & SE in one BU)
- Strengthen service development and sales promotion features through the newly placed product marketing department

Increase competitiveness by uniting its operation platform

- Improve cost effectiveness by uniting the group operation center into one and increase in-housed operations
- Merge the service and SI support into one to improve customer satisfaction

Efficiently Allot group technological resources to concentrating fields













- Merge the network integration (NI) engineers of IIJ and IIJ-Tech to strengthen NI and improve efficiency
- Merge the engineers of network and system to strengthen the development capacity and to improve efficiency
- Establish an organization to seriously promote cloud computing business

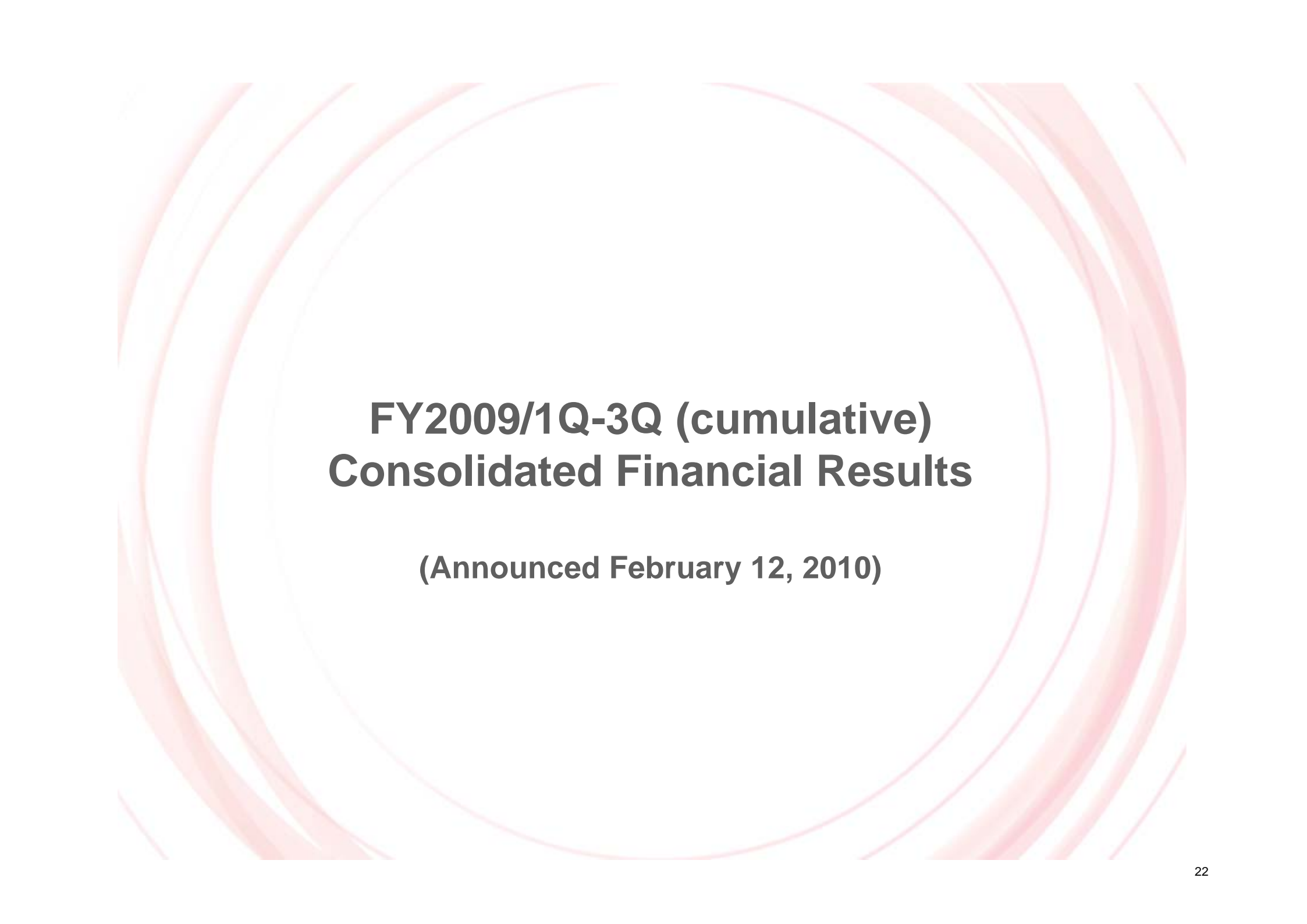
Reduce over lapped work for a efficient administrative department

- Improve work and cost efficiency by reducing over lapped work
- Reduce dozen of outsourcing personnel

IIJ Group Companies

(As of February 28, 2010)

	Company Name	Ownership	Main Business
Consolidated Subsidiaries	 IIJ Technology Inc.	Merger scheduled for April 1, 2010	Offers a comprehensive suite of systems integration services from design, physical installation, operation, and maintenance to monitoring for our customers' diverse network systems.
	 IIJ Financial Systems Inc.		Provides full outsourcing services for integration and operation of the front- and back-end for securities systems.
	 Net Care, Inc.	100%	Provides a full range of network operation and management services, from customer support, end-user help desks, monitoring and troubleshooting to integrated management services.
	 Net Chart Japan Inc.		Provides network construction services, primarily for LANs, such as network installation wiring, installation and set-up of equipment, installation of applications, and operational support.
	 IIJ America Inc.		Provides quality Internet services in the U.S. with a focus on U.S.-based enterprises doing business in the Asia-Pacific region. Also IIJ-A constructs and operates on U.S. Internet backbone network.
	 hi-ho, Inc.		Supports customer's safe, secure and comfortable Internet life based on ISP business for personal users.
	 IIJ Innovation Institute Inc.		An incubation business for the next generation internet. (R&D)
	 Trust Networks Inc.	73.3%	Operates ATM network systems placed in designated facilities. Receives commission for each withdrawal transaction from a bank account.
 GDX Japan Inc.	62.3%	Building safe, reliable corporate messaging networks and providing message exchange services.	
Equity Method Investees	 Internet Multifeed Co.	32%	Provides mutual access with other major ISPs and content distribution services based on Multifeed technology. Also MFEED operates JPNAP, a distributed IX service.
	 Internet Revolution, Inc.	30%	Operates a comprehensive portal site that provides various contents, such as SNS, blogs, stunning games, videos, and music.
	 Taihei Computer Co., Ltd.	45%	Provides operation of reward point management system



**FY2009/1Q-3Q (cumulative)
Consolidated Financial Results**

(Announced February 12, 2010)

I. Summary of FY2009/1Q-3Q (cumulative) Financial Results

« Nine Months Ended December 31, 2009 Financial Results »

➤ Revenue	JPY48,313 million (down 4.9% YoY)
➤ Operating Income	JPY 2,007 million (up 8.8% YoY)
➤ Income before Income Tax Expense	JPY 1,783 million (up 43.6% YoY)
➤ Net Income Attributable to IIJ	JPY 1,133 million (up 219.8% YoY)

- **Connectivity and outsourcing service revenue increased 6.4% YoY, SI revenue decreased 16.3% YoY**
 - Contracts of IIJ Mobile Service accumulated and over 1Gbps service reached 121 contracts (up 39 compared to Dec. 2008)
 - Systems construction revenue decreased by 38.7% YoY, however, business environment are slightly improving
- **Operating income for Connectivity and Outsourcing Service and SI increased 18.5% YoY**
 - Profitability progressed due to the continued increase in connectivity and outsourcing service revenues and tight cost control
 - Gross margin was 21.1% (up 1.8 % points), operating income was 5.7% (up 1.2% points)
- **ATM operation business is in its course of business start up**
 - Operates 147 ATMs as of Dec. 2009 (+87 ATMs QoQ), operating loss was JPY730 million (up 57.0% YoY)
- **Launched IIJ's new Cloud computing service "IIJ GIO"**
 - Pre-sales are doing well and has been adopted by server clients
- **Revenue Target for Full FY2009 revised down, yet profit target and cash dividend remain unchanged**
 - Revenue target was revised down from JPY73,000 million to JPY68,000 million (down 2.5% YoY)
- **IIJ to absorb two of its 100% owned consolidated subsidiary on April 1, 2010 (Scheduled)**
 - IIJ to absorb IIJ Technology Inc. and IIJ Financial Systems Inc.
 - Unite our internet related network technology and the systems integration ability of our subsidiaries through this merger to seize mid-term IT demands

II-1. Consolidated Results for FY2009/1Q-3Q (cumulative)

Unit: JPY million

	% of Revenues 3Q09 (09/04~09/12)	% of Revenues 3Q08 (08/04~08/12)	YoY
Total Revenues	48.3	50.8	(4.9%)
Total Costs	38.7	41.3	(6.2%)
Gross Margin	9.6	9.5	0.9%
SG&A/R&D	7.6	7.7	(1.0%)
Operating Income	2.0	1.8	8.8%
Income before Income Tax Expense	1.8	1.2	43.6%
Net Income Attributable to IIJ	1.1	0.4	219.8%

