

# Presentation Material for Consolidated Financial Results for FY24

(April 1, 2024 to March 31, 2025)



Internet Initiative Japan

**Internet Initiative Japan Inc. (IIJ)**

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

**May 13, 2025**

## Disclaimer

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

# Outline

<b>I . FY24 Summary &amp; FY25 Targets</b>	<b>P. 2</b>
<b>II . FY24 Financial Results</b>	<b>P. 3 ~ P. 17</b>
<b>III . Service &amp; Business Developments, etc.</b>	<b>P. 18</b>
<b>IV . FY25 Financial Targets</b>	<b>P. 19 ~ P. 21</b>
<b>Appendix</b>	<b>P. 22 ~ P. 26</b>
<b>【Reference】</b>	
<b>Presentation material for company overview</b>	<b>P. 27 ~ P. 45</b>

- FY24 stands for a fiscal year from Apr. 1, 2024 to Mar. 31, 2025
- 1H24 stands for 1st half of FY24 (Apr. 1, 2024 to Sep. 30, 2024)
- 1Q24 stands for 1st quarter of FY24 (Apr. 1, 2024 to Jun. 30, 2024), others alike
- Abbreviation: NW for network, SI for systems integration, DC for data center, HD for holdings, PF for platform, ¥ (JPY) bn for JPY billion, SI O/M for systems operation and maintenance, MRR for Monthly Recurring Revenue

# I . FY24 Summary & FY25 Targets

Unit: JPY/¥ billion (bn), +%, YoY = Year over year comparison  
 Net Profit is "Profit for the period attributable to owners of the parent"

## FY2024 Summary

Acquisition of large-scale NW construction & operation projects from various industries has become a new norm

VMware license price pass-through and revision have been mostly implemented

Stronger-than-expected revenue growth in the 1<sup>st</sup> year of the Mid-term Plan, established the foundation for business expansion

## FY2025 Targets

Strengthening profit growth toward the 3<sup>rd</sup> year of the Mid-term Plan with a dual focus on continuous acquisition of large-scale Service Integration projects and accumulation of a wide range of NW Services

	Total Revenues		Operating Profit		Net Profit		Dividend per share	
	FY24 Results	FY25 Forecast	FY24 Results	FY25 Forecast	FY24 Results	FY25 Forecast	FY24 Results	FY25 Forecast
1 <sup>st</sup> half								
2 <sup>nd</sup> half								
	<b>316.8</b>	<b>340.0</b>	<b>30.1</b>	<b>36.5</b>	<b>19.9</b>	<b>23.0</b>	<b>¥35.00</b>	<b>¥39.00</b>
	+14.8%YoY	+7.3%YoY	+3.7%YoY	+21.2%YoY	+0.5%YoY	+15.4%YoY	+1.9%YoY	+11.4%YoY
	ROE: 15.0%		ROE: 15.0%		ROE: 15.0%	ROE: 15.4%		
	169.8	182.0	18.3	21.0	12.4	13.6	¥17.50	¥19.50
	147.0	158.0	11.8	15.5	7.5	9.4	¥17.50	¥19.50

- SI construction revenue strongly grew by +37.8% YoY  
 MRR continued to increase by +9.8%YoY

### Acquisition of large-scale projects

### Revenues of large-scale projects

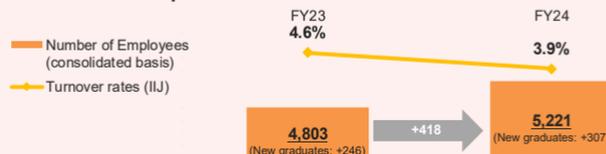
	FY23	FY24		FY23	FY24
Revenues	Approx. ¥33.8 bn	Approx. ¥45.0 bn	One-time	Approx. ¥5.4 bn	Approx. ¥10.0 bn
Number of projects	10	15	MRR	Approx. ¥3.1 bn	Approx. ¥6.8 bn

\* Total contract amount (left) & recorded revenues (right) of acquired large-scale multi-year projects over ¥1.0 bn since FY22

- Response to the price increase of VMware license

- The impact on FY24 profit: approx. -¥1.5 bn (1Q: approx. -¥1.2 bn, 2Q: approx. -¥0.4 bn, 3Q: -, 4Q: approx. +¥0.1 bn)
- The price pass-through to cloud services (1H24) & price revision for certain NW services (from the beginning of 3Q24), have largely progressed
- Weaker-than-expected NW services accumulation was mainly due to necessary resources allocation for sales representatives

- Expansion of human capital



- Continue to focus on large-scale NW construction & operation projects

- Strong demands for internal and external network renewals  
 Ongoing pipeline of potential projects from finance, general business enterprises and others
- Demands & projects for IT full outsource for infrastructure operation gradually emerging

- Focus on the accumulation of a wide range of NW services

- Sales departments optimized for large clients, focus on NW service expansion, and partner channels
- Focus on enhancing the functionality of NW service lineup

- New management structure from Apr. 2025

- Growth strategy and business model remain unchanged

### Reinforced organization & role, Enhance execution through CEO-led initiatives, etc.

Data Circulation & Integration Business      Enhancement of cyber security      Enhancement of innovative human capital

- Expansion of human capital

- Number of employees (consolidated) to increase by approx. 440 personnel, incl. 269 new graduates  
 In Apr. 2025, average annual salary increase rate was approx. 6% (IIJ, it had been around 3.5%~4.0%)
- Revised retirement benefit system to have more focus on defined contribution plan (IIJ)  
 Expect the reversal of over ¥1.0 bn provisions for retirement benefits (SG&A, expected in 2Q25)

- Macro environment

- Expect strong demand to continue. Anticipate almost no direct impact from the U.S. tariffs policy.  
 Potential impacts on corporate spending due to downward pressure on the domestic economy may occur. On the other hand, demand for more efficient use of IT is expected to remain at a high level

## II - 1. Year over Year Analysis

Unit: ¥ (JPY) billion  
YoY = Year over year comparison

	% of revenue		YoY	
	FY24 Results	FY23 Results		
	Apr. 2024 - Mar. 2025	Apr. 2023 - Mar. 2024		
Revenues	<b>316.83</b>	<b>276.08</b>	+14.8%	+40.75
Cost of Revenues	78.4% <b>248.43</b>	76.9% <b>212.21</b>	+17.1%	+36.22
Gross Profit	21.6% <b>68.40</b>	23.1% <b>63.87</b>	+7.1%	+4.54
SG&A etc.	12.1% <b>38.30</b>	12.6% <b>34.84</b>	+9.9%	+3.46
Operating Profit	9.5% <b>30.10</b>	10.5% <b>29.03</b>	+3.7%	+1.08
Profit before tax	9.2% <b>29.18</b>	10.5% <b>28.93</b>	+0.9%	+0.25
Net Profit	6.3% <b>19.93</b>	7.2% <b>19.83</b>	+0.5%	+0.10

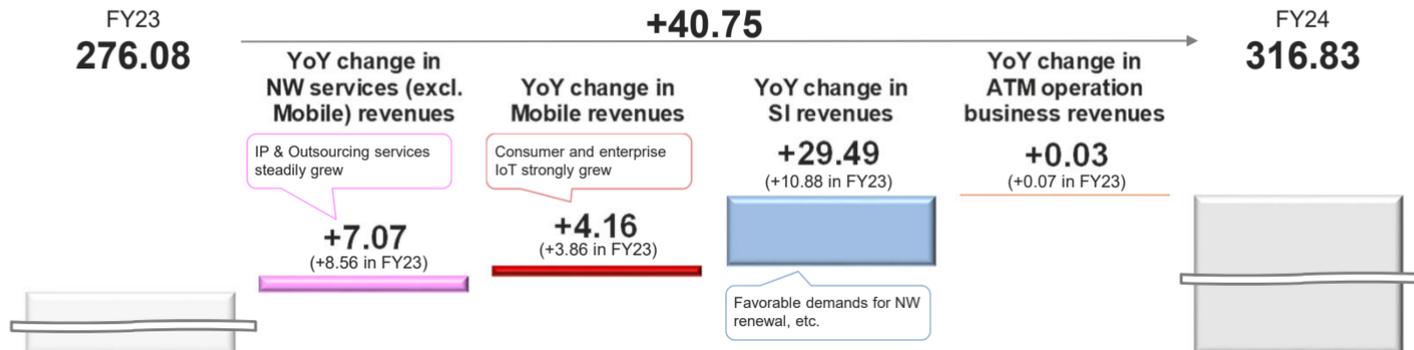
% of revenue	
FY24 Targets	YoY
(Announced in Aug. 2024)	
Apr. 2024 - Mar. 2025	
<b>312.0</b>	+13.0%
77.4% <b>241.5</b>	+13.8%
22.6% <b>70.5</b>	+10.4%
12.3% <b>38.5</b>	+10.5%
10.3% <b>32.0</b>	+10.2%
9.8% <b>30.6</b>	+5.8%
6.6% <b>20.6</b>	+3.9%

- SG&A etc. represents the sum of SG&A, which includes R&D expenses, and other income/expenses
- Net Profit is "Profit for the period attributable to owners of the parent"

