

1Q FY25 Financial Summary



Internet Initiative Japan Inc. (IIJ)

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

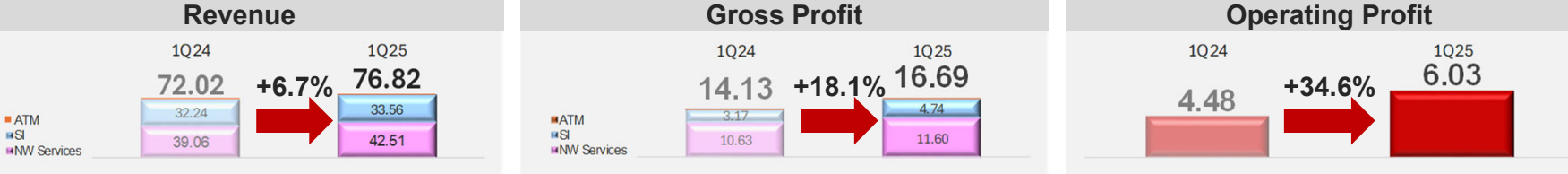
August 7, 2025

Disclaimer

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1. 1Q25 Summary

Stronger NW Replacement Demand Multiple Large-scale Projects Secured including a Japanese Megabank 1Q Revenue & Profit on Track Solid Start with High Profit Growth



NW Service (excl. mobile)	<ul style="list-style-type: none">1Q25 revenue: ¥29.51 bn, +9.1% YoY IP: +9.5% YoY, Outsourcing: +13.7% YoY Of which, Security: +11.2% YoYFY25 is to strengthen the accumulation of recurring revenue by enhancing the existing services and promoting solution-based offerings: Enhanced web security in "IIJ Flex Mobility Service/ZTNA"(Jun. 2025), Launched "mxHERO with IIJ" to enable easy transition from PPAP- (Jul. 2025), etc.
Mobile IoT	<ul style="list-style-type: none">1Q25 revenue: ¥13.01 bn, +8.3% YoY 1Q25-end total subscription: 5,772 thousand, +748 thousand YoYExpanding MVNE business by leveraging top MVNO share, Number of MVNE clients: 195 (1Q24-end), 202 (1Q25-end) Consumer subscription increased by 61 thousand YoY driven by JAL Mobile (Apr. 2025) and others
SI	<ul style="list-style-type: none">1Q25 revenue: ¥33.56 bn, +4.1% YoY Of which, construction: ¥11.69 bn, -7.3% YoY, operation & maintenance (O/M): ¥21.87 bn, +11.4% YoY O/M (recurring revenue) largely grew, Construction remained on track backed by its order-backlog (¥15.81 bn as of 4Q24-end, ¥23.76 bn as of 4Q23-end)1Q25 order received: ¥45.32 bn, +12.9% YoY Of which, construction: ¥17.07 bn, +12.8% YoY O/M: ¥28.24 bn, +12.9% YoY, High demand for bothRevised engineer billing rates at the beginning of each fiscal year, reflecting changes in personnel and outsourcing costs
Trends in large-scale projects ^(*)	<div><div><div>◆ Growth in secured projects</div><div><div>1Q24</div><div>1Q25</div></div><div><div>Total contract amount</div><div>Approx. ¥6.0 bn</div><div>Approx. ¥7.5 bn</div></div><div><div>Global NW project for a Japanese megabank included (5 years, ¥5.5 bn)</div><div>Potential pipeline ranging from ¥1 billion to over ¥10 billion is also underway</div></div></div><div><div>◆ Revenue trends (3 months in total)</div><div><div>1Q24</div><div>1Q25</div></div><div><div>One-time revenue</div><div>Approx. ¥0.7 bn</div><div>Approx. ¥0.5 bn</div></div><div><div>Monthly recurring revenue</div><div>Approx. ¥1.0 bn</div><div>Approx. ¥3.0 bn</div></div></div></div>
Topics	<ul style="list-style-type: none">Achieved high profit growth YoY, excluding the contribution from the VMware license-related profit rebound, despite typical 1Q profit weakness caused by seasonal cost increasesNew management structure launched: Enhancing existing strategy and strengthening execution in alignment with the Mid-term PlanExpansion of our own data centers: Construction for Shiroy's 3rd site started (Jun. 2025), its operations to begin in FY26, Matsue's new building operation began (Jun. 2025)Reinforcement of human capital: 269 new graduates (Apr. 2025), Compensation revision (approx. +6% average salary increase for IIJ), FY25 headcount to increase by approx. 440 personnelPrevention of security incident, recurrence: Enhancement of behavioral detection & multi-layered WAF implemented, Security enhancement for all services led by the president in progress