- Connectivity and outsourcing service revenue increased 6.4% YoY
- SI revenue decreased affected by the weak economy

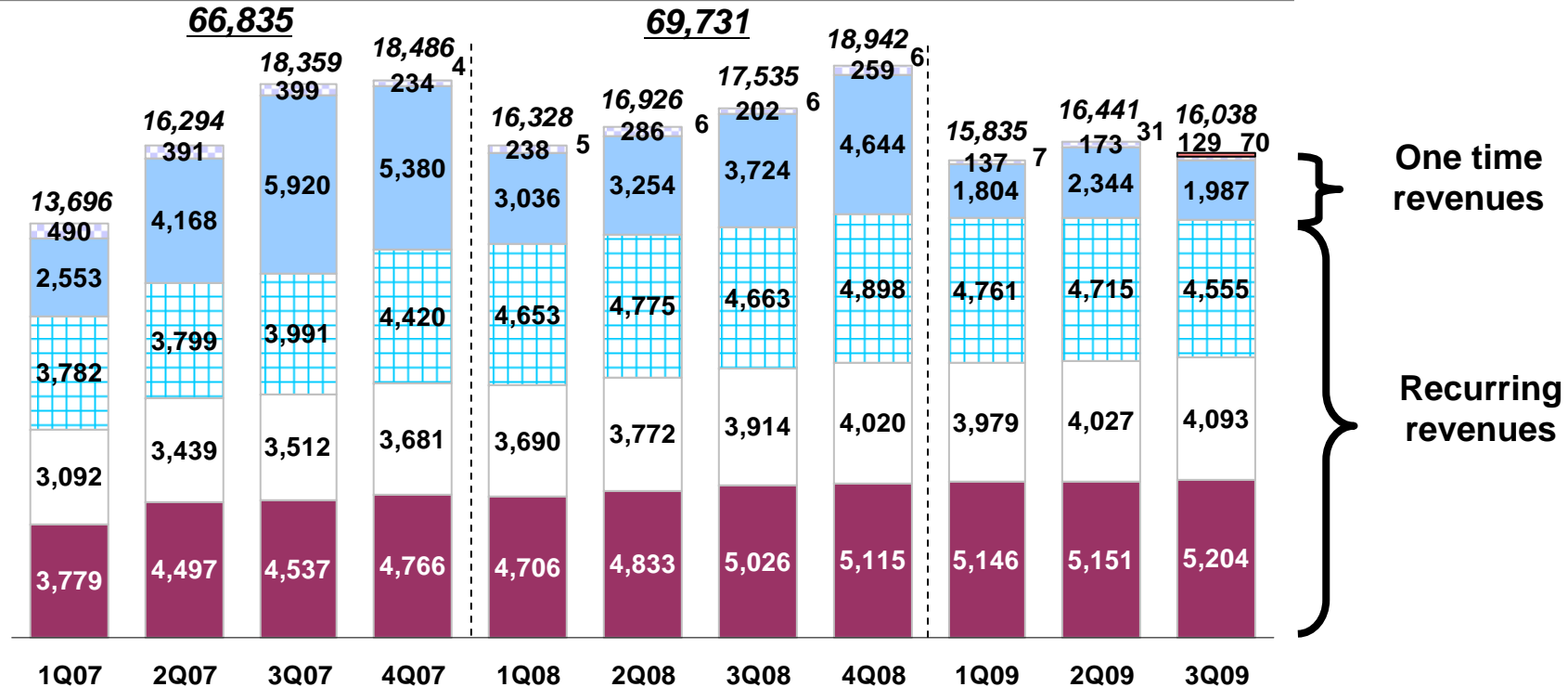
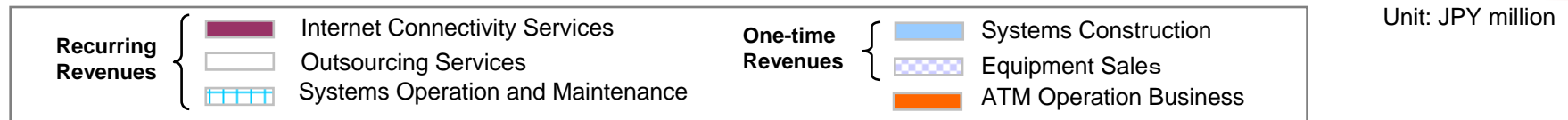
- Continued cost control
- Outsourcing and purchasing cost decreased due to the decrease in systems construction revenue

- General and administrative cost decreased due to cost control

- Operating income for Connectivity and Outsourcing Service and SI was up 18.5% YoY
- Operating loss for ATM Operation Business
FY09/1Q-3Q : JPY730 million (losses)
FY08/1Q-3Q : JPY465 million (losses)

- Deferred tax expense:
FY09/1Q-3Q : JPY790 million
FY08/1Q-3Q : JPY972 million
- Equity in net income of equity method investees:
FY09/1Q-3Q : JPY127 million
FY08/1Q-3Q : JPY45 million

II-2. Revenues



◆ **3Q09 Recurring revenues: JPY13,852 million (up 1.8% YoY, down 0.3% QoQ)**

- Internet Connectivity Service : up 3.5% YoY, up 1.0% QoQ
- Outsourcing Service : up 4.6% YoY, up 1.6% QoQ
- Systems Operation and Maintenance : down 2.3% YoY, down 3.4% QoQ

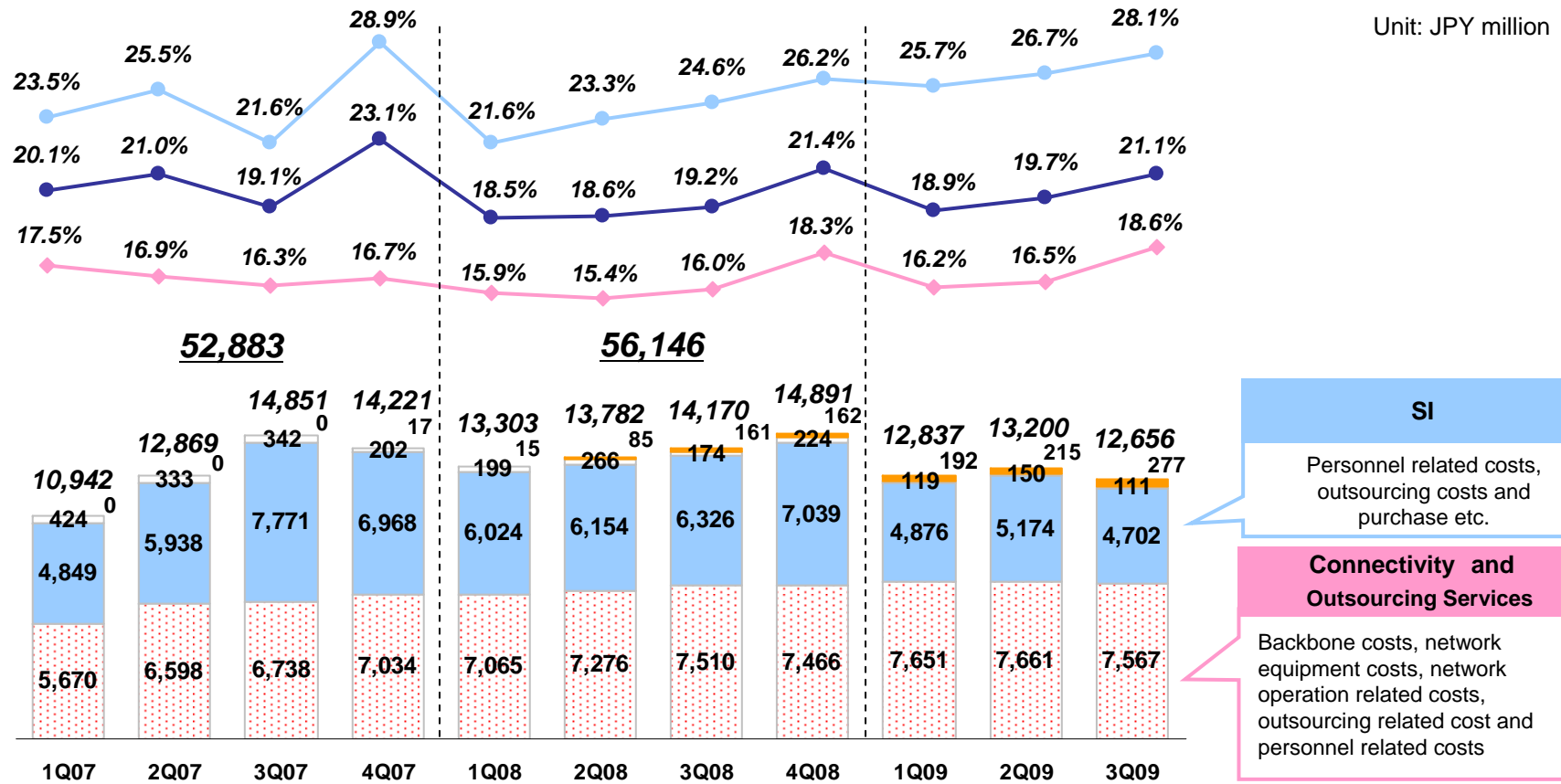
◆ **3Q09 One time revenues: JPY2,116 million (down 46.1% YoY, down 15.9% QoQ)**