# II - 2. Year over Year Analysis

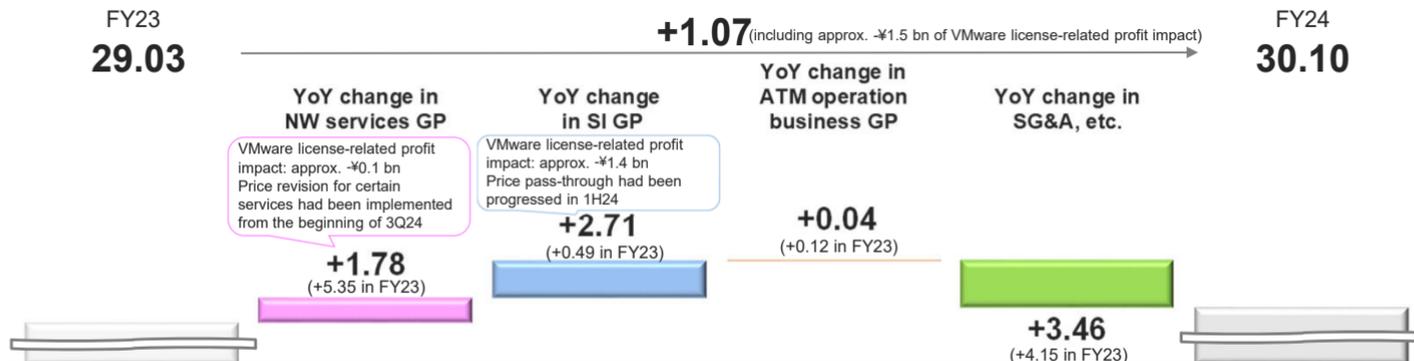
Unit: ¥ (JPY) billion (bn)  
 GP = Gross Profit  
 YoY = Year over year comparison

## Revenues



- NW services (excl. Mobile) revenues are calculated by deducting the below mentioned Mobile services revenues from total NW services revenues. The revenues include non-mobile consumer revenue which is a small amount
- Mobile services revenues include IJ Mobile Services (including MVNE) and IJmio (consumer mobile)

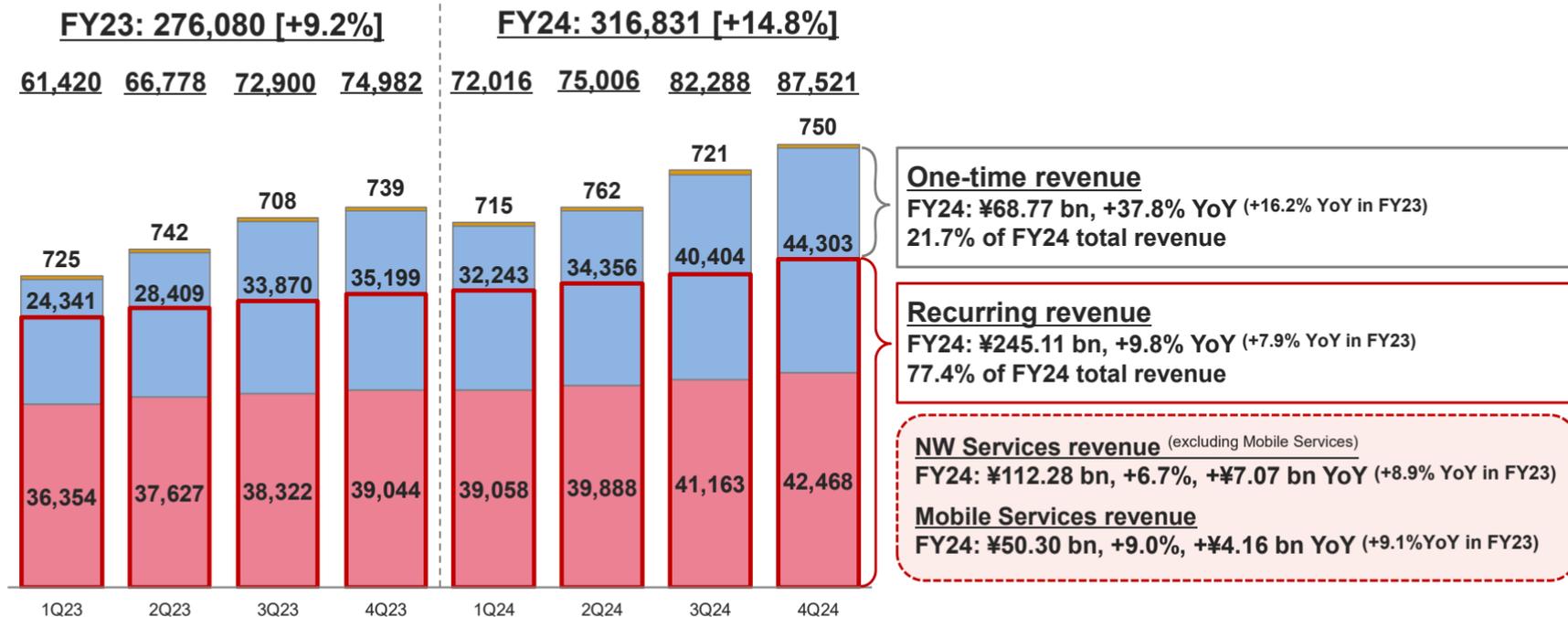
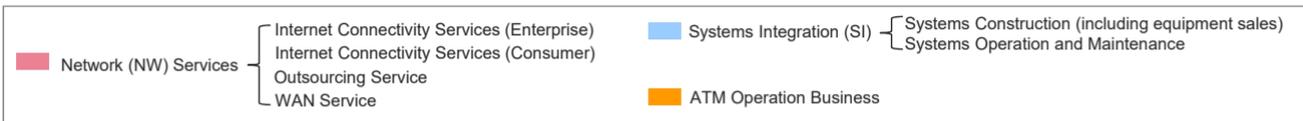
## Operating Profit



- NW services gross profit consists of gross profit related to NW revenues (excl. Mobile) and Mobile revenues (The two services have costs in common and cannot be broken down in accounting terms)
- SG&A, etc. in this slide represents the sum of SG&A, which includes R&D expenses, and other income/expenses
- As for the details of VMware issues, please refer to P.26 of "Presentation Material for Consolidated Financial Results for FY23 and New Mid-term Plan (FY24-FY26)" ([https://www.ij.ad.jp/en/ir/library/financial/pdf/IIJ4Q23E\\_presentation.pdf](https://www.ij.ad.jp/en/ir/library/financial/pdf/IIJ4Q23E_presentation.pdf))

## II - 3. Revenues

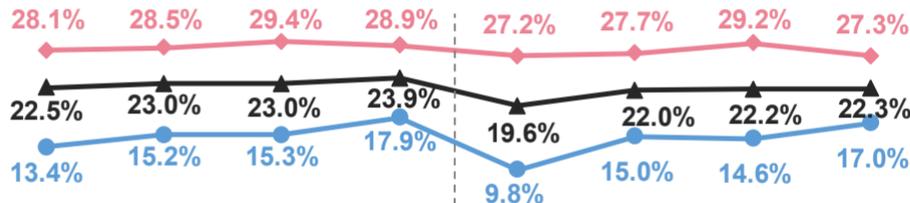
Unit: ¥ (JPY) million  
[ ], YoY = Year over year comparison



- One-time revenue, systems construction revenues which include equipment sales, is mainly recognized when systems and/or equipment are delivered and accepted by customers (Some revenues on a percentage-of-progress basis based on cost progression)
- Recurring revenue represents the following monthly recurring revenues: Internet Connectivity Services (Enterprise), Internet Connectivity Services (Consumer), Outsourcing Services, WAN Services, and Systems Operation and Maintenance
- Mobile services revenues include IJ Mobile Services (including MVNE) and IJmio (consumer mobile)

## II - 4. Cost of Revenues & Gross Profit Ratio

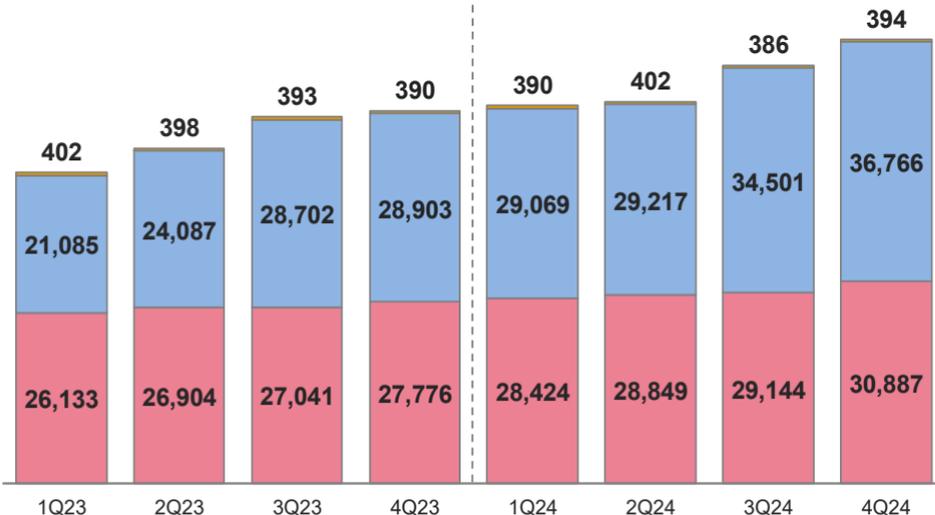
Gross margin: ◆ NW (Network) Services ● SI (Systems Integration) ▲ Total  
 Cost of revenues: ■ NW (Network) Services ■ SI (Systems Integration) ■ ATM Operation Business



**FY23: 212,214 [+8.9%]**

**FY24: 248,429 [+17.1%]**

**47,620 51,389 56,136 57,069 57,883 58,468 64,031 68,047**



### ◆ Total gross profit

➢ FY24: ¥68.40 bn, +7.1%, +¥4.54 bn YoY

- VMware license-related profit impact improved quarterly
- ✓ From the beginning of Apr. 2024, the license's unit price & costs in NW services & SI increased

