For Immediate Release

IIJ Offers a System Platform for Smart Meter Use to Electricity Retailers

-- To deliver high-speed, secure data utilization using B-Route to link smart meters to HEMS and BEMS,

and to offer "PMS Service Platform" to support the rapid launch of new services --

TOKYO—February 19, 2015—Internet Initiative Japan Inc. (IIJ, NASDAQ: IIJI, TSE1: 3774), one of Japan's leading Internet access and comprehensive network solutions providers, today announced that it has developed "PMS (Power Metering System) Service Platform," a system platform for providing services that make use of smart meters. Starting the beginning of June 2015—before moving on to full commercialization—IIJ will offer electricity retailers that develop smart metering services a proof-of-concept environment for testing.

The "PMS Service Platform" takes advantage of IIJ's expertise which has been accumulated in the field of network and cloud computing service—as well as other patented IIJ technologies—to offer three system components at a one-stop shop:

1. SA-W1: A service adaptor product that collects meter data from smart meters and communicates with an associated cloud computing system
2. PMS: A cloud-based automated metering system for collecting, storing and managing meter data
3. Service Adaptor Control Manager (SACM): A management system platform that centrally manage the remotely- positioned SA-W1 (*1)

In preparation for the commercialization of the platform, IIJ acquired ECHONET Lite and SMA certifications (*2) for the SA-W1 in January 2015. These certifications allow the SA-W1 to collect power meter data over the B-Route (*3), which links smart meters to home electrical appliances by using communications modules compatible with the Wi-SUN standard for smart meter wireless communications.

Retailers now considering the development of services that utilize smart meters will be able to launch new services and businesses rapidly because the platform will allow them to make use of meter data (B-Route) from smart meters in a manner that is both high-speed and secure. After the planned launch of the proof-of-concept testing environment in June, such retailers will be able to verify the utility and practicality of the platform hands-on without any charge before full implementation.

In the run-up to the liberalization of electricity retailing in fiscal year 2016, it is predicted that more and more homes and offices will install smart meters and that numerous electric power retailers will enter the market. As a result, it is expected that electric power retailers will provide a variety of billing plans and new services. For customers, this should mean that they will be able to choose from a menu of power supply options to

select the ones that fit their lifestyles. Meanwhile, for electric power retailers, it is expected that the use of smart meters will enable more effective power supply planning by providing fine-grained measurements of consumers' electricity usage.

Within such market conditions, IIJ aims to provide all necessary solutions—from the communications devices to the networks, the security and the cloud environment—in one go, lending support for creating new services and businesses to customers that are considering the use of smart meters and helping to expand the use of the PMS Service Platform in the electric power market.

The main features of the three components to be offered through this platform are as follows:

SA-W1　IIJ's original service adaptor for linking smart meters to the Internet and Wi-Fi networks
・ Collection of values collected by smart electricity meters and transmission to the PMS
・ Communications and control for devices compatible with the ECHONET Lite standard
・ Automatic connection and setting just turning on power (Zero configuraiton)
・ Routing compatible with fiber-to-the-home (FTTH), mobile and various other connections
・ Reliable in security and quality accumulated in the corporate router market

SACM　Management system to remotely control SA-W1 units
・ Automatic generation of IP networks with SA-W1 units
・ Control panel to unify the management, configuration and monitoring of SA-W1
・ Automatization of setting and operation with Web API(*4) for intersystem coordination
・ Dramatic reduction of work required for network setup by on-site installing SA-W1 units

PMS　　Cloud-based automated metering system
・ Dashboard to confirm the entire system condition and collecting data
・ Centralized monitoring for smart meters. Detect abnormal metering data and inform electricity retailers
・ Setting collectively the authentications to communicate smart meters
・ Interface for electricity retailers to easily acquire the metering data using Web API and CSV format

In the proof-of-concept testing environment the SA-W1, SACM and PMS as cloud computing services can be used without any charge. (Please have network and lines ready.)

IIJ will present these initiatives at the Exposition of Energy Liberalisation Japan 2015.

Exposition	Energy Liberalisation Japan 2015
Dates	February 25, 2015 (Wed.) to February 27 (Fri.), 10:00 am to 6:00 pm
	*The last day of the exhibition ends at 5:00 pm
Venue	Tokyo Big Sight, West Hall, first floor
IIJ's Booth No.	W18-11

IIJ will continue to offer new solutions for electricity retailers and to support and encourage the development of low-cost, high-efficiency businesses.

(*1) Service Adaptor Control Manager (SACM): A management service platform for providing complete management mechanisms and automatic connectivity with IIJ's proprietary network management system SMFv2 (Japanese patent: 4463868, US patent: 7660266) as an OEM. SMFv2 enables central operations management, network initialization and configuration changes for the SA-W1 as well as network equipment from other manufacturers.

For more details, see http://www.sacm.jp/(Japanese text only).

(*2) ECHONET Lite certification/SMA compliance certification: ECHONET Lite is a standard for HEMS developed by the ECHONET Consortium, a body established primarily by Japanese home electronics manufacturers. SMA compliance certification consists of third-party, test-based verification of conformance with the ECHONET Consortium-developed application interface specifications for communications between smart meters and HEMS controllers. Certified devices are recognized as being able to connect to the B-Route of smart meters and collect data. For more details, see the ECHONET Consortium's website at http://www.echonet.gr.jp/english/index.htm.

(*3) B-Route: A communications route that connects smart meters to HEMS (home energy management systems) and BEMS (building energy management systems) inside structures. This technology is expected to enable fine-grained support for reducing energy consumption and conducting demand response measures based on a variety of data.

(*4) Web API: A programing interface for intersystem communication with Web technology

About IIJ

Founded in 1992, Internet Initiative Japan Inc. (IIJ, NASDAQ: IIJI, Tokyo Stock Exchange TSE1: 3774) 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 systems integration, cloud computing/data center services, security services, and Internet access. Moreover, IIJ has built one of the largest Internet backbone networks in Japan that is connected the United States, the United Kingdom and Asia. IIJ was listed on NASDAQ in 1999 and on the First Section of the Tokyo Stock Exchange in 2006. For more information about IIJ, visit the IIJ Web site at http://www.iij.ad.jp/en/.

The statements within this release contain forward-looking statements about our future plans that involve risk and uncertainty. These statements may differ materially from actual future events or results. Readers are referred to the documents furnished by Internet Initiative Japan Inc. with the SEC, specifically the most recent reports on Forms 20-F and 6-K, which identify important risk factors that could cause actual results to differ from those contained in the forward-looking statements.

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