



Internet Initiative Japan

*For Immediate Release*  
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**IIJ Announces its Financial Results for the Fiscal Year Ended March 31, 2025**

Tokyo, May 13, 2025 - Internet Initiative Japan Inc. (“IIJ”, TSE Prime: 3774) today announced its consolidated financial results for the fiscal year ended March 31, 2025 (“FY2024”, from April 1, 2024 to March 31, 2025) under International Financial Reporting Standards (IFRS).<sup>1</sup>

**Highlights of Financial Results for FY2024**

Total revenues	JPY316.8 billion	up 14.8% YoY <sup>2</sup>
Operating profit	JPY30.1 billion	up 3.7% YoY
Profit before tax	JPY29.2 billion	up 0.9% YoY
Net profit <sup>3</sup>	JPY19.9 billion	up 0.5% YoY
ROE	15.0%	
Annual cash dividend	JPY35.00 per share of common stock	

**Highlights of Financial Targets for FY2025 (fiscal year ending March 31, 2026)**

Total revenues	JPY340.0 billion	up 7.3% YoY
Operating profit	JPY36.5 billion	up 21.2% YoY
Profit before tax	JPY33.7 billion	up 15.5% YoY
Net profit <sup>3</sup>	JPY23.0 billion	up 15.4% YoY
Annual cash dividend	JPY 39.00 per share of common stock	

**Overview of FY2024 Financial Results and Business Outlook**

“I am very much excited to succeed Mr. Katsu’s role as Co-CEO and COO. Our basic growth strategy and business model remain unchanged. In a continuous favorable business environment, I will advance our business implementation and further enhance our corporate value with Mr. Suzuki, founder and Co-CEO of IIJ,” said Yasuhiko Taniwaki, new President of IIJ.

“We continued to capture robust demands for migration to Internet-based network systems from Japanese enterprises by leveraging our “Service Integration” model that offers our accumulated network services line-up with systems integration. During FY2024, we acquired over 15 multi-year large-scale projects, and their total contract amount reached approximately JPY45.0 billion. “Service Integration” transactions are recognized as one-time systems construction revenue in front, then shift to monthly recurring revenues (MRR) of network services and systems operation and maintenance. By these projects, MRR have currently been steadily increasing and are expected to grow further. As for FY2024 financial results, we had YoY revenue growth of 14.8% driven by the strong expansion of systems construction revenue by 37.8% along with steady MRR growth by 9.8% YoY. Operating profit increased by 3.7% YoY with absorbing the approximately JPY1.5 billion negative impact of VMware issue<sup>4</sup> through price pass-through to cloud services and price revision for part of network services,” continued Taniwaki.

“As the first year of FY2024-FY2026 mid-term plan, we accelerated to acquire large-scale “Service Integration” projects, which should enlarge our business scale going forward. On the other hand, profit growth were not so large mainly due to the VMware issue, which has not only increased costs but also constrained our sales resources, resulted in a less-than-expected accumulation of network services. In FY2025, as VMware related price pass-through and revision have already progressed, we will recover profit growth toward FY2026 mid-term plan targets through the continued acquisition of large-scale projects, and the accumulation of a wide range of network services. Our FY2025 targets are the total revenues of JPY340 billion and operating profit of JPY36.5 billion,” continued Taniwaki.

“There is increasing uncertainty in the global economy partly due to the U.S. tariff policy. IIJ is not heavily involved in exports and unlikely to experience direct negative effects, but there may be certain indirect impacts, such as a decline in customer spending, which are associated with domestic economic conditions. On the other hand, Japanese companies are expected to seek more IT utilization, which would lead to a growing need for advancements in IT usage and the expansion of outsourcing. We are confident in seizing these greater business opportunities by expanding our role in supporting Japanese enterprises’ networks and systems,” concluded Koichi Suzuki, Founder, Co-CEO and Chairman of IIJ.

<sup>1</sup> Unless otherwise stated, all financial figures discussed in this announcement are prepared in accordance with IFRS, unaudited and consolidated.

<sup>2</sup> YoY is an abbreviation for year over year change.

<sup>3</sup> Net profit is “profit for the year attributable to owners of the parent.”

<sup>4</sup> For details, please refer to page 26 of “Presentation Material for Consolidated Financial Results for FY23 and New Mid-term Plan (FY24~FY26)” which was disclosed on May 10, 2024.

## FY2024 Financial Results Summary

We provide combined network services and systems integration to customers, and therefore, Network services and Systems integration (SI) business is our main reportable segment. Our analysis by service is described below.

### Operating Results Summary

	FY2023	FY2024	YoY Change
	JPY millions	JPY millions	%
<b>Total revenues</b>	276,080	<b>316,831</b>	14.8
Network services	151,347	<b>162,577</b>	7.4
Systems integration (SI)	121,819	<b>151,306</b>	24.2
ATM operation business	2,914	<b>2,948</b>	1.2
<b>Total costs</b>	(212,214)	<b>(248,429)</b>	17.1
Network services	(107,854)	<b>(117,304)</b>	8.8
Systems integration (SI)	(102,777)	<b>(129,553)</b>	26.1
ATM operation business	(1,583)	<b>(1,572)</b>	(0.7)
<b>Total gross profit</b>	63,866	<b>68,402</b>	7.1
Network services	43,493	<b>45,273</b>	4.1
Systems integration (SI)	19,042	<b>21,753</b>	14.2
ATM operation business	1,331	<b>1,376</b>	3.4
<b>SG&amp;A, R&amp;D, and other operating income (expenses)</b>	(34,837)	<b>(38,298)</b>	9.9
<b>Operating profit</b>	29,029	<b>30,104</b>	3.7
<b>Profit before tax</b>	28,934	<b>29,184</b>	0.9
<b>Profit for the year attributable to owners of the parent</b>	19,831	<b>19,933</b>	0.5

(Note) Systems integration includes equipment sales.