### ◆ Gross profit for NW services

➢ FY24: ¥45.27 bn, +4.1%, +¥1.78 bn YoY

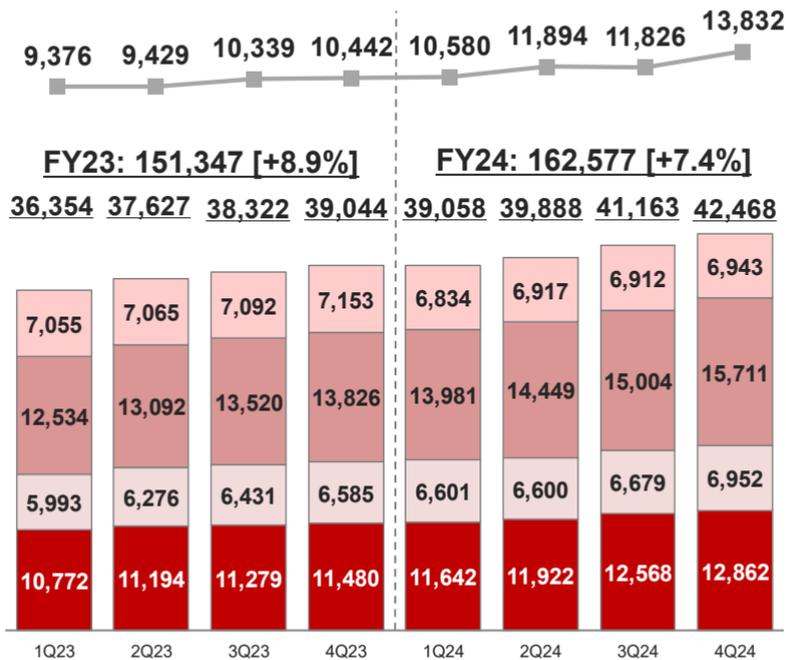
- VMware license-related profit impact: approx. -¥0.1 bn (1Q: approx. -¥0.3 bn, 2Q: approx. -¥0.3 bn, 3Q: approx. +¥0.2 bn, 4Q: approx. +¥0.3 bn)
- ✓ Revised up certain NW service prices from Oct. 2024
- Fixed type costs such as NW operation, outsourcing and personnel-related costs are on continuous increasing trend from the beginning of FY24
- In 3Q24, there was one-time cost reimbursement related to the mobile data interconnectivity charge which was at a similar level to 3Q23

### ◆ Gross profit for SI

➢ FY24: ¥21.75 bn, +14.2%, +¥2.71 bn YoY

- VMware license-related profit impact: approx. -¥1.4 bn (1Q: approx. -¥0.9 bn, including approx. ¥0.7 bn of one-time cost due to provisions, 2Q: approx. -¥0.1 bn, 3Q: approx. -¥0.2 bn, 4Q: approx. -¥0.2 bn)
- ✓ Price pass-through of cloud services progressed in 1H24
- 4Q24 gross margin increased QoQ due to seasonal revenue growth and economies of scale

# II - 5. Network (NW) Services (1) Revenues



## ◆ Internet Connectivity (enterprise) Services

- FY24: ¥48.99 bn, +9.5% YoY (+11.1% YoY in FY23)
  - Of which, IP Service (bandwidth guaranteed dedicated access service for enterprises): ¥17.32 bn, +8.3% YoY (+7.8% YoY in FY23)
    - ✓ In Mar. 2025, launched a new bandwidth guaranteed Internet connectivity solution for the next generation GIGA school concept "Next GIGA"
    - ✓ Significant total contracted bandwidth expansion in 4Q24 was achieved through multiple customers' upgrades and new contracts for over 100Gbps
  - Of which, Enterprise mobile (IoT usages, etc.): ¥15.48 bn, +13.5% YoY (+21.9% YoY in FY23)
    - ✓ In Apr. 2025, launched a comprehensive package "Energy saving IoT Package" offering an IoT sensor, network, and platform for manufacturing industries which was co-developed with Mitsubishi HC Capital Inc.
  - Of which, MVNE (service offer to other MVNOs): ¥11.38 bn, +7.9% YoY (+4.7% YoY in FY23)
    - ✓ Number of MVNE clients steadily increased including JAL MOBILE, etc.

## ◆ Internet Connectivity (consumer) Services (Mainly consumer mobile "IJmio")

- FY24: ¥26.83 bn, +6.1% YoY (+4.3% YoY in FY23)
  - Of which, consumer mobile (IJmio): ¥23.44 bn, +6.7% YoY (+4.5% YoY in FY23)
  - In 3Q24, there was approx. ¥0.18 bn of sales netting due to campaign expenses in 3Q23 for fiber optic internet service, which was confirmed after one-year usage

## ◆ Outsourcing Services (Various in-house developed network services)

- FY24: ¥59.15 bn, +11.7% YoY (+13.2% YoY in FY23)
  - Of which, security: ¥35.94 bn, +16.2% YoY (+15.7% YoY in FY23)
    - ✓ Strong demand for SASE and SOC (Security Operation Center) due to NW renewal projects, etc.

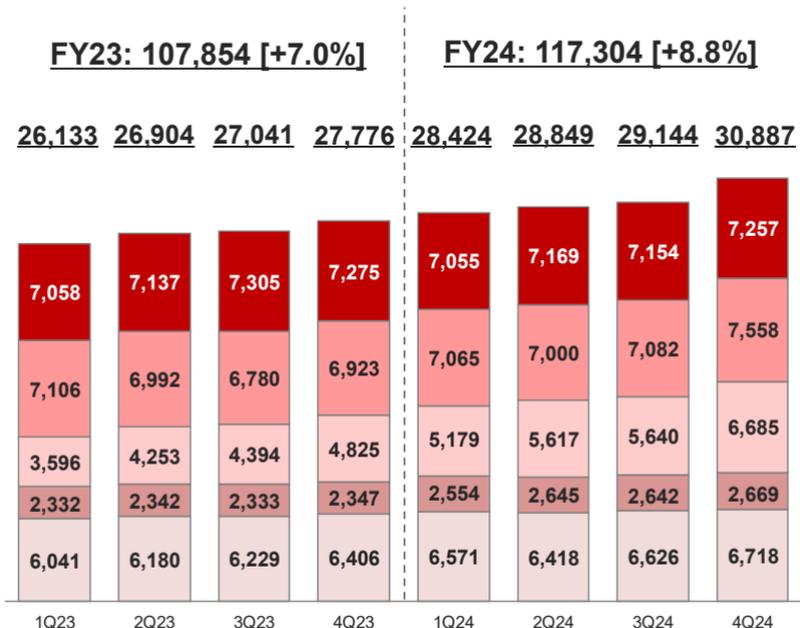
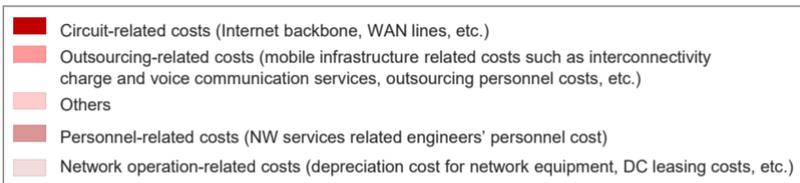
## ◆ WAN Services (Closed network services)

- FY24: ¥27.61 bn, -2.7% YoY (+2.7% YoY in FY23)

• Total contracted bandwidth is calculated by multiplying number of contracts by contracted bandwidths for IP service and broadband services respectively which are both under Internet connectivity services for enterprise  
 • IP (Internet Protocol) Service is bandwidth guaranteed dedicated Internet connectivity services for enterprises. Contracts are based on bandwidth and enterprises use the service for their core and main Internet connectivity  
 • MVNE is IJ Mobile MVNO Platform Service

## II - 5. Network (NW) Services (2) Cost of Revenues

Unit: ¥ (JPY) million  
[ ], YoY = Year over year comparison



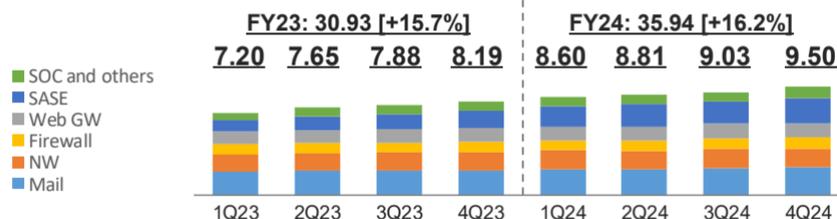
- FY24 Circuit-related costs remained stable
  - Internet backbone circuit cost remains stable as we can leverage scale merit by having one of the largest Internet backbone networks
- FY24 Outsourcing-related costs remained stable
  - Mobile data interconnectivity charge is on a continuous decreasing trend (Details in P.25)
  - As FY23 mobile interconnectivity charge was fixed in 3Q24, there was one-time cost reimbursement, which was at a similar level to 3Q23, based on the difference between future cost method figures and actual figures
  - Outsourcing personnel cost is on a continuous increasing trend
- FY24 Others were on a continuous increasing trend
  - License fees such as SASE increased along with its increased revenue
  - The cost impact related to VMware licenses was approx. +¥1.0 bn YoY
  - FY24 mobile device purchasing costs increased by approx. ¥0.5 bn from FY23, enhanced procurement for 4Q promotional season
- FY24 Personnel-related costs continued to increase mainly due to the annual salary increase at the beginning of fiscal year and headcount increase
- Network operation-related costs continued to increase along with facility expansions

# II - 5. Network (NW) Services (3) Security and Mobile/IoT

Unit: ¥ (JPY) billion  
 ( ) = Year over year comparison  
 MRR = Monthly Recurring Revenue

## Security Business

### ◆ Security service revenue



### ◆ Total security business volume continued to increase

- Security projects outside the scope of IIJ services are handled through SI
- Total security business volume (service + SI): FY24 ¥41.58 bn (FY23: ¥34.81 bn)

#### Mail Security

- IIJ Secure MX Service (SMX)
  - Cloud-based integrated mail security service
  - One-stop mail security service which has countermeasures for receiving & sending e-mail including phishing and other e-mail threat, information leakage, and internal fraud

#### Web GW

- IIJ Secure Web GW Service (SWG)
  - Cloud-based web security service that integrates URL filtering, anti-virus, proxy, web isolation, and other web security functions required by enterprises

#### NW Security

- IIJ DDoS Protection Service
  - Comprehensive service to protect enterprise network system from DDoS attacks
- IPS/IDS, WAF, etc.