- Systems Construction : down 46.6% YoY, down 15.2% QoQ

◆ **3Q09 ATM operation business revenue: JPY70 million (up JPY64 million YoY, up JPY39 million QoQ)**

YoY = 3Q09 compared to 3Q08
QoQ = 3Q09 compared to 2Q09

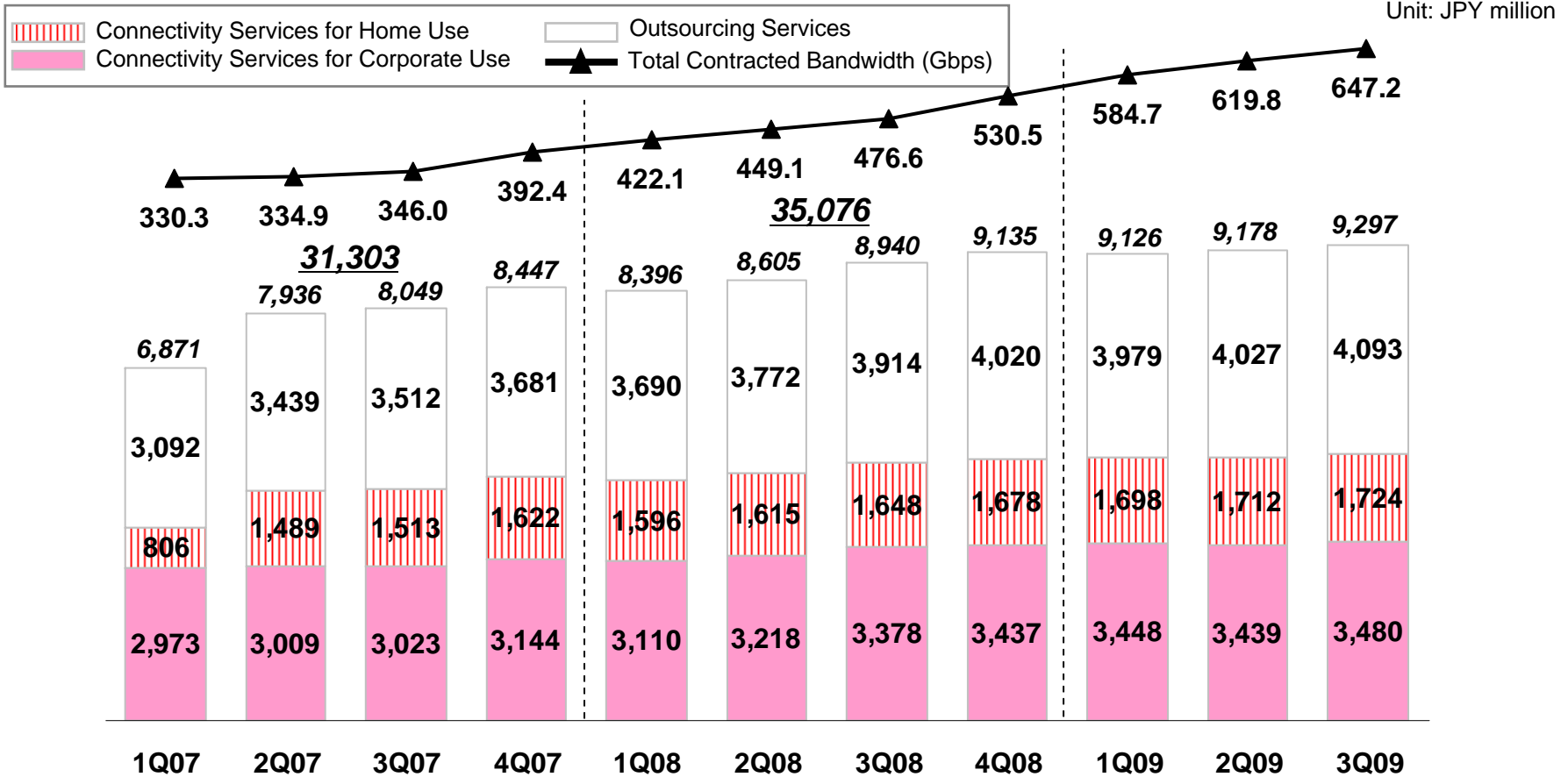
II-3. Cost of Revenues and Gross Margin Ratio



- ◆ 3Q09 Cost of connectivity and outsourcing service: up 0.8% YoY, down 1.2% QoQ
Gross margin ratio: up 2.6 points YoY, up 2.1 points QoQ
- ◆ 3Q09 Cost of SI: down 25.7% YoY, down 9.1% QoQ
Gross margin ratio: up 3.5 points YoY, up 1.4 points QoQ
- ◆ 3Q09 Cost of ATM operation business: JPY277 million (up JPY116 million YoY, up JPY62 million QoQ)