### Segment Results Summary

	FY2023	FY2024
	JPY millions	JPY millions
<b>Total revenues</b>	276,080	<b>316,831</b>
Network services and SI business	273,247	<b>313,920</b>
ATM operation business	2,914	<b>2,948</b>
Elimination	(81)	<b>(37)</b>
<b>Operating profit</b>	29,029	<b>30,104</b>
Network services and SI business	28,014	<b>28,932</b>
ATM operation business	1,015	<b>1,172</b>
Elimination	-	<b>-</b>

## FY2024 Revenues and Income

### Revenues

Total revenues were JPY316,831 million, up 14.8% YoY (JPY276,080 million for FY2023).

Network services revenue was JPY162,577 million, up 7.4% YoY (JPY151,347 million for FY2023). Part of network service prices were revised from the beginning of 3Q24.

Revenues for Internet connectivity services for enterprise were JPY48,994 million, up 9.5% YoY from JPY44,725 million for FY2023, mainly due to an increase in revenues of enterprise mobile services and IP services.

Revenues for Internet connectivity services for consumers were JPY26,832 million, up 6.1% YoY from JPY25,285 million for FY2023, mainly due to an increase in revenues of IIJmio Mobile services.

Revenues for Outsourcing services were JPY59,145 million, up 11.7% YoY from JPY52,972 million for FY2023, mainly due to an increase in security-related services revenues.

Revenues for WAN services were JPY27,606 million, down 2.7% YoY from JPY28,365 million for FY2023.

### Network Services Revenues Breakdown

	FY2023	FY2024	YoY Change
	JPY millions	JPY millions	%
<b>Total network services</b>	151,347	162,577	7.4
<b>Internet connectivity services (enterprise)</b>	44,725	48,994	9.5
<b>IP services (including data center connectivity services)</b>	15,990	17,320	8.3
<b>IIJ Mobile Services</b>	24,177	26,859	11.1
<b>Enterprise mobile services (IoT usages etc.)</b>	13,632	15,478	13.5
<b>IIJ Mobile MVNO Platform Service (MVNE)</b>	10,545	11,381	7.9
<b>Others</b>	4,558	4,815	5.6
<b>Internet connectivity services (consumer)</b>	25,285	26,832	6.1
<b>IIJmio Mobile Services</b>	21,961	23,438	6.7
<b>Others</b>	3,324	3,394	2.1
<b>Outsourcing services</b>	52,972	59,145	11.7
<b>WAN services</b>	28,365	27,606	(2.7)

### Number of Contracts and Subscription for Connectivity Services (Note 1)

	As of March 31, 2024	As of March 31, 2025	YoY Change
<b>Internet connectivity services (enterprise)</b>	3,638,223	4,535,036	896,813
<b>IP service (greater than or equal to 1Gbps) (Note 2)</b>	1,395	1,484	89
<b>IP service (less than 1Gbps) (Note 2)</b>	1,401	1,597	196
<b>IIJ Mobile Services</b>	3,535,558	4,427,695	892,137
<b>Enterprise mobile services (IoT usages etc.)</b>	2,349,885	3,176,021	826,136
<b>IIJ Mobile MVNO Platform Service (MVNE)</b>	1,185,673	1,251,674	66,001
<b>Others</b>	99,869	104,260	4,391
<b>Internet connectivity services (consumer)</b>	1,609,944	1,629,725	19,781
<b>IIJmio Mobile Services</b>	1,274,410	1,311,509	37,099
<b>Others</b>	335,534	318,216	(17,318)
<b>Total contracted bandwidth (Gbps) (Note 3)</b>	10,441.7	13,832.2	3,390.5

(Notes)

- Numbers in the table above show number of contracts except for "IIJ Mobile Services (enterprise)" and "IIJmio Mobile Services" which show number of subscriptions.
- The numbers of IP service contracts include the numbers of IIJ data center connectivity service contracts.
- Total contracted bandwidth is calculated by multiplying number of contracts under "Internet connectivity services (enterprise)" except for "IIJ Mobile Services" and the contracted bandwidths of the services respectively.

SI revenues, including equipment sales, were JPY151,306 million, up 24.2% YoY (JPY121,819 million for FY2023). Systems construction and equipment sales, a one-time revenue, was JPY68,773 million, up 37.8% YoY (JPY49,902 million for FY2023). Systems operation and maintenance revenue, a recurring revenue, was JPY82,533 million, up 14.8% YoY (JPY71,917 million for FY2023), mainly due to continued accumulation of systems operation orders as well as growing demand for multi-cloud related services.

Orders received for SI, including equipment sales, totaled JPY157,856 million, up 6.7% YoY (JPY147,955 million for FY2023); orders received for systems construction and equipment sales were JPY60,817 million, up 1.6% YoY (JPY59,864 million for FY2023), and orders received for systems operation and maintenance were JPY97,039 million, up 10.2% YoY (JPY88,091 million for FY2023).