#### SASE

- Operation of Prisma Access, Zscaler etc.
  - Top class SASE implementation & operation track record
- IIJ Secure Access Service "ISA"
  - In-house developed SASE service, Differentiating by high compatibility with other IIJ services, small start & low-price range

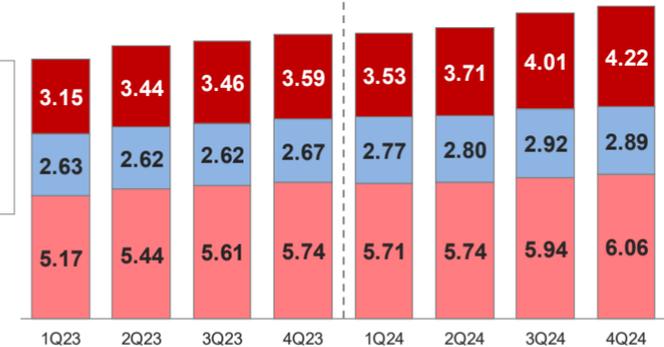
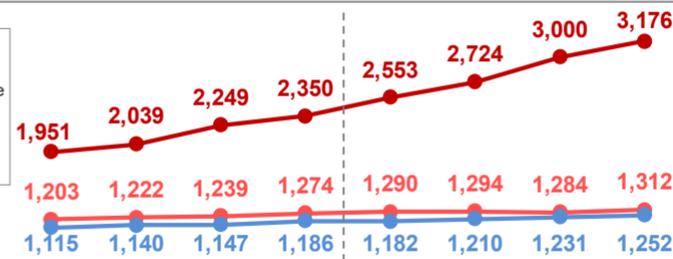
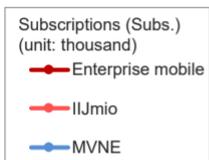
#### Firewall

- IIJ Managed Firewall Service
  - Operational outsourced firewall service with full support from professional security engineers

#### SOC and others

- IIJ C-SOC Service
  - One-stop SOC service to support from early detection to response to security incidents
- Endpoint Security, etc.

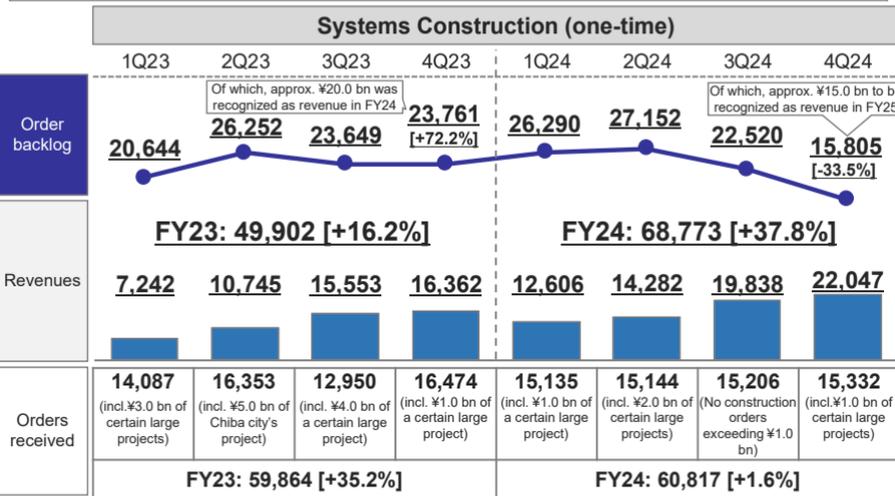
## Mobile/IoT Business



	1Q23-end	2Q23-end	3Q23-end	4Q23-end	1Q24-end	2Q24-end	3Q24-end	4Q24-end
Number of MVNE clients (unit: companies)	184	187	189	192	195	197	200	201
IIJmio GigaPlans Subs. (unit: thousand)	928	963	995	1,041	1,069	1,084	1,085	1,124

# II - 6. Systems Integration (SI) (1) Revenues

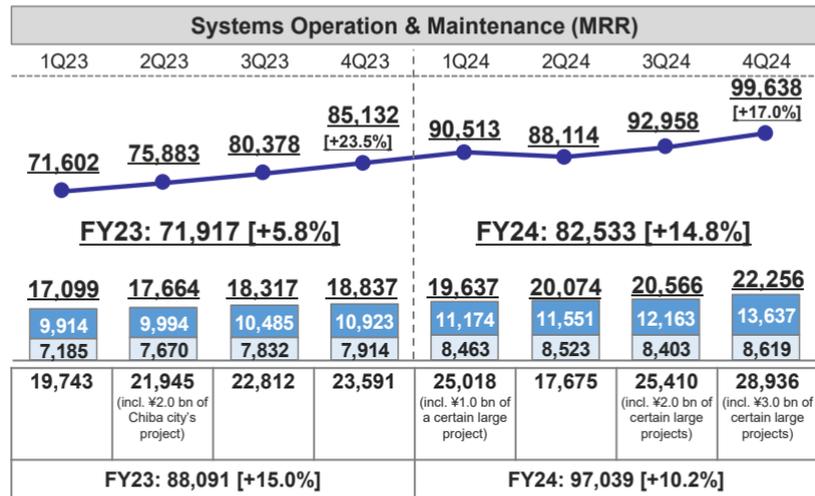
- Systems Construction revenues (including equipment sales)
- Systems operation & maintenance revenues for on-premise system
- Cloud revenues such as private cloud which are recognized as systems operation & maintenance revenues



- Favorable demand from all industries continued
- Consistently secured large-scale NW & SI projects in 4Q24
  - ICT infrastructure for a public institution (approx. ¥3.0 bn, 5 yrs)
  - Business operation environment for a public institution (approx. ¥2.0 bn, 3 yrs)
  - Remote access environment for a construction company (approx. ¥2.0 bn, 5 yrs)
  - NW infrastructure renewal for a real estate company (approx. ¥3.0 bn, 5 yrs)
- While 4Q24-end order backlog decreased YoY, demand from finance and general enterprises remains strong
- The impact of a percentage-of-completion method revenue  
FY24: approx. ¥1.4 bn, FY23: approx. ¥0.9 bn

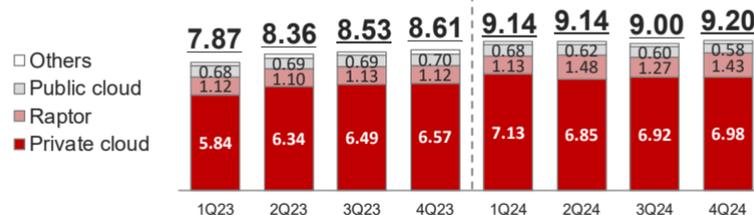
#### Overseas business (mainly recognized as SI revenue)

- FY24 revenue: ¥40.47 bn (+14.7% YoY), Operating Profit: ¥2.86 bn (+4.8% YoY)
- Favorable momentum: global NW and server construction as well as PTC (Singaporean Sler)



#### Cloud service revenue (MRR)

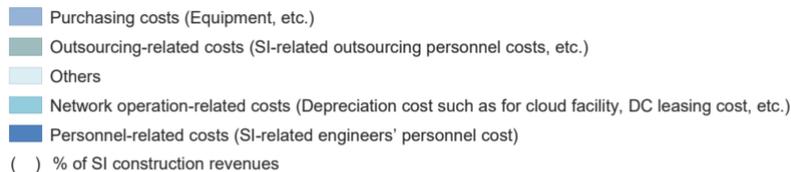
Unit: ¥ (JPY) billion



- Breakdown of FY24 cloud revenue: 93.2% Systems operation & maintenance, 6.8% Outsourcing service
- Cloud service revenue was impacted by a certain multi-cloud project: 1Q24 revenue included +¥0.3 bn of one-time due to the termination of the transaction, 2Q, 3Q, and 4Q24 MRR decreased by approx. -¥0.6 bn/Q

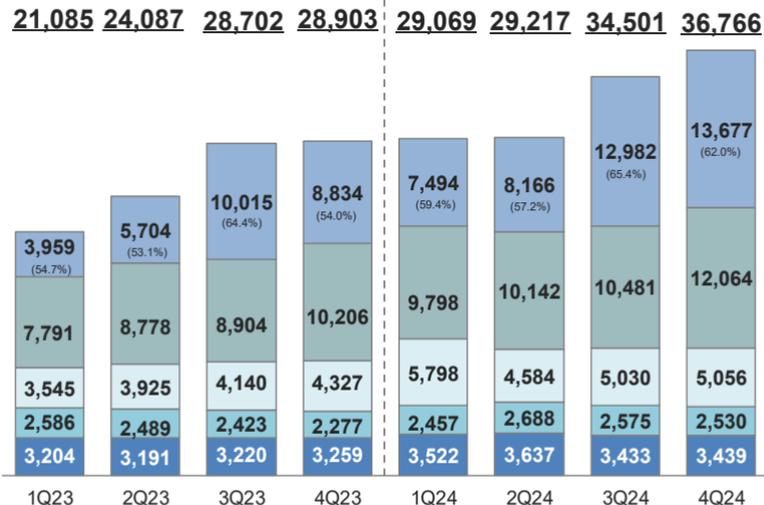
## II - 6. Systems Integration (SI) (2) Cost of Revenues

Unit: ¥ (JPY) million  
[ ], YoY = Year over year comparison



**FY23: 102,777 [+11.2%]**

**FY24: 129,553 [+26.1%]**



- Purchasing & outsourcing-related costs are linked to the size of project and revenue to a certain degree in principle
- Others include license purchasing costs and others
  - Revenue-linked multi-cloud license cost decreased as expected along with the termination of a large client's transaction at the end of 1Q24
  - FY24 cost impact related to VMware license was approx. +¥2.6 bn YoY (of which, approx. ¥0.7 bn was one-time cost due to provisions in 1Q24)
- No significant change in network operation-related costs on a quarterly basis

### Number of SI-related outsourcing personnel (unit: personnel)

1Q23-end	2Q23-end	3Q23-end	4Q23-end	1Q24-end	2Q24-end	3Q24-end	4Q24-end
1,367	1,395	1,456	1,521	1,513	1,525	1,510	1,596

