

Corporate Overview of Internet Initiative Japan (IIJ)

Internet Initiative Japan Inc. (IIJ)

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

November 2025

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.

Outline

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2. About IIJ	P. 8 – 16
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- FY25 (FY2025) stands for a fiscal year ending March 31, 2026. Others alike
- 1H25 stands for the first half of FY2025 (Apr. 1, 2025 to Sep. 30, 2025). Others alike
- Abbreviation: NW stands for network, SI stands for systems integration, SI O/M stands for systems operation and maintenance, DC stands for data center, ¥(JPY) bn stands for JPY billion, HD stands for holdings, and PF stands for platform.

We changed our accounting principles from the Generally Accepted Accounting Principles in the U.S. ("U.S. GAAP") to the International Financial Reporting Standards (IFRS) from the filing of FY2018 annual report "Yuka-shoken-houkokusho" which was filed on June 28, 2019. Because reporting period of foreign consolidated subsidiaries under IFRS is different from that of under U.S. GAAP, some figures disclosed in the past are different.

Business Status Updates

1

Network Engineering Capabilities as Our Core Value, to Become Prominent Differentiation

- Over 2,000 network engineers engaging in network service developments, operation, network enhancement and maintenance
- Proud of comprehensive lineups of network services and network operation expertise, enabling to maintain clients' trust for over 30 years no critical network outages since our founding
- Core differentiator from System Integrators

2

Japanese Enterprises' Network Evolution Drives Our Business Demands

- Japanese enterprises shifting from legacy closed internal networks to Internet-combined flexible network and systems
- Not involved in such legacy networks, new and significant opportunities for IIJ

3

Toward Service Integration Business Model, and Thereafter

- Securing dramatically increasing large-scale network replacement projects through Service Integration model, recognize one-time SI revenue upfront followed by 4-5 years of monthly recurring revenue (MRR)
- Transition to higher ARPU and stronger client retention
- Anticipating full-outsourcing of large-scale network and system operation, driven by accelerating DX/IT adoption and labor shortage

4

Profitability to Improve with Business Scale Expansion

- **Volatility remains in the short term:**
 - ✓ Increasing large-scale Service Integration projects. Low-margin SI first, high-margin MRR follows for 4-5 years
 - ✓ Impacted by increased VMware license costs in FY24
 - ✓ General cost increases due to inflation; Japan's telecom market has been slow to raise prices, but the change is coming very soon
- Operates a large-scale network with significant common costs. Increasing MRR benefits economies of scale
- AI usage helps ease pressure on limited human resources

Revenue (¥ bn)

FY20 FY24

83 151
127 163System Integration
Network Services

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 IJJ'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)

FY23 FY24

5 3 10 7

One-time Recurring

Transactions and Projects Trends

Large-scale projects
Network replacementStrong 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 engineersProven operational excellence
in network servicesIn-house development of
a wide range of
network servicesOne of the largest Internet
backbone networks in Japan

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

2 Network Evolution Drives Our Business Demands

Updates

30 years ago

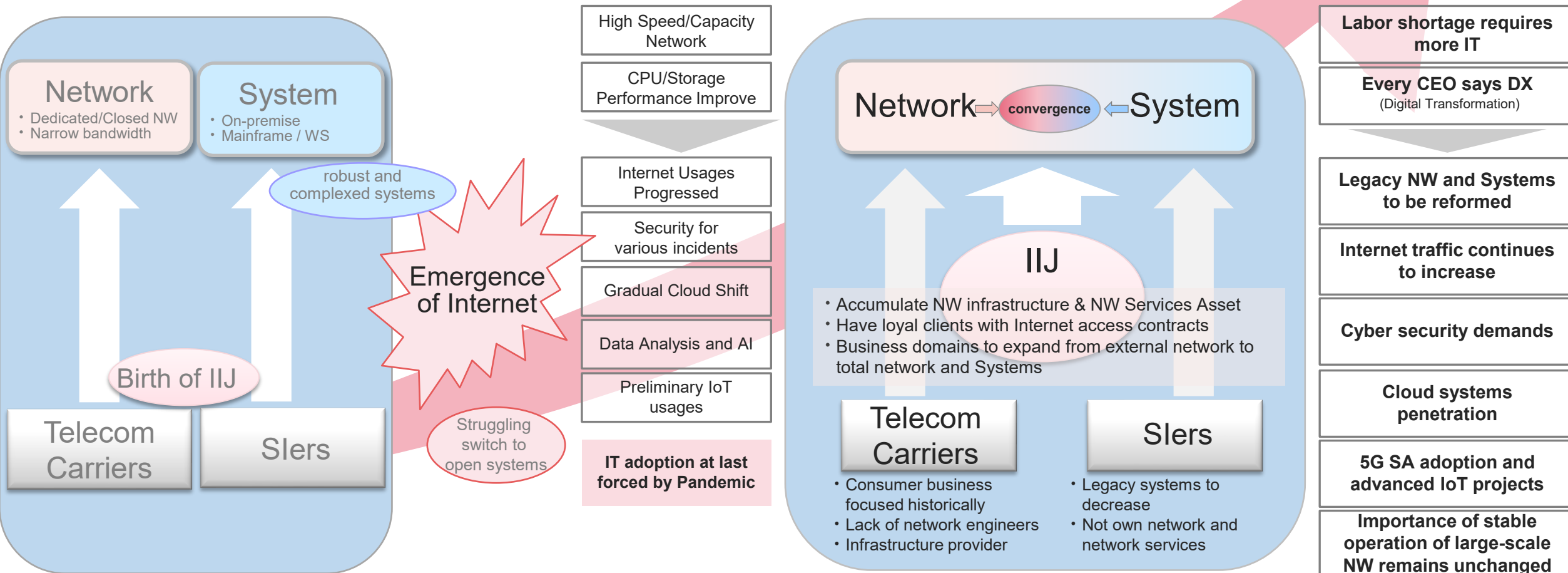
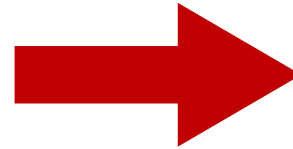
IIJ: external network with Internet
Carriers & Slers: internal network & systems

Stick to legacy network & systems

Nowadays

IIJ's growth opportunities
full network & system coverage with various network functions

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

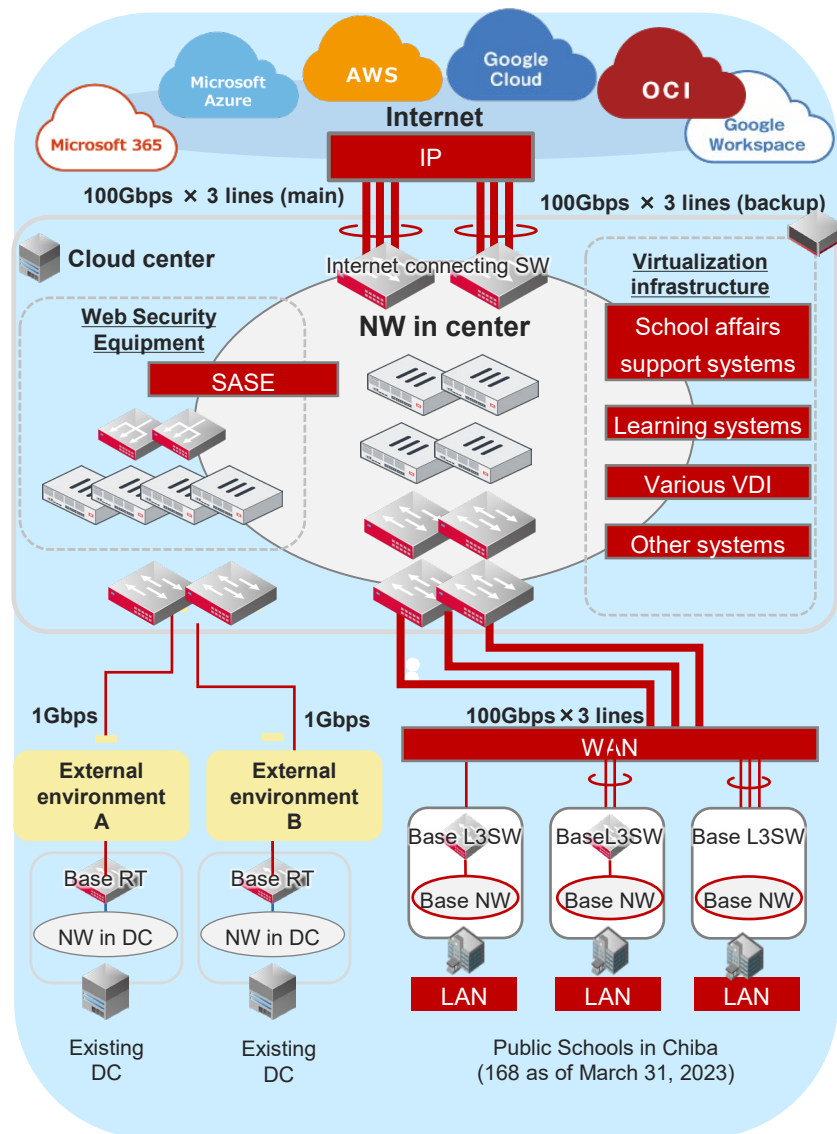


◆ Typical transactions of Service Integration projects

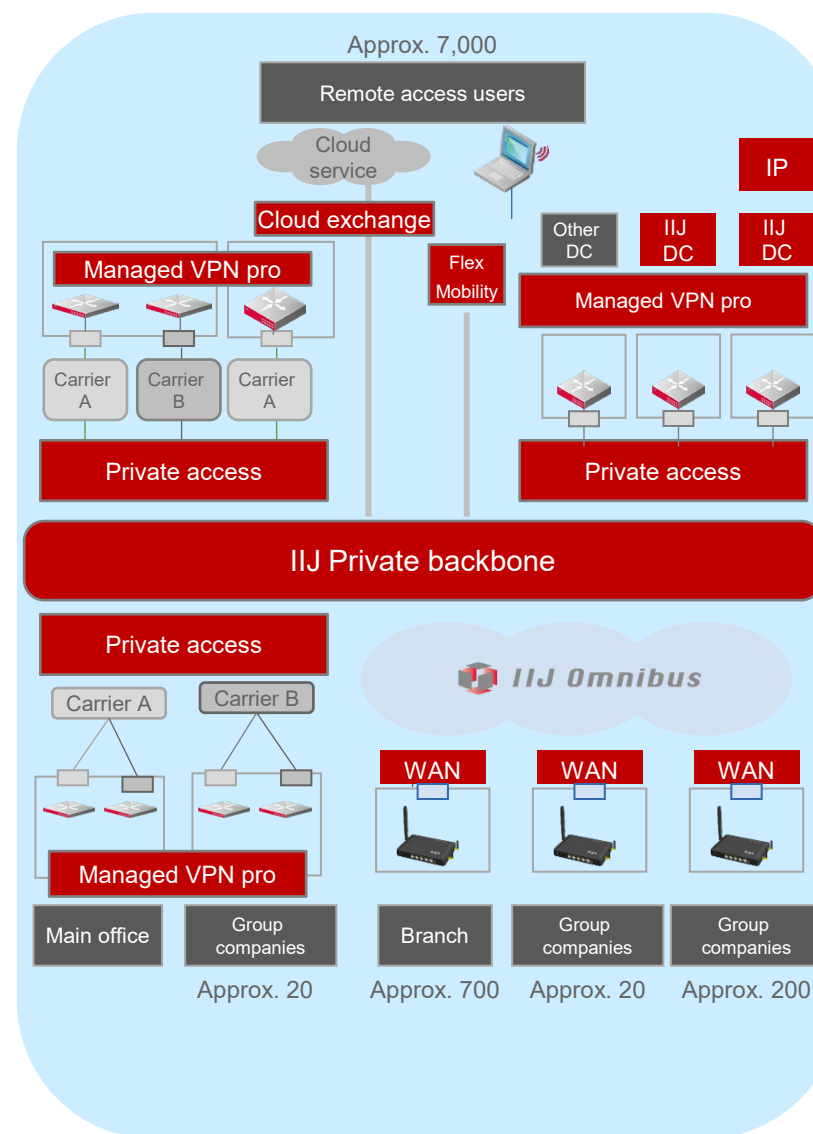
Network Services

System Integration

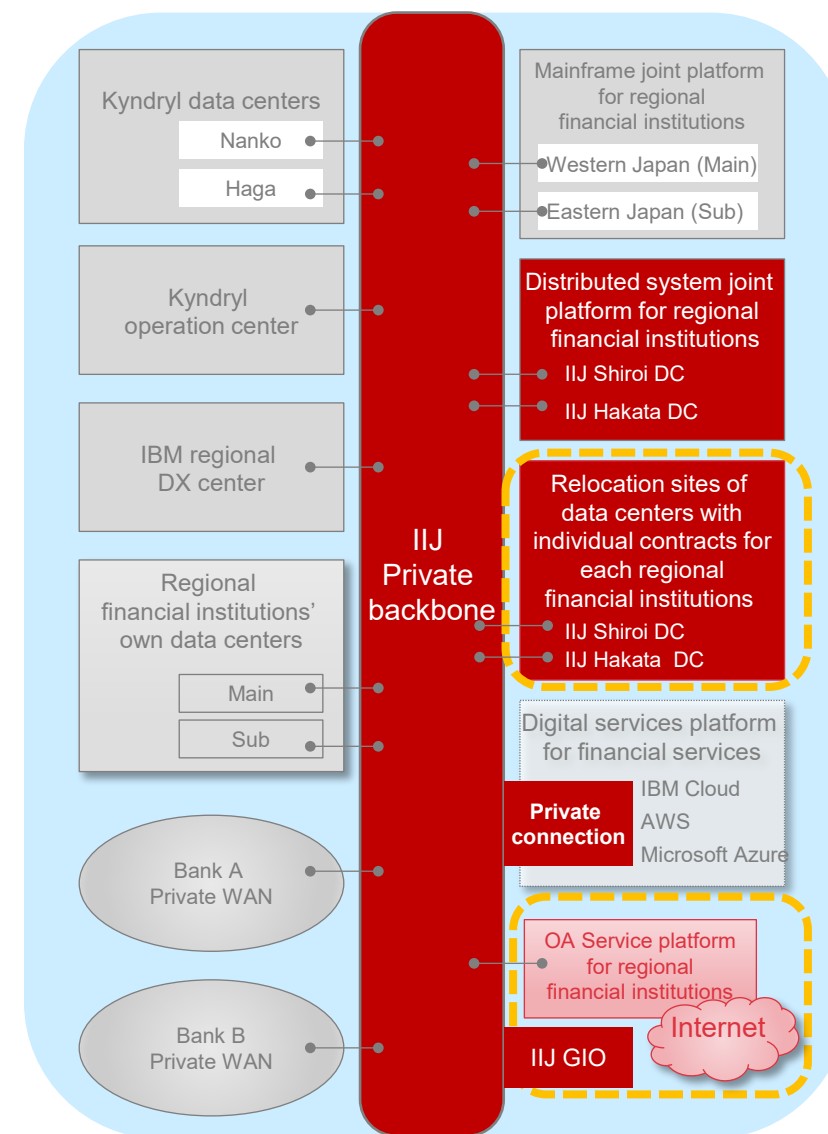
Educational Information NW for Chiba city



Total NW project for a prominent company group



Shared Banking System Platform



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

Revenue recognition category

■ NW service
■ SI

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

4 Profitability to Improve with Business Scale Expansion

Perspective	Our Initiatives
Ongoing	➤ Pursue large-scale Service Integration projects as many as possible to steadily accumulate MRR ➤ Enhance existing network services features to strengthen cross-selling and accelerate MRR growth ➤ Restructured the sales organization to focus on MRR accumulation, especially in the small to medium enterprises segment ➤ Continuously adjust pricing of network services on per-service basis to reflect various cost factors
Middle-term	➤ Advance the current network services strategy to enhance economies of scale ➤ Expand service offerings continuously by launching new value-added services which are underway ➤ Full-outsourcing transactions increase our value proposition ➤ Further strengthening cybersecurity capabilities ➤ Should absorb inflation-driven cost increases in ordinary course of business operation, and enjoy further economies of scale ➤ Leverage AI technologies to significantly ease pressure on limited human resources

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Company Profile

Established	December 1992 (The first established full-scale Internet Service Provider in Japan)
Number of Employees	5,491 (approx. 70% engineers)
Number of Customers	Approximately 16,000 enterprises
Large Shareholders	NTT Group, KDDI, ITOCHU Techno-Solutions (CTC), Koichi Suzuki (Founder and Chairman)

◆ IIJ is a pioneer of Internet in Japan

- ✓ Provider of numerous in-house developed Internet-related network services
- ✓ Home to highly skilled IP (Internet Protocol) engineers since the inception
- ✓ Operator of one of the largest Internet backbone networks in Japan

Approx. 80% recurring revenue
Stable and Scalable Business Foundation

◆ Strong and long-term relationships with Japanese corporations; minimal client churn over 30 years

- ✓ The IIJ brand is widely recognized and trusted by IT divisions of Japanese blue-chip companies
- ✓ Differentiated by the reliability and quality of network and system operations

◆ Continuous development of innovative Internet services and active business investment

- ✓ Strategic focus on cloud, mobile, security, and solutions for Big Data, IoT, and data governance
- ✓ Maintains a competitive edge over telecom carriers and system integrators in service development and operations

• Number of employees (consolidated basis) and Large shareholders are as of Sep. 30, 2025

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

One time
revenueRecurring
Revenue

EMERGE

Network enhancement,
Cloud, consumer mobile,
IoT

BLOOM

Harvesting the flower of
Total Network Solution
Provider

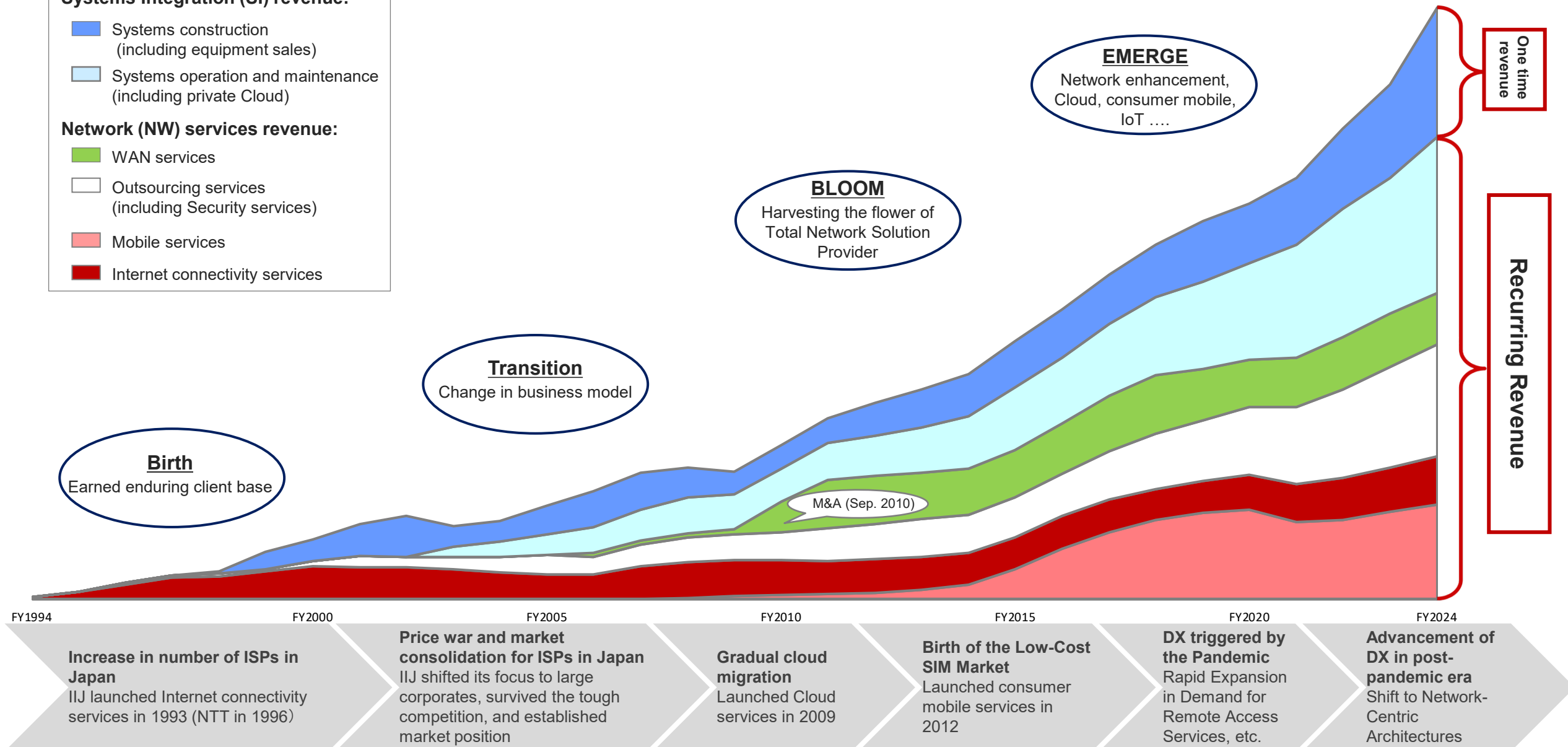
Transition

Change in business model

Birth

Earned enduring client base

M&A (Sep. 2010)



Total Network Solution Provider with Extensive Service Lineup

About
IIJ

Unit: ¥ (JPY) billion (bn)

Revenue category		FY24 revenue	YoY growth	Cost Structure	Gross Margin	About				Business situation, growth drivers and outlook		
Network services	Internet connectivity services for enterprise	48.99	+9.5%	Mostly common costs	27.8%	IP (Internet Protocol) 17.32 +8.3% - IIJ's flagship service since the inception - Highly reliable dedicated connectivity services with multi-carrier redundancy - Bandwidth-based contracts driving scalable revenue growth	IP - Matured market (hard to entry) - Very low churn rate, loyal clients for over 30 years - Expect Internet traffic volume to continuously increase along with cloud penetration, CDN, SaaS, DX, etc.					
	Mobile 26.86 Enterprise mobile 15.48 +13.5% Provide data connectivity for mainly IoT usages MVNE 11.38 +7.9% Provide mobile services for other MVNOs (Others) Broadband Internet services, etc.	Mobile - Unified mobile infrastructure for enterprise, MVNE and consumer Traffic management strategy - Current infrastructure provisioning based on peak consumer traffic patterns. Peak demand concentrated during commuting hours and lunchtime - Leading market share in Japan's consumer MVNO segment										
	Internet connectivity services for consumers		26.83			+6.1%	Mobile 23.44 +6.7% Provide SIM with monthly data limits (voice as option) (Others) Broadband Internet services and email services for households, etc.					
	Outsourcing		59.15			+11.7%	Various in-house developed Internet-related service line-ups		Security 35.94 +16.2% Managed security services, Security Operation Center services and so many more (Others) NW monitoring, VPN services, public cloud services, and many more		- Have been developing services based on the Zero Trust concept - Drive enterprise growth through cross-selling - Ongoing service development is key - Security demand is expected to remain strong	
	WAN (Wide Area Network)		27.61			-2.7%	- Traditional method of connecting multiple sites via intranet and closed networks - Direct procurement of dedicated WAN lines					
SI	Operation and Maintenance	82.53	+14.8%	Cost plus	14.4%	On-premise Systems 48.53 +17.4% - Operation and maintenance of deployed systems Private Cloud, etc. 34.01 +11.1% - Promote cloud migration with robust, reliable and value-driven capabilities	- Strong mid-to-long business opportunity driven by cloud migration of internal IT systems - Revenue expected to grow steadily as construction projects accumulate					
	Construction (including equipment sales)	68.77	+37.8%			Primarily network integration projects, including server setup		Securing large-scale projects as Japanese enterprises shift to network-based systems requiring integrated network functions				