Order backlog for SI, including equipment sales, as of March 31, 2025 amounted to JPY115,443 million, up 6.0% YoY (JPY108,893 million as of March 31, 2024); order backlog for systems construction and equipment sales was JPY15,805 million, down 33.5% YoY (JPY23,761 million as of March 31, 2024) and order backlog for systems operation and maintenance was JPY99,638 million, up 17.0% YoY (JPY85,132 million as of March 31, 2024).

ATM operation business revenues were JPY2,948 million, up 1.2% YoY (JPY2,914 million for FY2023).

### **Cost of sales**

Total cost of sales was JPY248,429 million, up 17.1% YoY (JPY212,214 million for FY2023).

Cost of network services revenue was JPY117,304 million, up 8.8% YoY (JPY107,854 million for FY2023), mainly due to an increase in license fees. There was one-time cost reimbursement, which was related to a mobile unit charge, by mobile carriers in 3Q24 at a similar level to 3Q23 as FY2023 mobile unit charge was fixed based on its actual results for the corresponding period. Gross profit was JPY45,273 million, up 4.1% YoY (JPY43,493 million for FY2023), with absorbing the cost increase related to substantial price increases of VMware products by part of network service prices' revision from the beginning of 3Q24, and gross profit ratio was 27.8% (28.7% for FY2023).

Cost of SI revenues, including equipment sales was JPY129,553 million, up 26.1% YoY (JPY102,777 million for FY2023), mainly due to increases in purchasing costs, outsourcing-related costs and license fees. Gross profit was JPY21,753 million, up 14.2% YoY (JPY19,042 million for FY2023), with absorbing the cost increase related to substantial price increases of VMware products mainly by progressing price pass-through to our cloud services in the first half of FY2024, and gross profit ratio was 14.4% (15.6% for FY2023).

Cost of ATM operation business revenues was JPY1,572 million, down 0.7% YoY (JPY1,583 million for FY2023). Gross profit was JPY1,376 million, up 3.4% YoY (JPY1,331 million for FY2023) and gross profit ratio was 46.7% (45.7% for FY2023).

### **Selling, general and administrative expenses and other operating income and expenses**

Selling, general and administrative expenses, including research and development expenses, totaled JPY38,312 million, up 10.2% YoY (JPY34,754 million for FY2023), mainly due to an increase in personnel-related expenses.

Other operating income was JPY149 million (JPY169 million for FY2023).

Other operating expenses was JPY135 million (JPY252 million for FY2023).

### **Operating profit**

Operating profit was JPY30,104 million (JPY29,029 million for FY2023), up 3.7% YoY.

### **Finance income and expenses, and share of profit (loss) of investments accounted for using equity method**

Finance income was JPY580 million, compared to JPY1,019 million for FY2023. It included gains on financial instruments, mainly related to funds, of JPY201 million (gain of JPY149 million for FY2023), dividends received of JPY145 million (JPY106 million for FY2023), and foreign exchange gain of JPY47 million (gain of JPY533 million for FY2023).

Finance expense was JPY1,086 million compared to JPY649 million for FY2023. It included interest expenses of JPY1,062 million (JPY616 million for FY2023), mainly related to bank borrowing and lease transaction.

Share of loss of investments accounted for using equity method was JPY414 million (loss of JPY465 million for FY2023), mainly due to loss of DeCurret Holdings, Inc. of JPY553 million, which included gain on changes in equity interest of JPY209 million.

**Profit before tax**

Profit before tax was JPY29,184 million (JPY28,934 million for FY2023), up 0.9% YoY.

**Profit for the year**

Income tax expense was JPY9,080 million (JPY8,958 million for FY2023). As a result, profit for the year was JPY20,104 million (JPY19,976 million for FY2023), up 0.6% YoY.

Profit for the year attributable to non-controlling interests was JPY171 million (JPY145 million for FY2023), mainly related to net income of Trust Networks Inc.

Profit for the year attributable to owners of parent was JPY19,933 million (JPY19,831 million for FY2023), up 0.5% YoY.

**Comprehensive income for the year**

Comprehensive income for the year was JPY20,977 million (JPY24,533 million for FY2023), down 14.5% YoY, mainly due to an effect of changes in the market value of investment securities and others of JPY464 million, which decreased from JPY3,410 million for FY2023.

Comprehensive income for the year attributable to owners of parent was JPY20,806 million (JPY24,388 million for FY2023), down 14.7% YoY.

## **Financial Position as of March 31, 2025**

As of March 31, 2025, the balance of total assets was JPY312,435 million, increased by JPY38,722 million from the balance as of March 31, 2024 of JPY273,713 million.

As of March 31, 2025, the balance of current assets was JPY130,195 million, increased by JPY10,306 million from the balance as of March 31, 2024 of JPY119,889 million. As for the major breakdown of balance and fluctuation of current assets, cash and cash equivalents decreased by JPY12,940 million to JPY32,534 million, trade receivables increased by JPY10,678 million to JPY56,361 million, and prepaid expenses increased by JPY8,038 million to JPY28,122 million mainly due to increases in project costs for customers, license fees and equipment-related costs.