YoY = 3Q09 compared to 3Q08
QoQ = 3Q09 compared to 2Q09

II-4. Connectivity and Outsourcing Services (1) Revenues

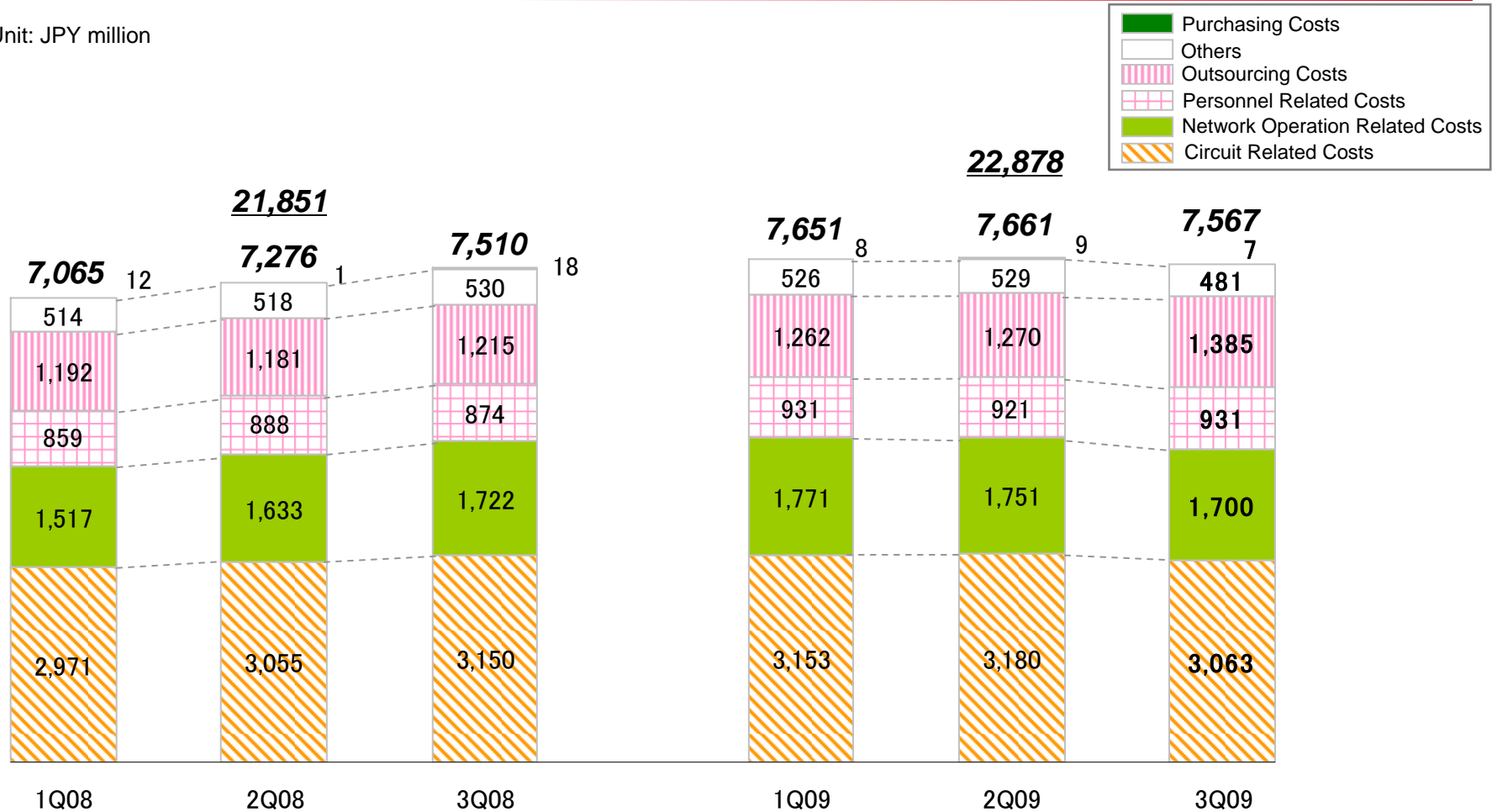


- ◆ **3Q09 Connectivity service for corporate use: up 3.0% YoY, up 1.2% QoQ**
 - Over 1Gbps contracts reached 121 contracts as of Dec 2009 (up 39 contracts YoY).
 - IIJ Mobile service increased with contracts reaching over 36,000 lines (up 4,000 lines compared to 2Q09).
- ◆ **3Q09 Connectivity service for home use: up 4.6% YoY, up 0.7% QoQ**
 - Continuous shift towards optical fiber service which charge higher monthly fees and increases from MVNO for home use
- ◆ **3Q09 Outsourcing service: up 4.6% YoY, up 1.6% QoQ**
 - Email related and network outsourcing related services continued to grow

YoY = 3Q09 compared to 3Q08
QoQ = 3Q09 compared to 2Q09

II-5. Connectivity and Outsourcing Services (2) Cost of Revenues

Unit: JPY million



◆ **3Q09 Total cost of connectivity and outsourcing service: up 0.8% YoY, down 1.2% QoQ**

- QoQ: decrease in amortization of network operation related costs and general costs due to cost control
- 3Q09 Backbone cost: JPY915 million (down 1.6% YoY, up 0.4% QoQ)

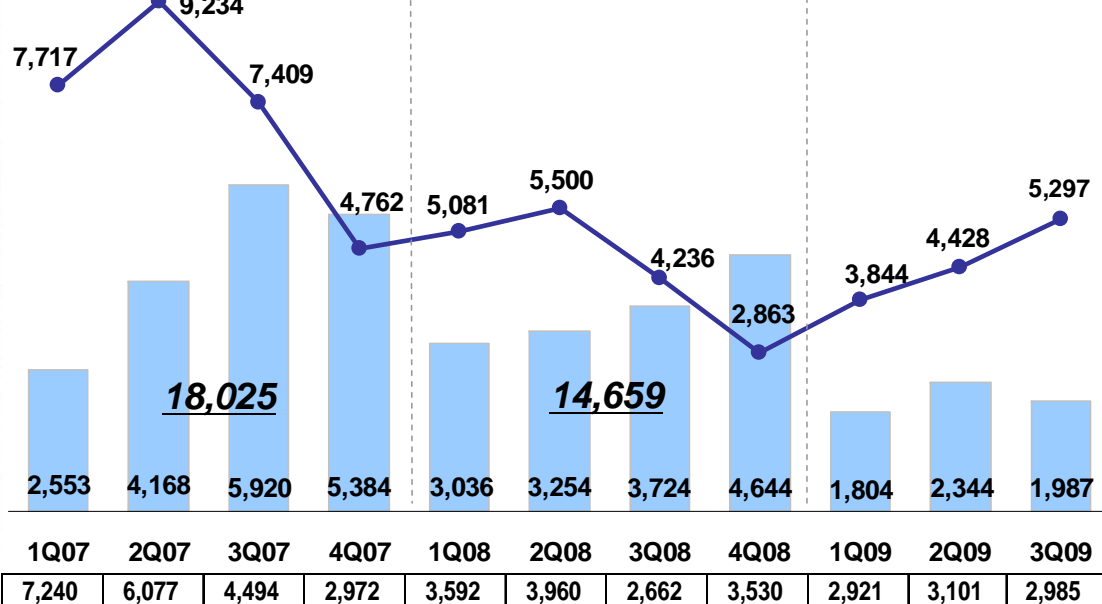
YoY = 3Q09 compared to 3Q08
QoQ = 3Q09 compared to 2Q09

II-6. Systems Integration (1) Revenues

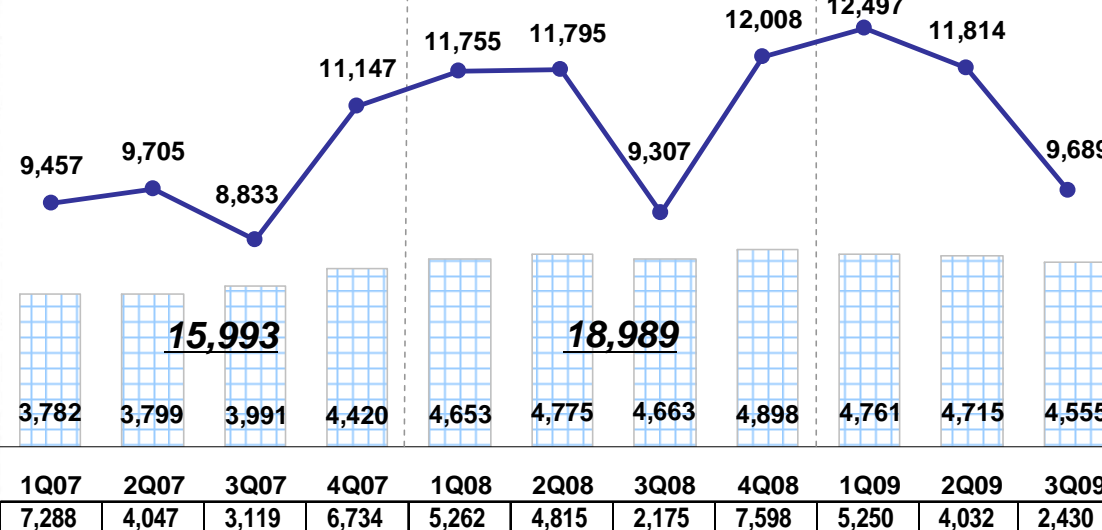
Unit: JPY million

YoY = 3Q09 compared to 3Q08
QoQ = 3Q09 compared to 2Q09

(Systems construction)



(Systems operation and maintenance)



Legend:

- Systems Construction Revenues
- Systems Operation and Maintenance Revenues
- Order Backlog
- Order Received

Included in Order Received: Include equipment sales

Systems Construction

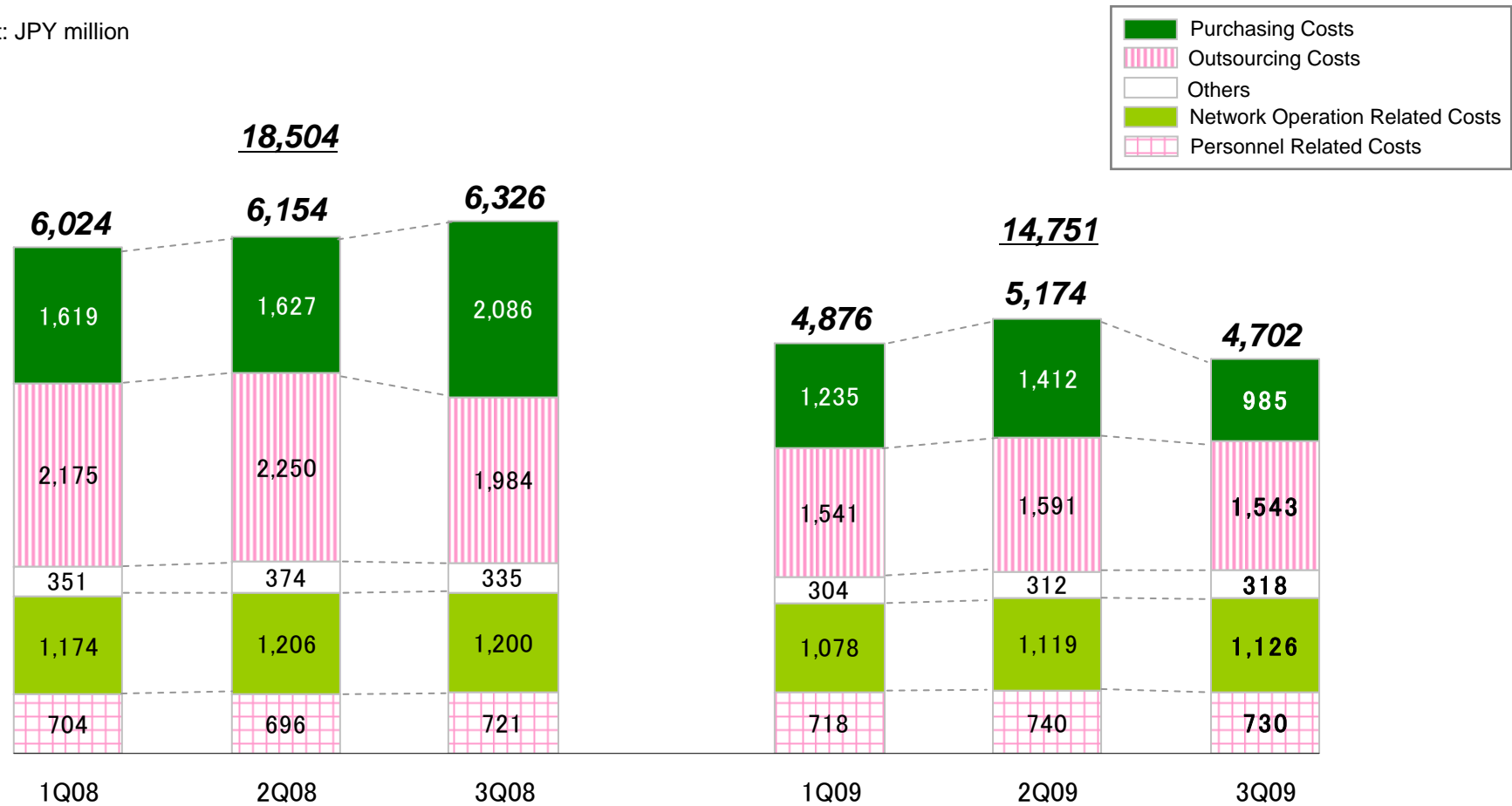
- ◆ 3Q09 Revenue: down 46.6% YOY, down 15.2% QoQ
- ◆ 3Q09 Order Backlog: YoY: up 25.0%, up JPY1,061 million; QoQ: up 19.6%, up JPY869 million
- Business environment is slightly improving and mid-size projects are gradually returning but corporate IT spending are still withheld and it is difficult to say when the demands will recover to normal level
- IIJ will strengthen group solution and promote cloud computing services by merging the two 100% owned subsidiaries