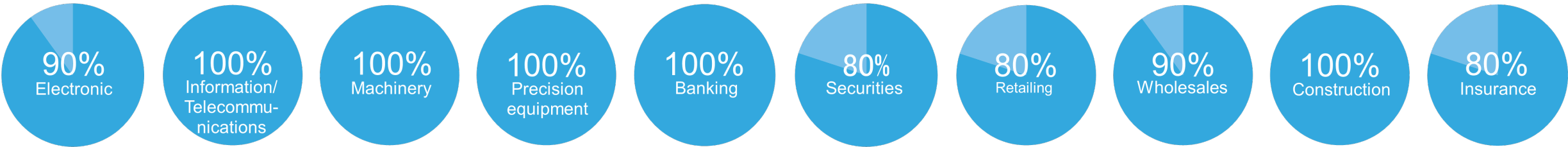
Recurring revenue 77%

One time revenue

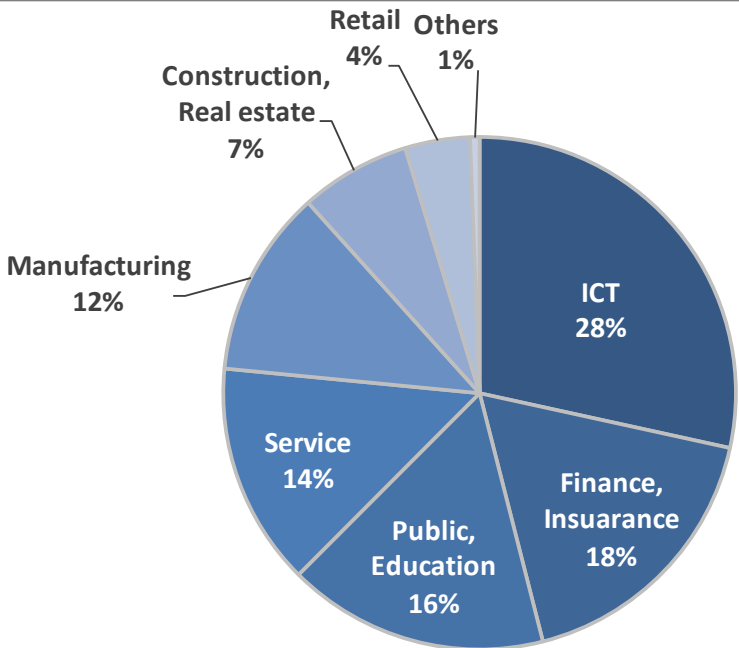
Extensive Client Base

- ◆ Number of IIJ Group’s clients: approx. 16,000 as of March 31, 2025
- ◆ 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

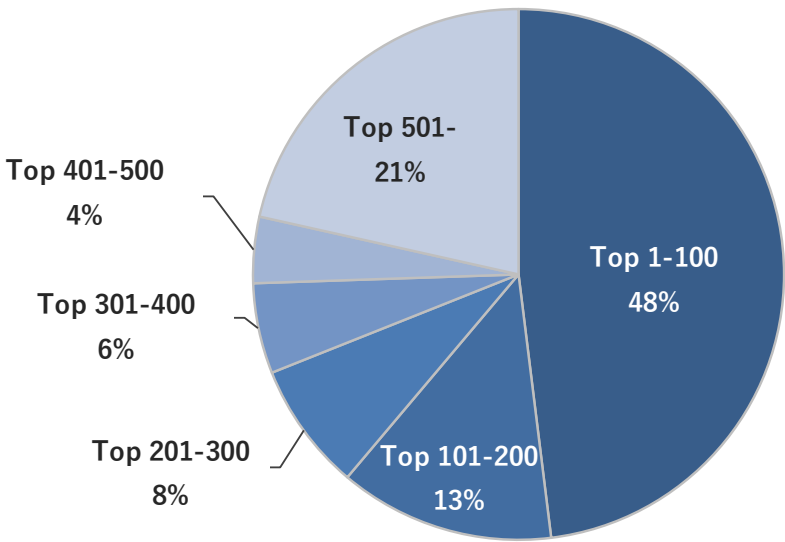
Cover Most of Top Revenue Companies



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 FY24
© Internet Initiative Japan Inc.

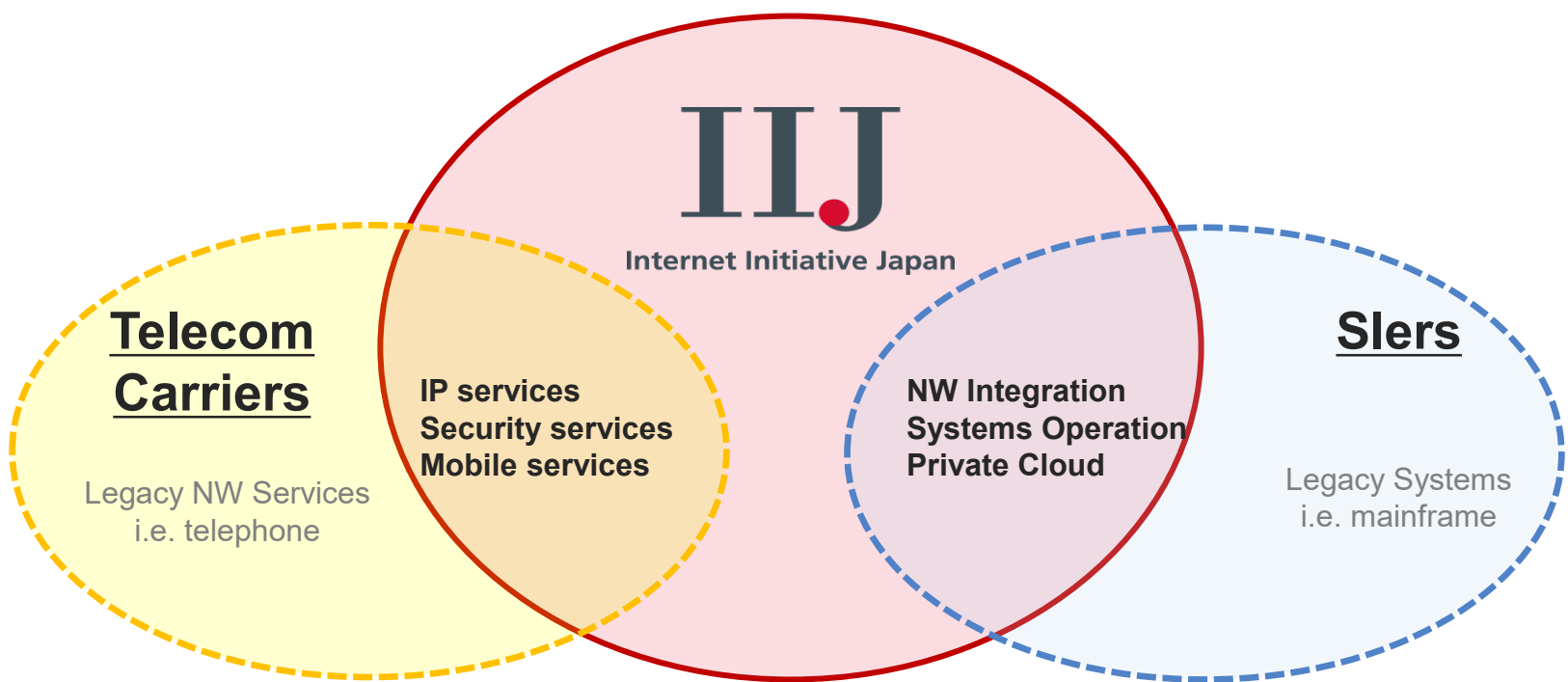
Competitive Advantages

Differentiation from telecom carriers

- Deep expertise in IP (Internet Protocol) technologies
- Fast and flexible operations
- Strong focus on blue-chip clients through tailored SI

Differentiation from systems integrators (Slers)

- Operates one of Japan's largest Internet backbones
- Owns and develops network service platforms
- Specializes in open, internet-centric systems



**IIJ focuses on modern IT ~specializing in scalable, next generation systems ~
(Not involved in legacy – heavy systems)**

Management structure (As of June 30, 2025)

Ratio of female directors
20.0%

Ratio of outside directors
46.7%

About
IIJ

Board of Directors (11 members)

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



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



Satoshi Murabayashi
Vice President
Executive Officer

Koichi Kitamura
Vice President
Executive Officer

Akihisa Watai
Vice President
Executive Officer
CFO

Junichi Shimagami
Vice President
Executive Officer
CTO

Outside Directors (45.5%, 5 out of 11)

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 Tokyo
Marine 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

Takashi Michishita
Attorney at law

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 IIJ in 2022 as Executive VP, driving growth in cybersecurity and digital transformation.

Director Compensation

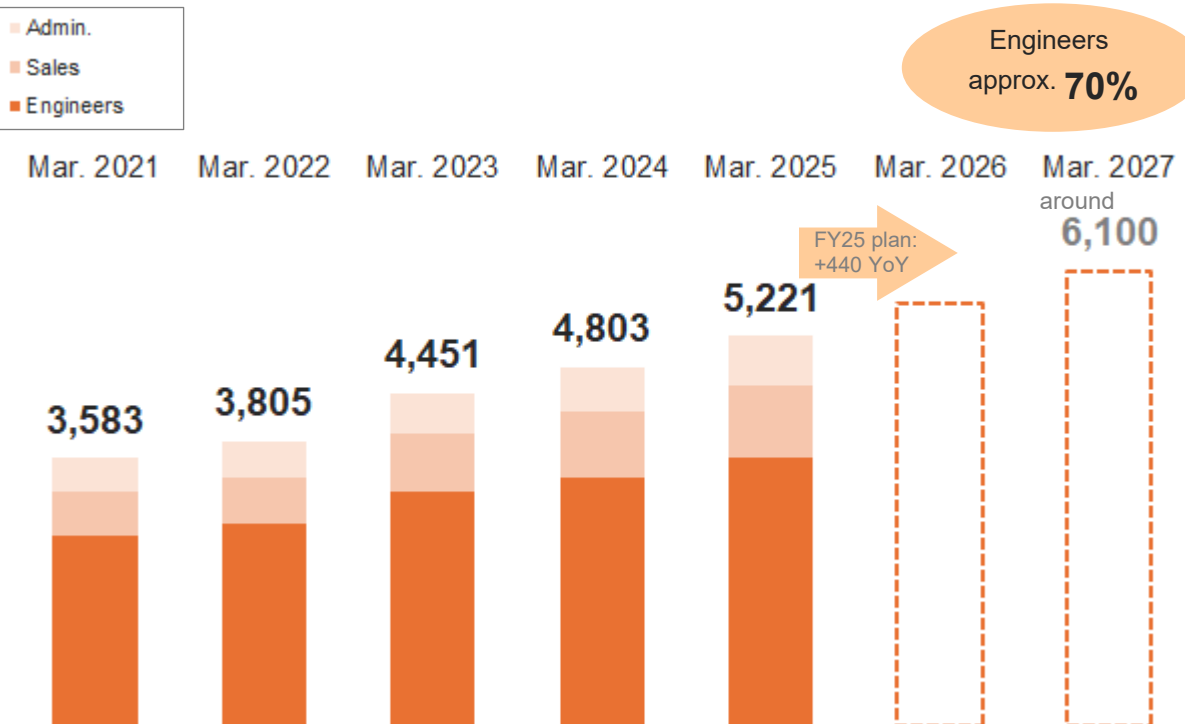
- ◆ Performance based compensation for an annual and the Mid-term Plan have been implemented since 2024. Directors are evaluated based on business performance such as revenue, operating profit, and performance of assigned business area, engagement such as employee satisfaction, ROE target of 19% in FY26, achievement/progress of sustainability and other targets

IIJ'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.

Human Capital

Total Number of Employees (consolidated)

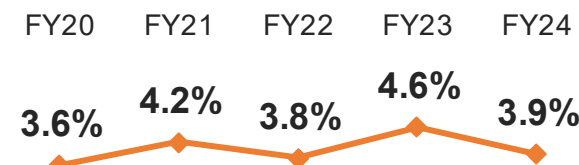


Average age
37.4

Average Yearly Salary
JPY **7,260** thousand

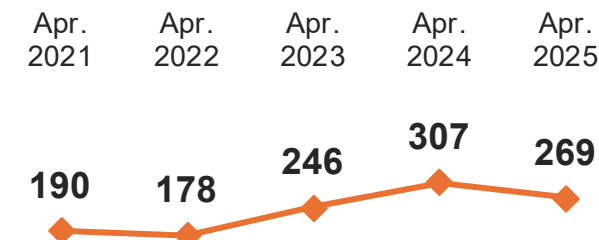
Ratio of female recruitment
26.5% (FY24)

Turnover Rate (IIJ)



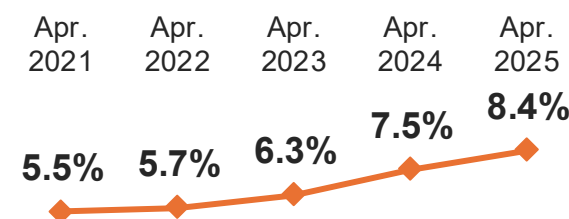
Low employee turnover driven by diverse experiences and high employee satisfaction

Number of New Graduates (consolidated)



Continuously hire and train new graduates who are drawn to IIJ as Japan's first full-scale ISP

Female Managers Ratio (IIJ)



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

Employee Satisfaction (IIJ)

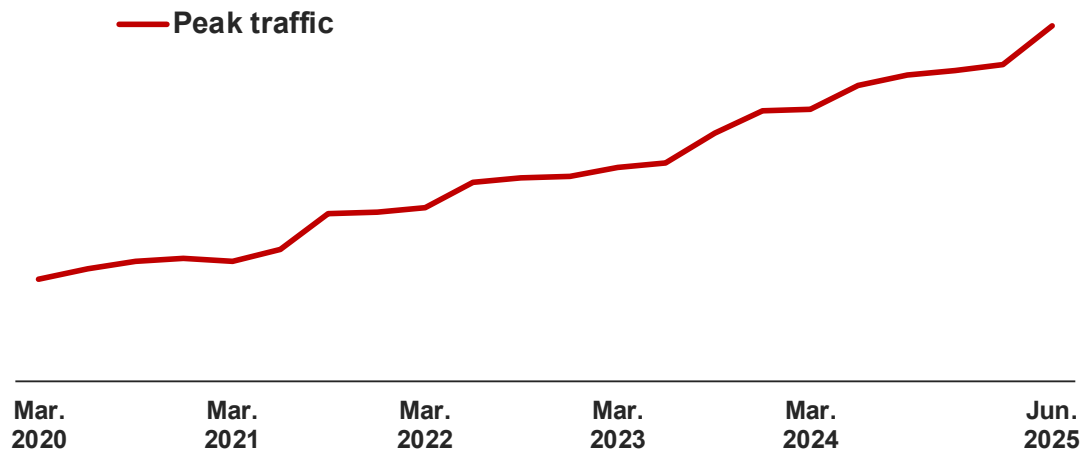


Employee survey indicates high overall satisfaction level
(out of 5)

- We added 62 personnel through PTC consolidation (Apr. 2021)
- Average age and average yearly salary are as of Mar. 31, 2025.
- Female manager ratio is IIJ (non-consolidated basis),
- Turnover rate of is IIJ (non-consolidated basis) and 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
- Employee satisfaction is according to the Employee Survey which is an annual engagement survey (approximately 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."

Market Environment

Historical traffic data of major domestic IX



• Source: INTERNET MULTIFEED CO., IX = Internet Exchange

SIM type MVNO market share in Japan

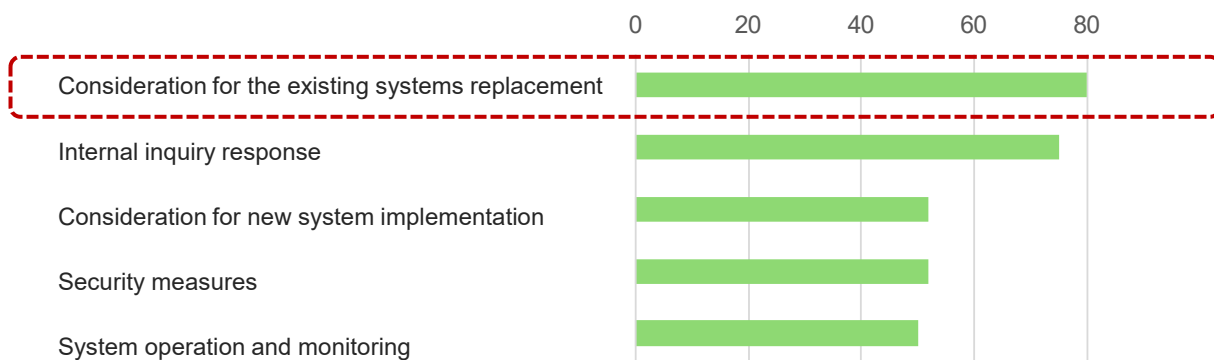
◆ Maintain top share in the domestic SIM-type MVNO market

	Sep. 30, 2024		Mar. 31, 2025	
1 st	IIJ	29.0%	IIJ	31.5%
2 nd	NTT Docomo	11.0%	Optage (mineo)	9.9%
3 rd	Optage (mineo)	10.0%	NTT Docomo	8.7%
4 th	JCOM	5.7%	JCOM	5.8%
5 th	AEON Retail	5.7%	AEON Retail	5.6%

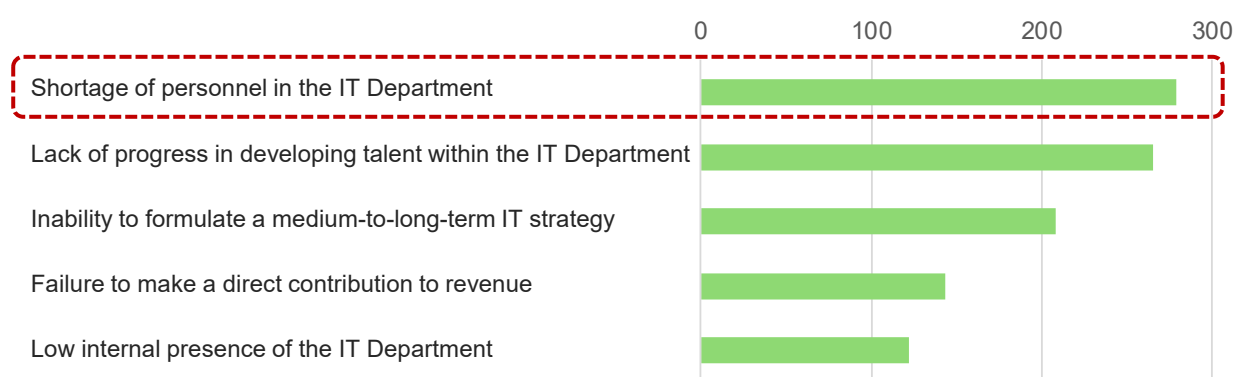
• Source: MM Research Institute <https://www.itmedia.co.jp/mobile/articles/2507/03/news095.html>
 • Aeon Mobile (AEON Retail) is using IIJ's MVNE platform service

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.

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Financial Performance

Unit: ¥ (JPY) billion (bn)

		FY20	FY21	FY22	FY23	FY24
Total Revenue		213.0	226.3	252.7	276.1	316.8
	YoY	+4.2%	+6.3%	+11.7%	+9.2%	+14.8%
NW services		126.8	128.2	138.9	151.3	162.6
	YoY	+4.0%	+1.1%	+8.4%	+8.9%	+7.4%
Enterprise NW		79.3	87.5	96.6	105.2	112.3
	YoY	+4.5%	+10.3%	+10.5%	+8.9%	+6.7%
Mobile services		47.5	40.7	42.3	46.1	50.3
	YoY	+3.1%	(14.3%)	+3.8%	+9.1%	+9.0%
SI		83.3	95.3	110.9	121.8	151.3
	YoY	+6.2%	+14.5%	+16.4%	+9.8%	+24.2%
Operating Profit		14.2	23.5	27.2	29.0	30.1
	YoY	+73.2%	+65.3%	+15.6%	+6.6%	+3.7%
Operating Margin		6.7%	10.4%	10.8%	10.5%	9.5%
Net Profit		9.7	15.7	18.8	19.8	19.9
	YoY	+142.4%	+61.4%	+20.2%	+5.2%	+0.5%
ROE		11.5%	16.2%	17.0%	16.3%	15.0%
NW service gross margin		21.4%	27.8%	27.5%	28.7%	27.8%
SI gross margin		14.5%	15.7%	16.7%	15.6%	14.4%
CAPEX		15.2	16.1	20.8	22.5	26.3
NW services, etc.		8.8	9.0	9.7	12.9	15.0
Shiroi, Matsue DCs		1.7	1.6	5.6	5.7	4.7
Cloud		2.7	2.3	2.0	1.5	2.0
SI, others		2.0	3.2	3.5	2.4	4.6

Various Network Services Asset

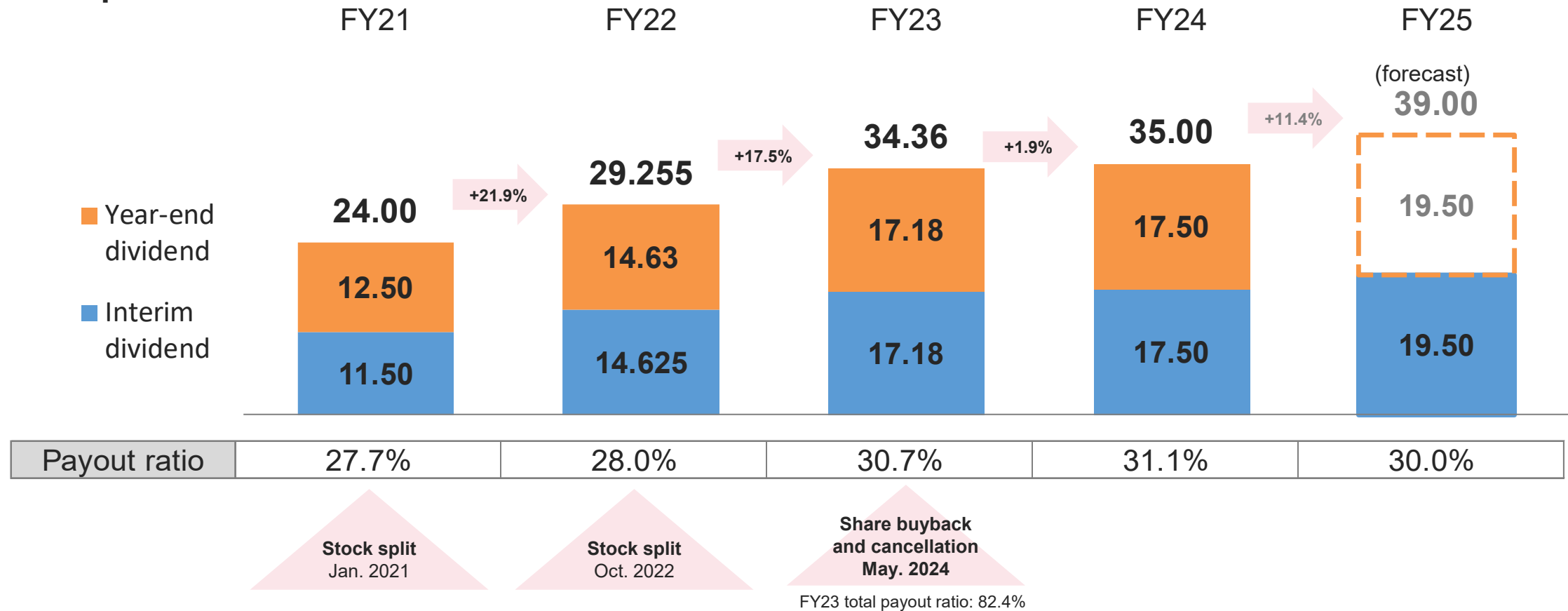


Shareholders' Return

◆ 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



- Dividend per share is written on the post-stock-split basis
- FY21 payout ratio: adjusted payout ratio is around 30% which is calculated by deducting temporary and non-cash transaction such as valuation on funds and impairment loss
- FY22 payout ratio takes the retrospective application of IAS 12 "Income Taxes" into consideration
- FY23 payout ratio takes the share buyback with cancellation which took place in May 2023 into consideration