As of March 31, 2025, the balance of non-current assets was JPY182,240 million, increased by JPY28,416 million from the balance as of March 31, 2024 of JPY153,824 million. As for the major breakdown of balance and fluctuation of non-current assets, tangible assets increased by JPY4,699 million to JPY33,771 million mainly due to purchases related to Matsue Data Center Park, right-of-use assets, the rights under operating lease contracts such as office and data centers and under finance lease contracts such as data communication equipment, increased by JPY4,514 million to JPY45,756 million mainly due to acquisition, intangible assets increased by JPY2,664 million to JPY21,021 million, prepaid expenses increased by JPY9,396 million to JPY28,808 million mainly due to increases in project costs for customers, license fees and equipment-related costs, and investment securities (equity) increased by JPY1,260 million to JPY15,823 million.

As of March 31, 2025, the balance of current liabilities was JPY113,315 million, increased by JPY14,957 million from the balance as of March 31, 2024 of JPY98,358 million. As for the major breakdown of balance and fluctuation of current liabilities, trade and other payables increased by JPY4,803 million to JPY30,238 million, borrowings increased by JPY3,483 million to JPY33,616 million mainly due to an increase of JPY7,000 million from bank borrowings and a decrease of JPY3,563 million from repayment, contract liabilities increased by JPY3,001 million to JPY15,686 million and other financial liabilities increased by JPY2,844 million to JPY20,879 million.

As of March 31, 2025, the balance of non-current liabilities was JPY57,034 million, increased by JPY8,711 million from the balance as of March 31, 2024 of JPY48,323 million. As for the major breakdown of balance and fluctuation of non-current liabilities, contract liabilities increased by JPY1,560 million to JPY10,112 million and other financial liabilities increased by JPY6,596 million to JPY37,699 million.

As of March 31, 2025, the balance of total equity attributable to owners of the parent was JPY140,683 million, increased by JPY14,932 million from the balance as of March 31, 2024 of JPY125,751 million. Ratio of owners' equity to total assets was 45.0% as of March 31, 2025.

## **FY2024 Cash Flows**

Cash and cash equivalents as of March 31, 2025 were JPY32,534 million (JPY45,474 million as of March 31, 2024).

Net cash provided by operating activities for FY2024 was JPY28,528 million (net cash provided by operating activities of JPY40,780 million for FY2023). There were profit before tax of JPY29,184 million (JPY28,934 million for FY2023), depreciation and amortization of JPY31,372 million (JPY29,296 million for FY2023), including JPY12,084 million (JPY11,784 million for FY2023) of depreciation of right-of-use operating lease assets under IFRS 16, and income taxes paid of JPY9,764 million (JPY8,130 million for FY2023). Regarding changes in working capital, there was net cash out of JPY25,008 million compared to net cash out of JPY9,880 million for FY2023. As for the major factors for the increase in net cash out in comparison with FY2023, there was an increase in payments of prepaid expenses and a decrease in proceeds from trade receivables.

Net cash used in investing activities for FY2024 was JPY21,749 million (net cash used in investing activities of JPY17,927 million for FY2023), mainly due to payments for purchases of tangible assets, such as assets related to Matsue Data Center Park, of JPY11,904 million (JPY11,744 million for FY2023) and purchases of intangible assets, such as software, of JPY8,211 million (JPY7,199 million for FY2023).

Net cash used in financing activities for FY2024 was JPY19,667 million (net cash used in financing activities of JPY20,797 million for FY2023), mainly due to payments of other financial liabilities of JPY25,418 million (JPY20,008 million for FY2023), which included payments under operating lease contracts such as office rent and finance lease contracts such as network equipment, proceeds from other financial liabilities of JPY8,497 million (JPY6,609 million for FY2023), net increase in short-term borrowings of JPY7,000 million (JPY11,800 million for FY2023 mainly due to bank borrowings relating to the acquisition of treasury shares), dividends paid of JPY6,134 million (JPY5,682 million for FY2023) and repayments of long-term bank borrowings of JPY3,563 million (JPY2,060 million for FY2023).

## **Outlook for FY2025**

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With regard to the FY2025 outlook for IJJ Group, in network services, we expect an increase in monthly recurring revenues from the large-scale Service Integration projects acquired by FY2024, in addition to strengthening sales driven mainly by the continuous enhancement of service functions and optimized sales deployment. In systems integration, while we anticipate strong demand for network renewals to continue, we are also mindful of potential impacts on corporate spending mainly due to downward pressure on the domestic economy partly caused by the U.S. trade policies, including tariffs.

Considering these factors, we set our consolidated financial targets for FY2025 as follows: total revenues of JPY340.0 billion, up 7.3% YoY and operating profit of JPY36.5 billion, up 21.2% YoY. As for profit before tax, we target JPY33.7 billion, up 15.5% YoY, which takes share of profit or loss of investment accounted for using equity method, finance expenses, foreign exchange loss and others into consideration. As for profit for the year attributable to owners of the parent, we target JPY23.0 billion, up 15.4% YoY, which takes income tax expenses at the normal effective tax rate and others into consideration.

## **Dividend Policy, FY2024 Dividend and FY2025 Dividend Forecast**

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The basic dividend policy of IJJ is that IJJ pays dividends to its shareholders continuously and stably while considering the need to have retained earnings for the enhancement of financial position, mid-to-long term business expansion, future business investment and others.

Based on the Articles of Incorporation of IJJ, the frequency of dividend payments is twice each fiscal year, an interim dividend and a year-end dividend. The interim dividend is decided by the meeting of the board directors of IJJ and the year-end dividend is approved at IJJ's general meeting of shareholders.