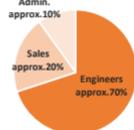
- The number of SI-related IJ's engineers & outsourcing personnel are increasing along with an increase in projects
- Due to many ongoing projects before order-received, the number of outsourcing personnel has been at a high level

# II - 7. Human Capital Disclosure

## Number of Employees (consolidated basis)

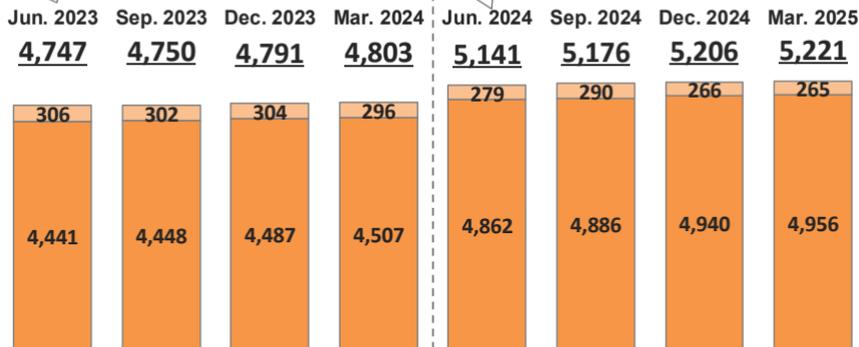
Contract worker (personnel)  
Full-time worker (personnel)

### Breakdown of Employees



+416 YoY of which, 246 were new graduates

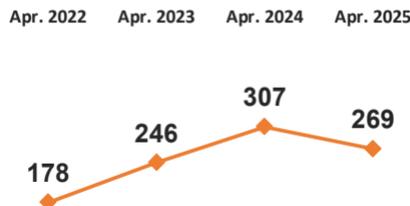
+394 YoY of which, 307 were new graduates



## Number of new graduates

(consolidated basis)

Unit: personnel



## Ratio of Female Managers

Achieved FY24 and FY27 targets a year in advance

- Initial targets:  
FY24 over 6%, FY27 over 8%

Period	Apr. 2022	Apr. 2023	Apr. 2024	Apr. 2025
Ratio of Female Managers	5.7%	6.3%	7.5%	8.4%

## Personnel-related costs & expenses (consolidated basis)

Unit: ¥ (JPY) million

	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24
Consolidated personnel-related costs & expenses (YoY)	9,358 (+14.4%)	9,252 (+6.9%)	9,410 (+12.8%)	9,622 (+13.1%)	10,333 (+10.4%)	10,665 (+15.3%)	10,299 (+9.4%)	10,341 (+7.5%)
	FY23: 37,642 (+11.8%)				FY24: 41,638 (+10.6%)			
% of revenue	15.2%	13.9%	12.9%	12.8%	14.3%	14.2%	12.5%	11.8%

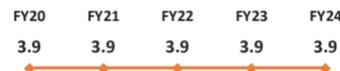
### > FY24

- Number of employees (consolidated basis) increased by 418 personnel, including 307 new graduates, mid-career recruitment was also in line with the plan
- Average annual salary increased by approx. 3.6% in Apr. 2024 (IIJ)

### > FY25

- Number of employees to increase by approx. 440 personnel, including 269 new graduates
- Average annual salary increased by approx. 6.0%, including the revision of salary table, in Apr. 2025 (IIJ)
  - Revisions of salary table in the past: Apr. 2019, Apr. 2023

## Employee Survey (IIJ)



FY24 employee survey indicates high overall satisfaction level: 3.9 (out of 5)

\* The Employee Survey(IIJ) is an annual engagement survey (approx. 50 questions), and each item is rated on a five-point scale: 1 (disagree), 2 (somewhat disagree), 3 (neutral), 4 (somewhat agree), and 5 (agree). The "Overall Satisfaction" is the result of a question, "I am satisfied overall."

## Turnover rates (IIJ)

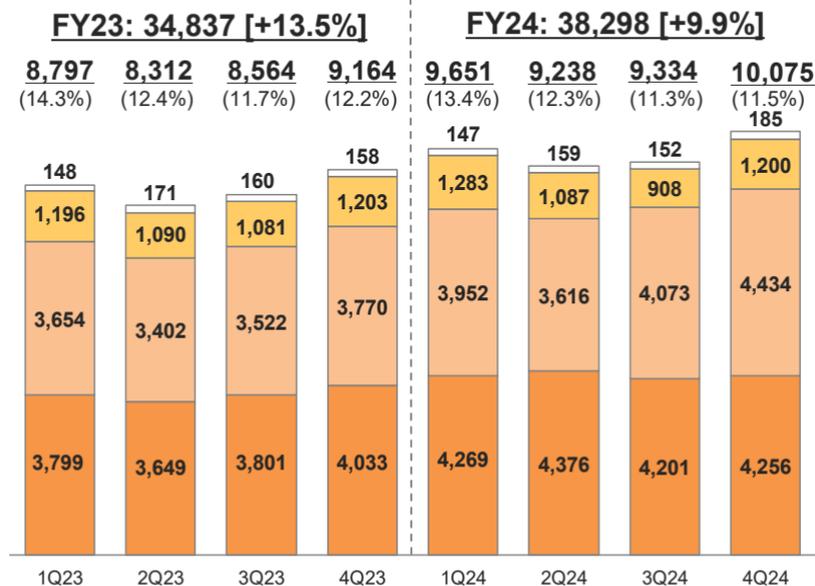


Lower than the industry average turnover

\* The turnover rate of IIJ is calculated by dividing leavers for the fiscal year by the number of full-time employees at the beginning of that fiscal year. The industry average turnover rate of approx. 10% is announced by the Ministry of Health, Labor, and Welfare

## II - 8. SG&A, etc.

Unit: ¥ (JPY) million  
 [ ] , YoY = Year over year comparison  
 QoQ = Quarter over quarter comparison

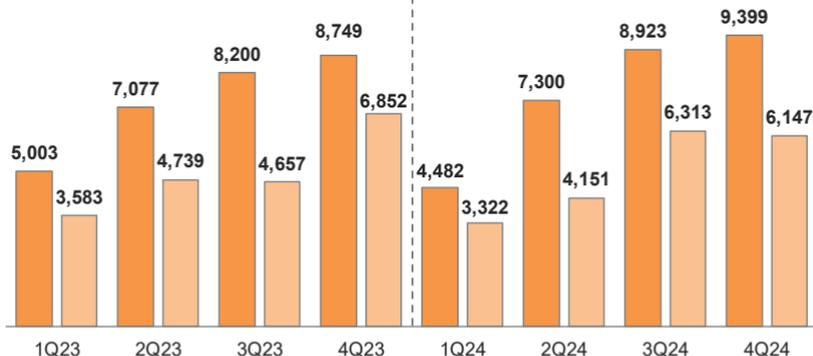
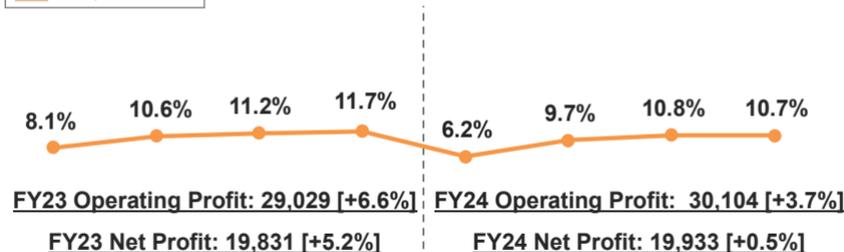
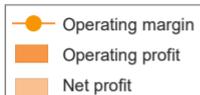


➤ FY24 SG&A, etc. was almost as planned

- Research & development expenses are mainly personnel expenses of research institute division. No major changes
- Commission expenses are mainly recruitment expenses and credit card fees for consumers
- Others are increasing mainly because of an increase in advertisement and activity-related expenses such as travel expenses. 1Q training expenses also increased temporarily due to new graduate hire
- Personnel-related expenses (salary, employee benefits, etc.) increased as expected due to ordinal average annual salary increase and new graduate hire

- Above figures are SG&A expenses plus other income and other expenses
- 1Q personnel-related and others expenses increase mainly due to an increase in training and human capital development expenses along with the entry of new graduates. Such expenses decrease in 2Q QoQ as expenses for new graduate engineers are recorded as cost of revenues from 2Q

# II - 9. Profit



1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	
632	114	(957)	581	719	(1,294)	722	(653)	Finance income (expense), net
(154)	(119)	(150)	(42)	(162)	71	(173)	(150)	Share of profit (loss) of investments accounted for using equity method
(1,824)	(2,320)	(2,365)	(2,449)	(1,654)	(1,915)	(3,092)	(2,419)	Income tax expense
74	13	71	(13)	63	11	67	30	Profit (loss) for the period attributable to non-controlling interests

- Net profit shows "Profit for the period attributable to owners of the parent"
- Under IFRS, equity securities are measured at fair value through OCI (Other Comprehensive Income) while funds are measured through profit or loss

## ◆ Operating profit

- FY24: ¥30.10 bn, +3.7% YoY
  - Profit increased YoY by absorbing approx. -¥1.5 bn of VMware license-related profit impact

## ◆ Profit before tax

- FY24: ¥29.18 bn, +0.9% YoY
  - Interest expense: ¥1,062 million (FY23: ¥616 million)
  - Foreign exchange gain(loss): +¥47 million (FY23: +¥533 million)
  - Valuation gain(loss) on funds, etc.: +¥201 million (FY23: +¥149 million)

1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	FY24 plan
+310	+13	(535)	+361	+585	(863)	+790	(311)	±0

- ✓ Foreign exchange impacts were also included as lots of assets are dominated in USD

• Exchange rate (per USD) at the end of 1Q24: ¥161.07, 2Q24: ¥142.73, 3Q24: ¥158.18, 4Q24: ¥149.52

- Share of gain(loss) of investments accounted for using equity method: -¥414 million (FY23: -¥465 million)

DeCurret-related gain(loss) : -¥553 million (FY23:-¥535 million)  
(IJJ ownership from Sep. 2024: 34.8%)

