For Immediate Release

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Internet Initiative Japan Inc.

IIJ Study on Containerized Data Center Introduction in Kenya Selected As a Ministry of Economy, Trade and Industry Feasibility Study Project

TOKYO - August 28, 2023 - Internet Initiative Japan Inc. (TSE Prime: 3774), one of Japan's leading Internet access and comprehensive network solutions providers, today announced that the Company has been selected by the Ministry of Economy, Trade and Industry (METI) for a feasibility study on the use of its containerized modular data center co-IZmo/I* in the African market. This project is part of the METI Feasibility Study Project on Emerging Business Opportunities in African Market (AfDX). The project will be carried out in the Republic of Kenya, which is an information and communications network hub country in East Africa. The feasibility of containerized data center introduction there will be studied from August 2023 to January 2024.

In Kenya, approximately 94% of the population is contracted for Internet access, and the spread of digital services is advancing rapidly. A problem currently faced, however, is that the provision and supply of data centers and other information infrastructure cannot keep up with demand. IIJ developed an original containerized modular data center co-IZmo/I, which is shipped pre-equipped with servers and network hardware, for easy installation at the destination. Overseas introductions to date include Laos and Uzbekistan, among others. This study will assess the feasibility of using co-IZmo/I as a core infrastructure data center in Kenya, and of using it as a cloud service data center aimed at local content service providers.

*Containerized modular data center co-IZmo/I: A container-sized data center developed by IIJ leveraging its many years of operational expertise and experience. Equipped with the same level of functionality and robustness as a building-type data center, including cooling systems, electrical equipment (emergency electric power generator, power receiving equipment, etc.), and security system, it can be transported similarly to a cargo shipping container. Please see the following site for details.
https://www.iij.ad.jp/en/datacenter/tech/iijdc/coizmoi.html

Background

Internet access in Kenya has risen to approximately 94% of the population (as of March 2022), and there is strong demand for digital services, as seen in the nearly 20 percent usage rates for services like Facebook and YouTube. Most such services, however, are provided using cloud services that rely on data centers outside Kenya for their infrastructure. As traffic continues to grow, various problems are worsening, including international network congestion and latency, as well as the rising costs of providing and expanding access links. Demand for data centers inside Kenya is therefore growing, particularly among Internet service providers and content providers. Moreover, Kenya in 2019 became one of the first African nations to draw up and implement data protection legislation, imposing restrictions on the cross-border transfer of personal information and strategic data. The growing sentiment toward data localization (storing data domestically) is another factor behind demands for provision of data center services inside Kenya.

Outline of Feasibility Study

· Project name
  Feasibility Study Project on Emerging Business Opportunities in African Market (AfDX)

- Survey items
  1. Technology verification
     Assess the basic situation relating to data center installation, including land, electric power, and fiber network availability
  2. Marketability survey
     Analyze marketability based on the diffusion rate of digital services in the locale and infrastructure use status for each service
  3. Prospective partner screening
     Consider potential partner firms toward containerized modular data center deployment
  4. PMF (Product Market Fit) verification
     Verify the local needs and the technology level of partner firms, forms of provision matched to their business models, and the business model on the IIJ side
- Study period
  August 2023 to January 2024

External view of containerized modular data center co-IZmo/I

IIJ will continue pursuing various kinds of business potential on global markets.

About IIJ

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, systems integration, cloud computing services, security services and mobile services. Moreover, IIJ has built one of the largest Internet backbone networks in Japan that is connected to the United States, the United Kingdom and Asia. IIJ was listed on the Prime Market of the Tokyo Stock Exchange in 2022. For more information about IIJ, visit the official website: https://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.

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