Mid-term Plan (FY24 ~ FY26)

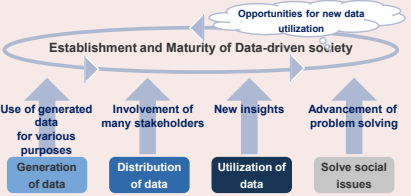
Accelerate business scale expansion toward the Mid-to-long Term Vision by advancing the business structure transformation in FY23
Revenue growth led by integration and profit growth through economies of scale as a NW service operator

Total Revenue	Operating Profit	Net Profit	ROE	Human Capital
1.4 times FY23 ¥276.1 bn FY26 ¥380.0 bn	1.6 times FY23 ¥29.0 bn FY26 ¥46.0 bn	1.5 times FY23 ¥19.8 bn FY26 over ¥30.0 bn	+2.7 pt. FY23 16.3% FY26 19%	1.3 times FY23-end 4,803 FY26-end around 6,100

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	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.
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	Continuous expansion of NW infrastructure Pursuit of differentiation - Construct the third site of Shiroi 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: DeCurret) - 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
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Enhancement of business foundation

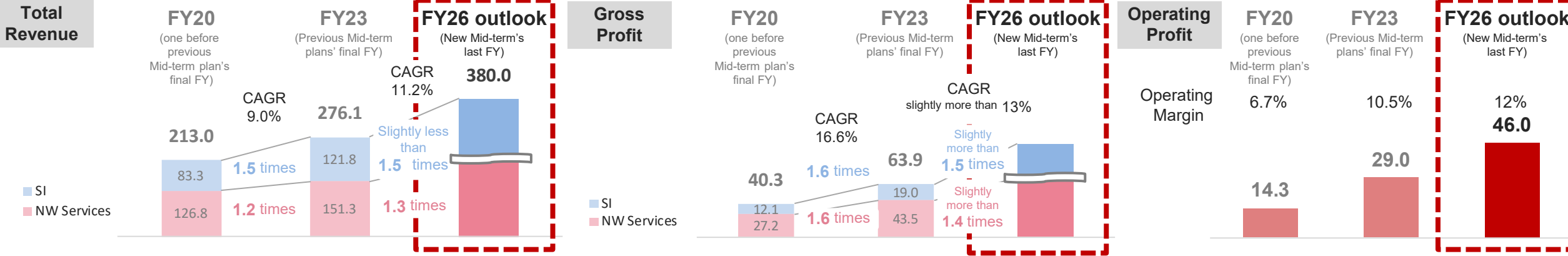
Thorough expansion of Human Capital - Continuous expansion of human resources - Develop next-generation human resources for long term growth - Maintain & enhance top-tier engineering capabilities & expand that to multiple layer	Enhancement of cash control - Appropriate management of increasing SI-related working capital - Investment allocation Shiroi 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

Financial
Information

Unit: ¥ (JPY) billion

Breakdown image of financial outlook



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

Cash in	Cash out	Overview
Cash generated from business approx. ¥134.0 bn(*)	Investment: approx. ¥90.0 bn	Shiroy DC 3rd 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
	Ordinal NW infrastructure, etc. approx. ¥51.0 bn Stable with economies of scale	Strategic Investment ◆ Specific investment details have not fixed and will be discussed going forward
	Shiroy DC 3rd Site construction approx. ¥30.0 bn Mainly for own services	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
	Strategic investment for new growth areas	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
	Along with an increase in large complex project Increase in working capital and lease obligation	
Debt Up to approx. ¥65.0 bn	Payout ratio 30% Dividend	
	Scheduled repayment of long term borrowing	
	M&As	

(*) post-tax, pre-depreciation

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

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 domains 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

Execute actions early to realize revenue volume of ¥500 bn

FY23 result

¥276.1 bn

10.5%

FY26 target

¥380.0 bn

12%

30%

¥500.0 bn

12% ~ 15%

30% ~ 40%

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

Ongoing High Demand for Network and System Upgrades Across Industries Driven by Structural Changes in Network
Leveraging the Service Integration Model^(*) as a Key Differentiation and Entering the Next Phase of Mid- to Long-Term Growth

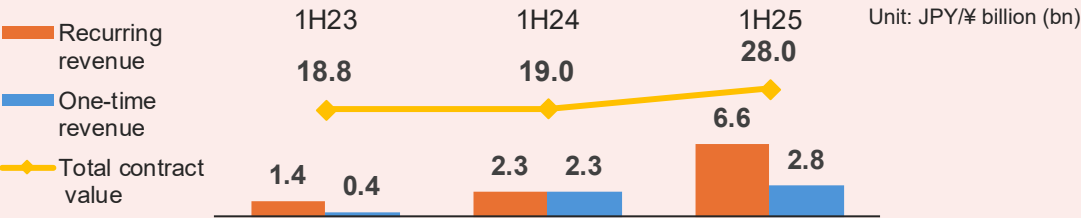
1H25 Results

Revenue	¥161.91 bn	+10.1%YoY	Solid Growth Through Strengthened NW service Sales Initiatives, Robust SI Demand Driving Continued High Orders
Operating Profit	¥15.39 bn	+30.6%YoY	High Growth by SI & NW Service Revenue expansion, ¥1.17 bn of Retirement Provision Reversal, & VMware-related Rebound
Net Profit	¥10.03 bn	+34.2%YoY	Little Effect of Exchange Rates on Non-Operating Results (FY24-end: ¥149.52/USD, 1H25-end: ¥148.88/USD)

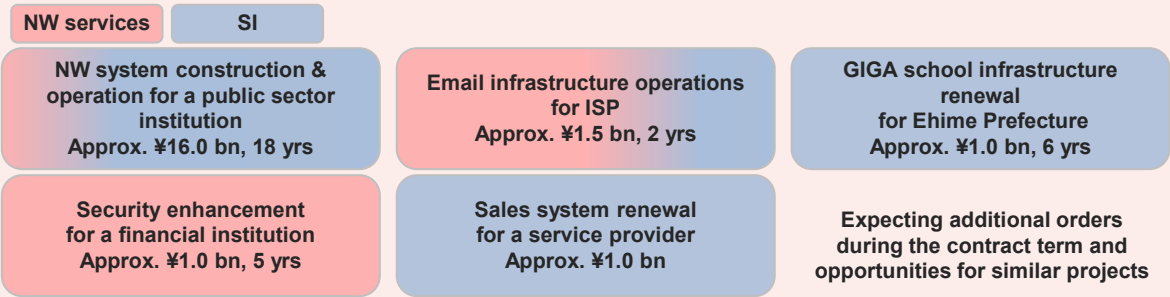
Main Action Plans for FY2025

Focus on large-scale service integration projects

Large-scale projects: semiannual trends in revenue recognition and contract value

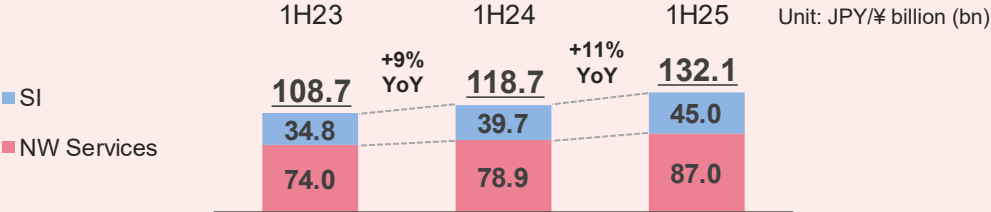


- ◆ Consistent Growth in Recurring Revenue as Large Projects Advance
- ◆ Secured 5 large-scale projects from 2Q25 onward (approx. ¥20.5 bn in total)



Focus on Accumulating NW Services

Recurring revenues



- ◆ High recurring revenue growth +11.3% YoY driven by strong NW service expansion and robust systems operation and maintenance
- ◆ Enhancing existing services and introducing new offerings to drive recurring revenue growth this FY

(Main achievements in 1H25)

New services	IIJ Security Doctor Comprehensive security support by IIJ Experts	IIJ Cloud Exchange Service for Prisma Access Secure connectivity between Prisma Access and customer site via IIJ Private Backbone	Multi-Profile SIM 2.0 One SIM, dual carrier access – improved IoT device communication reliability	IIJ Infrastructure as Code Implementation Support Solution Automation and Streamlining of Cloud Infrastructure Deployment
Existing service enhancement	IIJ IoT service Added features to enable simple remote access to devices	IIJ Flex Mobility Service/ZTNA Added automatic SaaS destination information collection features to optimize traffic control	IIJ Secure Endpoint Service Added features of web access control and visibility	IIJ Multi Product Controller Service Added feature "NW map" to automate NW diagram creation and visualize traffic

- ◆ Agreed to establish an IoT-focused JV as a new IIJ subsidiary with Sony Semiconductor Solutions Corporation to launch a soil moisture sensing business (IIJ ownership: up to 85%, Planned establishment date: Apr. 2026)
- ◆ DeCurret DCP: JAPAN POST BANK plans to issue tokenized bank deposit in FY26 (Sep. 2025) , Agreed to initiate full-scale study on foreign exchange with SBI Shinsei Bank and Partior (Sep. 2025)

(*) Service Integration: Provide in-house developed NW services with SI, Greater opportunities and proposal areas along with internal large-scale NW renewals, etc.
(*) Recorded revenues of acquired large-scale projects since FY22
© Internet Initiative Japan Inc.

Consolidated Financial Results

Unit: ¥ (JPY) billion (bn)

	% of revenue	% of revenue			% of revenue		% of revenue	
	1H25 Results	1H24 Results	YoY		1H25 Targets	YoY	FY25 Targets	YoY
	Apr. 2025 - Sep. 2025	Apr. 2024 - Sep. 2024			(Announced in May 2025) Apr. 2025 - Sep. 2025		(Announced in May 2025) Apr. 2025 - Mar. 2026	
Revenues	161.91	147.02	+10.1%	+14.89	158.0	+7.5%	340.0	+7.3%
Cost of Revenues	78.3% 126.78	79.1% 116.35	+9.0%	+10.43	77.9% 123.1	+5.8%	77.4% 263.0	+5.9%
Gross Profit	21.7% 35.13	20.9% 30.67	+14.5%	+4.46	22.1% 34.9	+13.8%	22.6% 77.0	+12.6%
SG&A etc.	12.2% 19.74	12.8% 18.89	+4.5%	+0.85	12.3% 19.4	+2.7%	11.9% 40.5	+5.7%
Operating Profit	9.5% 15.39	8.0% 11.78	+30.6%	+3.61	9.8% 15.5	+31.6%	10.7% 36.5	+21.2%
Profit before tax	9.4% 15.15	7.6% 11.12	+36.3%	+4.03	8.8% 13.9	+25.0%	9.9% 33.7	+15.5%
Net Profit	6.2% 10.03	5.1% 7.47	+34.2%	+2.56	5.9% 9.4	+25.8%	6.8% 23.0	+15.4%

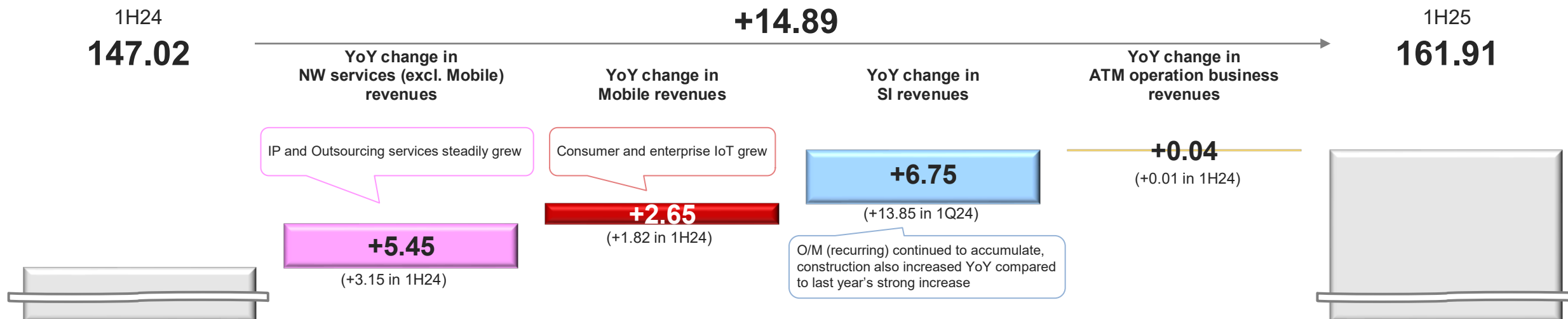
• SG&A etc. represents the sum of SG&A, which includes R&D expenses, and other income/expenses

Year over Year Analysis

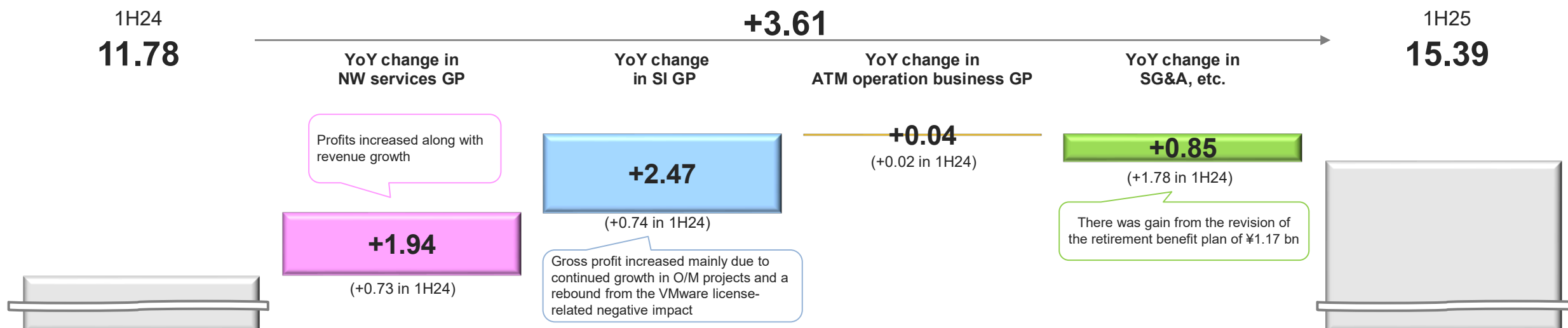
Unit: ¥ (JPY) billion (bn)
GP = Gross Profit
YoY = Year over year comparison

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Revenues

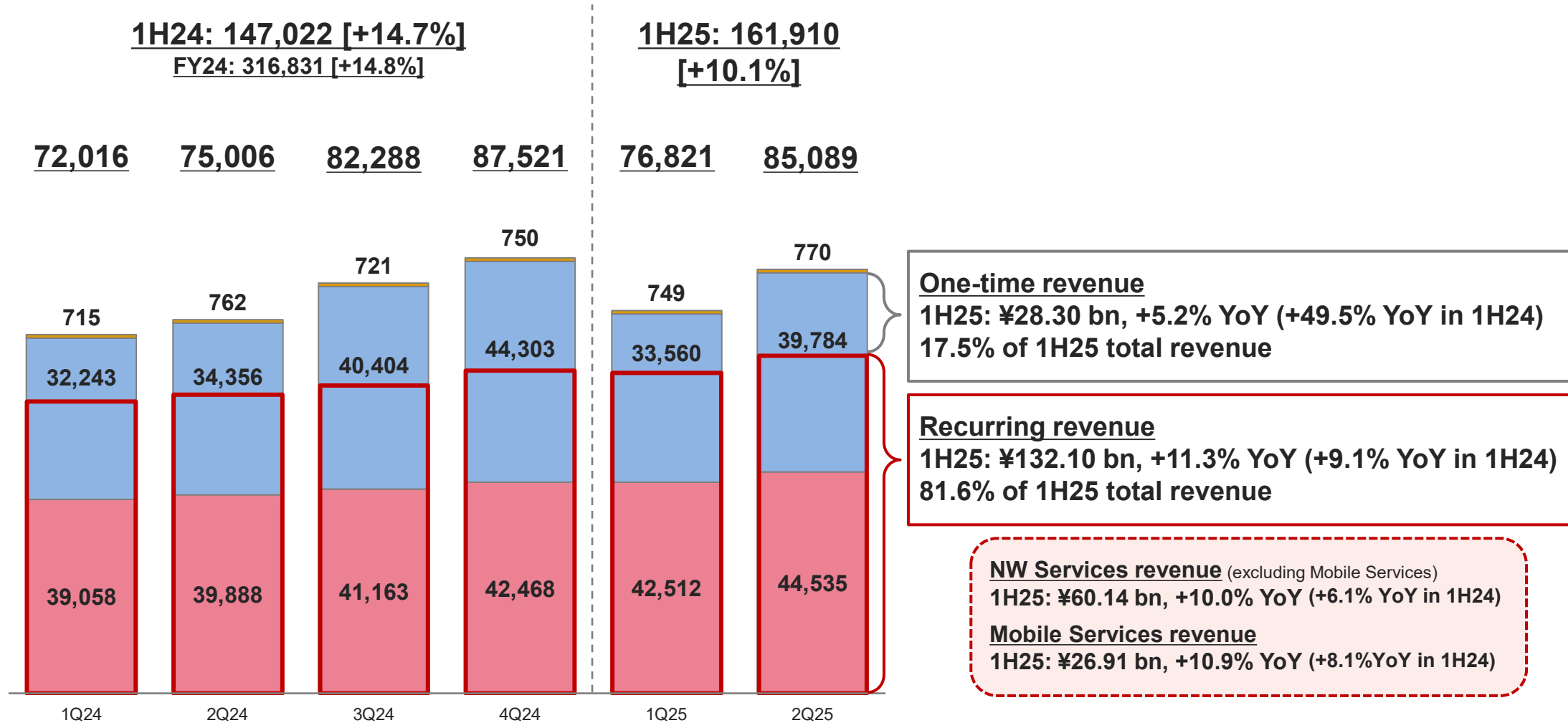
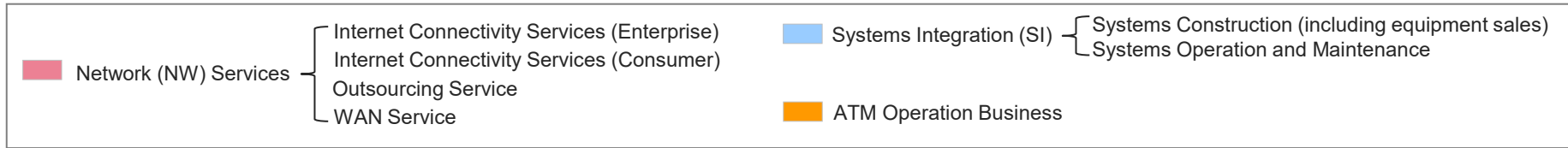


Operating Profit



- 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 IIJ Mobile Services (including MVNE) and IIJmio (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

Revenues



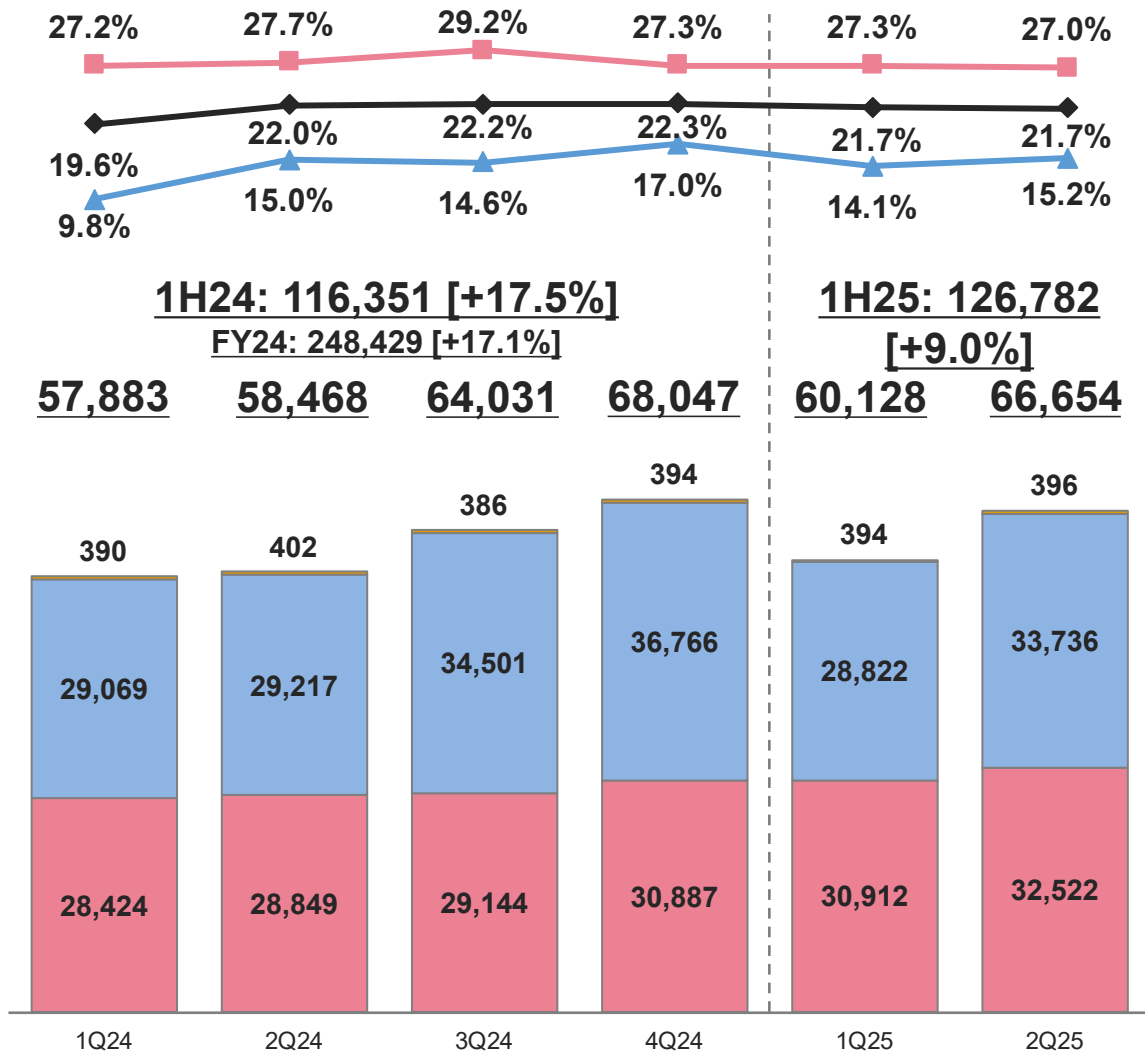
- One-time revenue, systems construction revenues which include equipment sales, is mainly recognized when systems and/or equipment are delivered and accepted by customers (Some revenues on a percentage-of-progress basis based on cost progression)
- Recurring revenue represents the following revenues: Internet Connectivity Services (Enterprise), Internet Connectivity Services (Consumer), Outsourcing Services, WAN Services, and Systems Operation and Maintenance
- Mobile services revenues include IIJ Mobile Services (including MVNE) and IIJmio (consumer mobile)