1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	FY24 plan
(125)	(124)	(143)	(143)	(182)	+25	(177)	(219)	Approx. (800)

- ✓ 2Q24 included gain of ¥209 million on change in equity interest due to DeCurret HD's capital increase in Sep. 2024

- ✓ Started Japan's first digital currency business in Aug. 2024 (Details in P.44)

## ◆ Net profit

- FY24: ¥19.93 bn, +0.5% YoY
- ROE: 15.0%

## II - 10. Consolidated Statements of Financial Position (Summary)

Unit: ¥ (JPY) million

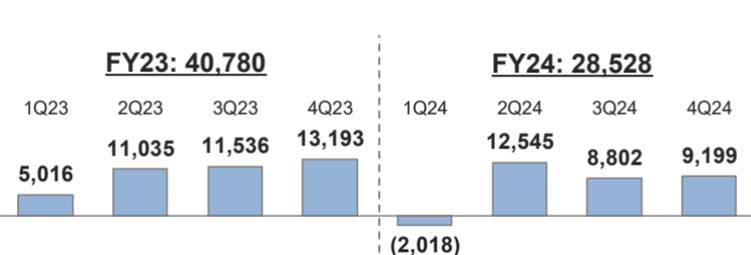
	Mar. 31, 2024	Mar. 31, 2025	Changes		Mar. 31, 2024	Mar. 31, 2025	Changes
Cash & cash equivalents	45,474	32,534	(12,940)	Trade & other payables	25,435	30,238	+4,803
Trade receivables	45,683	56,361	+10,678	Borrowings (current & non-current)	30,180	33,616	+3,436
Inventories	3,227	4,681	+1,454	Contract liabilities & Deferred income (current & non-current)	21,530	26,043	+4,513
Prepaid expenses (current & non-current)	39,496	56,930	+17,434	Income taxes payable	5,328	5,205	(123)
Tangible assets	29,072	33,771	+4,699	Retirement benefit liabilities	4,991	4,849	(142)
Right-of-use assets	41,242	45,756	+4,514	Other financial liabilities (current & non-current)	49,138	58,578	+9,440
Of which, operating leases (rent of office, data center etc.)	26,428	28,958	+2,530	Of which, operating leases (rent of office, data center etc.)	26,982	29,714	+2,732
Of which, finance leases (network equipment etc.)	14,814	16,798	+1,984	Of which, finance leases (network equipment etc.)	15,750	19,172	+3,422
Goodwill & intangible assets	28,685	31,328	+2,643	Others	10,079	11,820	+1,741
Investments accounted for using the equity method	5,169	6,639	+1,470	<b>Total liabilities:</b>	<b>146,681</b>	<b>170,349</b>	<b>+23,668</b>
Investment securities (Equity)	14,563	15,823	+1,260	Share capital	25,562	25,577	+15
Other investments	9,805	10,711	+906	Share premium	35,737	35,865	+128
Others	11,297	17,901	+6,604	Retained earnings	65,616	79,885	+14,269
				Other components of equity	10,863	11,266	+403
				Treasury shares	(12,027)	(11,910)	+117
				<b>Total equity attributable to owners of the parent:</b>	<b>125,751</b>	<b>140,683</b>	<b>+14,932</b>
				Non-controlling interests	1,281	1,403	+122
<b>Total assets:</b>	<b>273,713</b>	<b>312,435</b>	<b>+38,722</b>	<b>Total liabilities and equity:</b>	<b>273,713</b>	<b>312,435</b>	<b>+38,722</b>

- Prepaid expenses increased mainly due to increases in projects for clients (impacted from an increase in large-scale projects), license fee (in addition to a constant increase, VMware license fee: approx. +¥3.1 bn) and maintenance for facility (constant increase), etc., Expected to be recovered gradually over multiple years
- Tangible assets increased mainly due to investment in Matsue DC
- Ratio of total equity attributable to owners of the parent: 45.9% as of Mar. 31, 2024, 45.6% as of Jun. 30, 2024, 45.3% as of Sep. 30, 2024, 44.4% as of Dec. 31, 2024, 45.0% as of Mar. 31, 2025

# II - 11. Consolidated Cash Flows

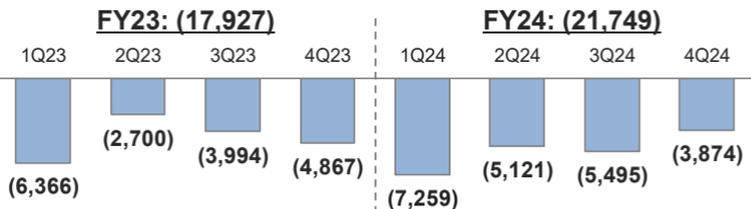
Unit: ¥ (JPY) million  
YoY = Year over year comparison

## Operating Activities



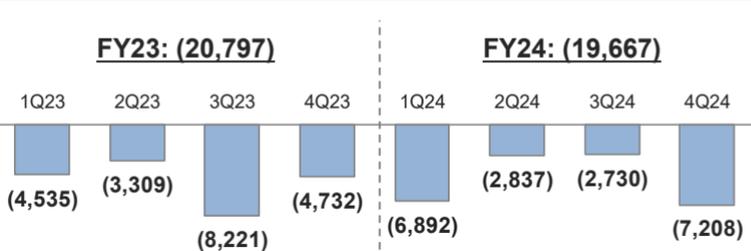
	FY24 Major Breakdown	YoY Change
Profit before tax	29,184	+250
Depreciation and amortization	31,372	+2,076
Changes in operating assets & liabilities	(25,008)	(15,128)
Of which, decrease (increase) in prepaid expenses	(17,335)	(6,518)
Income taxes paid	(9,764)	(1,634)

## Investing Activities



	FY24 Major Breakdown	YoY Change
Purchase of tangible assets	(11,904)	(160)
Of which, data center related	(4,656)	+165
Purchase of intangible assets such as software	(8,211)	(1,012)

## Financing Activities

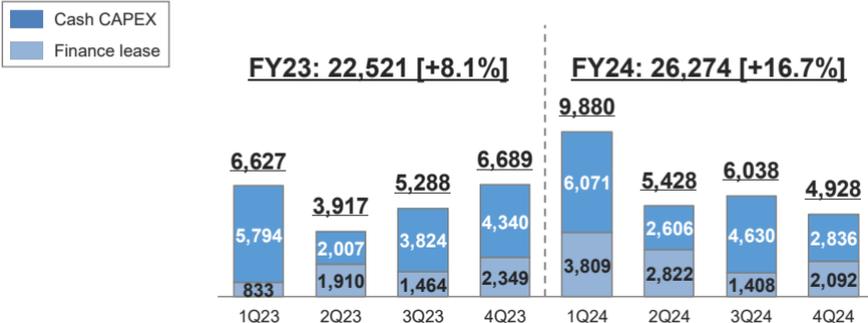


	FY24 Major Breakdown	YoY Change
Proceeds from other financial liabilities	8,497	+1,888
Payment of operating/finance leases and other financial liabilities	(25,418)	(5,410)
Dividends paid	(6,134)	(452)
Repayment of long-term borrowings	(3,563)	(1,503)
Short-term borrowings	7,000	(4,800)
Purchase of treasury shares	(0)	+11,405

## II - 12. Other Financial Data

Unit: ¥ (JPY) million  
[ ], YoY = Year over year comparison

### CAPEX



➢ Major breakdown of CAPEX (Unit: ¥ bn)

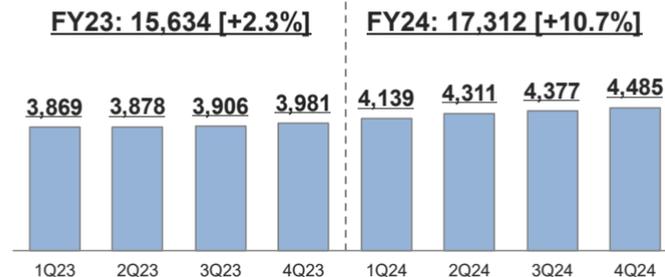
	FY23	FY24	Notes
Ordinal CAPEX (NW equipment & server, etc.)	11.6	12.5	Sustained investment
Shiroi DC second site-related	5.5	0.9	Individual investment for anticipated demand
Matsue DC-related	0.2	3.7	
Customer-related	2.3	4.3	Investment for each project
Renewal of Full-MVNO 5G infrastructure	1.7	4.1	Ad-hoc investment
Renewal of Raptor service facility	1.1	0.5	Ad-hoc investment

➢ FY25 CAPEX plan: approx. ¥30.0 bn

- Of which, approx. ¥8.5 bn is for Shiroi DC's 3<sup>rd</sup> site construction
- An increase in customer-related CAPEX along with the trend of acquiring of large-scale projects

- Total amount of capital expenditure is the amounts of acquisition of tangible and intangible assets by cash and entering into finance leases for the fiscal year, excluding duplication due to sale and leaseback transactions and acquisition of assets that do not have the nature of investment, such as purchase of small-amount equipment.
- CAPEX-related depreciation and amortization is calculated by excluding depreciation and amortization of assets that do not have the nature of capital investment, such as right-of-use assets related to operating leases, small-amount equipment and customer relationship.
- Adjusted EBITDA is calculated by adding operating profit and CAPEX-related depreciation and amortization.