Systems operation and maintenance

- ◆ 3Q09 Revenue: down 2.3% YoY, down 3.4% QoQ
- ◆ 3Q09 Order Backlog: YoY: up 4.1%, up JPY382 million; QoQ: down 18.0%, down JPY2,125 million
- Revenue decreased affected by scale down or reduction in monthly fees by certain large clients.
- Order received is decreasing along with the decrease in systems construction revenue

II-7. Systems Integration (2) Cost of Revenues

Unit: JPY million



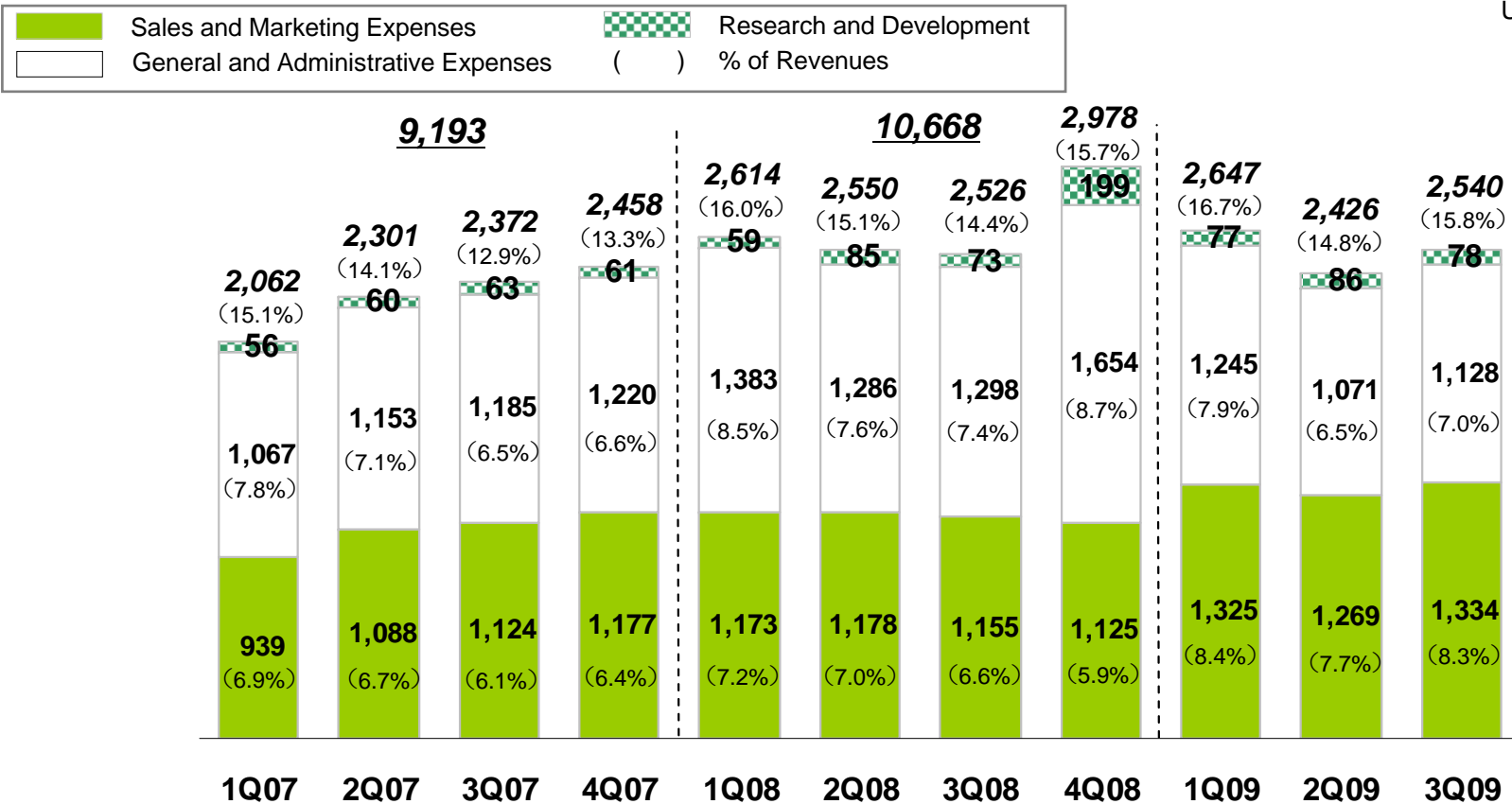
YoY = 3Q09 compared to 3Q08
QoQ = 3Q09 compared to 2Q09

◆ **3Q09 Total cost of systems integration: down 25.7% YoY, down 9.1% QoQ**

- QoQ: Purchasing and outsourcing related costs decreased along with the decrease in SI revenues
- The number of full-time outsourcing personnel: 236 people as of Dec 2009 (down 63 people YoY, up 35 people QoQ)

II-8. SG&A Expenses/R&D

Unit: JPY million



◆ 3Q09 SG&A/R&D expenses: up 0.6% YoY, up 4.7% QoQ, % of revenue: 15.8%

➤ Sales and marketing expenses: up 15.5% YoY, up 5.2% QoQ

QoQ: increased as there were amortization related to the back-office system which began its operation from 3Q09.

Doubtful accounts also increased in relation to a certain bankruptcy

➤ General and administrative expenses: down 13.1% YoY, up 5.4% QoQ

QoQ: advertisement cost and outsourcing related cost increased

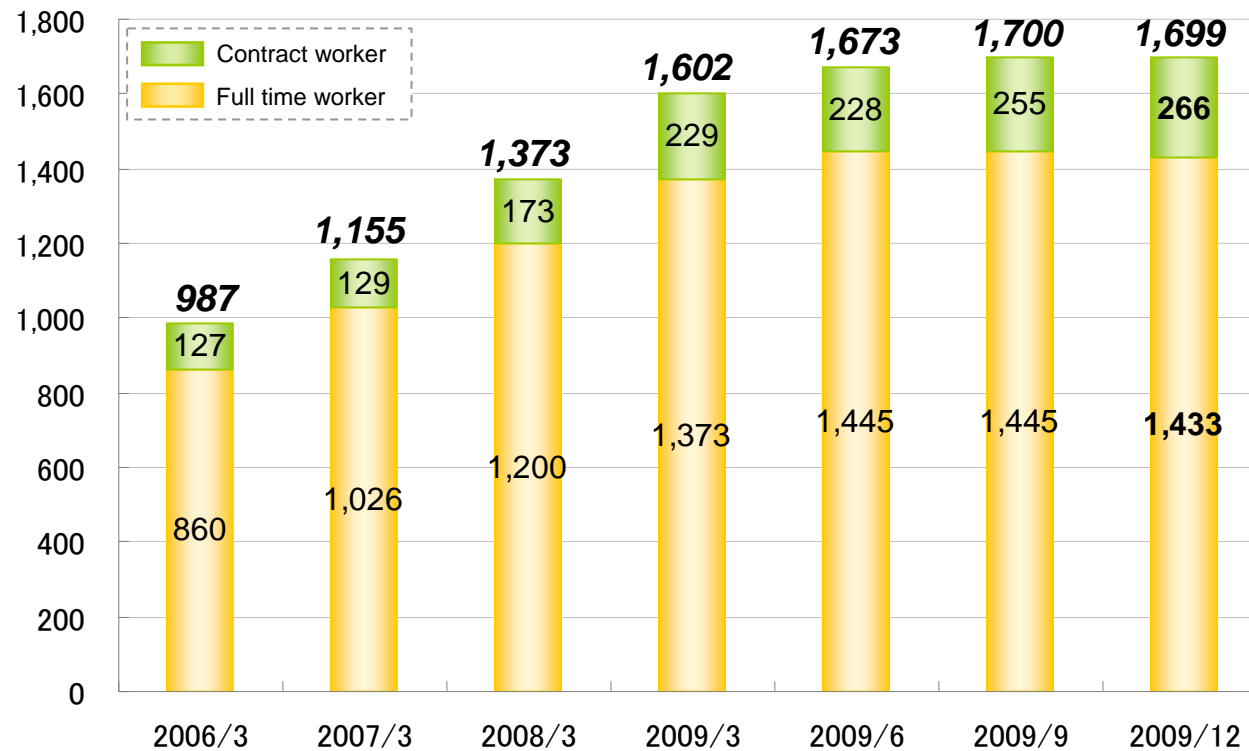
➤ R&D expenses: up 7.4% YoY, down 9.8% QoQ