Cost of Revenues & Gross Margin

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

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Gross margin: ◆ NW (Network) Services ◆ SI (Systems Integration) ▲ Total
Cost of revenues: ■ NW (Network) Services ■ SI (Systems Integration) ■ ATM Operation Business



◆ Total gross profit

- 1H25: ¥35.13 bn, +14.5%, +¥4.46 bn YoY

◆ Gross profit for NW services

- 1H25: ¥23.61 bn, +9.0%, +¥1.94 bn YoY
 - Fixed-type costs such as NW operation, outsourcing, and personnel-related costs have been on an upward trend, with a particularly large seasonal cost increase observed at the beginning of fiscal year
 - There was YoY cost increase of approx. +¥0.5 bn mainly due to MVNO infrastructure replacement

◆ Gross profit for SI

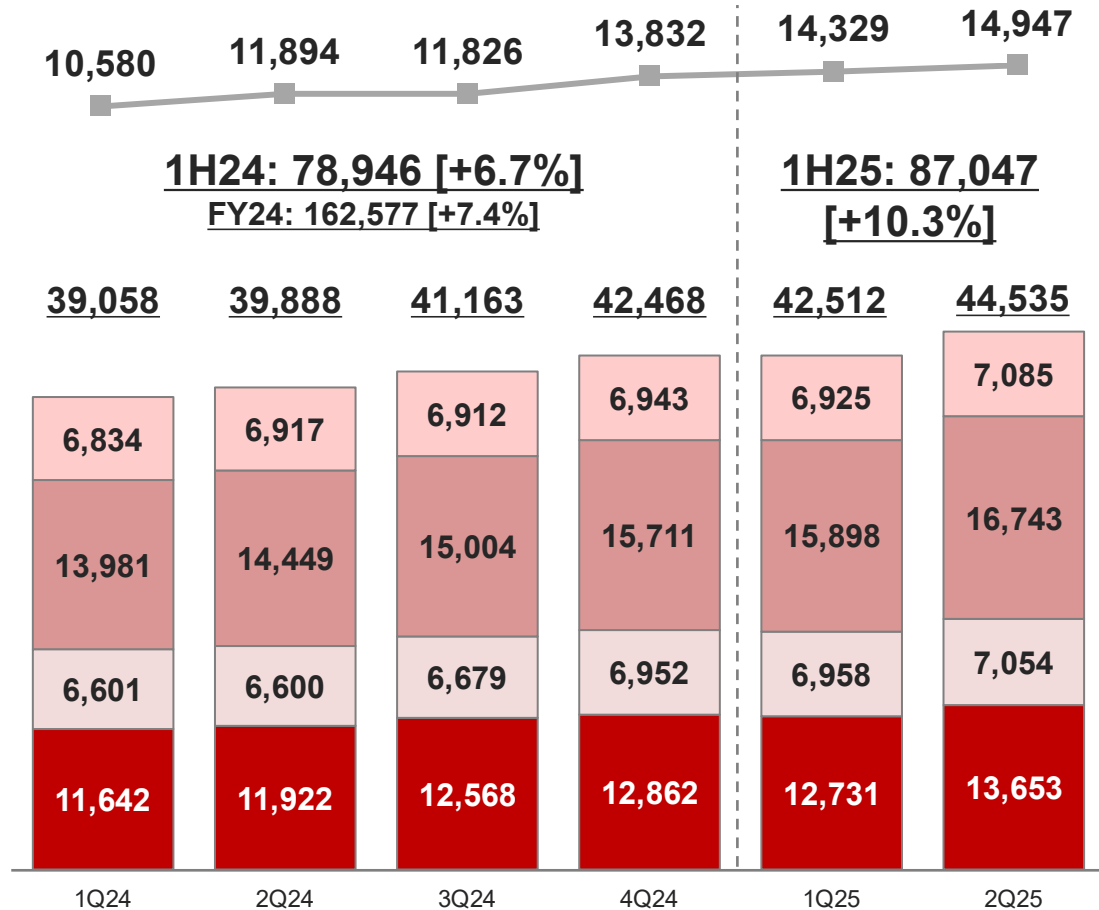
- 1H25: ¥10.79 bn, +29.7%, +¥2.47 bn YoY
 - Gross margin improved YoY, mainly due to the accumulation of O/M projects and the rebound from the VMware license-related negative profit impact in FY24 (approx. -¥1.0 billion YoY)

- 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
- VMware license-related profit impact on NW Services: FY24 ¥-0.1 bn (1Q: approx. -¥0.3 bn, 2Q: approx. -¥0.3 bn, 3Q: approx. +¥0.2 bn, 4Q: approx. +¥0.3 bn)
- VMware license-related profit impact on SI: FY24 ¥-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)

Network (NW) Services (1) Revenues

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

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◆ Internet Connectivity (enterprise) Services

- 1H25: ¥26.38 bn, +12.0% YoY (+7.3% YoY in 1H24)
 - Of which, IP Service: ¥9.23 bn, +9.9% YoY (+6.4% YoY in 1H24)
 - Of which, Enterprise mobile: ¥8.79 bn, +21.3% YoY (+10.0% YoY in 1H24)
 - Of which, MVNE: ¥5.83 bn, +4.5% YoY (+6.2% YoY in 1H24)

◆ Internet Connectivity (consumer) Services

- 1H25: ¥14.01 bn, +6.1% YoY (+7.6% YoY in 1H24)
 - Of which, consumer mobile (IIJmio): ¥12.29 bn, +7.4% YoY (+7.9% YoY in 1H24)

◆ Outsourcing Services

- 1H25: ¥32.64 bn, +14.8% YoY (+10.9% YoY in 1H24)
 - Of which, security: ¥19.68 bn, +13.0% YoY (+17.2% YoY in 1H24)

◆ WAN Services

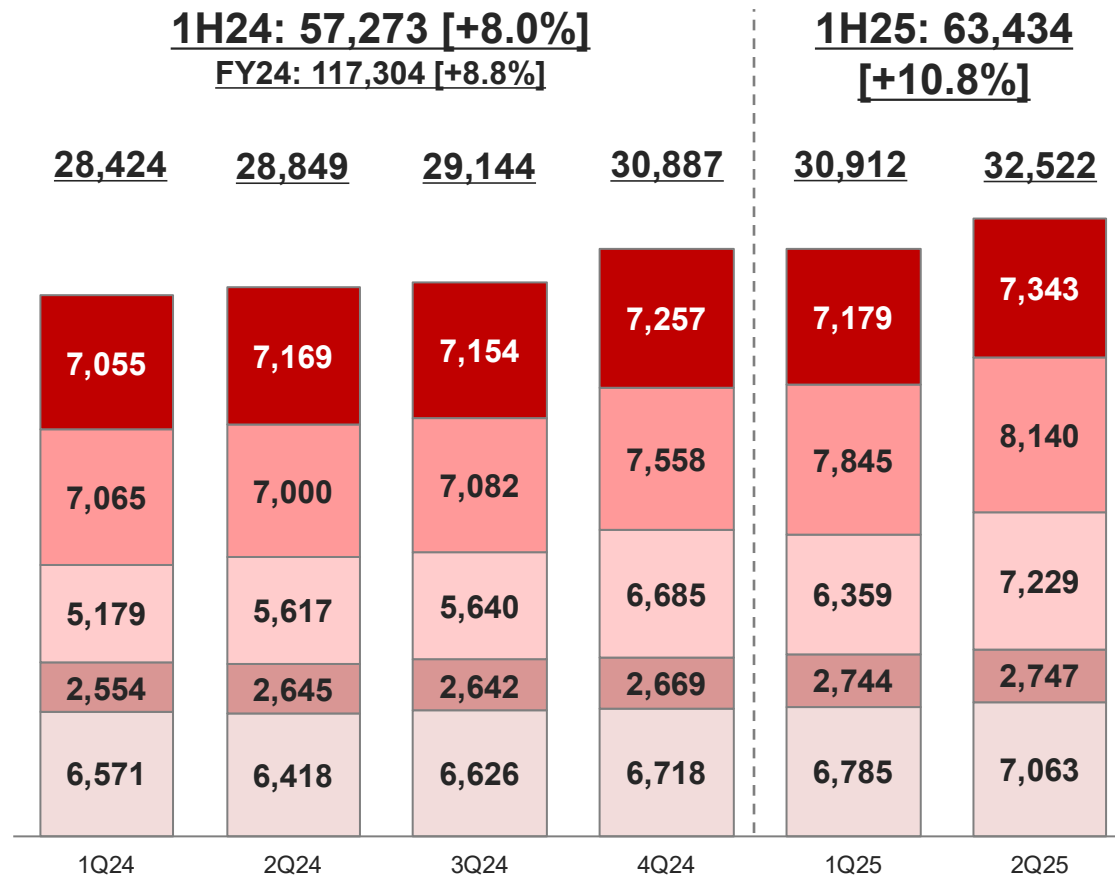
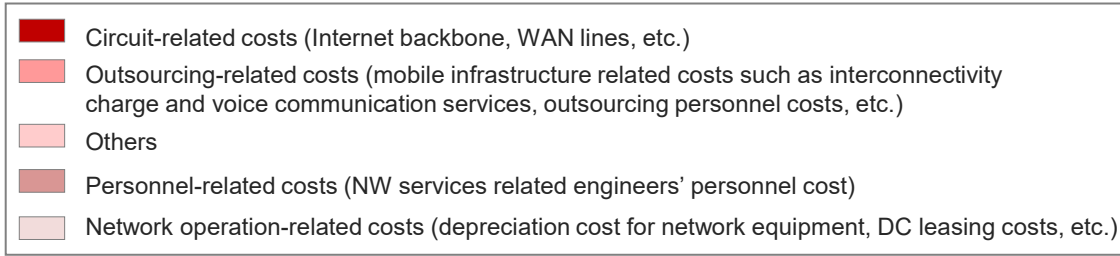
- 1H25: ¥14.01 bn, +1.9% YoY (-2.6% YoY in 1H24)

- 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

Network (NW) Services (2) Cost of Revenues

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

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- 1H25 Circuit-related costs remained stable
 - Internet backbone circuit cost remains stable by leveraging scale merit with one of the largest Internet backbone networks
 - QoQ increase in line with WAN service revenue
- 1H25 Outsourcing-related costs remained stable
 - The decline in the mobile data interconnectivity unit charge at the beginning of FY25 was similar to that in FY24 (Details in P.23)
 - Outsourcing personnel cost increased at the beginning of fiscal year
- 1H25 Others were on a continuous increasing trend
 - License fees such as SASE increased along with related revenue growth
 - Increased mobile device purchasing costs: approx. +¥1.3 bn YoY (1Q25: approx. +¥0.3 bn YoY, 2Q25: approx. +¥1.0 bn YoY)
- 1H25 Personnel-related costs increased at the beginning of fiscal year due to revision of salary table and others, progressed as expected
- 1H25 Network operation-related costs continued to increase along with facility expansions
 - Increases in depreciation and other costs were mainly due to MVNO infrastructure replacement

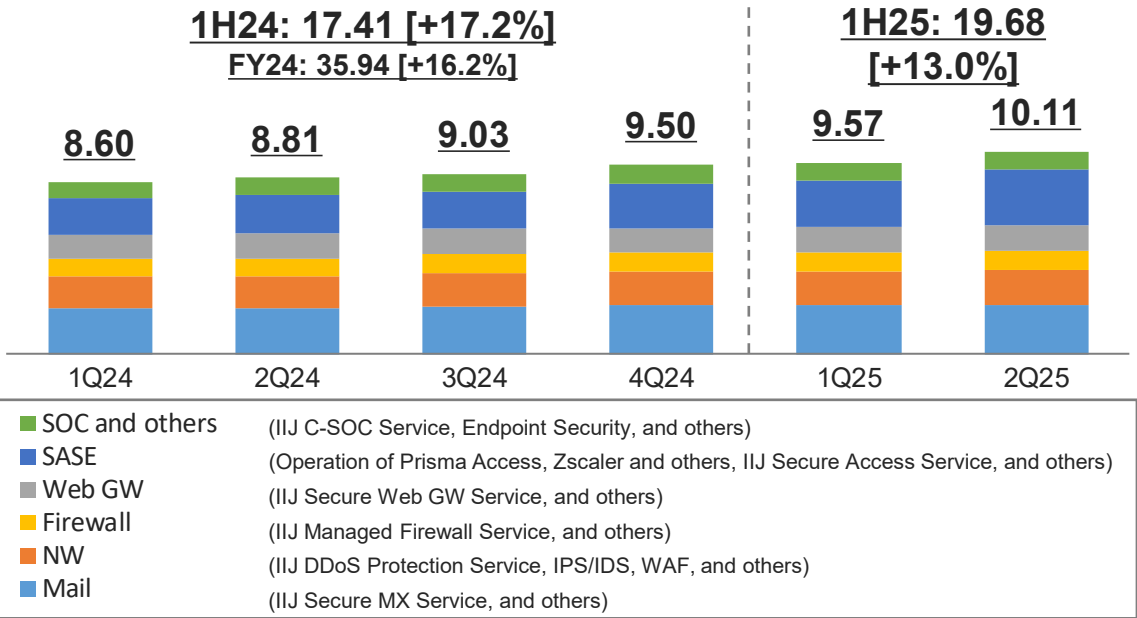
- 3Q24 Outsourcing-related costs include one-time cost reimbursement based on the difference between future cost method figures and actual figures regarding FY23 usage
- FY24 Others cost was impacted by the VMware licenses (approx., +¥1.0 bn YoY) and enhancement of mobile procurement for 4Q promotional season (approx. +¥0.5 bn YoY)

Network (NW) Services (3) Security and Mobile/IoT

Security Business

◆ Continuous demand for in-house developed security services

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



◆ Security enhancement initiatives

- Enhancement of behavioral detection and multi-layered WAF implemented
- Under the CEO's direct initiative, security enhancement is progressing

◆ Ongoing enhancement of existing services and solutions

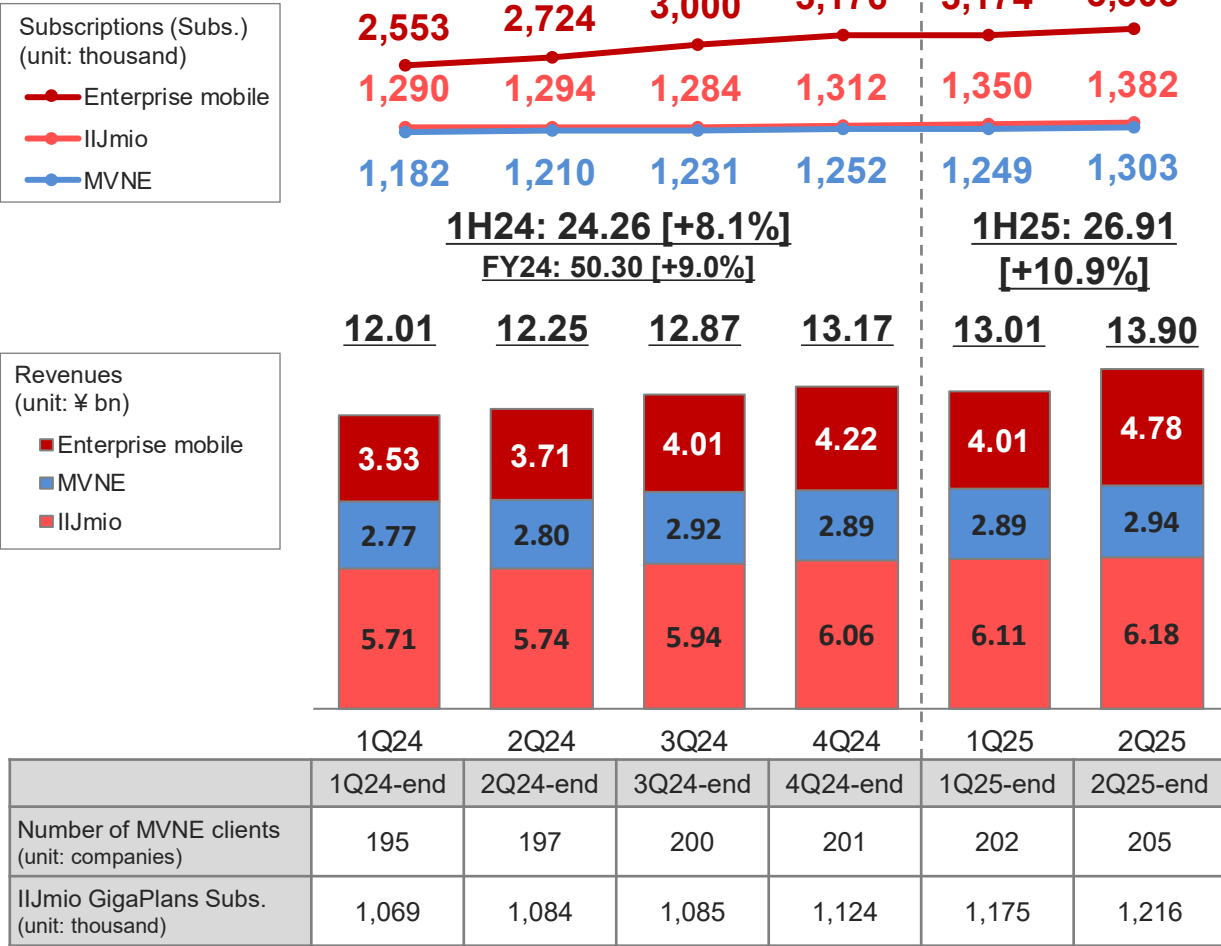
- Launched “IIJ Security Doctor” which provides comprehensive support for corporate security measures and operations by IIJ security experts (Nov. 2025)
- Launched integrated security management solution for OT (Operational Technology) in Sep. 2025 (in collaboration with NTT DOCOMO Business)
- Launched a secure and user-friendly file transfer environment with an assetless model through “IIJ File Transfer Solution with Soliton” (Jul. 2025)
- Added web security features to “IIJ Flex Mobility Service/ZTNA” to enhance Zero Trust (Jun. 2025) , Enhanced traffic control through the automatic gathering function of SaaS destination information (Sep. 2025)

Mobile/IoT Business

◆ Enterprise: Continued demand for device connectivity, including NW cameras, Recognized device revenue

◆ Consumer: Subs. continued to increase, supported by “JAL Mobile,” etc., Launched “DMM Mobile Plus powered by IIJ” in Oct. 2025

◆ MVNE: Steady growth by an increase in new MVNO clients



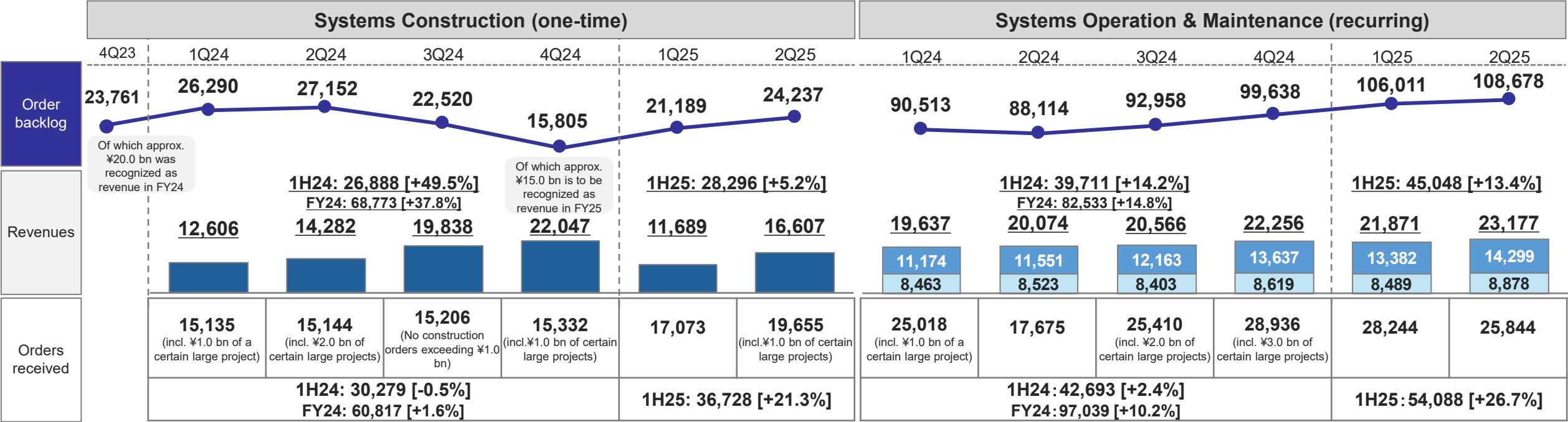
• Enterprise Mobile: Refers to direct service offerings for IoT and other device connectivity use cases.
• MVNE: Refers to IIJ Mobile MVNO Platform Services provided to other MVNO operators.