During the FY2024-FY2026 mid-term plan, we set the dividend payout ratio target as 30% based on our capital allocation plan which considers increases in capital investment for further business growth and working capital along with an increase in the acquisition of large-scale projects. As for the details, please refer to "IJJ Group Mid-term Plan (FY2024-FY2026) and Mid-to-Long Term Vision," which was disclosed on May 10, 2024.

As for FY2024, considering this basic policy, our interim dividend was JPY17.50 per share of common stock and year-end dividend forecast is JPY17.50 per share of common stock. FY2024 total annual dividend forecast is JPY35.00 per share of common stock.

As for FY2025, our interim and year-end dividend forecasts are JPY19.50 per share of common stock respectively. FY2025 total annual dividend forecast is JPY39.00 per share of common stock.

## **Presentation**

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Presentation materials will be posted on our web site (<https://www.ijj.ad.jp/en/ir/>) on May 13, 2025.

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

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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 ("TSE") in 2006 and transitioned to the Prime Market of TSE from April 2022.

## **For inquiries, contact:**

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## **Disclaimer:**

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Statements made in this press release regarding IJ's or management's intentions, beliefs, expectations, or predictions for the future are forward-looking statements that are based on IJ's and managements' current expectations, assumptions, estimates and projections about its business and the industry. These forward-looking statements, such as statements regarding revenues and profits, are subject to various risks, uncertainties and other factors that could cause IJ's actual results to differ materially from those contained in any forward-looking statement.

Consolidated Statements of Financial Position (Unaudited)

	March 31, 2024	March 31, 2025
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and cash equivalents	45,474	32,534
Trade receivables	45,683	56,361
Inventories	3,227	4,681
Prepaid expenses	20,084	28,122
Contract assets	3,110	6,098
Other financial assets	1,532	2,247
Other current assets	779	152
Total current assets	119,889	130,195
Non-current assets		
Tangible assets	29,072	33,771
Right-of-use assets	41,242	45,756
Goodwill	10,328	10,307
Intangible assets	18,357	21,021
Investments accounted for using equity method	5,169	6,639
Prepaid expenses	19,412	28,808
Contract assets	108	327
Investment securities (Equity)	14,563	15,823
Other investments	9,805	10,711
Deferred tax assets	290	252
Other financial assets	5,210	8,361
Other non-current assets	268	464
Total non-current assets	153,824	182,240
Total assets	273,713	312,435

	March 31, 2024	March 31, 2025
	Millions of yen	Millions of yen
Liabilities and Equity		
Liabilities		
Current liabilities		
Trade and other payables	25,435	30,238
Borrowings	30,133	33,616
Income taxes payable	5,328	5,205
Provisions	—	316
Contract liabilities	12,685	15,686
Deferred income	56	36
Other financial liabilities	18,035	20,879
Other current liabilities	6,686	7,339
Total current liabilities	98,358	113,315
Non-current liabilities		
Borrowings	47	—
Retirement benefit liabilities	4,991	4,849
Provisions	901	1,551
Contract liabilities	8,552	10,112
Deferred income	237	209
Deferred tax liabilities	1,483	1,474
Other financial liabilities	31,103	37,699
Other non-current liabilities	1,009	1,140
Total non-current liabilities	48,323	57,034
Total liabilities	146,681	170,349
Equity		
Share capital	25,562	25,577
Share premium	35,737	35,865
Retained earnings	65,616	79,885
Other components of equity	10,863	11,266
Treasury shares	(12,027)	(11,910)
Total equity attributable to owners of the parent	125,751	140,683
Non-controlling interests	1,281	1,403
Total equity	127,032	142,086
Total liabilities and equity	273,713	312,435

## Consolidated Statements of Profit or Loss (Unaudited)

	For the year ended March 31, 2024	For the year ended March 31, 2025
	Millions of yen	Millions of yen
Revenues		
Network services	151,347	162,577
Systems integration	121,819	151,306
ATM operation business	2,914	2,948
Total revenues	<u>276,080</u>	<u>316,831</u>
Cost of sales		
Cost of network services	(107,854)	(117,304)
Cost of systems integration	(102,777)	(129,553)
Cost of ATM operation business	(1,583)	(1,572)
Total cost of sales	<u>(212,214)</u>	<u>(248,429)</u>
Gross Profit	63,866	68,402
Selling, general and administrative expenses	(34,754)	(38,312)
Other operating income	169	149
Other operating expenses	(252)	(135)
Operating Profit	<u>29,029</u>	<u>30,104</u>
Finance income	1,019	580
Finance expenses	(649)	(1,086)
Share of profit (loss) of investments accounted for using equity method	(465)	(414)
Profit (loss) before tax	<u>28,934</u>	<u>29,184</u>
Income tax expense	(8,958)	(9,080)
Profit (loss) for the year	<u><u>19,976</u></u>	<u><u>20,104</u></u>
Profit (loss) for the year attributable to:		
Owners of the parent	19,831	19,933
Non-controlling interests	145	171
Total	<u><u>19,976</u></u>	<u><u>20,104</u></u>
Earnings per share		
Basic earnings per share (yen)	111.81	112.68
Diluted earnings per share (yen)	111.23	112.10