### CAPEX-related depreciation and amortization



### Adjusted EBITDA

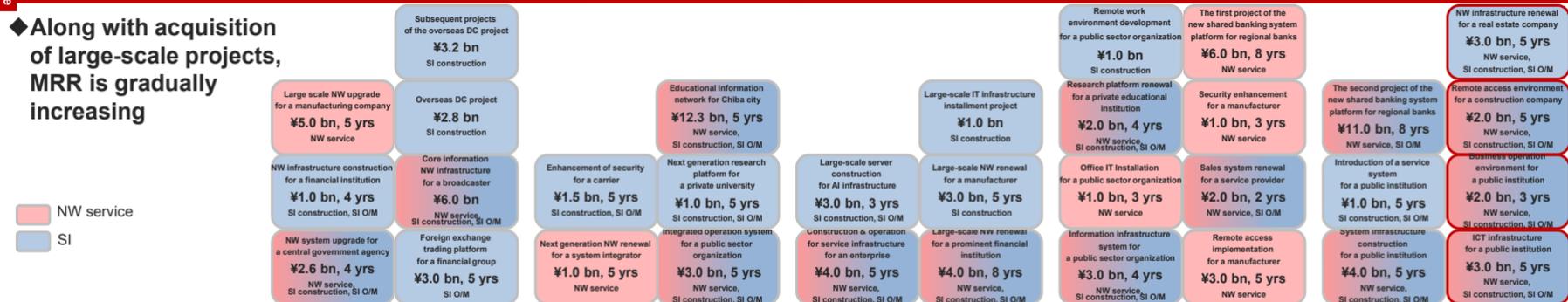


# III. Acquisition of large-scale projects as a new norm by Service Integration model

Project overview	Project size (approx.)	Main revenue recognition	Acquisition periods	Timing of revenue recognition
Information infrastructure system for a public sector organization	¥3.0 bn, 4 yrs	NW service, SI construction, SI O/M	1Q24	From 3Q24
Office IT Installation for a public sector organization	¥1.0 bn, 3 yrs	NW service	1Q24	From 2Q24
Research platform renewal for a private educational institution	¥2.0 bn, 4 yrs	NW service, SI construction, SI O/M	1Q24	From 3Q24
Remote work environment development for a public sector organization	¥1.0 bn	SI construction	2Q24	Gradually recognized from 2Q24
Remote access implementation for a manufacturer	¥3.0 bn, 5 yrs	NW service	2Q24	From 3Q24
Sales system renewal for a service provider	¥2.0 bn, 2 yrs	NW service, SI O/M	2Q24	From 2Q24
Security enhancement for a manufacturer	¥1.0 bn, 3 yrs	NW service	2Q24	From 2Q24
The first project of the new shared banking system platform for regional banks	¥6.0 bn, 8 yrs	NW service	2Q24	From 3Q24
System infrastructure construction for a public institution	¥4.0 bn, 5 yrs	NW service, SI construction, SI O/M	3Q24	From 3Q24
Introduction of a service system for a public institution	¥1.0 bn, 5 yrs	SI construction, SI O/M	3Q24	From 4Q24
The second project of the new shared banking system platform for regional banks	¥11.0 bn, 8 yrs	NW service, SI construction, SI O/M	3Q24	Gradually recognized from 4Q24
ICT infrastructure for a public institution	¥3.0 bn, 5 yrs	NW service, SI construction, SI O/M	4Q24	Gradually recognized from 4Q24
Business operation environment for a public institution	¥2.0 bn, 3 yrs	NW service, SI construction, SI O/M	4Q24	To be from 3Q25
Remote access environment for a construction company	¥2.0 bn, 5 yrs	NW service, SI construction, SI O/M	4Q24	To be from 2Q25
NW infrastructure renewal for a real estate company	¥3.0 bn, 5 yrs	SI construction, SI O/M	4Q24	To be gradually recognized from 1Q25

Acquired this time

## ◆ Along with acquisition of large-scale projects, MRR is gradually increasing



Revenue recognitions of large-scale projects (six-month period)	2H22	1H23	2H23	1H24	2H24
Monthly recurring	Approx. ¥1.0 bn	Approx. ¥1.4 bn	Approx. ¥1.7 bn	Approx. ¥2.3 bn	Approx. ¥4.5 bn
One-time	Approx. ¥1.4 bn	Approx. ¥0.4 bn	Approx. ¥5.0 bn	Approx. ¥2.3 bn	Approx. ¥7.7 bn

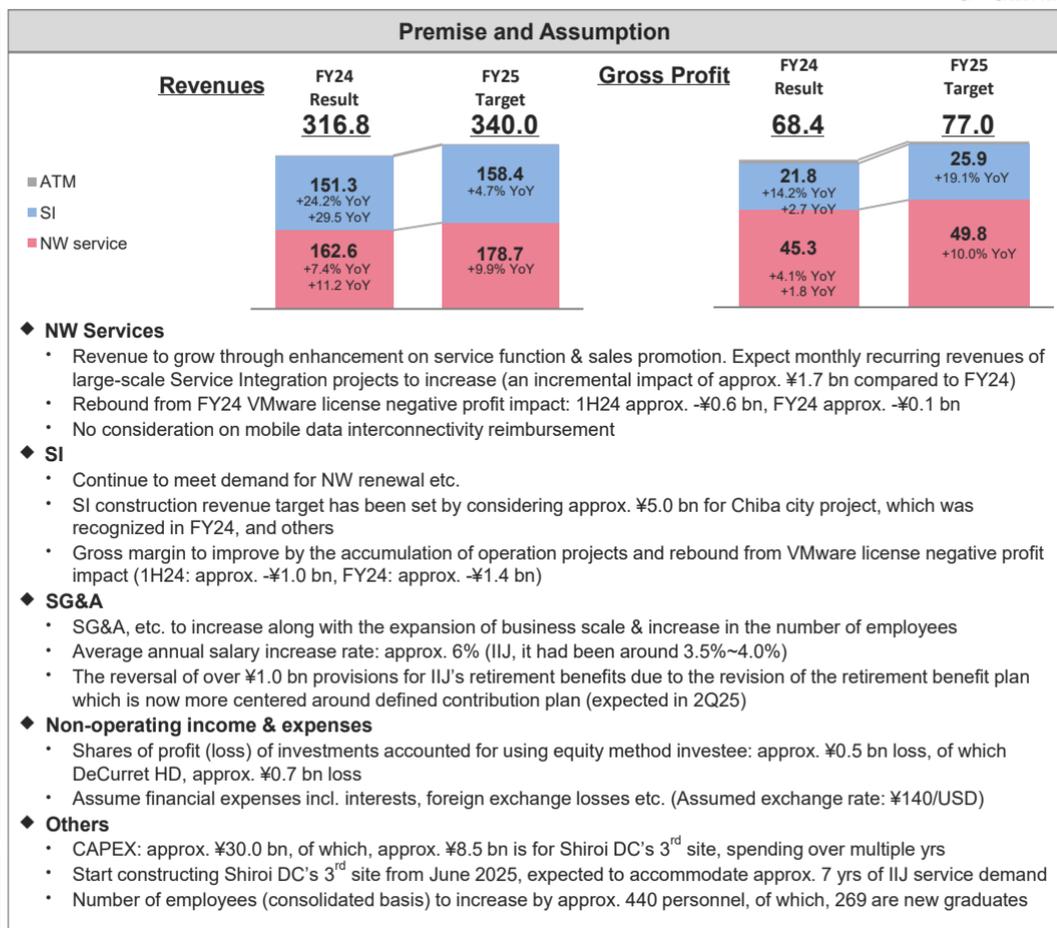
\* For details, please refer to "Timing of revenue recognition for large-scale complex flagship projects" in the past financial results presentation materials

\* As of May 13, 2025, project size and timing of revenue recognition are subject to change due to progress of projects and other factors

# IV - 1. FY25 Financial Targets

Unit: ¥ (JPY) billion (bn)  
GP = Gross Profit

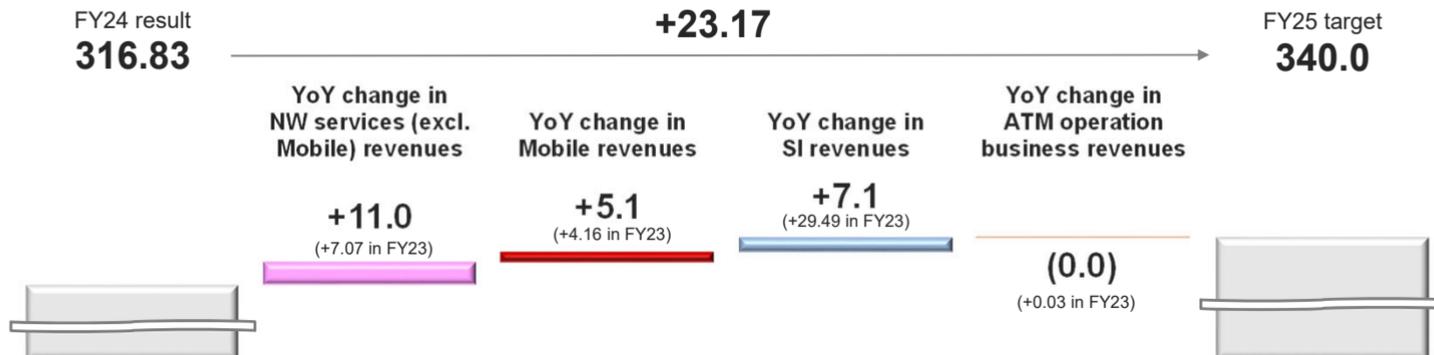
	FY25 Targets			
	% of total revenue		% of total revenue	
	1H25 (Apr. 1, 2025 - Sep. 30, 2025)	YoY	FY25 (Apr. 1, 2025 - Mar. 31, 2026)	YoY
Total Revenue	<b>158.0</b>	+7.5%	<b>340.0</b>	+7.3%
Gross Profit	22.1% <b>34.9</b>	+13.8%	22.6% <b>77.0</b>	+12.6%
SG&A etc.	12.3% <b>19.4</b>	+2.7%	11.9% <b>40.5</b>	+5.7%
Operating Profit	9.8% <b>15.5</b>	+31.6%	10.7% <b>36.5</b>	+21.2%
Shares of profit(loss) of investments accounted for using equity method investee	(0.2)	-	(0.5)	-
Profit before tax	8.8% <b>13.9</b>	+25.0%	9.9% <b>33.7</b>	+15.5%
Net Profit (Profit for the period attributable to owners of the parent)	5.9% <b>9.4</b>	+25.8%	6.8% <b>23.0</b>	+15.4%
Dividend per share	<b>¥19.50</b>	+¥2.00	<b>¥39.00</b>	+¥4.00