Systems Integration (SI) (1) Revenues

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

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



- Favorable demand from all industries continued, orders received 1Q25+12.8%YoY, 2Q25+29.8%YoY
- Consistently secured large-scale NW & SI projects from 2Q25 onward (incl. NW services revenue)
 - NW system construction & operation for a public sector institution (Approx. ¥16.0 bn, 18 yrs) (*)
 - Email infrastructure operations for ISP (Approx. ¥1.5 bn, 2 yrs)
 - GIGA School Infrastructure renewal for Ehime Prefecture (Approx. ¥1.0 bn, 6 yrs) (*)
 - Sales system renewal for a service provider (Approx. ¥1.0 bn)
 - Security enhancement for a financial institution (Approx. ¥1.0 bn, 5 yrs)

(*) Not included in the SI orders received amount for 2Q25 due to recent acquisition

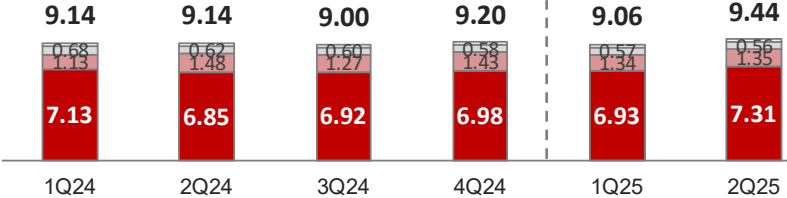
- Continued strong revenue growth including the start of SI O/M for large-scale projects 1Q25+11.4%YoY, 2Q25+15.5%YoY, orders received 1Q25+12.9%YoY, 2Q25+46.2%YoY

* In 1Q25, slight QoQ decrease was mainly due to the scheduled termination of maintenance projects at PTC, subsidiary in Singapore, and the termination of certain legacy cloud service offerings

Cloud Service Revenue (recurring)

Unit: ¥ bn

- Others (Overseas cloud, etc.)
- Public cloud (In-house developed public cloud services)
- Raptor (Foreign Exchange system services for financial institutions)
- Private cloud (In-house developed private cloud services, multi cloud services, and others)



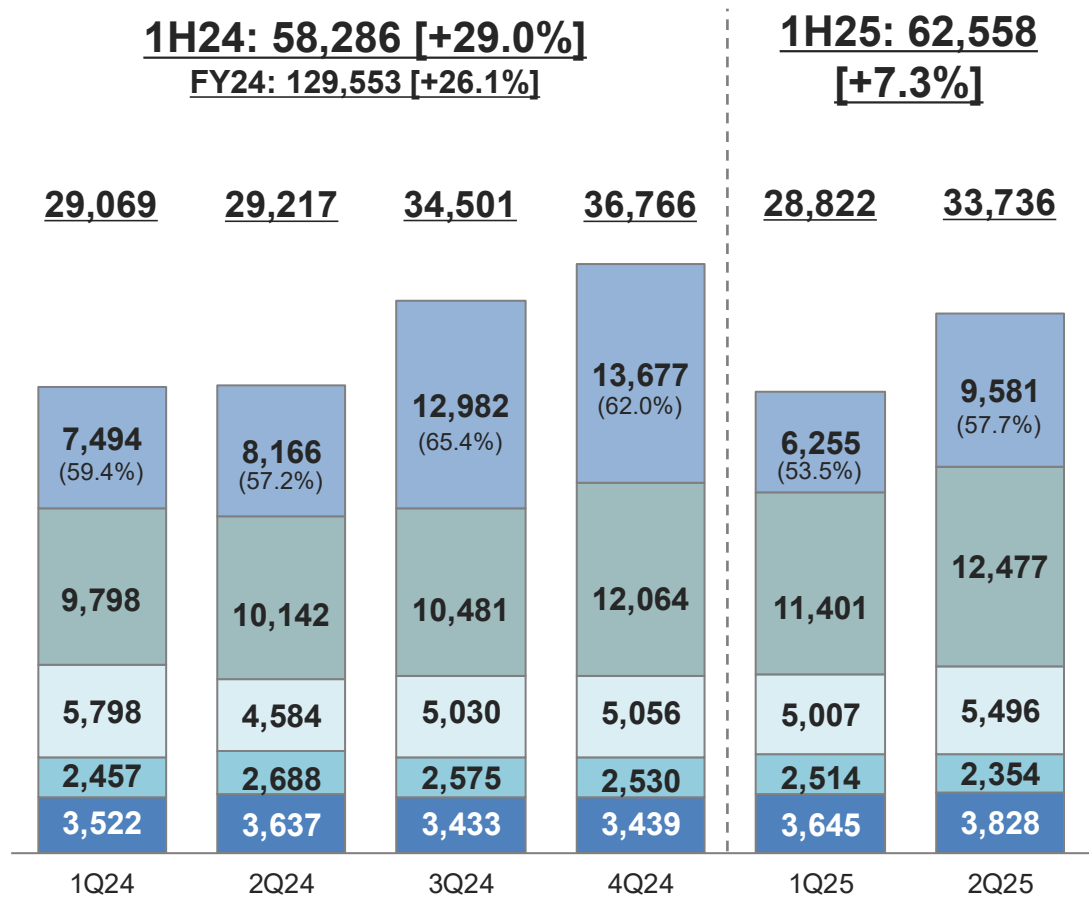
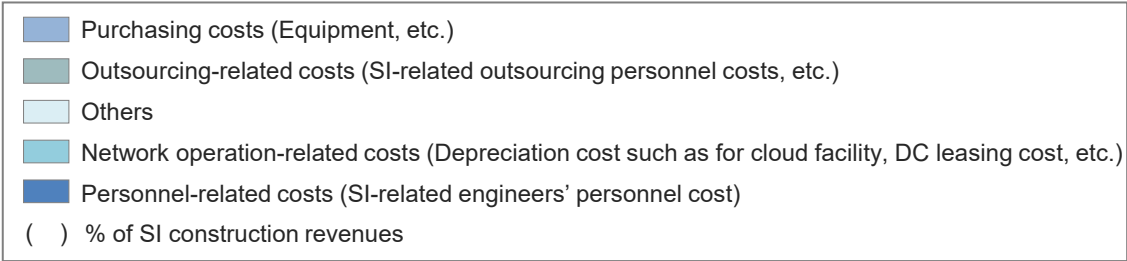
Breakdown of 1H25 cloud revenue
• 93.9% Systems O/M
• 6.1% Outsourcing service

• 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

Systems Integration (SI) (2) Cost of Revenues

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

Financial
Information



- 1H25 Purchasing & outsourcing-related costs are linked to the size of project and revenue to a certain degree in principle
- 1H25 Others include license purchasing costs and others
- No significant change in 1H25 Network operation-related costs on a quarterly basis
- 1H25 Personnel-related costs increased at the beginning of fiscal year due to revision of salary table and others, progressed as expected

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

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

- 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)

Human Capital Disclosure

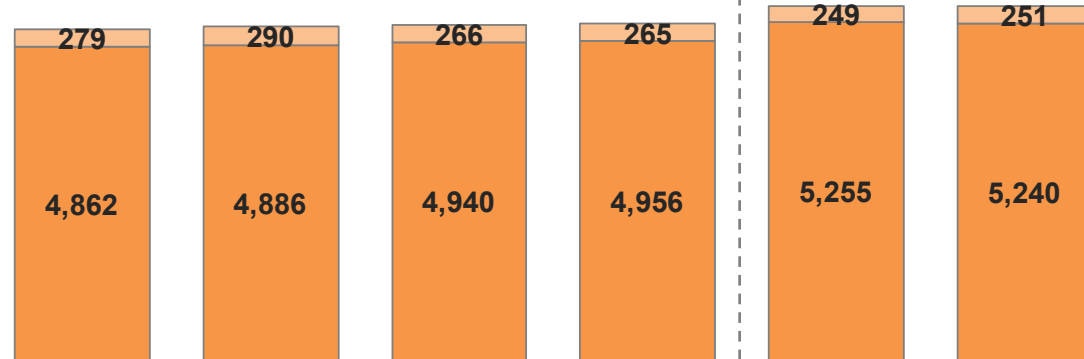
Number of Employees (consolidated basis)

Contract worker (personnel)
Full-time worker (personnel)

+394 YoY
of which, 307 were
new graduates

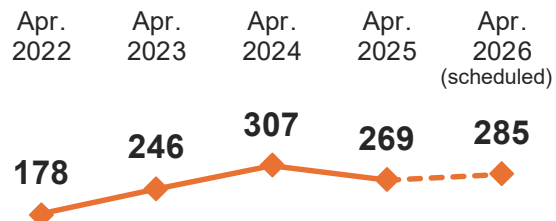
+363 YoY
of which, 269 were
new graduates

Jun. 2024 **5,141** Sep. 2024 **5,176** Dec. 2024 **5,206** Mar. 2025 **5,221** Jun. 2025 **5,504** Sep. 2025 **5,491**



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. 2022	Apr. 2023	Apr. 2024	Apr. 2025
5.7%	6.3%	7.5%	8.4%

Personnel-related costs & expenses (consolidated basis)

Unit: ¥ (JPY) million

	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25
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 ² (+6.0%)
	1H24: 20,998 (+12.8%) ¹ FY24: 41,638 (+10.6%)				1H25: 22,354 (+6.5%)	
% of revenue	14.3%	14.2%	12.5%	11.8%	14.4%	13.3%

(¹) In 1H24, there was a one-time payment to address inflation. As a result, the YoY growth rate of personnel-related expenses in 1H25 slightly declined

(²) Gain on the revision of the retirement benefit plan was not included

Breakdown of Employees

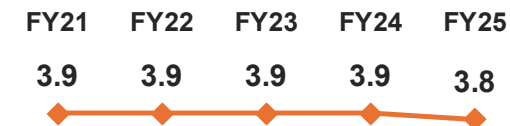
➤ FY25

- Number of employees to increase by approx. 440 personnel, including 269 new graduates
- Average annual salary increased by approx. 6.0%, including the compensation revision, in Apr. 2025 (IIJ). Compensation revisions in the past: Apr. 2019, Apr. 2023

➤ FY26

- Number of new graduates in Apr. 2026 (scheduled): 285 (consolidated)

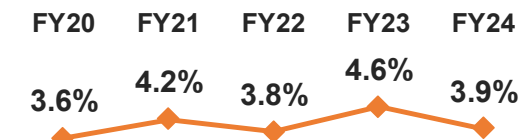
Employee Survey (IIJ)



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

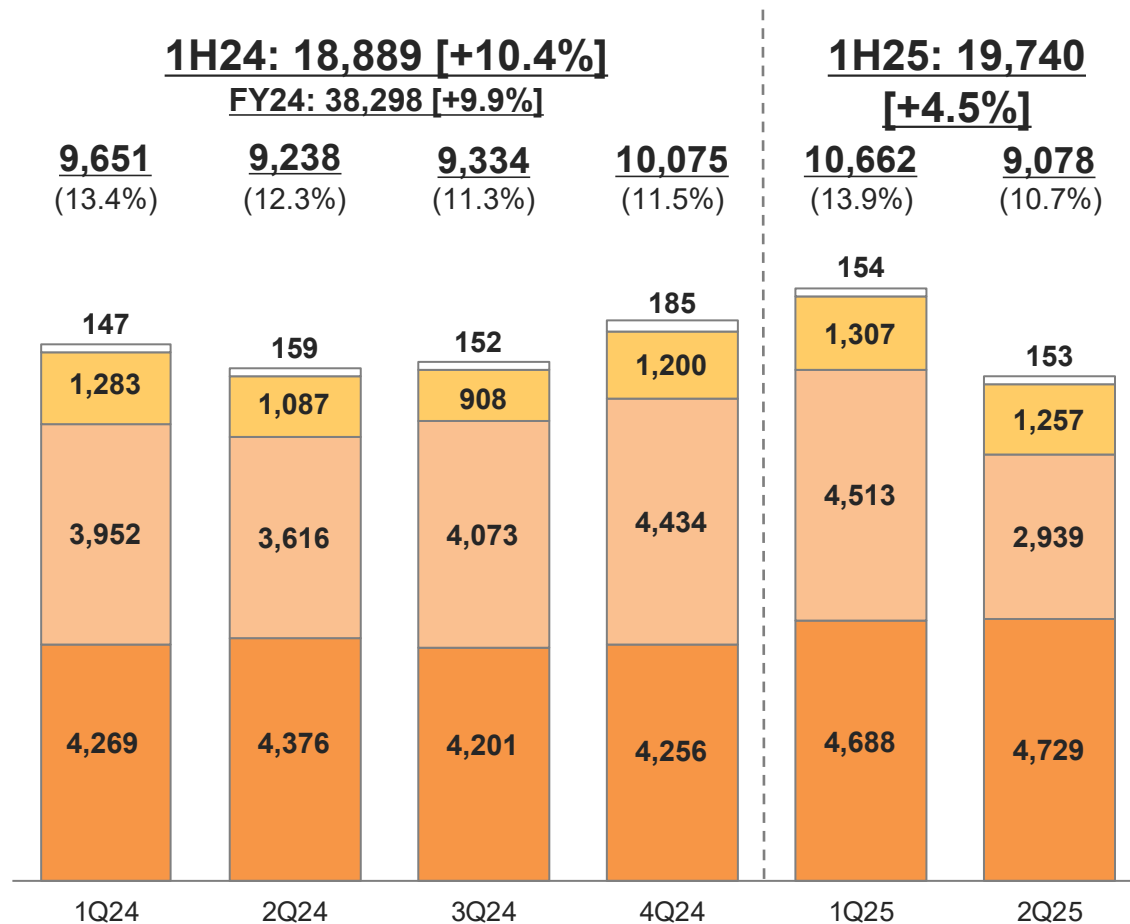
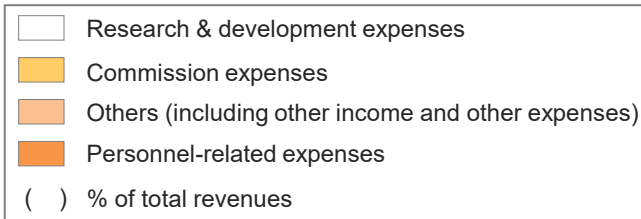
* The Employee Survey(IIJ) is an annual engagement survey (approx. 50 questions), and each item is rated on a five-point scale: 1 (disagree), 2 (somewhat disagree), 3 (neutral), 4 (somewhat agree), and 5 (agree). The "Overall Satisfaction" is the result of a question, "I am satisfied overall."

Turnover rates (IIJ)



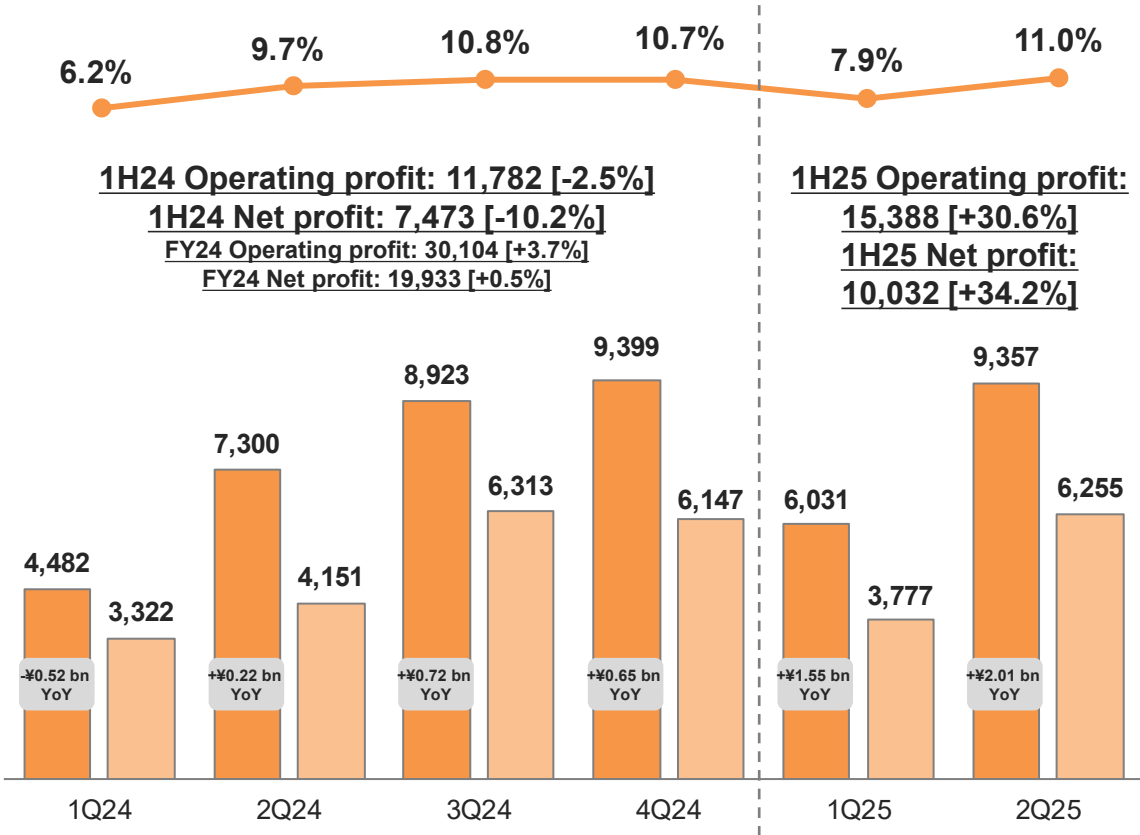
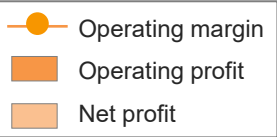
- Lower than the industry average turnover

* 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



- 1H25 Research & development expenses are mainly personnel expenses of research institute division. No major changes
- 1H25 Commission expenses are mainly recruitment expenses and credit card fees for consumers
- 1H25 Others are increasing mainly because of an increase in advertisement and activity-related expenses such as travel 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
- 1H25 Personnel-related expenses (salary, employee benefits, etc.) increased as expected, mainly due to the compensation revision and hiring of new graduate at the beginning of FY25

- Above figures are SG&A expenses plus other income and other expenses
- 1Q personnel-related and others 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



◆ Operating profit

- 1H25: ¥15.39 bn, +30.6% YoY
 - High Growth by SI & NW Service Revenue expansion, ¥1.17 bn of Retirement Provision Reversal, & VMware-related Rebound

◆ Profit before tax

- 1H25: ¥15.15 bn, +36.3% YoY
 - Interest expense: ¥651 million (1H24: ¥450 million)
 - Foreign exchange gain(loss) and valuation gain(loss) on funds
- Due to foreign exchange rate, profit or loss quarterly fluctuate, 1H25 was within our expectations

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

*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:
-¥226 million (1H24: -¥91 million)
 - ✓ DeCurret-related gain(loss) :

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

- IIJ ownership from Sep. 2024: 34.8%
- FY25 plan: approx. ¥0.7 bn of loss
- JAPAN POST BANK plans to issue tokenized bank deposit in FY26 (Sep. 2025)
- Agreed to initiate full-scale study on foreign exchange with SBI Shinsei Bank and Partior (Sep. 2025)
- 2Q24 included gain of ¥209 million on change in equity interest due to DeCurret HD's capital increase in Sep. 2024

◆ Net profit

- 1H25: ¥10.03 bn, +34.2% YoY

1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	
719	(1,294)	722	(653)	(186)	173	Finance income (expense), net
(162)	71	(173)	(150)	(108)	(118)	Share of profit (loss) of investments accounted for using equity method
(1,654)	(1,915)	(3,092)	(2,419)	(1,928)	(3,091)	Income tax expense
63	11	67	30	32	66	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

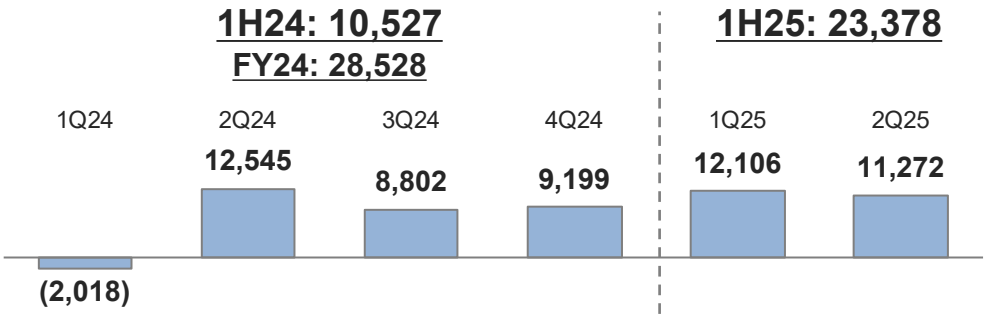
• Net profit shows “Profit for the period attributable to owners of the parent”

	Mar. 31, 2025	Sep. 30, 2025	Changes		Mar. 31, 2025	Sep. 30, 2025	Changes
Cash & cash equivalents	32,534	37,298	+4,764	Trade & other payables	30,238	32,199	+1,961
Trade receivables	56,361	51,605	(4,756)	Borrowings (current & non-current)	33,616	35,586	+1,970
Inventories	4,681	6,412	+1,731	Contract liabilities & Deferred income (current & non-current)	26,043	32,249	+6,206
Prepaid expenses (current & non-current)	56,930	64,608	+7,678	Income taxes payable	5,205	5,086	(119)
Tangible assets	33,771	40,361	+6,590	Retirement benefit liabilities	4,849	987	(3,862)
Right-of-use assets	45,756	42,199	(3,557)	Other financial liabilities (current & non-current)	58,578	62,177	+3,599
Of which, operating leases (rent of office, data center etc.)	28,958	25,234	(3,724)	Of which, operating leases (rent of office, data center etc.)	29,714	25,981	(3,733)
Of which, finance leases (network equipment etc.)	16,798	16,965	+167	Of which, finance leases (network equipment etc.)	19,172	19,754	+582
Goodwill & intangible assets	31,328	32,068	+740	Others	11,820	11,257	(563)
Investments accounted for using the equity method	6,639	6,332	(307)	Total liabilities:	170,349	179,541	+9,192
Investment securities (Equity)	15,823	15,586	(237)	Share capital	25,577	25,663	+86
Other investments	10,711	11,404	+693	Share premium	35,865	35,728	(137)
Others	17,901	21,387	+3,486	Retained earnings	79,885	87,293	+7,408
				Other components of equity	11,266	11,448	+182
				Treasury shares	(11,910)	(11,755)	+155
				Total equity attributable to owners of the parent:	140,683	148,377	+7,694
				Non-controlling interests	1,403	1,342	(61)
Total assets:	312,435	329,260	+16,825	Total liabilities and equity:	312,435	329,260	+16,825

- 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, 45.1% as of Sep. 30, 2025

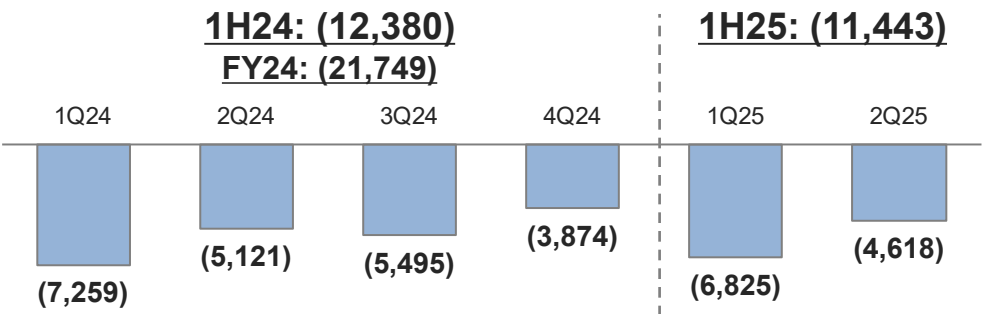
Consolidated Cash Flows

Operating Activities



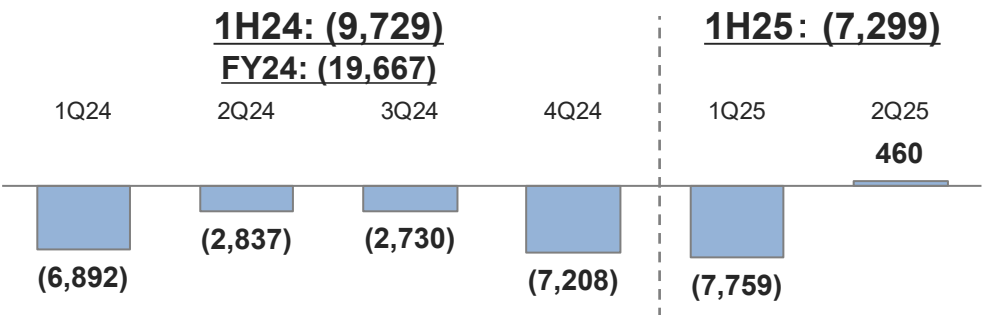
	1H25 Major Breakdown	YoY Change
Profit before tax	15,149	+4,033
Depreciation and amortization	16,072	+714
Changes in operating assets & liabilities	(3,561)	+7,841
Of which, decrease (increase) in prepaid expenses	(7,530)	+8,180
Income taxes paid	(5,206)	+51

Investing Activities



	1H25 Major Breakdown	YoY Change
Purchase of tangible assets	(8,343)	(2,247)
Of which, data center-related	(4,083)	(2,059)
Purchase of intangible assets such as software	(3,900)	+215