## Consolidated Statements of Comprehensive Income (Unaudited)

	For the year ended March 31, 2024	For the year ended March 31, 2025
	Millions of yen	Millions of yen
Profit (loss) for the year	19,976	20,104
Other comprehensive income, net of tax		
Items that will not be reclassified to profit or loss		
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	3,410	464
Remeasurement of defined benefit plans	(54)	490
Total items that will not be reclassified to profit or loss	3,356	954
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	1,179	(98)
Share of other comprehensive income of investments accounted for using equity method	22	17
Total of items that may be reclassified to profit or loss	1,201	(81)
Total other comprehensive income, net of tax	4,557	873
Other comprehensive income for the year	24,533	20,977
Other comprehensive income for the year attributable to:		
Owners of the parent	24,388	20,806
Non-controlling interest	145	171
Other comprehensive income for the year	24,533	20,977

Consolidated Statements of Changes in Shareholders' Equity (Unaudited)  
For the year ended March 31, 2024

	Owners of the parent's shareholders' equity						Non-controlling interests	Total equity
	Share capital	Share premium	Retained earnings	Other components of equity	Treasury shares	Total		
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance, April 1, 2023	25,562	36,738	51,202	6,571	(1,831)	118,242	1,185	119,427
Comprehensive income								
Profit for the year	-	-	19,831	-	-	19,831	145	19,976
Other comprehensive income	-	-	-	4,557	-	4,557	-	4,557
Total comprehensive income	-	-	19,831	4,557	-	24,388	145	24,533
Transactions with owners								
Purchase of treasury shares	-	-	-	-	(11,405)	(11,405)	-	(11,405)
Disposal of treasury shares	-	49	-	-	80	129	-	129
Cancellation of treasury shares	-	(1,129)	-	-	1,129	-	-	-
Dividends paid	-	-	(5,682)	-	-	(5,682)	(49)	(5,731)
Stock-based compensation	-	79	-	-	-	79	-	79
Transfer from other components of equity to retained earnings	-	-	265	(265)	-	-	-	-
Total transactions with owners	-	(1,001)	(5,417)	(265)	(10,196)	(16,879)	(49)	(16,928)
Balance, March 31, 2024	25,562	35,737	65,616	10,863	(12,027)	125,751	1,281	127,032

For the year ended March 31, 2025

	Owners of the parent's shareholders' equity						Non-controlling interests	Total equity
	Share capital	Share premium	Retained earnings	Other components of equity	Treasury shares	Total		
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance, April 1, 2024	25,562	35,737	65,616	10,863	(12,027)	125,751	1,281	127,032
Comprehensive income								
Profit for the year	-	-	19,933	-	-	19,933	171	20,104
Other comprehensive income	-	-	-	873	-	873	-	873
Total comprehensive income	-	-	19,933	873	-	20,806	171	20,977
Transactions with owners								
Issuance of common stock	15	(15)	-	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	(0)	(0)	-	(0)
Disposal of treasury shares	-	24	-	-	117	141	-	141
Dividends paid	-	-	(6,134)	-	-	(6,134)	(49)	(6,183)
Stock-based compensation	-	119	-	-	-	119	-	119
Transfer from other components of equity to retained earnings	-	-	470	(470)	-	-	-	-
Total transactions with owners	15	128	(5,664)	(470)	117	(5,874)	(49)	(5,923)
Balance, March 31, 2025	25,577	35,865	79,885	11,266	(11,910)	140,683	1,403	142,086

## Consolidated Statements of Cash Flows (Unaudited)

	For the year ended March 31, 2024	For the year ended March 31, 2025
	Millions of yen	Millions of yen
Cash flows from operating activities		
Profit (loss) before tax	28,934	29,184
Adjustments		
Depreciation and amortization	29,296	31,372
Loss (gain) on sales/disposals of property and equipment	138	92
Shares of loss (profit) of investments accounted for using equity method	465	414
Finance income	(1,019)	(580)
Finance expenses	649	1,086
Other	538	2,551
Changes in working capital		
Decrease (increase) in trade receivables	(4,053)	(10,745)
Decrease (increase) in inventories	146	(1,390)
Decrease (increase) in prepaid expenses	(10,817)	(17,335)
Decrease (increase) in contract assets	(934)	(3,207)
Decrease (increase) in other assets	(517)	502
Decrease (increase) in other financial assets	137	(3,747)
Increase (decrease) in trade and other payables	2,315	4,331
Increase (decrease) in contract liabilities	3,027	4,617
Increase (decrease) in deferred income	17	2
Increase (decrease) in provisions	-	764
Increase (decrease) in other liabilities	187	794
Increase (decrease) in other financial liabilities	212	(169)
Increase (decrease) in retirement benefit liabilities	400	575
Subtotal	49,121	39,111
Interest and dividends received	414	352
Interest paid	(625)	(1,171)
Income taxes paid	(8,130)	(9,764)
Cash flows from operating activities	40,780	28,528