(*) PPAP: Email practice involving password-protected ZIP files and separate password emails (*) Project value includes NW service components
(*) For details, please refer to the timely disclosures dated April 15, 2025 "Regarding Customer Information Leak in IIJ Secure MX Service" and April 22, 2025 "Apology and Report on Customer Information Leak in IIJ Secure MX Service"
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2. Regarding the Breach of Customer Information in “IJJ Secure MX Service”

- Recurrence Prevention Measures -

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.

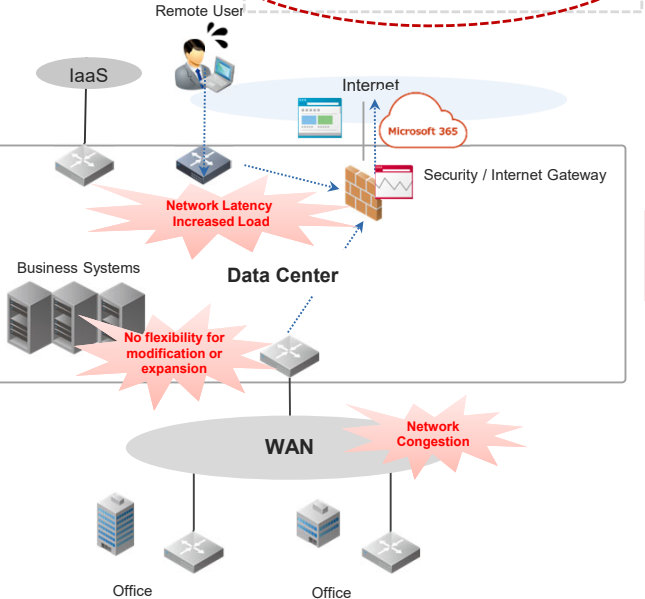
3. Structural Transformation of Networks and Our Growth Opportunities

Capturing evolving enterprise network upgrade demands through flexible service delivery

Traditional Model (Pre-COVID-19)

Problems with on-premises-heavy system architectures have surfaced.

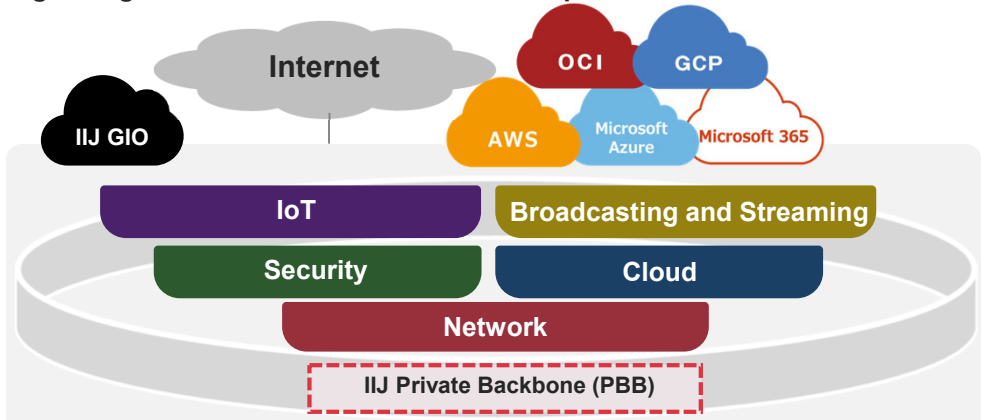
- Challenges of Traditional Network and System Architectures
- Communication delays caused by traffic concentration
 - Limitations of perimeter-based security
 - Constraints on system expansion and modification