➤ SG&A expenses related to ATM operation business: JPY56 million (JPY83 million in 3Q08, JPY50 million in 2Q09)

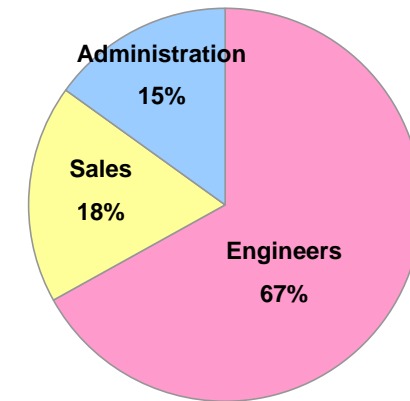
YoY = 3Q09 compared to 3Q08
QoQ = 3Q09 compared to 2Q09

II-9. Number of Employees

(number of employees)



[Employee Distribution]



Personnel related costs and expenses
(% of revenue)

2,771	2,733	2,728
(17.5%)	(16.6%)	(17.0%)

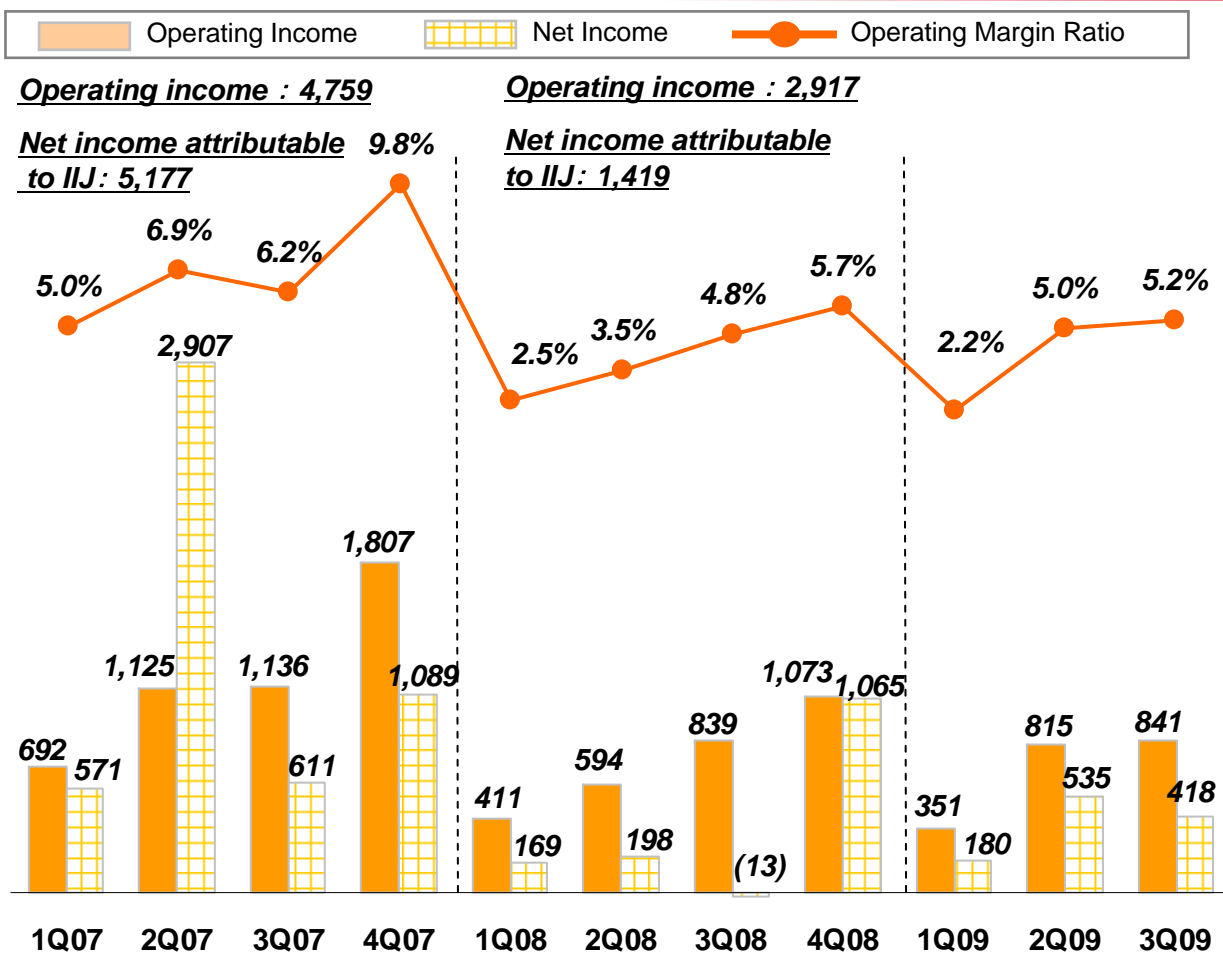
Unit: JPY million

YoY = 3Q09 compared to 3Q08
QoQ = 3Q09 compared to 2Q09

- ◆ **Number of employees as of Dec 2009: unchanged from the current level**
 - Scheduled to hire 61 newly graduates in FY2010 (FY2009: 77 newly graduates, FY2008: 92 newly graduates)
- ◆ **3Q09 personnel related cost and expenses: up 4.2% YoY (up JPY110 million), down 0.2% QoQ (down JPY5 million)**

II-10. Operating Income and Net Income

Unit: JPY million



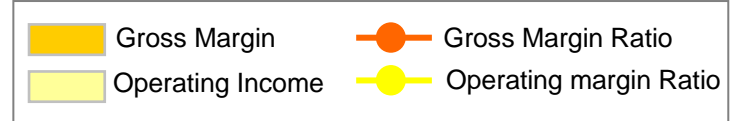
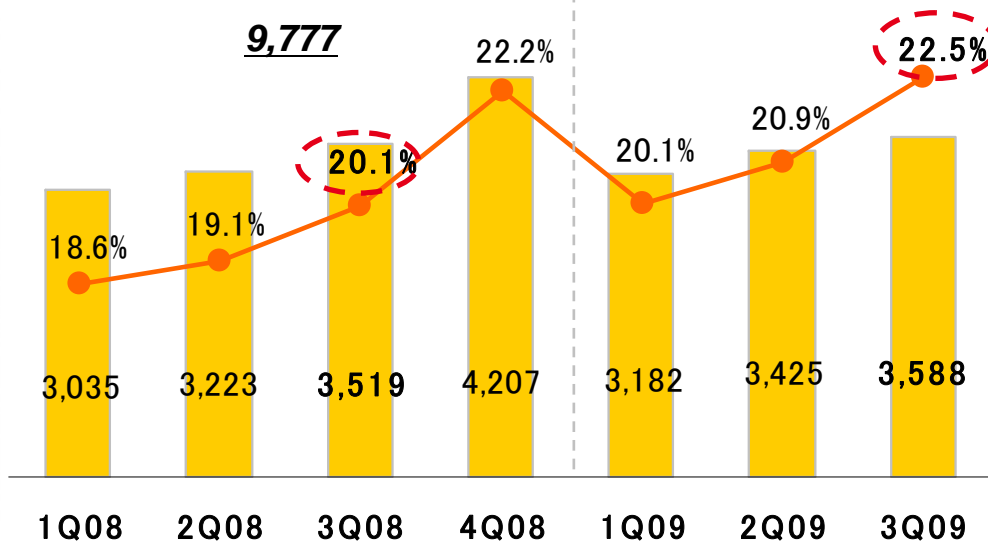
YoY = 3Q09 compared to 3Q08
QoQ = 3Q09 compared to 2Q09