	For the year ended March 31, 2024	For the year ended March 31, 2025
	Millions of yen	Millions of yen
Cash flows from investing activities		
Purchases of tangible assets	(11,744)	(11,904)
Proceeds from sales of tangible assets	684	1,794
Purchases of intangible assets	(7,199)	(8,211)
Proceeds from sales of intangible assets	624	-
Purchase of a subsidiary	(29)	-
Purchase of investments accounted for using equity method	-	(1,925)
Purchases of investment securities (Equity)	-	(434)
Proceeds from sales of investment securities (Equity)	698	-
Purchases of other investments	(794)	(879)
Proceeds from sales of other investments	72	24
Payments for leasehold deposits and guarantee deposits	(730)	(304)
Proceeds from collection of leasehold deposits and guarantee deposits	151	139
Payments for refundable insurance policies	(75)	(75)
Proceeds from refundable insurance policies	391	-
Other	24	26
Cash flows from investing activities	<u>(17,927)</u>	<u>(21,749)</u>
Cash flows from financing activities		
Repayment of long-term borrowings	(2,060)	(3,563)
Net increase (decrease) in short-term borrowings	11,800	7,000
Purchase of treasury shares	(11,405)	(0)
Proceeds from other financial liabilities	6,609	8,497
Payments of other financial liabilities	(20,008)	(25,418)
Dividends paid	(5,682)	(6,134)
Other	(51)	(49)
Cash flows from financing activities	<u>(20,797)</u>	<u>(19,667)</u>
Effect of exchange rate changes on cash and cash equivalents	946	(52)
Net increase (decrease) in cash and cash equivalents	3,002	(12,940)
Cash and cash equivalents, beginning of the year	<u>42,472</u>	<u>45,474</u>
Cash and cash equivalents, end of the year	<u><u>45,474</u></u>	<u><u>32,534</u></u>

## Notes to Condensed Consolidated Financial Statements (Unaudited)

### Going Concern Assumption

Nothing to be reported.

### Changes in Accounting Policies

The Company has adopted the following standards from the fiscal year ended March 31, 2025.

IFRS		The Overview of New Establishment and Revisions
IAS 7	Statement of Cash Flows	Disclosure requirements to enhance the transparency of supplier finance arrangements
IFRS 7	Financial Instruments: Disclosures	

The adoption of the above standards had no material impact on the condensed consolidated financial statements.

## Segment Information

The reportable segments of IIJ and its subsidiaries (collectively “the Company”) are defined as the Company's constituent units for which separated financial information is available and which are regularly reviewed by the Representative Director, President and Executive Officer of IIJ, who is the chief decision-maker regarding business operations in order to determine the allocation of resources and evaluate performance. The Representative Director, President and Executive Officer of IIJ evaluates the performance of each segment, with operating revenue and operating profit as the primary indicator.

The Company defined two reportable segments: “Network service and systems integration business” and “ATM operation business.” Network service and systems integration business is provided comprehensively with Network services, which is composed of Internet connectivity services, WAN services, outsourcing services, and systems integration service. ATM operation business constructs and operates ATMs and network systems for them, and receives a commission for each bank withdrawal transaction when a customer uses its serviced ATMs.

Segment information for the Company is as follows:

Fiscal year ended March 31, 2024

	Reportable segments			Consolidated
	Network service and systems integration business	ATM operation business	Adjustments	
	JPY millions	JPY millions	JPY millions	
Revenue				
Customers	273,166	2,914	—	276,080
Intersegment transactions	81	—	(81)	—
Total revenue	273,247	2,914	(81)	276,080
Segment operating profit	28,014	1,015	—	29,029
Finance income				1,019
Finance expense				(649)
Share of profit (loss) of investments accounted for using the equity method				(465)
Profit before tax				28,934

Fiscal year ended March 31, 2025

	Reportable segments			Consolidated
	Network service and systems integration business	ATM operation business	Adjustments	
	JPY millions	JPY millions	JPY millions	
Revenue				
Customers	313,883	2,948	—	316,831
Intersegment transactions	37	—	(37)	—
Total revenue	313,920	2,948	(37)	316,831
Segment operating profit	28,932	1,172	—	30,104
Finance income				580
Finance expense				(1,086)
Share of profit (loss) of investments accounted for using the equity method				(414)
Profit before tax				29,184

Intersegment transactions are based on market price. Operating income is used as segment operating profit.

Substantially all revenues are from customers operating in Japan. Geographic information for revenues is not presented due to immateriality of revenue attributable to international operations. In addition, non-current assets (excluding financial instruments, deferred tax assets and assets related to retirement benefits) are not presented because substantially all non-current assets are located in Japan and non-current assets located overseas are not material.

This information is not presented because no revenue from a single external customer accounts for 10% or more of total revenue of the Company.

### **Earnings per share**

Basic earnings per share attributable to owners of the parent and diluted earnings per share attributable to owners of the parent for the years ended March 31, 2024 and 2025 were as follows:

	For the year ended March 31, 2024	For the year ended March 31, 2025
Numerator :		
Basic earnings attributable to owners of the parent ( millions of yen )	19,831	19,933
Denominator :		
Weighted average number of shares — basic (shares)	177,361,107	176,901,512
Dilution arising from stock options (shares)	929,924	912,516
Weighted average number of shares — diluted (shares)	178,291,031	177,814,028
Earnings per share attributable to owners of the parent		
Basic (yen)	111.81	112.68
Diluted (yen)	111.23	112.10

### **Subsequent Events**

Nothing to be reported.

Note: The following information is provided to disclose Internet Initiative Japan Inc. ("IIJ") financial results (unaudited) for the fiscal year ended March 31, 2025 in the form defined by the Tokyo Stock Exchange.

## Consolidated Financial Results for the Fiscal Year ended March 31, 2025 [Under IFRS]

May 13, 2025

Company name: Internet Initiative Japan Inc.

