

[English Translation]

May 19, 2023

Company name: Internet Initiative Japan Inc.

Company representative: Eijiro Katsu, President and Representative Director  
(Stock Code Number: 3774, The Prime Market of the Tokyo Stock Exchange)

Contact: Akihisa Watai, Senior Managing Director and CFO

TEL: 81-3-5205-6500

**Notice regarding Result and Completion of Purchase of Treasury Stock through Off-Auction Own Share Repurchase Trading (ToSTNeT-3) and Change in Largest Shareholder that is Major Shareholder (Scheduled)**

TOKYO -May 19, 2023 - Internet Initiative Japan Inc. (“IIJ”, the “Company”, TSE Prime: 3774) announced hereby that the acquisition of its treasury stock announced on May 18, 2023 (the “Acquisition of Treasury Stock”) was implemented today, as described below. The Acquisition of Treasury Stock pursuant to the resolution of the Board of Directors dated May 18, 2023 has been completed upon the purchase described below.

In addition, IIJ also announced hereby that as a result of the Acquisition of Treasury Stock, the change in the largest shareholder that is a Major Shareholder will occur as described below, upon completion of the transfer of a portion of IIJ’s shares of common stock (18,707,000 shares) held by Nippon Telegraph and Telephone Corporation (“NTT”), which is the largest shareholder of IIJ, to KDDI CORPORATION (“KDDI”) (Settlement Date: May 25, 2023) (the “Share Transfer”) as announced on May 18, 2023.

I. Result of Acquisition of Treasury Stock

1. Reason of Acquisition of Treasury Stock

A series of transactions are scheduled to be implemented for a portion of IIJ’s shares of common stock held by NTT, which is the largest shareholder of IIJ, in accordance with the NTT’s policy of disposing of the shares held by it (Note). Considering the impact on, among others, the market price of IIJ’s common stock from a substantial number of shares being released into the market at once, and in order to improve IIJ’s capital efficiency and enhance shareholder returns with due consideration of the IIJ’s financial base, IIJ implemented the Acquisition of Treasury Shares.

(Note) Please see “Partial Disposal of Shares of Common Stock Held by Nippon Telegraph and Telephone Corporation (Largest Shareholder), Acquisition of Shares of Common Stock by KDDI Corporation, Acquisition of Treasury Stock, etc.” which IIJ published on May 18, 2023.

2. Details of Acquisition

(1)	Class of Shares Acquired	IIJ’s common stock
(2)	Total Number of Shares Acquired	3,928,500 shares
(3)	Amount of Shares Acquired	JPY11,400,507 thousand

(4)	Date of the Acquisition	May 19, 2023
(5)	Method of the Acquisition	Purchase through off-auction own share repurchase trading (ToSTNeT-3) of the Tokyo Stock Exchange

(Note) With regard to the Acquisition of Treasury Stock, NTT has informed IIJ that NTT has sold a portion of IIJ's shares of common stock held by NTT (3,928,500 shares).

(Reference)

1. Details of Resolution regarding Acquisition of Treasury Stock (Announced on May 18, 2023)

(1)	Class of Shares to be Acquired	IIJ's common stock
(2)	Total Number of Shares to be Acquired	4,320,000 shares (maximum) (The percentage of the total number of shares to be acquired to the total number of shares issued (excluding treasury stock): 2.40%)
(3)	Total Amount of Shares to be Acquired	JPY12,536,640 thousand (maximum)

2. Total Number of Treasury Stock Acquired on and after the Board of Directors' Resolution Date Stated Above (May 18, 2023)

(1)	Total Number of Shares Acquired	IIJ's common stock: 3,928,500 shares
(2)	Total Amount of Shares Acquired	JPY11,400,507 thousand

II. Changes in Largest Shareholder that is Major Shareholder

1. Background to Changes

As mentioned above, with regard to the Acquisition of Treasury Stock, NTT has informed IIJ that NTT has sold a portion of IIJ's shares of common stock held by NTT (3,928,500 shares). Accordingly, as a result of the implementation of the Share Transfer and the Acquisition of Treasury Stock, NTT will cease to be the largest shareholder that is a Major Shareholder of IIJ, and KDDI will become the largest shareholder that is a Major Shareholder of IIJ. NTT remains a Major Shareholder of IIJ.