- ◆ 3Q09 Operating Income: up 0.3% YoY, up 3.2% QoQ. Gross margin of connectivity and outsourcing service increased QoQ.
- ◆ 3Q09 Income before income tax expense: up 59.1% YoY, up 4.4% QoQ. Impairment losses on equity securities and interest expenses decreased QoQ.
- ◆ 3Q09 Net income attributable to IIJ: down 21.9% YoY
 - Deferred tax expense
 - 3Q09: JPY418 million in expense
 - 2Q09: JPY187 million in expense
 - 3Q08: JPY594 million in expense
 - Equity in net income of equity method investees:
 - 3Q09: JPY85 million
 - Net loss attributable to noncontrolling interests:
 - 3Q09: JPY90 million in losses related to GDX Japan and Trust Networks

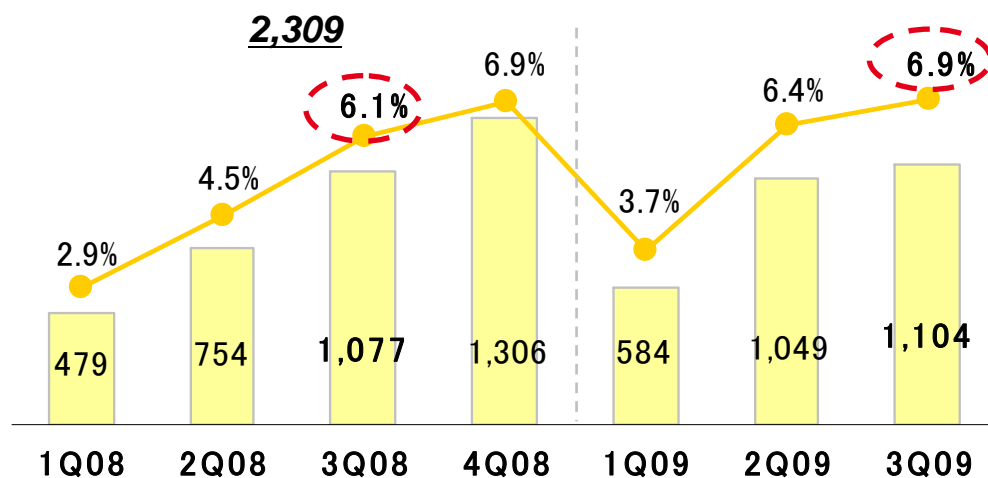
	1Q07	2Q07	3Q07	4Q07	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09
Income Tax Expenses	175	(1,980)	392	552	213	326	653	(190)	244	284	514
Equity in net income (loss) of equity method investees	(20)	(29)	(42)	(52)	18	(17)	44	(10)	32	11	85
Net loss attributable to noncontrolling interests	9	15	27	45	55	85	120	93	93	82	90

II-11. Connectivity and Outsourcing Service and SI Unit: JPY million

[Gross margin and gross margin ratio]



[Operating income and operating margin ratio]



Connectivity and Outsourcing Service and SI

YoY = 3Q09 compared to 3Q08
QoQ = 3Q09 compared to 2Q09

- ◆ 3Q09 Revenue:
 - Decreased YoY due to the decrease in systems construction revenue
 - Gross margin increased by 2.0% YoY and gross margin ratio was up 2.4 points YoY
- ◆ 3Q09 Operating income:
 - Increased by 2.6% YoY and operating margin ratio was up 0.8 points YoY as a result of increased gross margin

ATM Operation Business

- ◆ Placed 147 ATMs as of Dec. 2009 (up 87 ATMs QoQ)



	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09
Revenue	5	6	6	6	7	31	70
Cost	15	85	161	161	192	215	277
Expenses	58	81	83	78	49	50	56
Sum	72	166	244	239	240	265	333
Operating Loss	(67)	(160)	(238)	(233)	(233)	(234)	(263)

Trust Network Inc.

- Established July 2007 (Consolidated subsidiary)
- Ownership: 72.7% (as of Jan 2010)

II-13. Revised Revenue Target for FY2009

Unit: JPY billion
(except for Net Income and Cash Dividend per Share)

	FY09 Revised Target (09/4~10/3)	FY08 Actual (08/4~09/3)	YoY	
Total Revenues	68.0	69.7	(1.7)	(2.5%)
Operating Income	3.3	2.9	+0.4	13.1%
Income before Income Tax Expense (Benefit)	2.7	2.0	+0.7	32.7%
Net Income attributable to IIJ	1.7	1.4	+0.3	19.8%
Net Income attributable to IIJ per Share	JPY 8,393	JPY 6,918	+1,475	21.3%
Cash Dividend per Share	JPY 2,000 (Annual)	JPY 2,000 (Annual)	-	-

◆ Revenue target revised downward from JPY73,000 million to JPY68,000 million

- Revised target by taking into account such as the SI and equipment sales order backlog
- Income and cash dividend unchanged

II-14. Consolidated Balance Sheets

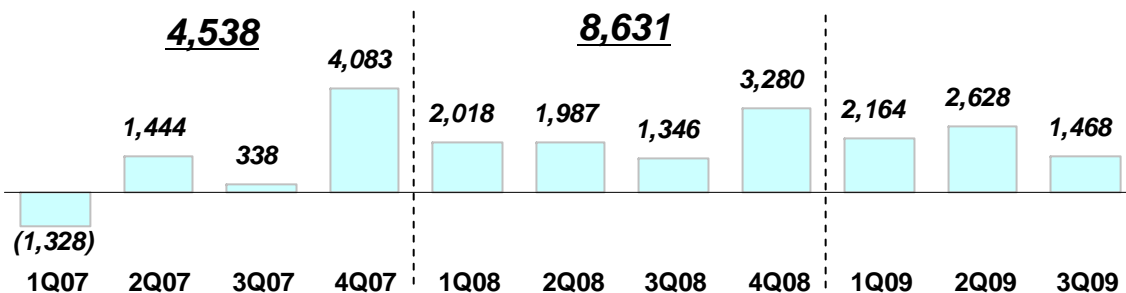
Unit: JPY million

	December 31, 2009	March 31, 2009	Changes	
Cash and Cash Equivalents	8,466	10,188	(1,722)	➤ Decreased correspondingly to the decreases in SI Projects
Accounts Receivable	8,575	10,257	(1,682)	➤ Increased correspondingly to the increase in on-going SI Projects
Inventories	1,223	530	+693	➤ Network equipment maintenance related expenses
Prepaid Expenses	2,333	1,772	+561	➤ Nonmarketable equity securities: JPY1,036 million ➤ Available for sale equity securities: JPY727 million ➤ Others: JPY354 million
Deferred tax assets (current)	492	762	(270)	➤ Non-amortized intangible assets: JPY5,368 million ➤ Amortized intangible assets: JPY227 million
Other Investments	2,117	1,915	+202	➤ Repayment of short term borrowings
Property and Equipment	13,161	13,173	(12)	➤ IIJ Shareholders' equity ratio: 52.7%
Goodwill and Other Intangible Assets	5,604	5,841	(237)	
Deferred tax assets (non-current)	1,770	2,253	(483)	
Borrowings (Short-term)	5,100	7,350	(2,250)	
Accumulated Deficit	(17,821)	(18,549)	+728	
Accumulated Other Comprehensive Income	(248)	(321)	+73	
Total IIJ Shareholders' Equity	25,818	25,169	+649	
Total Assets	49,002	52,301	(3,300)	

II-15. Consolidated Cash Flows

Unit: JPY million

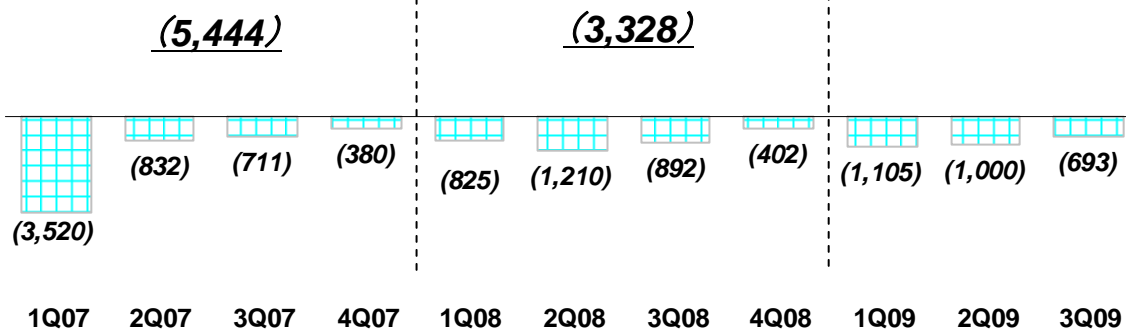
Net cash provided by (used in) operating activities



3Q09 Net cash provided by operating activities: JPY1,468 million

- Operating income
 - Increase in inventories, prepaid expenses and other current and noncurrent assets: JPY401 million
 - Decrease in accounts payable: JPY154 million
 - Decrease in accounts receivable: JPY122 million
- etc.