New System (Post-COVID-19)

The acceleration of network & system architecture revisions, driven by cloud migration and increasingly sophisticated cyberattacks, often results in comprehensive system overhauls and larger-scale projects

Providing next-generation network infrastructure optimized for cloud shift and zero trust

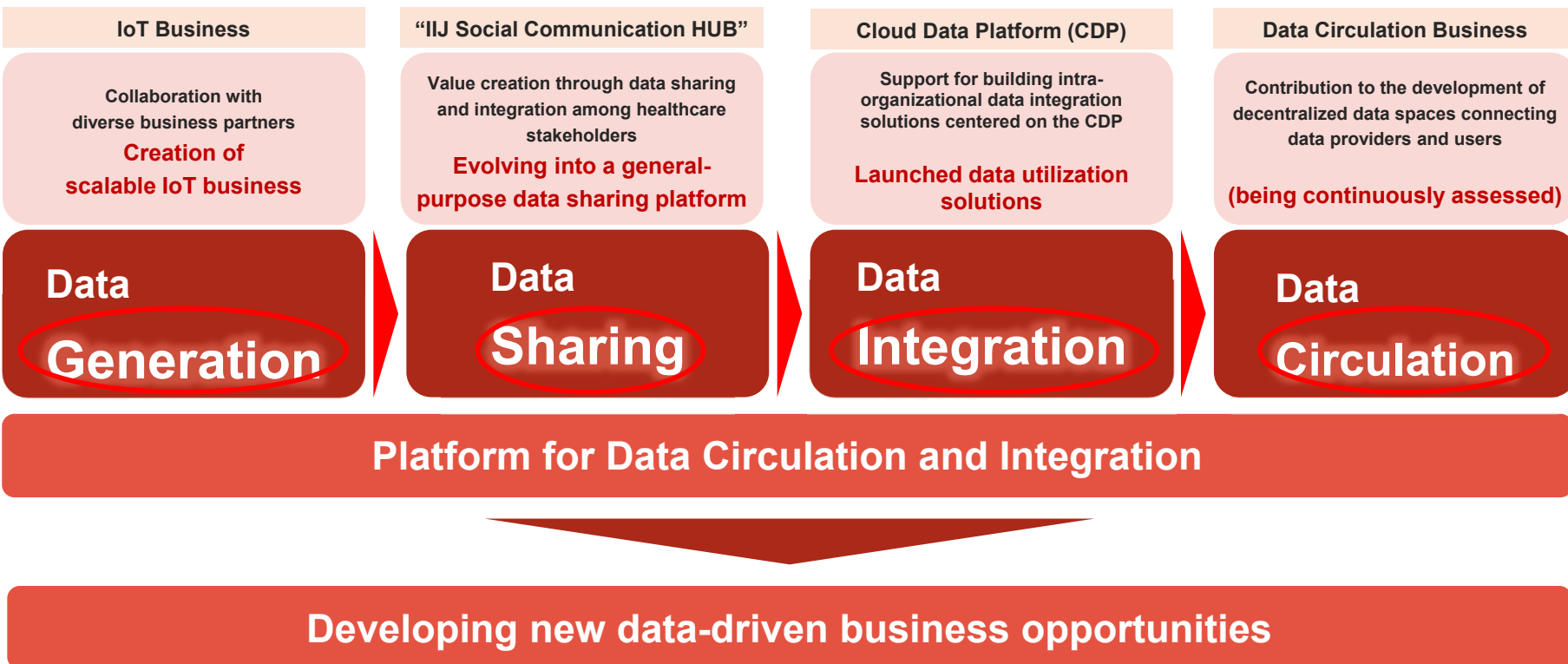


- Continuously releasing services that meet evolving market needs
- Ongoing service development reflecting the latest industry trends
 - Regular releases of updates and new features
 - Providing essential IT infrastructure functions to enterprises with simple connectivity