2. Overview of Changes in Shareholders

(1) Shareholder who will cease to be the largest shareholder that is a Major Shareholder (NTT)

(i)	Name	NIPPON TELEGRAPH AND TELEPHONE CORPORATION
(ii)	Address	5-1, Otemachi 1-chome, Chiyoda-ku, Tokyo
(iii)	Name and Title of Representative	Akira Shimada, President and Chief Executive Officer
(iv)	Description of Businesses	Mobile communications services, regional communications services, long-distance and international communications services, data communications services and other businesses
(v)	Paid-in Capital	JPY937,950 million (as of March 31, 2023)

(2) Shareholder who will become the largest shareholder that is a Major Shareholder (KDDI)

(i) Name	KDDI CORPORATION
(ii) Address	3-10-10, Iidabashi, Chiyoda-ku, Tokyo
(iii) Name and Title of Representative	Makoto Takahashi, President
(iv) Description of Business	Telecommunications business
(v) Paid-in Capital	JPY141,852 million (as of March 31, 2023)

3. (a) Number of Voting Rights (Number of Shares) Held by Relevant Shareholder and (b) Percentage of Number of Voting Rights Held by Relevant Shareholder to Number of Voting Rights Held by All Shareholders, Before and After Change

(i) Shareholder who will cease to be the largest shareholder that is a Major Shareholder (NTT)

	Number of Voting Rights (Number of Shares)	Percentage of Number of Voting Rights Held by Relevant Shareholder to Number of Voting Rights Held by All Shareholders	Ranking of Largest Shareholders
Before Change (as of May 18, 2023)	403,800 (40,380,000 Shares)	22.35%	First rank
After Change	177,445 (17,744,500 Shares)	10.04%	Second rank

(Note 1) “Percentage of Number of Voting Rights Held by Relevant Shareholder to Number of Voting Rights Held by All Shareholders” before the change is calculated based on the total number of voting rights of IJ as of March 31, 2023 (1,806,701), which is obtained by deducting the number of shares without voting rights (6,399,500 shares) as of March 31, 2023, from the total number of shares issued of IJ as of the same date (187,069,600 shares), and is rounded off to two decimal places.

(Note 2) “Number of Voting Rights (Number of Shares)” after the change is the number of voting rights (177,445) with respect to IJ’s common stock held by NTT (17,744,500 shares) after the implementation of the Share Transfer and the Acquisition of Treasury Stock.

(Note 3) “Percentage of Number of Voting Rights Held by Relevant Shareholder to Number of Voting Rights Held by All Shareholders” after the change is calculated based on the number of voting rights of IJ (1,767,416), which is obtained by (i) deducting the number of shares without voting rights (6,399,500 shares) as of March 31, 2023, from the total number of shares issued by IJ as of the same date (187,069,600 shares), and (ii) further deducting therefrom the number of treasury shares (3,928,500 shares) acquired through the Acquisition of Treasury Stock, and is rounded off to two decimal places.

(Note 4) The ranking of largest shareholders after the change is based on the shareholders registry as of March 31, 2023.

(ii) Shareholder who will become the largest shareholder that is a Major Shareholder (KDDI)

	Number of Voting Rights (Number of Shares)	Percentage of Number of Voting Rights Held by Relevant Shareholder to Number of Voting Rights Held by All Shareholders	Ranking of Largest Shareholders
Before Change (as of May 18, 2023)	16,800 (1,680,000 shares)	0.93%	—
After Change	203,870 (20,387,000 shares)	11.53%	First rank

(Note 1) “Percentage of Number of Voting Rights Held by Relevant Shareholder to Number of Voting Rights Held by All Shareholders” before the change is calculated based on the total number of voting rights of IIJ as of March 31, 2023 (1,806,701), which is obtained by deducting the number of shares without voting rights (6,399,500 shares) as of March 31, 2023, from the total number of shares issued of IIJ as of the same date (187,069,600 shares), and is rounded off to two decimal places.

(Note 2) “Number of Voting Rights (Number of Shares)” after the change is the number of voting rights (177,445) with respect to IIJ’s common stock held by NTT (17,744,500 shares) after the implementation of the Share Transfer and the Acquisition of Treasury Stock.

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(Note 4) The ranking of largest shareholders after the change is based on the shareholders registry as of March 31, 2023.

#### 4. Future outlook

IIJ does not expect that the changes in the largest shareholder that is a Major Shareholder will have an impact on the performance of IIJ’s group, nor will it have an impact on IIJ’s management structure.

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#### **About Internet Initiative Japan Inc.**

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

#### **IIJ Investor Relations**

Tel: +81-3-5205-6500 E-mail: [ir@ij.ad.jp](mailto:ir@ij.ad.jp) URL: <https://www.ij.ad.jp/en/ir>