Exchange listed: Tokyo Stock Exchange

Ticker symbol: 3774

URL: <https://www.ij.ad.jp/>

Representative: Yasuhiko Taniwaki, Representative Director, President and Executive Officer

Contact: Akihisa Watai, Member of the Board, Executive Vice President and CFO

TEL: +81-3- 5205-6500

Scheduled date for annual general shareholders' meeting: June 26, 2025

Scheduled date for dividend payment: June 27, 2025

Scheduled date for filing of annual report (*Yuka-shoken-houkokusho*) to Japan's regulatory organization: June 30, 2025

Supplemental material on annual results: Yes

Presentation on annual results: Yes (for institutional investors and analysts)

(Amounts of less than JPY one million are rounded)

### 1. Consolidated Financial Results for Fiscal Year ended March 31, 2025 (April 1, 2024 to March 31, 2025)

#### (1) Consolidated Results of Operations

(% shown is YoY change)

	Revenues		Operating profit		Profit (loss) before tax		Profit (loss) for the year		Profit (loss) attributable to owners of the parent		Comprehensive income for the year	
	JPY millions	%	JPY millions	%	JPY millions	%	JPY millions	%	JPY millions	%	JPY millions	%
Fiscal Year ended March 31, 2025	316,831	14.8	30,104	3.7	29,184	0.9	20,104	0.6	19,933	0.5	20,977	(14.5)
Fiscal Year ended March 31, 2024	276,080	9.2	29,029	6.6	28,934	6.0	19,976	5.2	19,831	5.2	24,533	26.4

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ratio of profit before taxes to total assets	Ratio of operating profit to revenues
	JPY	JPY	%	%	%
Fiscal Year ended March 31, 2025	112.68	112.10	15.0	10.0	9.5
Fiscal Year ended March 31, 2024	111.81	111.23	16.3	11.1	10.5

(Reference) Share of profit (loss) of investments accounted for using equity method

Fiscal year ended March 31, 2025: JPY(414) million, Fiscal year ended March 31, 2024: JPY(465) million

#### (2) Consolidated Financial Position

	Total assets	Total equity	Total equity attributable to owners of the parent	Ratio of owners' equity to total assets	Owners' equity per share
	JPY millions	JPY millions	JPY millions	%	%
As of March 31, 2025	312,435	142,086	140,683	45.0	795.19
As of March 31, 2024	273,713	127,032	125,751	45.9	711.22

#### (3) Consolidated Cash Flow

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents (end of the year)
	JPY millions	JPY millions	JPY millions	JPY millions
Fiscal year ended March 31, 2025	28,528	(21,749)	(19,667)	32,534
Fiscal year ended March 31, 2024	40,780	(17,927)	(20,797)	45,474

## 2. Dividends

	Dividend per Shares					Total cash dividends for the year	Payout Ratio (consolidated)	Ratio of Dividends to Shareholder's Equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	JPY	JPY	JPY	JPY	JPY	JPY millions	%	%
Fiscal Year Ended March 31, 2024	—	17.18	—	17.18	34.36	6,075	30.7	5.0
Fiscal Year Ended March 31, 2025	—	17.50	—	17.50	35.00	6,192	31.1	4.6
Fiscal Year Ending March 31, 2026 (forecast)	—	19.50	—	19.50	39.00		30.0	

## 3. Targets of Consolidated Financial Results for the Fiscal Year ending March 31, 2026 (April 1, 2025 through March 31, 2026)

(% shown is YoY change)

	Revenues		Operating profit		Profit (loss) before tax		Profit (loss) for the year attributable to owners of the parent		Basic earnings per share
	JPY millions	%	JPY millions	%	JPY millions	%	JPY millions	%	JPY
Interim Period Ending September 30, 2025	158,000	7.5	15,500	31.6	13,900	25.0	9,400	25.8	53.13
Fiscal Year Ending March 31, 2026	340,000	7.3	36,500	21.2	33,700	15.5	23,000	15.4	130.00

### \* Notes:

(1) Changes in significant subsidiaries: None

(2) Changes in accounting policies and estimate

i. Changes in accounting policies required by IFRS: Yes

ii. Other changes in accounting policies: None

iii. Changes in accounting estimates: None

As for the details, please refer to “Changes in Accounting Policies” in Notes to Condensed Consolidated Financial Statements (Unaudited), which is disclosed on page 17 of this earnings release.

(3) Number of shares issued (common stock)

i. Number of shares issued (inclusive of treasury stock):

As of March 31, 2025: 183,184,884 shares

As of March 31, 2024: 183,141,100 shares

ii. Number of treasury stock:

As of March 31, 2025: 6,268,144 shares

As of March 31, 2024: 6,329,688 shares

iii. Number of weighted average common shares outstanding:

For the fiscal year ended March 31, 2025: 176,901,512 shares

For the fiscal year ended March 31, 2024: 177,361,107 shares

### \* Status of Audit Procedures

This document is not subject to the audit procedures by certified public accountant or independent auditor.

### \* Explanation on the Appropriate Use of Future Outlook and other special instructions

i) Forward-looking statements

Forward-looking statements disclosed in this document are based on IIJ Group’s expectation, estimates, and projections based on information available to IIJ Group as of May 13, 2025. As these forward-looking statements are subject to known and unknown risks and uncertainties, actual results may differ from those disclosed due, for example, to but not limited to changes in business climate and/or market trends. As for our latest forecast of our financial targets, please refer to “Outlook for FY2025” written on page 8 of this document.

ii) Adoption of IFRS

We have adopted IFRS from the Annual Securities Report (*Yuka-shoken-houkokusho*) for the fiscal year ended March 31, 2019.

iii) Others

Presentation material will be disclosed on TDnet as well as posted on our website on May 13, 2025.