4. Data Integration Platform Concept by IIJ (Conceptual Diagram)

Strategically leverage and advance existing assets to enable future growth in the Data Circulation field



5. IoT Business Overview

Developing Practical IoT Business Supported by Connectivity and Data Utilization Capabilities

Past

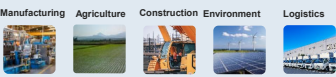


Future

Providing One-Stop Services Optimized for IoT

Digitizing Assets and Sites to Strongly Support Business

Support Areas



Leveraging our network technologies cultivated since our founding, we support diverse industries in solving their business challenges

Partnership collaboration

- Murata Manufacturing Co., Ltd.
- Mitsubishi HC Capital Inc.

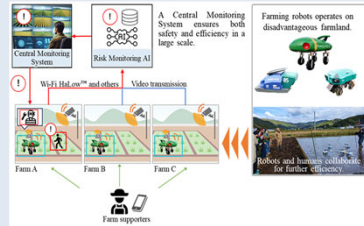
Driving IoT and Data Utilization through IIJ's Infrastructure and Partners' Field Expertise

※The company names above are examples

Proven Track Record in National & Local Government Projects

Selected for the Ministry of Internal Affairs and Communications' Regional DX Promotion Project (July 2025)

Selected for the "Triangle Ehime" Digital Acceleration Project Three Years in a Row (2023–2025)



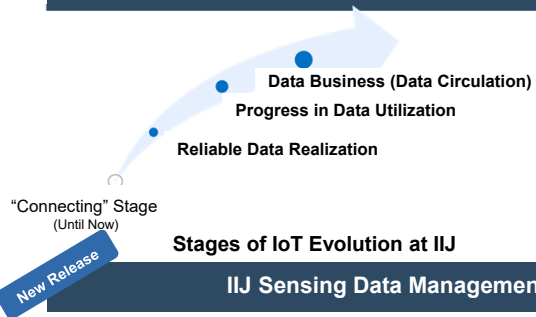
"Demonstration of Labor-Saving Rice Farming Using Robotics, Wireless, and AI (Miyazaki, Fukuoka, Kanagawa)"



Smart Farming for Citrus and Taro: Soil Monitoring and Irrigation Optimization (Ehime Pref.)

Field-Based Data Platform Powered by AI and Advanced Technologies

From Providing "Connectivity" to Offering "Datafication"



Stages of IoT Evolution at IIJ

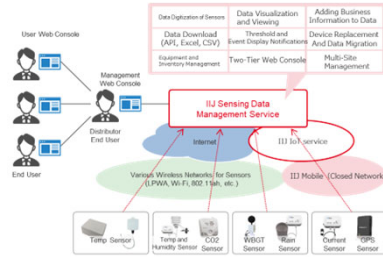
IIJ Sensing Data Management Service (launched July 2025)

Providing previously custom-built sensing environments as a standardized service, reducing the effort and cost of requirements definition and system construction

Key Points	
Utilization of Sensing Data	Utilize sensing data effortlessly
Automation of Measurement Operations	From Manual Input to Efficient Management Operations
Business Improvement and Quality Enhancement	Improvements Leveraging Sensing Data for Temperature and Environmental Monitoring

Anticipating data utilization progress, delivering services based on a technology core that ensures reliable data with CIA (Confidentiality, Integrity, Availability)

A service provider selected as a "companion" that fosters and supports customer growth