Financing Activities



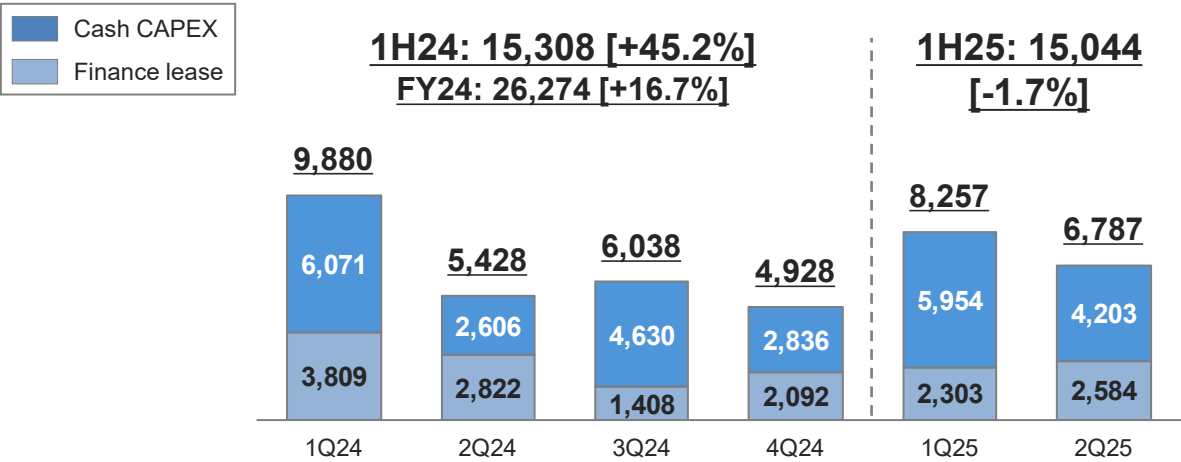
	1H25 Major Breakdown	YoY Change
Proceeds from other financial liabilities	5,710	(161)
Payment of operating/finance leases and other financial liabilities	(11,721)	(989)
Dividends paid	(3,096)	(58)

Other Financial Data

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

Financial
Information

CAPEX



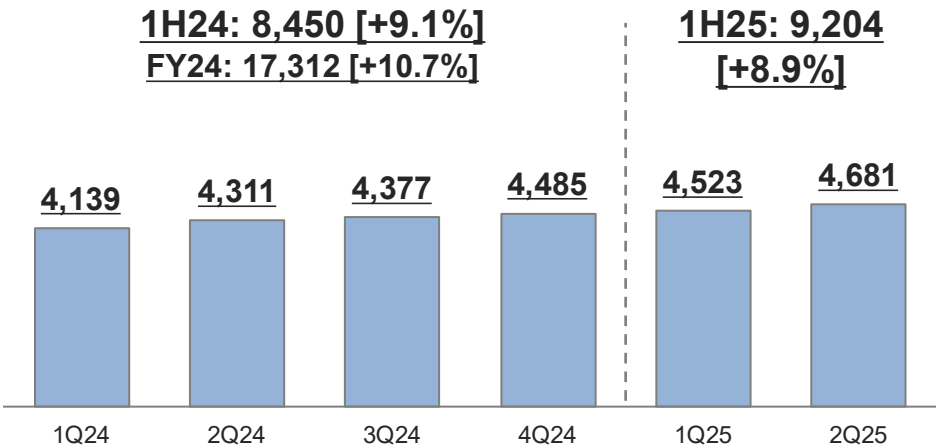
➤ Major breakdown of CAPEX (Unit: ¥ bn)

	1H24	1H25	Notes
Ordinal CAPEX (NW equipment & server, etc.)	6.4	7.6	Sustained investment
Shiroi data center-related	0.2	2.2	Individual investment for anticipated demand
Matsue data center-related	1.9	1.8	
Customer-related	4.6	1.6	Investment for each project
Renewal of Full-MVNO 5G infrastructure	1.5	1.7	Ad-hoc investment
Renewal of Raptor service facility	0.4	0.1	Ad-hoc investment

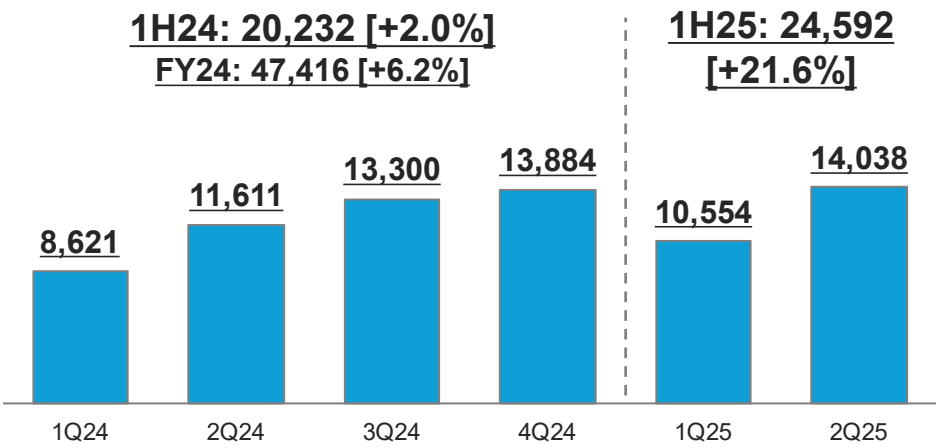
- FY25 CAPEX plan: approx. ¥30.0 bn
- Of which, approx. ¥8.5 bn is for Shiroi data center's 3rd site construction

- 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



FY25 Financial Targets (Unchanged from May 2025)

Unit: ¥ (JPY) billion (bn)
GP = Gross Profit

Financial
Information

	FY25 Targets			
	% of total reveue		% of total reveue	
	1H25 (Apr. 1, 2025 - Sep. 30, 2025)	YoY	FY25 (Apr. 1, 2025 - Mar. 31, 2026)	YoY
Total Revenue	158.0	+7.5%	340.0	+7.3%
Gross Profit	22.1% 34.9	+13.8%	22.6% 77.0	+12.6%
SG&A etc.	12.3% 19.4	+2.7%	11.9% 40.5	+5.7%
Operating Profit	9.8% 15.5	+31.6%	10.7% 36.5	+21.2%
Shares of profit(loss) of investments accounted for using equity method investee	(0.2)	-	(0.5)	-
Profit before tax	8.8% 13.9	+25.0%	9.9% 33.7	+15.5%
Net Profit (Profit for the period attributable to owners of the parent)	5.9% 9.4	+25.8%	6.8% 23.0	+15.4%
Dividend per share	¥19.50	+¥2.00	¥39.00	+¥4.00

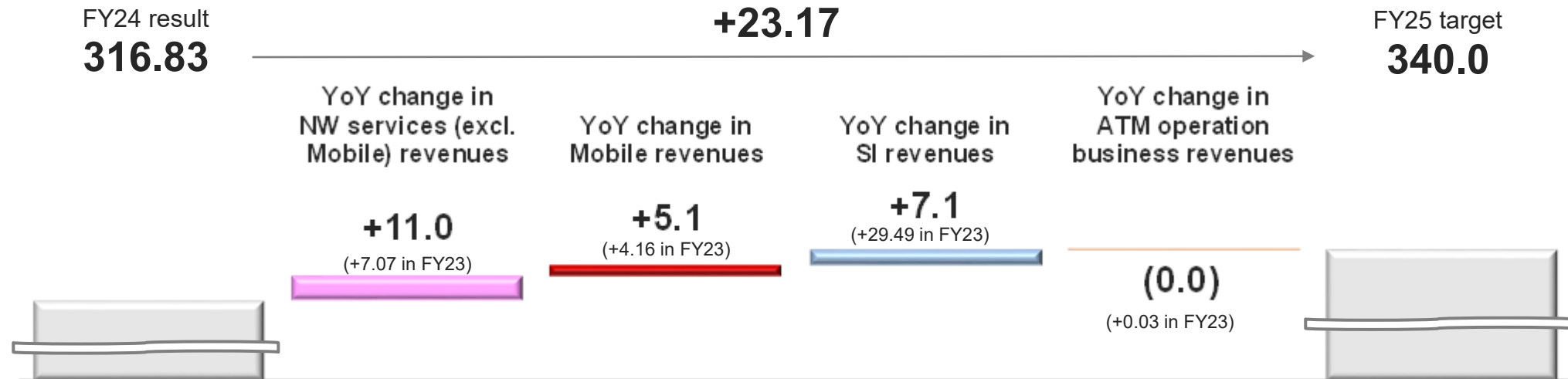
Premise and Assumption						
	<u>Revenues</u>	FY24 Result 316.8	FY25 Target 340.0	<u>Gross Profit</u>	FY24 Result 68.4	FY25 Target 77.0
■ ATM						
■ SI		151.3 +24.2% YoY +29.5 YoY	158.4 +4.7% YoY		21.8 +14.2% YoY +2.7 YoY	25.9 +19.1% YoY
■ NW service		162.6 +7.4% YoY +11.2 YoY	178.7 +9.9% YoY		45.3 +4.1% YoY +1.8 YoY	49.8 +10.0% YoY
◆ NW Services						
• Revenue to grow through enhancement on service function & sales promotion. Expect monthly recurring revenues of large-scale Service Integration projects to increase (an incremental impact of approx. ¥1.7 bn compared to FY24)						
• Rebound from FY24 VMware license negative profit impact: 1H24 approx. -¥0.6 bn, FY24 approx. -¥0.1 bn						
• No consideration on mobile data interconnectivity reimbursement						
◆ SI						
• Continue to meet demand for NW renewal etc.						
• SI construction revenue target has been set by considering approx. ¥5.0 bn for Chiba city project, which was recognized in FY24, and others						
• Gross margin to improve by the accumulation of operation projects and rebound from VMware license negative profit impact (1H24: approx. -¥1.0 bn, FY24: approx. -¥1.4 bn)						
◆ SG&A						
• SG&A, etc. to increase along with the expansion of business scale & increase in the number of employees						
• Average annual salary increase rate: approx. 6% (IIJ, it had been around 3.5%~4.0%)						
• The reversal of over ¥1.0 bn provisions for IIJ's retirement benefits due to the revision of the retirement benefit plan which is now more centered around defined contribution plan (expected in 2Q25)						
◆ Non-operating income & expenses						
• Shares of profit (loss) of investments accounted for using equity method investee: approx. ¥0.5 bn loss, of which DeCurret HD, approx. ¥0.7 bn loss						
• Assume financial expenses incl. interests, foreign exchange losses etc. (Assumed exchange rate: ¥140/USD)						
◆ Others						
• CAPEX: approx. ¥30.0 bn, of which, approx. ¥8.5 bn is for Shiroy DC's 3 rd site, spending over multiple yrs						
• Start constructing Shiroy DC's 3 rd site from June 2025, expected to accommodate approx. 7 yrs of IIJ service demand						
• Number of employees (consolidated basis) to increase by approx. 440 personnel, of which, 269 are new graduates						

Year over Year Analysis (Unchanged from May 2025)

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

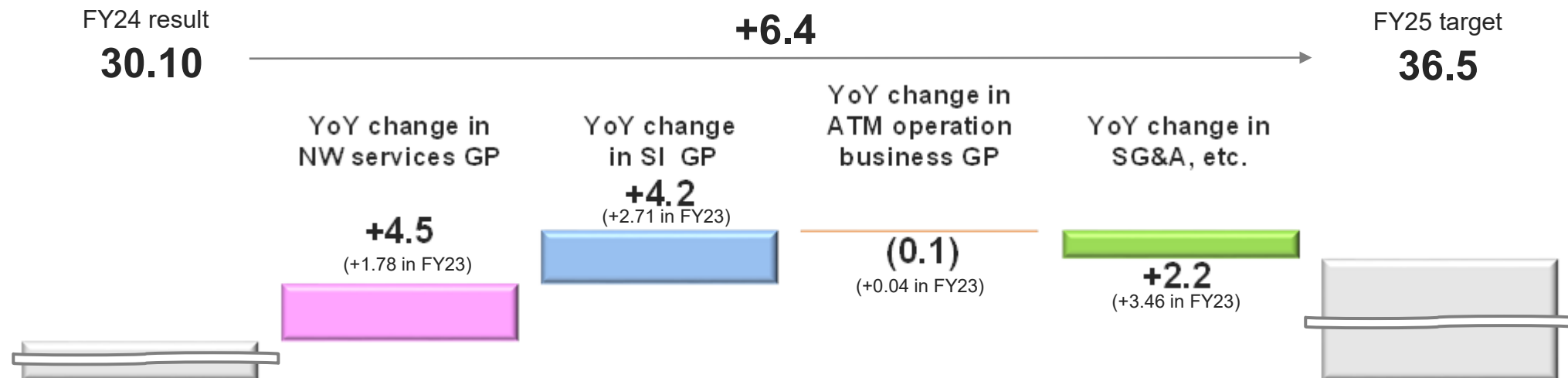
Financial
Information

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

Supplemental Business Information

Detailed Business Overview

Internet Initiative Japan Inc. (IIJ)

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

November 2025

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.

Outline

- | | |
|---|-------------------|
| 1. Business Status Updates | P. 2 – 7 |
| 2. About IIJ | P. 8 – 16 |
| 3. Financial Information | P. 17 – 41 |
| 4. Supplemental Business Information | P. 42 – 63 |

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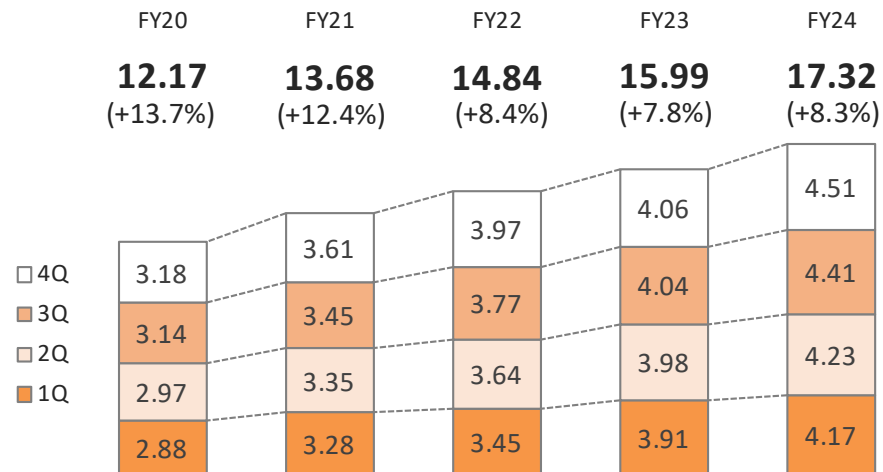
Enterprise Network Services

IIJ's enterprise network services' business model: Cost doesn't have to increase at the same pace as the revenue: economies of scale

IP service (Internet Protocol)

- ◆ IP Service is a bandwidth guaranteed dedicated Internet connectivity service for enterprises
- ◆ Service contracts are based on bandwidth. Minimum contract period is 1 year
- ◆ The revenue is 100% recognized in Internet connectivity services (Enterprise)
- ◆ Very low churn rate. Contracts are renewed every year, generally speaking
- ◆ IIJ has very high and stable market share among Japanese blue-chip
 - Difficult to newly enter the market because one will need customer base and engineers to operate Internet
 - IIJ's IP services clients include general Japanese enterprise as well as NW operators such as consumer ISPs and cable TV operators

IP Service Revenue (unit: ¥ billion)



Business model

Cost

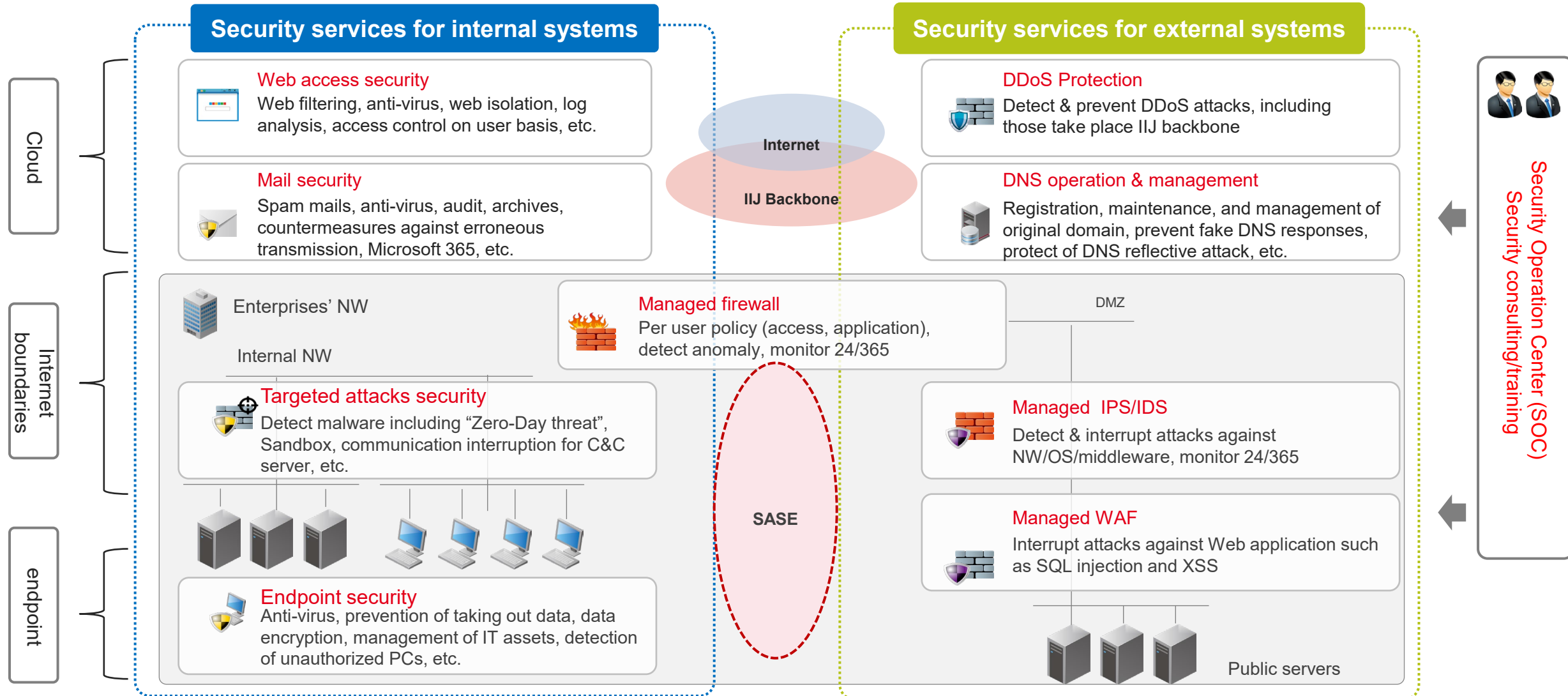
- ◆ IIJ purchases fiber from carriers
 - As one of the largest independent ISPs, IIJ has strong bargaining power
 - IIJ expands its Internet backbone continuously
- ◆ IIJ owns NW equipment that are needed for Internet backbone and NW service facility
 - NW operation cost which is many depreciation amortization costs for NW equipment is stable due to the technological innovation of servers and other NW equipment
 - In other words, ¥1 million server today is higher spec compared to the ¥1 million server a year ago

Revenue

- ◆ Enterprise NW service revenues such as IP services and Outsourcing services are to continuously increase while their costs remain relatively stable
- ◆ By that, IIJ can enjoy an economy of scale with strong revenue accumulation which leads to gross profit expansion
- ◆ In other words, the costs for enterprise NW services do not have to increase at the same pace the revenue growth

Security Business (1)

- Provide a wide range of security services over network
- Information analysis platform utilizing information and expertise only available to ISPs



- SASE (Secure Access Service Edge) is a concept to shift controls of NW and security on the route to Cloud services to enable secure access from any points, instead of the conventional centralized management through headquarters or data centers.

Security Business (2)

➤ Many initiatives taken by IIJ for security

- 1994 Started providing firewall services (first in Japan)
- 1999 Started providing fully-managed firewall services (first in Japan)
- 2004 Started providing spam mail filtering (first in Japan)
- 2005 Added sender domain authorization technology/spam mail protection (first in Japan), Started providing IIJ DDoS Protection Services
- 2006 Started providing IIJ Managed IPS Service and **IIJ Secure MX Service (SMX)**
- 2009 **Started providing IIJ Secure Web Gateway Service (SWG)**
- 2015 Added sandbox option (function to detect behaviors as a countermeasure against targeted attacks)
- 2016 Constructed information analysis platform (constructed platform to analyze log data within our backbone to realize early detection and countermeasures against increasingly sophisticated threats)
- 2017 Started providing DDoS Protection Service (terabit-compatible), Opened new Security Operation Center (SOC) and started providing C-SOC Service**
- 2018 IIJ Security engineers provided trainings at an international security conference “Black Hat USA 2018” (first as Japanese)**
- 2018 Started providing IIJ Secure Endpoint Security Service
- 2019 Started providing IIJ Managed WAF Security Service (public web system vulnerability countermeasures)
- 2021 Started providing IIJ CSPM Solution (Cloud Security Posture Management which means cloud security management)
- 2021 Opened IIJ Security Training School (launched business for IT division personnel assigned for security to become specialists)**
- 2022 Started providing IIJ Secure Access Service (in-house developed SASE service)**
- 2023 IIJ Security Business division director was appointed as Kanto Regional Police Bureau’s cyber security advisor

Certification of multiple international standards

Feb.2020 Mail, Web Security Services

Apr. 2020 IIJ Managed IPS/IDS Services

Mar. 2021 DDoS Protection Service, IIJ Managed WAF

Continued afterwards

Security Business (3)

IIJ Secure MX Service (SMX)

- ◆ Cloud-based integrated mail security service (launched in Sep. 2006)
- ◆ Differentiating by in-house developed filtering, providing support in Japanese, update, etc.
 - Minimize mail threats with multi filtering, able to store unlimited mail data in DCs located in Japan, prevent accidental transmission/information leak with the system
- ◆ Competitors withdrawing from the market



Cloud based mail security market
Share No.1
<Source> ITR "ITR Market View: Cyber Security counter market 2023"

SMX contracted accounts (Sep. 2024)

2.9 million

E-mail services' accounts including OEM for enterprise exceeded 10 million in Jul. 2024

IIJ Secure Web Gateway Service (SWG)

- ◆ Cloud-based integrated web security service (launched in Mar. 2009)
- ◆ Differentiating by in-housed developed engines, etc. to block and isolate web functions, etc.
- ◆ SWG clients include Sumitomo Life Insurance, Fuji TV, Mitsubishi Chemical, Meiji Gakuin University, and Morinaga



<Source> ITR "ITR Market View: Cyber Security counter market 2023"

SWG contracted accounts (Sep. 2024)

1.2 million

IIJ DDoS (Distributed Denial of Service) Protection Service

- ◆ Comprehensive service to protect enterprise NW system from DDoS attacks (launched in Oct. 2005)
- ◆ Service model requires NW backbone to offer
 - Realize reliable web services by avoiding overloaded NW and server triggered by huge traffic
 - 24/365 operation by security engineers who have expertise obtained through ISP business
 - Automatically detect and prevent DDoS attacks
 - Internet access line are also within service coverage
 - Global coverage to prevent terabit level large-scale attack (Jan. 2017)
- ◆ High penetration rate toward large financial institutions

IIJ C-SOC (Security Operation Center) Service

- ◆ Comprehensive security incident response service provided by IIJ security engineers
- ◆ Operational SOC service unique to ISPs: visualize invisible threats by applying IIJ's unique intelligence, execute initial response, etc.
- ◆ Individual service operation and monitoring including other managed services
- ◆ Relatively expensive service

Coverage comparison

<Competitors>

<IIJ>

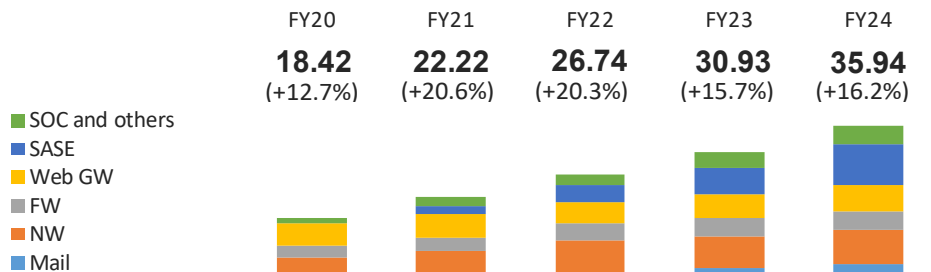
Log collection server
Router construction

Trouble shooting
Hardware exchange
Configuration change
Software version up
Log collection server
Router construction

Security Business (4)

Security Service (monthly recurring revenue)

◆ Revenue strongly increasing along with continuous strong demands



◆ Total security business volume also growing

- Security projects outside the scope of IIJ security services are handled through SI

Total security business volume (Service+SI)	FY20	FY21	FY22	FY23	FY24
	21.47	25.44	31.25	34.81	41.58

◆ Strong demand for “IIJ C-SOC Service”

Greater opportunity to integrate it as part of large NW renewal projects

- IIJ's competitive advantages:
 - Collaborate with various in-house devolved managed type gateway security services
 - Wide monitoring scope including EDR & SASE
 - Apply abundant traffic log data to develop IIJ's unique intelligence as well as detect threats

◆ Collaborate with Uzbektelecom on security service development

- Uzbektelecom plans to launch its own NW security service in Uzbekistan and Central Asia, collaborating with “IIJ Safous Service”

◆ Continued to enhance service line-ups and functions

- “IIJ Safous Service” was awarded “Global InfoSec Awards” and “Cybersecurity Excellence Awards” at RSA Conference 2024 in May 2024 (7 awards in total)
- First in the Asia-Pacific to be certified as Palo Alto Networks Partner for SP Interconnect, providing Internet connection between Prisma Access and IIJ Backbone (Apr. 2024)
- Security Service Revenue (recurring) is 100% recognized in Outsourcing
- SASE (Secure Access Service Edge) is a concept to shift controls of NW and security on the route to Cloud services to enable secure access from any points, instead of the conventional centralized management through headquarters or data centers. This concept is gaining popularity along with Cloud migration of enterprise operation systems, prevalence of flexible workstyle including teleworking.
- SOC (Security Operation Center): organization providing advices and actions regarding cyber attacks by constantly monitoring log data such as NW and device to detect and analyze cyber attacks

Mail Security

- Full outsource of mail system, countermeasures for spam mail, etc.
 - Number of e-mail services' accounts for enterprise exceeded 10 million in Jul. 2024
- IIJ Secure MX Service (SMX)
 - Cloud-based integrated mail security service (launched in Sep. 2006)
 - Differentiating by in-house developed multi-filtering, providing support in Japanese and upgrades
 - Minimize mail threats with multi-filtering, able to store unlimited mail date in DCs located in Japan, prevent accidental transmission/information leak with the system

NW Security

- IIJ DDoS Protection Service
 - Comprehensive service to protect enterprise network system from DDoS attacks (launched in Oct. 2005)
 - Service model unique to NW operators
 - Realize reliable web services by avoiding overloaded network and server triggered by huge traffic, global coverage to prevent terabit level large-scale attack (launched in Jan. 2017)
- IPS/IDS, WAF, etc.