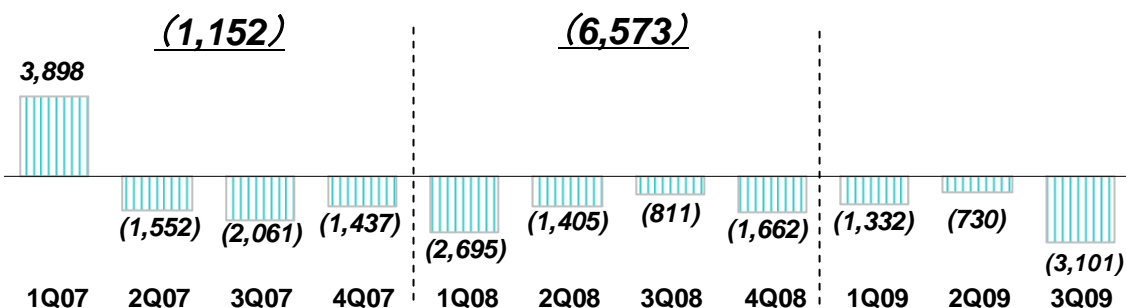
Net cash used in investing activities



3Q09 Net cash used in investing activities: JPY693 million

- Purchase of property and equipment: JPY675 million
 - Purchase of short-term and other investments (net): JPY18 million
- etc.

Net cash provided by (used in) financing activities



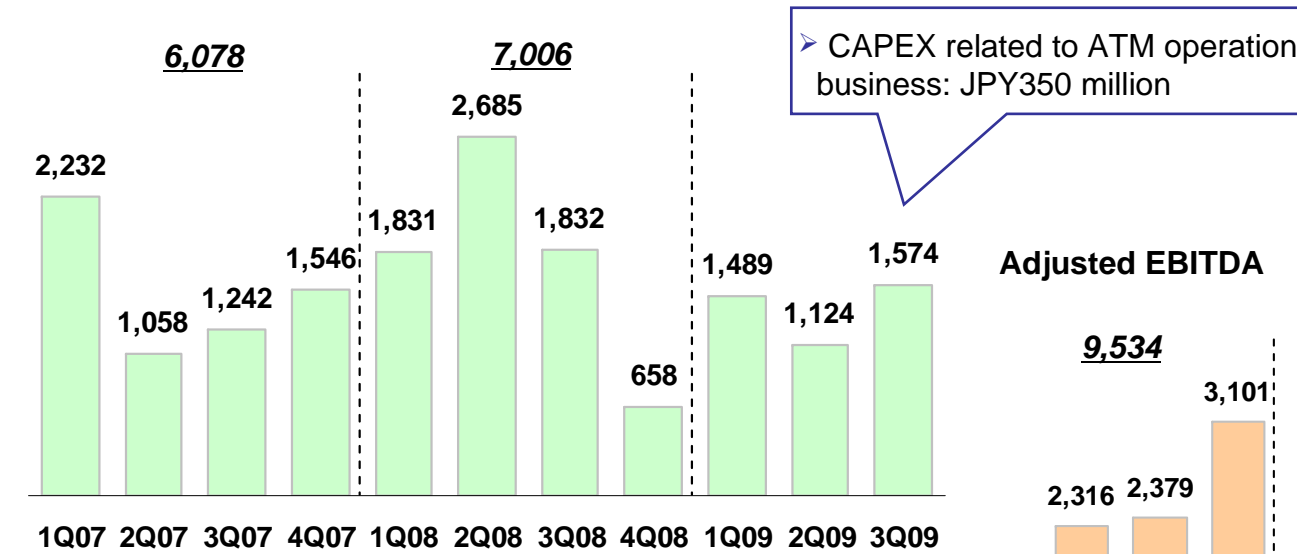
3Q09 Net cash used in financing activities: JPY3,101 million

- Net repayment of short-term borrowings with initial maturities less than three months: JPY2,100 million
 - Principle payments under capital leases: JPY948 million
 - Payment of interim period dividends: JPY203 million
- etc.

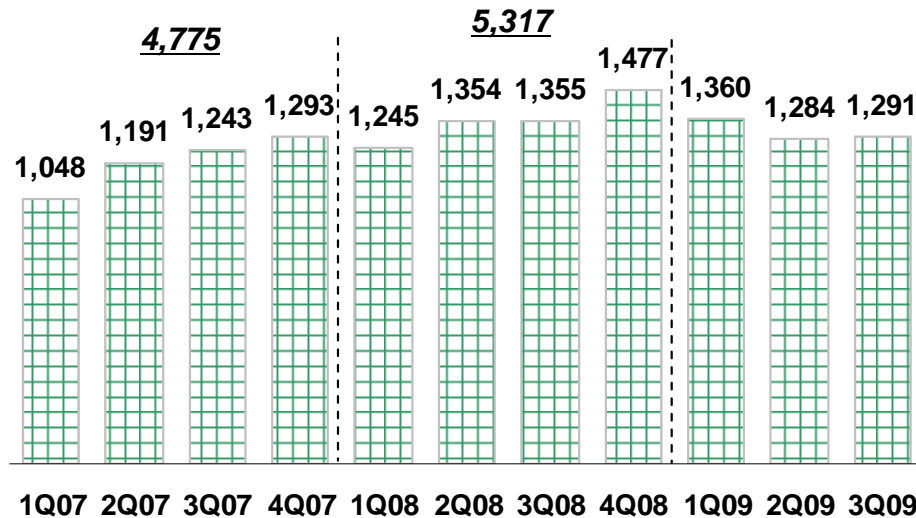
II-16. Other Financial Data (CAPEX etc.)

Unit: JPY million

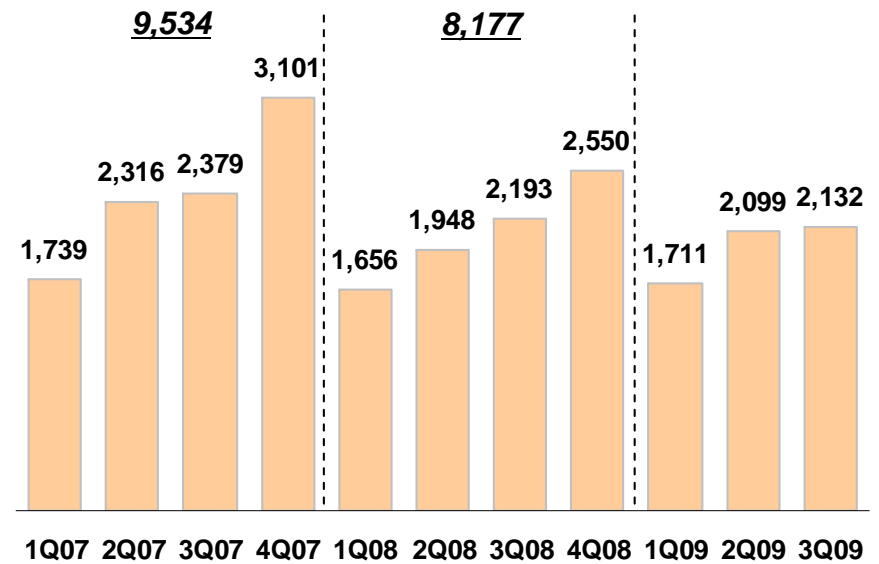
CAPEX (Include Capital Lease)



Depreciation and Amortization



Adjusted EBITDA



Forward Looking Statement

Statements made in this presentation regarding IIJ's or management's intentions, beliefs, expectations, or predictions for the future are forward-looking statements that are based on IIJ's and managements' current expectations, assumptions, estimates and projections about its business and the industry. These forward-looking statements, such as statements regarding revenues and 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. These risks, uncertainties and other factors include: the possibility a decrease of corporate spending or capital expenditure due to depression in Japanese economy and/or corporate earnings decreased; the possibility that less of reliability for our services and loss of business chances due to interrupt or suspend of our services; the possibility an increase over estimate in network related cost and outsourcing cost, personnel cost etc. ;increase in competition and strong pricing pressure; the recording of an impairment loss as a results of an impairment test on the non-amortized intangible assets such as goodwill; a decline in value and trending value of our holding securities; the amount and timing of the recognition of deferred tax benefits or expenses; and other risks referred to from time to time in IIJ's filings on Form 20-F of its annual report and other filings with the United States Securities and Exchange Commission ("SEC").

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