A Data Platform Supporting and Connecting Local Communities

Past



Future

Connecting Healthcare and Welfare Sites

Track records of implementations

Government and
Regional Adoption

76 Governments and Regions
(10 Prefectures)

Number of Patients
Support Record

(Children to Seniors, Including Disaster Support Recipients)



Approx. **59,000** people

Intermunicipal Collaboration



54 Municipalities
(3 Prefectures, 10 Regions)

Wide-Area Collaboration Agreement
with 49 Municipalities In Aichi,
3 in Nagano, and 2 in Mie

Professional Users

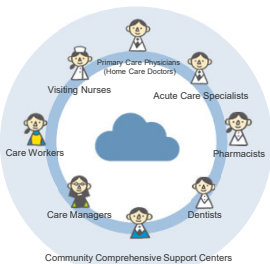


Over **27,000** Users
Across over 30 professions

Driving Regional Problem-Solving
Through Enhanced Data Integration and Utilization

A Platform Service Enabling Smart Cities

Regional Specialists
Acquire Shared IDs



Community-Based
Integrated Care
Layered Support

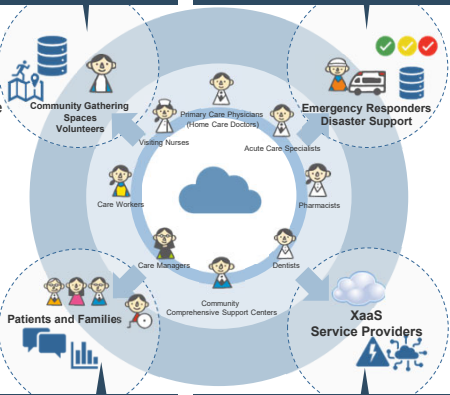
Regional Resource Collaboration
(Community Centers & Evacuation Shelters)

Emergency Coordination Disaster
Evacuation and Safety Confirmation

Linking Individuals
(IDs) and Data to Solve
Regional Challenges



Enabling
Smart Cities



Patient and Home Collaboration
(PHR)

Data Integration and Utilization
(IoT and Open Data)

Expanding Application Areas to Other Fields
Such as Disaster Prevention, Emergency Medical Services, and
Education

Secure Data Utilization for Customer Success

Past

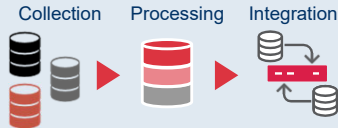


Future

Flexible Cloud Services Supporting Diverse Data Integration

Key Features of the CDP

What this service can offer



Connecting on-premises and cloud as a hub for simple, secure, and cost-effective data integration

On-Premises & Cloud Integration



Providing a wide range of connection points for on-premises and cloud

Over 90 types and expanding

Reliable Managed Services

- ASTERIA Warp
- OS
- Server
- Network

Seamless End-to-End Delivery

IJJ provides managed services Infrastructure operations and maintenance are entrusted to IJJ

Core Engine of the Service



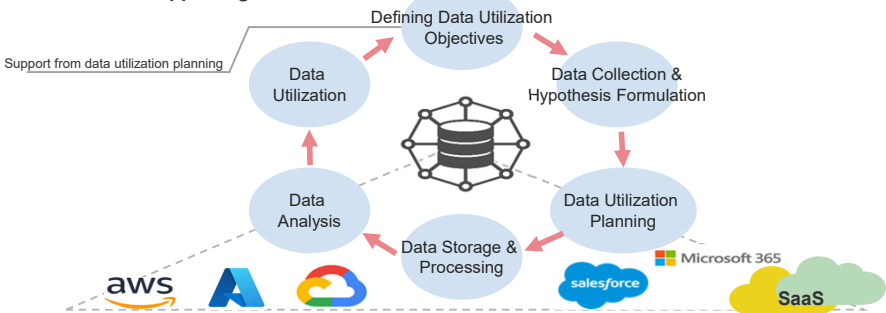
For data integration functions, we have adopted ASTERIA Warp by Asteria Corporation, one of Japan's leading solutions, as the core engine