FW (Firewall)

- Outsource of firewall operation, detection system for anomaly, etc. (launched in Oct. 2006)

Web GW

- Full outsource of web security, URL filtering,
- IIJ Secure Web GW Service (SWG)
 - Cloud-based integrated web security service (launched in Mar. 2009)
 - Differentiating by in-housed developed engines etc. to block and isolate web functions, etc.

SASE

- Operation of Prisma Access, Zscaler etc.
 - Highly regarded as a top-class SASE implementation & operation vendor
 - From a vendor neutral position, provide all-in-one support ranging from solution selection, design, construction, implementation to operation
- IIJ Secure Access Service “ISA”
 - In-house developed SASE service (launched in Sep. 2022)
 - Differentiating by high compatibility with other IIJ security services, small start & low-price range
 - Continue to enhance the service, in the middle of setting up

SOC and others

- IIJ C-SOC Service
 - Launched in Oct. 2018
 - Operational SOC service unique to ISPs: visualize invisible threats by applying IIJ's unique intelligence, execute initial response as well as notification etc.
 - Continuously expanding functions including recently launched “Premium” in May 2021 which offers primary responses against attacks
- Endpoint Security, etc.

Security Business (5)

◆Regarding the Breach of Customer Information in “IJ Secure MX Service”

As announced in our press releases, we disclosed a potential external breach of certain customer information associated with the relevant service

#0 Incident occurrence

The unauthorized access occurred on this date, and our investigation confirmed that the impact started from this point forward.

#2 First press release

We disclosed to the public an overview of the data breach, the types of customer information potentially exposed, and the scope of potentially affected customers

Number of customers whose information may have been breached
Up to 6,493 contracts, up to 4,072,650 email accounts

#4 Second press release

As part of the investigation report, we disclosed the number of affected customer contracts confirmed as affected by the breach, the cause of the unauthorized access, and the underlying vulnerability that was exploited

Number of customers contracts confirmed as affected by the breach
586 contracts, 311,288 email accounts

Aug.3, 2024

Apr. 10, 2025

Apr. 15

Apr. 18

Apr. 22

#1 Incident detection

We recognized the possibility that certain customer information may have been breached externally.

- Initiated contacting affected customers through sales representatives
- Began the preparation of the press releases

Our investigation concluded that the incident was caused by an attack leveraging a previously unknown vulnerability in third-party software

#3 Vulnerability information disclosed by JVN^(*)

The vulnerability information was disclosed on JVN; however, at the time of disclosure, we did not make any statement regarding a potential link between this vulnerability and the breach

To prevent recurrence, we have completed the implementation of enhanced security measures and a strengthened monitoring framework

Detection

Enhancement of behavioral detection capabilities

Implementation completed on Thursday, June 26, 2025

Protection

Multi-layered Web Application Firewall

Implementation completed on Wednesday, July 23, 2025

Launched a president-led project in June 2025 to enhance security across all services

President-led project

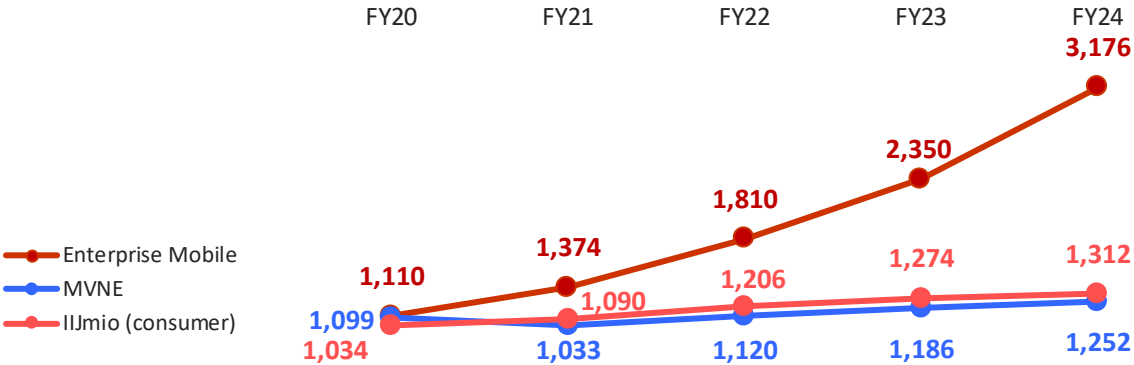
Continuously promote necessary measures

- The project plan will be developed during FY2025, with execution scheduled for FY2026.
- Initiatives that can be implemented within FY2025 will be promptly and sequentially addressed.

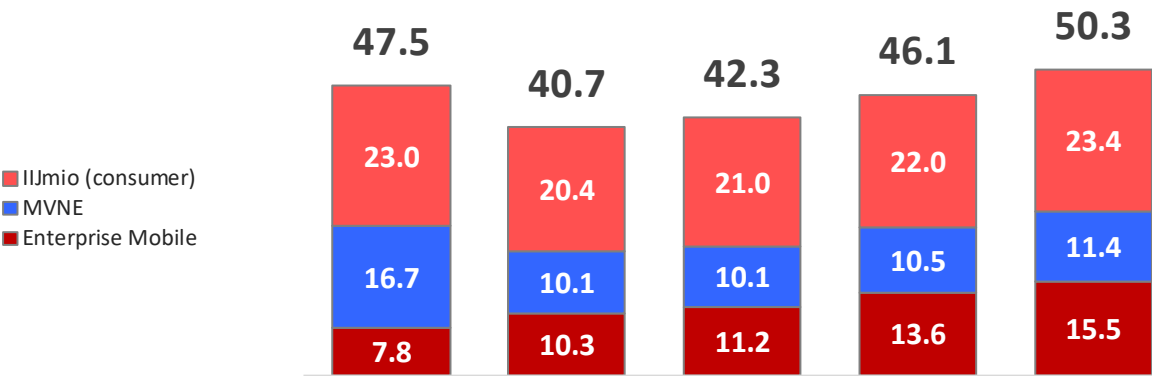
Mobile Business (1)

- Accumulate enterprise IoT traffic by leveraging the blue-chip client base, various NW services & SI function - higher utilization of the mobile infrastructure
- Consumer subscription contributing to expand the infrastructure

Mobile Subscription



Mobile Revenue



Number of MVNE clients	159	170	181	192	201
------------------------	-----	-----	-----	-----	-----

- Enterprise mobile primarily refer to direct offerings for IoT and similar usages such as connecting security cameras and other devices.
- MVNE (sales of service to other MVNOs) refers to IIJ Mobile MVNO Platform Service. The clients include Aeon retail and Mercari
- FY21 IIJmio revenue decreased YoY due to the launch of significantly lower-priced GigaPlans

IIJ's mobile business model

◆ Revenue

- Consumer mobile revenue is calculated as the number of subscriptions multiplied by ARPU.
- Sales of headsets are also recognized as consumer revenue. IIJ is recognized as an MVNO with a strong lineup of smart phones.
- Enterprise mobile revenue is expected to grow with IoT/M2M traffic. Since IoT devices typically require minimal data, per-device revenue tends to be low.

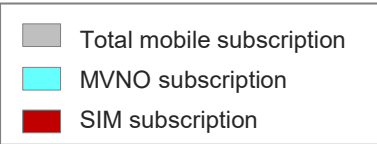
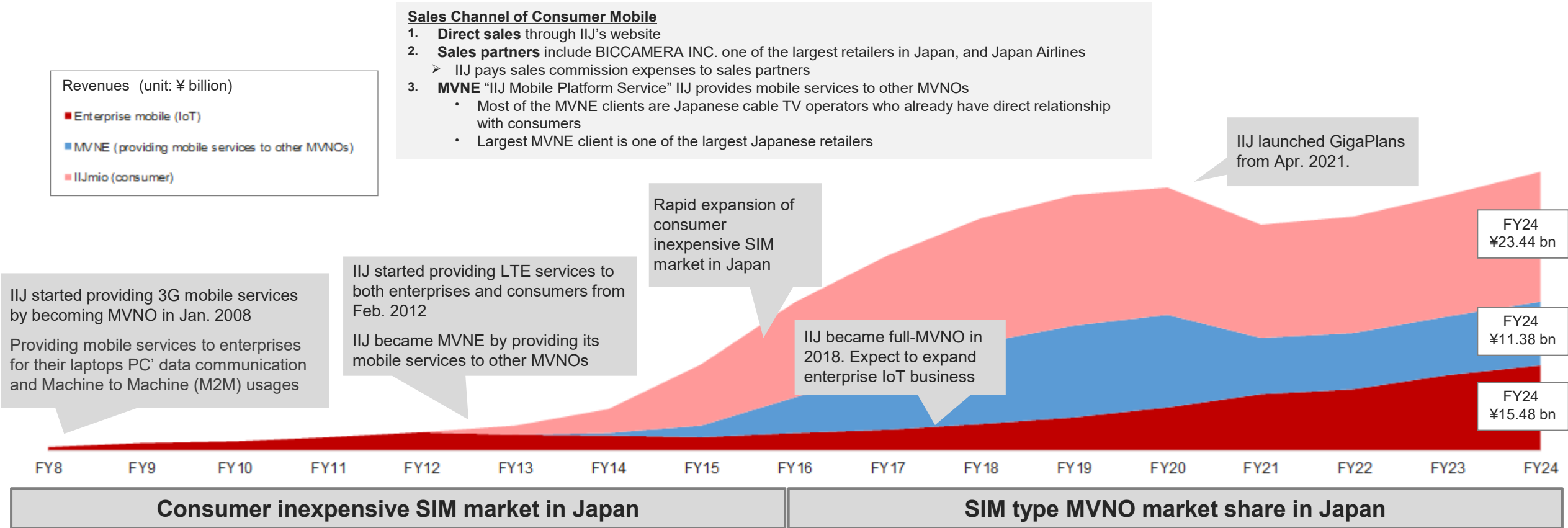
◆ Cost

- All IIJ mobile services are provided through a unified mobile infrastructure.
- IIJ purchases mobile bandwidth primarily from Docomo and, to a lesser extent, KDDI. These costs are recorded as “outsourcing” under network service expenses.
- Voice services are purchased on a per-usage basis, so there is no economy of scale benefit for voice.
- Sales commissions (SG&A) are paid to sales partners such as BICCAMERA INC.

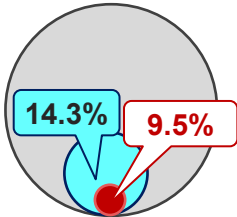
◆ Profit

- Profitability is expected to improve by increasing infrastructure utilization through the aggregation of consumer and enterprise traffic.
- Consumer and enterprise traffic patterns differ:
 - Consumers: Peak usage occurs during commuting hours and lunch breaks. Outside these times, most access the Internet via home or office Wi-Fi.
 - Enterprise: No clear peak usage; traffic is generated by mobile dongles and IoT devices operating 24/7

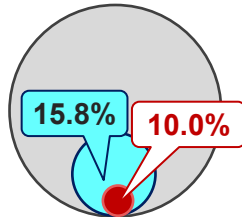
Mobile Business (2)



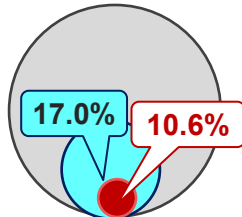
Mar. 31, 2023



Mar. 31, 2024



Mar. 31, 2025



	Sep. 30, 2024		Mar. 31, 2025	
1 st	IIJ	29.0%	IIJ	31.5%
2 nd	NTT Docomo	11.0%	Optage (mineo)	9.9%
3 rd	Optage (mineo)	10.0%	NTT Docomo	8.7%
4 th	JCOM	5.7%	JCOM	5.8%
5 th	AEON Retail	5.7%	AEON Retail	5.6%

Source: the Ministry of Internal Affairs and Communications (MIC)

Source: MM Research Institute <https://www.itmedia.co.jp/mobile/articles/2507/03/news095.html>
Aeon Mobile (AEON Retail) is using IIJ's MVNE platform service

Price list for “IIJmio GigaPlans”

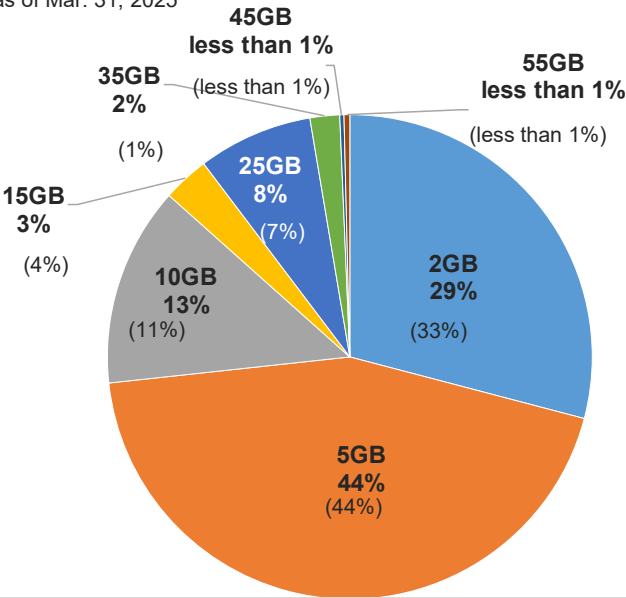
2GB	With voice	¥850
	Data-only	¥740
5GB	With voice	From ¥990 to ¥950
	Data-only	From ¥900 to ¥860
10GB	With voice	From ¥1,500 to ¥1,400
	Data-only	From ¥1,400 to ¥1,300
15GB	With voice	¥1,800
	Data-only	¥1,730
From 20GB to 25GB	With voice	¥2,000
	Data-only	¥1,950
From 30GB to 35GB	With voice	From ¥2,700 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

The price list was slightly updated in Mar. 2025

GigaPlans: by data plans

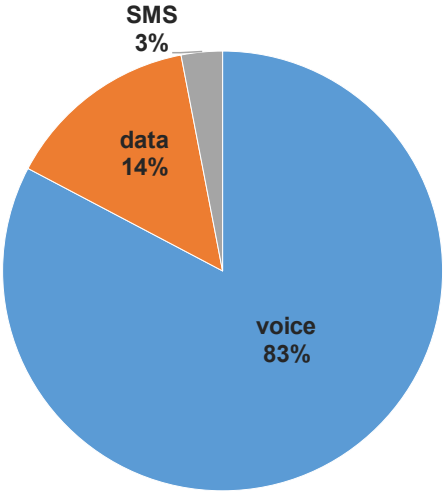
(Figures in parenthesis) are as of Mar. 31, 2025

As of Sep. 30, 2025



GigaPlans: by plans

As of Sep. 30, 2025



Mobile Business (4)

◆ NTT Docomo's Mobile data interconnectivity charge (Mbps unit charge・monthly)

Fiscal Year	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27
Method	Future cost method: MNOs are to disclose the charges for next three yrs based on their prediction about cost etc.							
New						Announced in Mar. 2025 ¥10,874 -15.5% YoY	¥10,383 -4.5% YoY	¥9,052 -12.8% YoY
Fixed	¥37,280 -12.7% YoY	¥27,024 -27.5% YoY	¥19,979 -26.1% YoY	¥15,042 -24.7% YoY	To be fixed in Dec. 2025	To be fixed in Dec. 2026		
Old					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 Mar. 2022 ¥20,327 -24.8% YoY	¥15,697 -22.8% YoY	¥13,207 -15.9% YoY			
		Announced in Apr. 2021 ¥28,385 -23.9% YoY	¥22,190 -21.8% YoY	¥18,014 -18.8% YoY				
	Announced in Mar. 2020 ¥41,436 -3.0% YoY	¥33,211 -19.8% YoY	¥27,924 -15.9% YoY					

- The calculation: (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 Business (5)

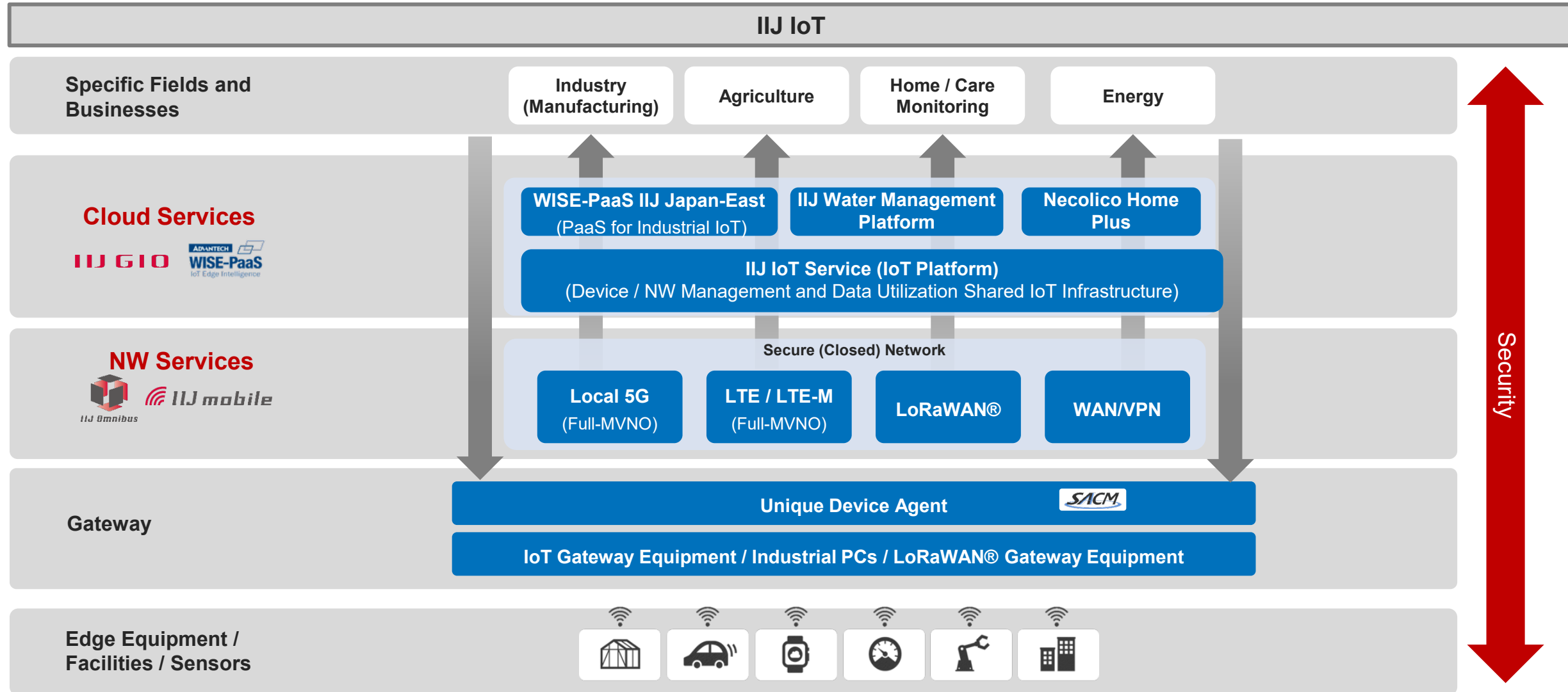
➤ Most of current enterprise mobile solution are simple usage such as connecting NW and surveillance cameras, etc.

