

February 3, 2022

Company name: Internet Initiative Japan Inc.
Company representative: Eijiro Katsu, President and Representative Director
(Stock Code Number: 3774, The First Section of the Tokyo Stock Exchange)
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Notice regarding Absorption-type Merger of a Wholly Owned Subsidiary
(Simplified merger and Short form merger)

TOKYO - February 3, 2022 - Internet Initiative Japan Inc. (hereinafter “IIJ”, TSE1: 3774) today announced that IIJ’s Board of Directors meeting held today resolved to carry out an absorption-type merger (hereinafter, “the Merger”) of its wholly owned subsidiary, IIJ Innovation Institution Inc. (hereinafter, “IIJ-II”), effective on April 1, 2022. Because the Merger is a simplified absorption-type merger of a wholly owned subsidiary, certain disclosure items and details are omitted.

1. Purpose of the Merger

To further enhance business collaboration, IIJ decided to merge and absorb IIJ-II who has been engaging in research and development related to Internet with mid-to-long term perspective.

2. Outline of the Merger

(1) Schedule of the Merger

• Date of IIJ’s Board of Directors resolution	February 3, 2022
• Date of signing of the Merger agreement	February 3, 2022
• Effective date of the Merger	April 1, 2022 (Planned)

(Note) As the Merger falls under a simplified absorption-type merger as prescribed in the Article 796, Paragraph 2 of the Companies Act in Japan for IIJ and a short-form merger as prescribed in the Article 784, Paragraph 1 of the same act for IIJ-II, General Meeting of Shareholders of either companies will not be held regarding the Merger.

(2) Method of the Merger

The Merger will be implemented as an absorption-type merger wherein IIJ is to be the surviving company and IIJ-II is to be dissolved.

(3) Allotment related to the Merger

As IIJ-II is a wholly owned subsidiary of IIJ, no shares or money will be allotted as a result of the Merger.

(4) Handling of stock acquisition rights and bonds with stock acquisition rights upon the Merger

No applicable items.

3. Overview of the companies involved in the Merger (¥ is an abbreviation for Japanese Yen)

	Surviving company	Dissolved company
1. Trade name	Internet Initiative Japan Inc.	IIJ Innovation Institute Inc.
2. Address	Iidabashi Grand Bloom, 2-10-2 Fujimi, Chiyoda-ku, Tokyo	Iidabashi Grand Bloom, 2-10-2 Fujimi, Chiyoda-ku, Tokyo
3. Name and title of representative	Representative Director and President, Eijiro Katsu	Representative Director and President, Toshiya Asaba
4. Nature of business	Provision of Internet connectivity and WAN service, network-related services, network systems construction, operation and maintenance, development and sales of tele communication equipment	Mainly research and development of fundamental technologies of Internet
5. Share capital	¥25,531 million	¥75 million
6. Founded	December 3, 1992	June 10, 2008
7. Number of shares issued	93,469,200 shares	1,500 shares
8. Fiscal year end	March 31	March 31
9. Major shareholders and shareholding ratios (As of September, 30, 2021)	Nippon Telegraph and Telephone Corporation 22.4% The Master Trust Bank of Japan, Ltd. (Trust account) 8.4%	Internet Initiative Japan Inc. 100%
10. Financial position and results of operations for the most recent fiscal year		
	Fiscal year ended March 31, 2021 (Consolidated, IFRS)	Fiscal year ended March 31, 2021 (Standalone, Japanese GAAP)
Equity attributable to owners of the parent or Net assets	¥89,956 million	¥201 million
Total assets	¥220,777 million	¥265million
Owner's equity per share or Book value per share	¥997.24	¥134,298.20
Revenues or Net sales	¥213,002 million	¥412 million
Operating profit or Operating income	¥14,248 million	¥65 million
Profit attributable to owners of the parent or Net income	¥9,712 million	¥42 million
Basic earnings per share	¥107.67	¥28,183.43

4. Status after the Merger

There will be no changes in trade name, address, name and title of representative, nature of business, share capital, or fiscal year end of IIJ.

5. Forecasts

Since this is a merger of a wholly owned subsidiary of IIJ, the effect of the Merger on IIJ's consolidated financial results is immaterial.

< About Internet Initiative Japan Inc. >

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

< IJ Investor Relations >

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