Co-Creation from the Concept Phase of Data Utilization

IJJ Data Utilization Solutions (launched August 2025)

New Release

IJJ's Process for Supporting Data Utilization

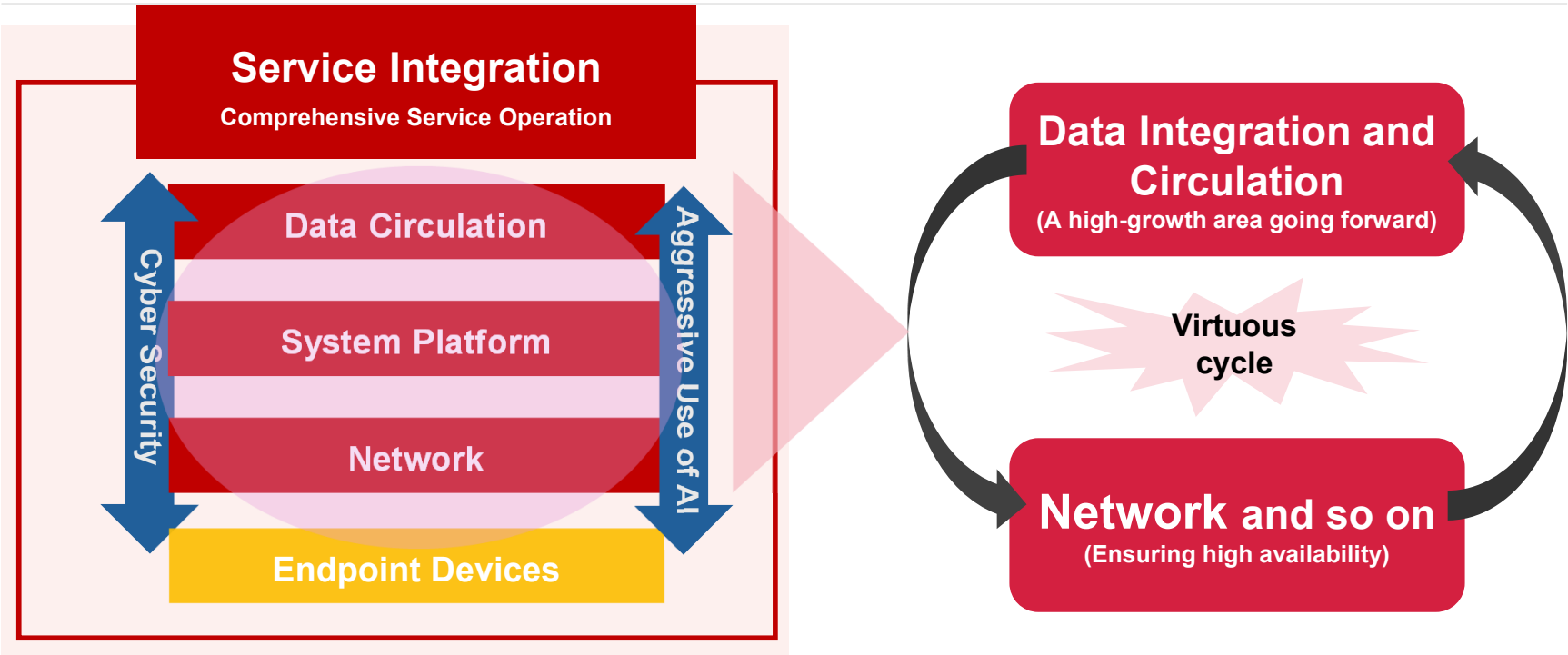


Point

- Provides a secure environment for collecting and utilizing dispersed and sensitive internal data
- Realized through a combination of IJJ's cloud, security, network services, and integration capabilities



Transforming Connectivity into Business Value: A Virtuous Cycle Driven by IIJ's Core Technologies





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.