Accumulating various enterprise mobile solutions

Network Cameras	Office IT	B-to-C
Store marketing cameras	iPads and tablets	Karaoke communications
Security cameras for apartment complexes, etc.	Remote work (teleconferencing)	Child monitoring devices
Surveillance cameras for material storage sites, etc.	Business / IP transceivers	Networking between devices at game arcades
Security cameras	Store visitor management systems	Currency exchange machines for foreign visitors to Japan
River water level remote monitoring	Built-in SIMs for PCs	Cashless payment terminals
Transportation	Corporate Activities / Other	
Dashcams	Structural health monitoring terminals	Rice paddy water management
Taxi dispatching	Plant equipment management	Shrimp cultivation
Bus locational information	Natural disaster observational data collection	Mobile sales offices
Remote key locking and unlocking	Vending machines	Digital signage

IoT Business (1)

Combining IIJ's existing service lineups and SI to build IoT systems



IoT Business (2)

IIJ's IoT projects

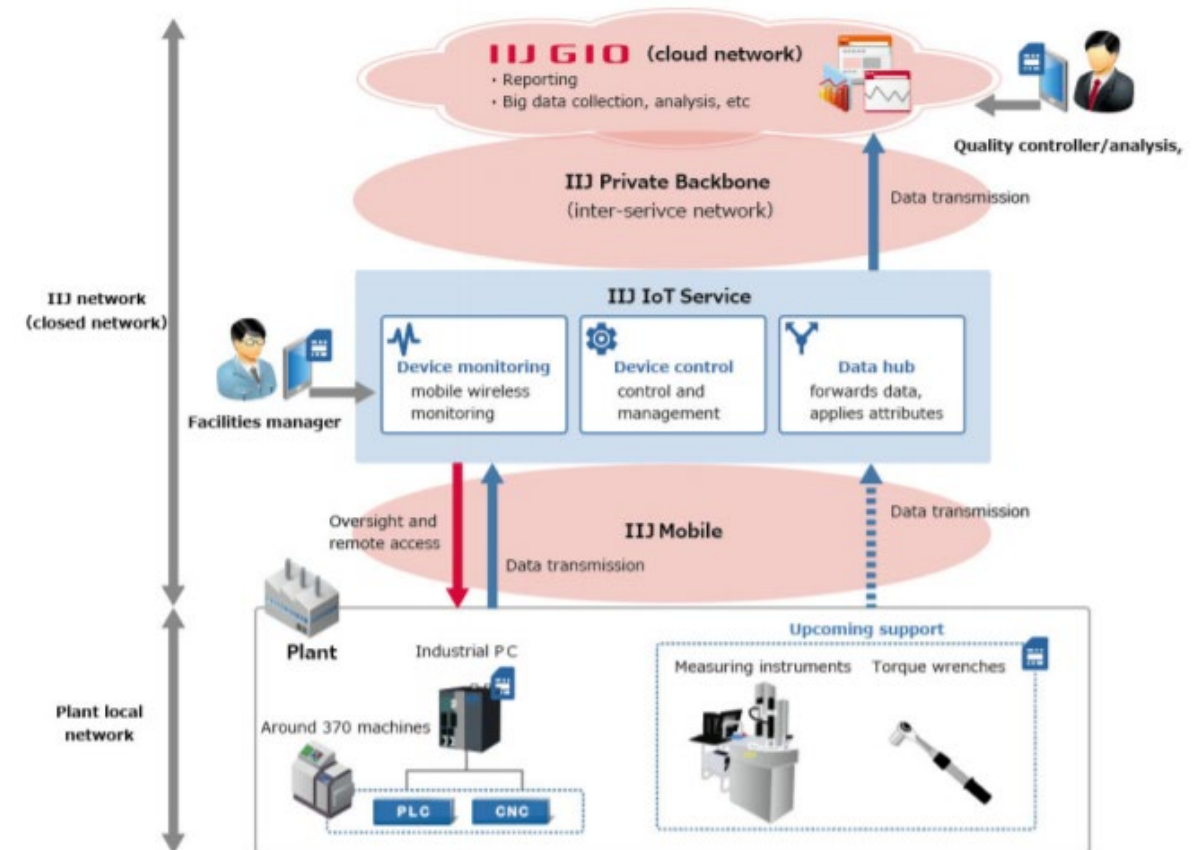
Industrial machinery manufacturers	Shift from reactive post-sales maintenance model to proactive field services (making predictions based on data)
Car accessory manufacturers	Expansion of service businesses by acquiring data through the networking of products and establishing software technology development organizations to develop services that use that data
Measuring instrument manufacturers	Expansion of services to streamline & improve the accuracy of recording tasks by going beyond just "measuring" things & providing linking data customers measure with their business systems
Automotive manufacturers	Improved efficiency of equipment management to cover personnel shortages, analyzing the expertise of skilled workers in maintaining operating capacity and implementing traceability to ensure quality
Trading companies (agriculture)	Shift from the sales of pesticides & chemical fertilizers to the provision of pesticide spraying technologies that reduce the amount used, & the development of cutting-edge agricultural technologies

Advanced IoT usage: factory IoT

◆ IIJ provides IoT system for Toyota Motor Hokkaido

- Providing a one-stop solution by offering mobile and Cloud services from data collection via closed mobile network to creation of a cloud platform for visualizing and analyzing the collected data.

System image



System Integration (SI)

SI Revenue

- Construction (one-time)
- Operation and Maintenance (recurring)
*excluding cloud service revenue

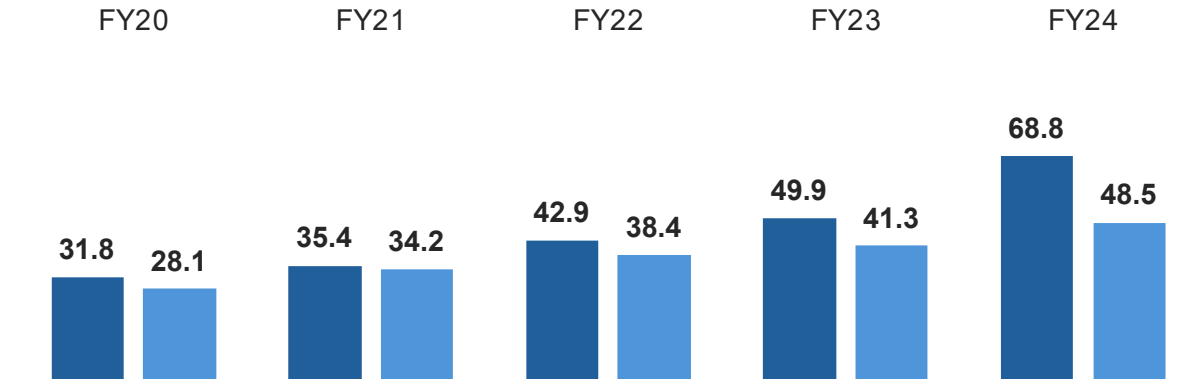


Image of revenue recognition

Construction
(One time revenue)



Month n

Operation and Maintenance
(Recurring revenue)



Month n+1



Month n+2



Month n+3



.....

Overview of IIJ's SI Projects

Typical projects

Small-to-medium server construction projects

(building Internet gateway, etc.)
main cost: hardware

Network renewal projects

(upgrading corporate and/or municipal network infrastructure, etc.)

Short lead-time

Typically 1-6 months from order received to revenue recognition

Small revenue size

Revenue volume between few million to tens of millions (JPY)

New Trends

Replacement of conventional closed internal systems to Internet/cloud-related architecture
(details in page 3~5 of this presentation)

Complete enterprise network replacement projects

Involving large number of system engineers and outsourcing personnel

Recurring Revenue Included

Once construction is complete, recurring revenue opportunities arise from NW services and O/M

Longer lead-time and multi-year contract

1 year from order received to revenue recognition. Large-scale projects usually span 3 to 5 years under multi-year contracts

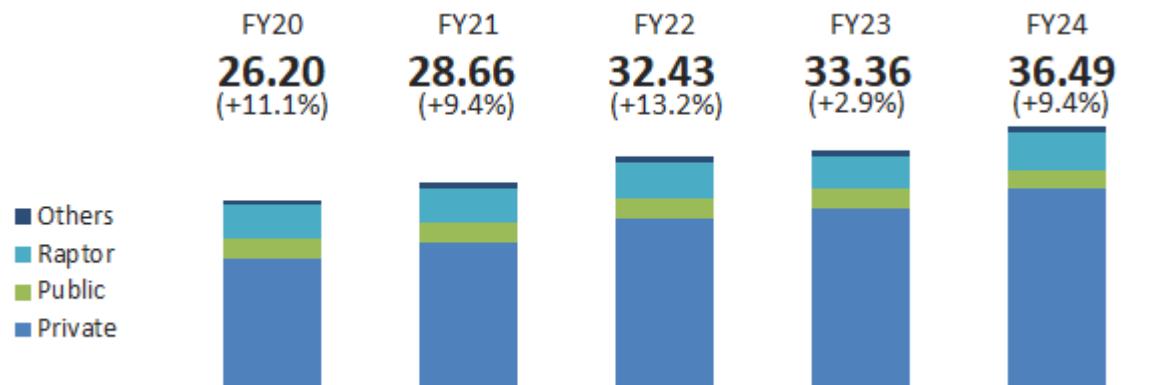
Large revenue size

We define large-scale projects as revenue volume over JPY1 billion

Cloud Services

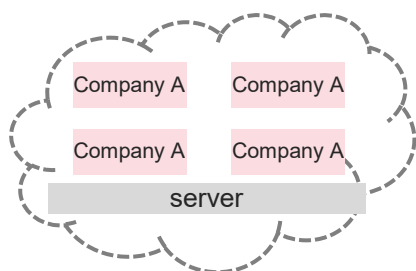
- ◆ Cloud service as one of the cross-selling elements
- ◆ Promoting cloud shift of the current blue-chip Japanese clients

Cloud Service Revenue

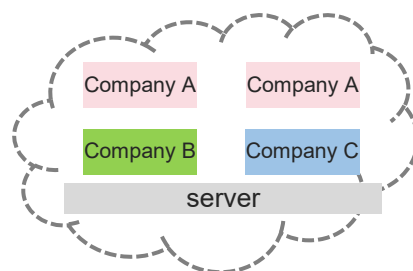


- Private cloud includes the followings: IIJ GIO Infrastructure P2 Gen.2 (launched in Oct. 2021) which is a next generation IaaS enabling easy Cloud migration from on-premise. It is highly transitional VMware base hosted private cloud. IIJ Unified Operation Management Service (UOM) (launched in Apr. 2017) which is management and operation cover wide range from cloud to on-premise, Improve efficiency with automated incident management etc. Multi-cloud, etc.
- Raptor is an in-house SaaS-based FX platform for online brokers, used by firms like Nomura, Sony Bank, and LINE Securities. The latest version, launched in Sep. 2023, offers a cloud-native design with enhanced scalability, performance, and security.
- Others include overseas cloud services provided by IIJ's global subsidiaries.

Private cloud
(dedicated to one company)



Public cloud
(multi-tenant cloud)



Cloud Market in Japan

Slow cloud shift

The majority of corporate systems in Japan remain on-premise

Multi-cloud strategies

Avoid vendor lock-in while optimizing performance, cost, and resilience

Some advanced cases

Companies with strong CTO or CIO leadership tends to adopt a cloud-first approach

IIJ's Competitive Advantages

Established blue-chip client base

IIJ already has good relationship with IT departments of Japanese blue-chip corporations

Cloud as a new opportunity

Japanese blue-chip corporations' internal systems have long been operated by legacy SIs

Flexible Network Solutions

Enabling multiple ways to connect to the cloud

Hands-on salesforce

An experienced, client-focused sales team guide clients through every step of the cloud journey

Multi-cloud strategy

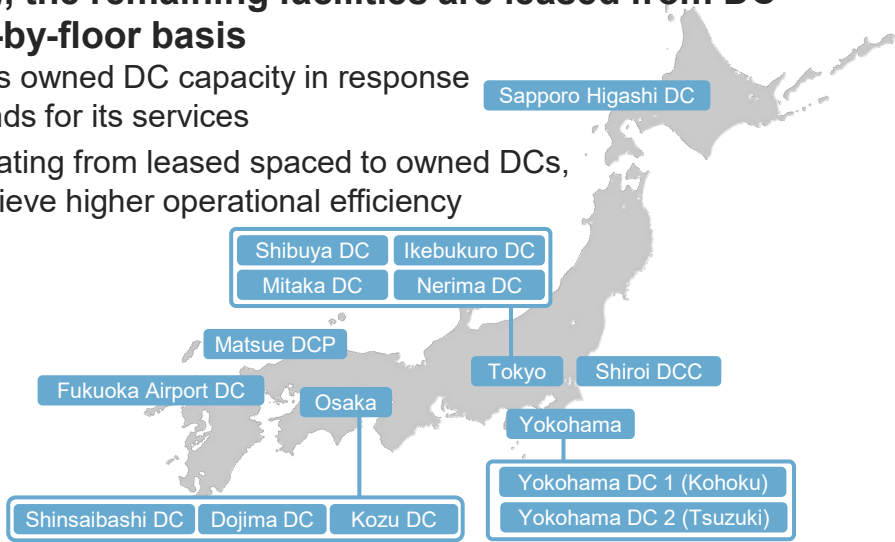
◆ Japanese enterprises avoid relying on single cloud service vendor and prefer multi-cloud systems

- Multi-cloud demands are generating demands for "IIJ Cloud Exchange Services" (revenue recognized in NW Services) which provide private connectivity to third vendor Cloud services such as AWS (Amazon), Microsoft, and Google
- IIJ provides operation and management services to effectively monitor an entire IT systems through IIJ UOM Service which covers IIJ's cloud services, other cloud vendors' cloud services and on-premise systems
- "IIJ GIO Infrastructure P2 Gen.2," was launched in Oct. 2021 to promote full-scale cloud shift of enterprise systems

Data Centers (DCs)

◆ IIJ operates 13 DCs in Japan, 2 of which are owned by IIJ (as of Nov. 2025), 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 spaced 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 FY2030			
	Results	FY22: 46.1%	FY23: 50%	FY24: 55%
Improvement of energy conservation	To keep the PUE of the DC at or below the industry's highest level (1.4) until FY2030 through continuous technological innovation			
	Results	FY22	FY23	FY24
	Matsue DC	1.33	1.33	1.34
	Shiroi DC	1.31	1.36	1.32

- 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)

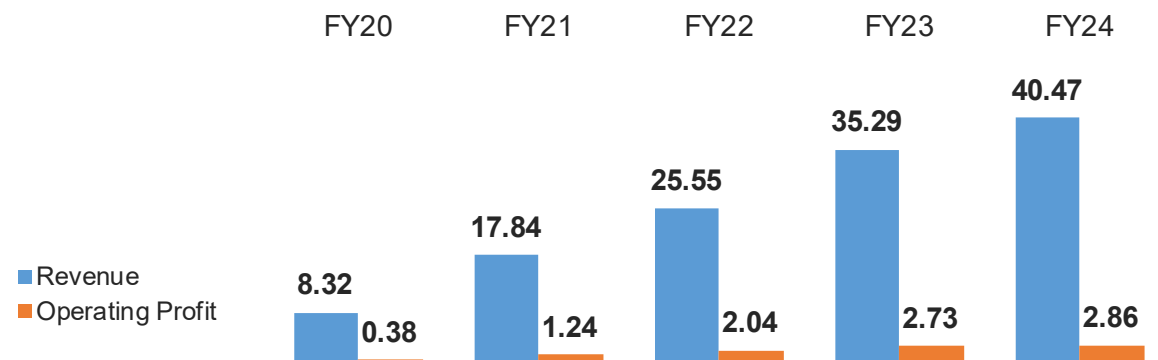
2 DCs owned by IIJ

	Matsue DCP (opened in Apr. 2011)	Shiroi DCC (opened in May 2019)
Objective	Main: IIJ's own service facility such as Cloud, Network, and Security Place clients' dedicated containers	
Features	- First in Japan to deploy outside-air cooling container units developed by IIJ - Scalable container-based design enables flexible capacity expansion based on demand - On-site solar panels utilized to generate renewable energy - Employ container-type DC modules and system modules developed by IIJ - Contribute to carbon neutrality through the use of renewable energy	- Adopt latest energy-saving method including outside-air cooling method - More flexible and cheaper capacity expansion through system module method - Shifting peak of air conditioning power by utilizing lithium-ion storage batteries - Utilize on-site solar power panels - Direct procurement of non-fossil fuel certificates toward the supply of electricity with environmental values
Land	Approx. 16,000m ²	Approx. 40,000m ²
Capacity	Approx. 500 racks	Approx. 1,800 racks
Number of installed racks	1st site: IT Module approx. 100 racks (opened in Apr. 2011) System Module approx. 300 racks (opened in Jun. 2025) 2nd site: approx. 300 racks (opened in Nov. 2013)	1st site: approx. 700 racks (opened in May 2019) 2nd site: approx. 1,100 racks (opened in Jul. 2023)
Plan	- Construction of new system module ✓ Construction from Jun. 2024 ✓ Started operation from Jun. 2025 ✓ Construction area: approx. 2,000m² ✓ Approx. 300 racks ✓ Expected CAPEX: over ¥5.0 bn (to be partially covered with subsidy)	2nd site is to be fully occupied around FY26 by IIJ's own service facility and collocation 3rd site construction ✓ Expected CAPEX: approx.¥30.0 bn ✓ Started constructing from Jun. 2025 ✓ Scheduled operation from FY2026 ✓ Construction area: approx. 5,400m² ✓ Approx. 1,000 racks

Overseas Business

- ◆ IIJ started expanding overseas business around FY11 to strengthen relationship with Japanese clients

Financial Performance



- Overseas business is mostly recognized as SI revenue
- PTC, a Singaporean system integrator, became a wholly owned subsidiary of IIJ on April 1, 2021.

Overseas Offices



Overseas Projects

- ◆ IIJ has exported its container-type data centers to the Republic of Laos, Uzbekistan and other emerging countries to support the development of IT infrastructures
- ◆ Through “Crossborder Co-DataBiz Platform,” IIJ and Murata Manufacturing provide end-to-end IoT services for Japanese companies expanding into Southeast Asia, including traffic counter systems, vehicle type classification, and AI-based road damage detection
- ◆ IIJ has conducted an IoT-based shrimp farming project in Thailand to optimize water quality and improve aquaculture productivity

Initiatives in ASEAN

- ◆ While the IT markets in the U.S. and Europe are relatively matured, those in show strong growth potential. IIJ has established joint ventures with local carriers in ASEAN regions, primarily to provide cloud services:
 - with Biznet Networks in Indonesia (Mar. 2015)
 - with T.C.C. Technology Co., Ltd, in Thailand (Feb. 2016)
 - with FTP Telecom Partner in Vietnam (Nov. 2016)
- ◆ IIJ acquired Singapore-based Sler PTC in April 2021. PTC serves blue-chip clients with high-quality server and storage solutions. PTC was named NVIDIA's first DGX-Ready Managed Services partner in Asia Pacific, supporting AI infrastructure deployment across Southeast Asia including Thailand and Singapore

DeCurret and Digital Currency Business

◆ DeCurret aims to transform Japan’s digital currency landscape through tokenized bank deposits named “DCJPY”

DeCurret Holdings
(IIJ's equity method investee)

100% ownership

DeCurret DCP

Company Profile

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 services, and general trading companies, etc.

Management

- President and Representative Director: Mr. Murabayashi (IIJ's VP)
- Outside directors: from IIJ, SBI Holdings, JAPAN POST BANK, KDDI, MUFG Bank, NTT

Impact on IIJ's financials

- DeCurret-related shares of loss of investments accounted for using equity method investee: FY24 JPY553 million, FY25 plan: approx. JPY0.7 billion

Business

- Digital currency business (Electronic Payment Services Operators)

Digital Currency Forum

- DeCurret DCP serves as the secretariat and examines use cases for digital currencies
- Number of members: 125 including corporations and local governments (as of Aug. 2025)
- 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

- GMO Aozora Net Bank & IIJ: Started digital assetization of environmental value and launched digital currency DCJPY settlement transactions (Aug. 2025)
- JAPAN POST BANK: Plans to issue tokenized bank deposit in FY26 (Sep. 2025)
- SBI Shinsei Bank & Partior: Agreed to initiate full-scale study on foreign currency exchange (Sep. 2025)

DCJPY Network

Financial Zone (FZ)

Banks:
Minting & transferring digital currency, etc.

FINANCIAL ZONE

Bank accounts can be divided (set up) into free spaces (zones) for different purposes

Bank Digital Currency Account

Bank Account (ordinary deposit account)

Business Zone (BZ)

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

BUSINESS ZONE

Assets are issued in the zone and participants can trade using money, IDs and contracts

Metaverse Zone

NFT Zone

Environmental Value Zone

Asset

Money

ID

Contract

Asset

Money

ID

Contract

	Tokenized Bank Deposits	Electronic payment instrument (Stable Coins)	
	DCJPY	Type I	Type III: specific trust beneficiary right (for a monetary trust)
Legal framework	Banking Act	Payment Services Act	
Underlying asset	Bank deposits	Preservation through deposit, etc.	Trust assets (deposits, etc.)
Issuers	Banks	Type II funds transfer service providers	Trust banks & trust companies
Features	- There is no upper limit on transfer amounts - Treatment equivalent to deposits (covered by the deposit insurance system, etc.) - Along with the expansion of BZ, use cases for digital currents 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

DCJPY: A digital currency in which bank deposits are tokenized on the blockchain. Also called tokenized deposits, they can be minted, transferred, and burned on the DCJPY Network.

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CDN Business through JOCDN

- ◆ IIJ established a CDN (Content Delivery Network) company with major Japanese broadcasters to meet growing demand for Internet content distribution, entering a market long dominated by Akamai Technologies

Company Profile	
Name	JOCDN Inc. (IIJ's equity method investee)
Business	• Provide video streaming platform services domestically • Construct and operate broadcasting systems
Established	December 1, 2016
Shareholders	IIJ (largest shareholder with 16.8%), Nippon TV, TV Asahi, TBS, TV Tokyo, Fuji TV, WOWOW (Prominent satellite broadcaster in Japan), NHK (Japan's only public broadcaster) and non-Tokyo local broadcasters
Directors	Chairman: Koichi Suzuki (IIJ CEO) President: Naoshi Yoneyama (IIJ CIO)
Service Achievements	• Video streaming services for broadcasters • Video streaming services for broadcasters' affiliates • Live streaming for major sports events • Live game streaming • Website distribution via CDN

CDN Services

CDN allows for an optimized content delivery via cache servers between users and origin systems

Benefits of CDN:

- For users: faster network response and quicker downloads
- For enterprises: prevents excessive traffic from concentrating on the origin server

Without CDN

With CDN

JOCDN's Strengths

Ensuring broadcast-level quality through fully in-house infrastructure

Advanced network architecture leveraging ISP expertise

Flexible and fast service support powered by Japan-based engineers

Infrastructure setup optimized for the nature of the content being delivered

ATM Operation Business

Business Model

- Similar to “Seven Bank” model
- Placing ATMs in pachinko parlors in Japan
 - After long discussion, started to place in Kanto, Kansai, Kyushu and Tokai areas
 - 7,665 pachinko parlors in Japan as of Dec. 31, 2022 (Source: National Police Agency)
- Receive commission for each withdrawal transaction

Trust Networks Inc.

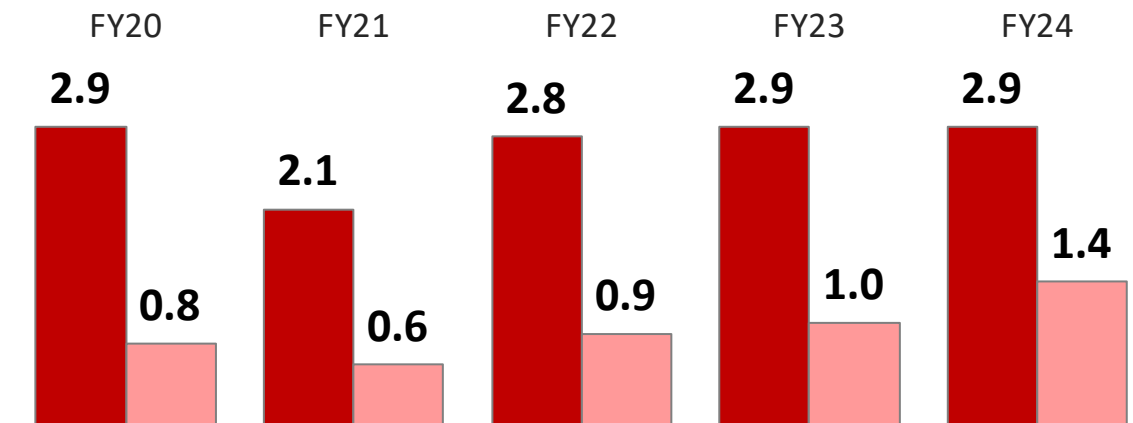
- In charge of ATM operation business
- IIJ's ownership: 80.6%
- Established in 2007
- Number of employees: about 10 personnel

Revenue and Operating Profit

Unit: JPY billion

■ Revenue

■ Operating Profit



- FY20 revenue significantly decreased from FY19 as the stores we had placed ATMs were closed temporarily and fewer customers visited due to the COVID-19 pandemic and stay-at-home-order/request



• ATM (Automated Teller Machine)



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.