# IV- 2. Year over Year Analysis

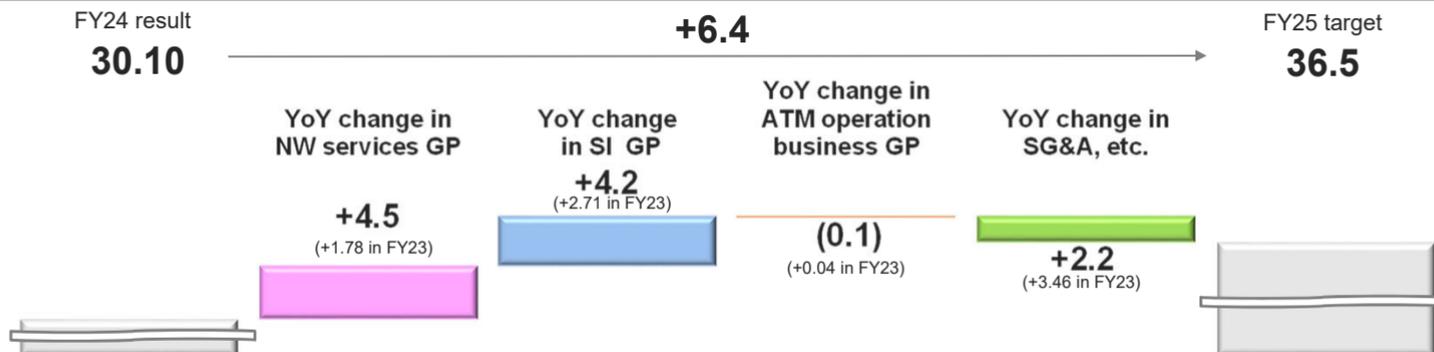
Unit: ¥ (JPY) billion (bn)  
GP = Gross Profit

## Revenues



- NW services (excl. Mobile) revenues are calculated by deducting the below mentioned Mobile services revenues from total NW services revenues. The revenues include non-mobile consumer revenue which is a small amount
- Mobile services revenues include IJ Mobile Services (including MVNE) and IJmio (consumer mobile)

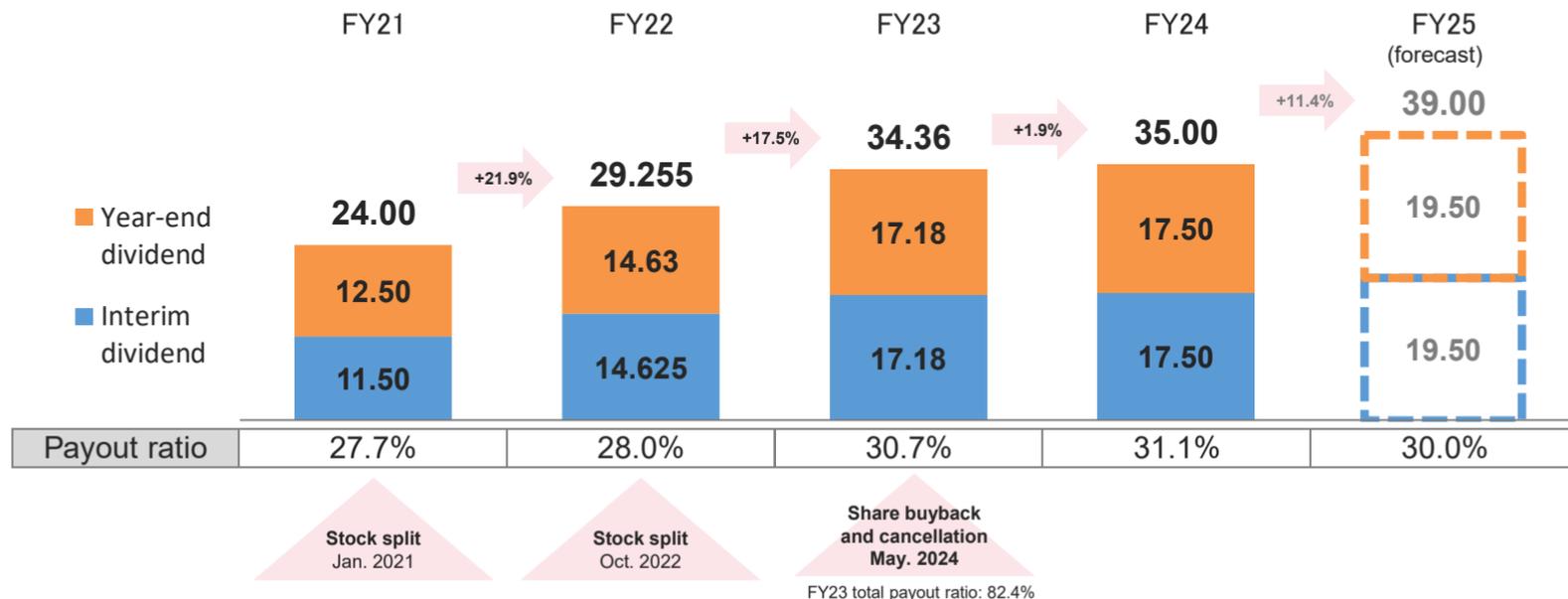
## Operating Profit



- NW services gross profit consists of gross profit related to NW revenues (excl. Mobile) and Mobile revenues (The two services have costs in common and cannot be broken down in accounting terms)
- SG&A, etc. in this slide represents the sum of SG&A, which includes R&D expenses, and other income/expenses
- As for the details of VMware issues, please refer to P.26 of "Presentation Material for Consolidated Financial Results for FY23 and New Mid-term Plan (FY24-FY26)" ([https://www.ij.ad.jp/en/ir/library/financial/pdf/IJ4Q23E\\_presentation.pdf](https://www.ij.ad.jp/en/ir/library/financial/pdf/IJ4Q23E_presentation.pdf))

## IV- 3. FY25 Dividend Forecast

- ◆ **Basic shareholders' return policy:**  
Continuous and stable dividend payment while considering the need to have retained earnings for the enhancement of financial position, mid-to-long term business expansion and future investment
- ◆ **Dividend per share:**



- Dividend per share is written on the post-stock-split basis
- FY21 payout ratio: adjusted payout ratio is around 30% which is calculated by deducting temporary and non-cash transaction such as valuation on funds and impairment loss
- FY22 payout ratio takes the retrospective application of IAS 12 "Income Taxes" into consideration
- FY23 payout ratio takes the share buyback with cancellation which took place in May 2023 into consideration

# Management Structure (to be from June 2025)

## Board Members



Representative Director, Chairman,  
Executive Officer, Co-CEO  
Koichi Suzuki



Representative Director, President,  
Executive Officer, Co-CEO & COO  
Yasuhiko Taniwaki



Vice President  
Executive Officer  
Satoshi Murabayashi



Vice President  
Executive Officer  
Koichi Kitamura



Vice President  
Executive Officer  
CFO  
Akihisa Watai



Vice President  
Executive Officer  
CTO  
Junichi Shimagami



(outside)  
Takashi Tsukamoto

Former Chairman of  
Mizuho Financial Group, Inc.  
Former President and CEO of  
Mizuho Bank, Ltd.



(outside)  
Kazuo Tsukuda

Former Chairman and  
Representative Director of  
Mitsubishi Heavy  
Industries, Ltd.



(outside)  
Yoichiro Iwama

Former President and  
Representative Director of  
Tokio Marine Asset  
Management Co., Ltd.



(outside)  
Atsuhiko Okamoto

Former President and  
CEO of Iwanami Shoten,  
Publishers



(outside)  
Kaori Tonosu

Former Board Member of  
Deloitte Touche Tohmatsu  
LLC

### ◆ Message from new President

I am dedicated to firmly inheriting the growth trajectory we have established, further honing and demonstrating our group's greatest strength of technological capabilities and continuously strive to enhance corporate value over the medium to long term. To achieve further business growth, I will focus on strengthening our response to cybersecurity, which is essential for the future network society, enhancing our efforts in new business areas such as data utilization, and fostering human resources that drives innovation.

### ◆ Profile of new President

- Joined the Ministry of Posts and Telecommunications (now, the Ministry of Internal Affairs and Communications ("MIC")) in 1984. Involved in NTT's restructuring and led the telecommunications administration in the 2000s, including the formulation of a roadmap for Japan's information and telecommunications policy and a reform plan for the cellular phone industry.
- Appointed Vice-Minister for Policy Coordination of Posts and Telecommunications, MIC in 2019. Promoted policies such as lowering cell phone charges.
- After appointed Executive Vice President of IJ in 2022, contributed to business expansion related to cybersecurity and digitalization of government & enterprises, etc.

### ◆ Vice Presidents have been assigned to oversee each business domain, enhancing the promotion of business operations

### ◆ Performance based compensation for an annual and mid-term plan have already been implemented

### ◆ Ratio of outside directors: 46.7%, ratio of female directors: 20.0%

## Company Auditors

Company Auditor  
Masayoshi Tobita

Company Auditor  
Masako Tanaka (Ms.)

Company Auditor  
(outside)  
Takashi Michishita

Company Auditor  
(outside)  
Kumiko Aso (Ms.)

Attorney at law

Certified Public Accountant

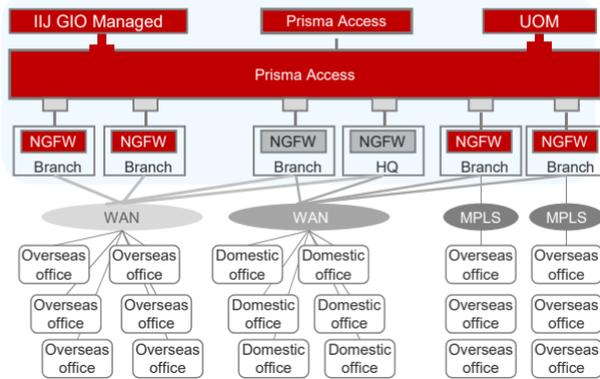
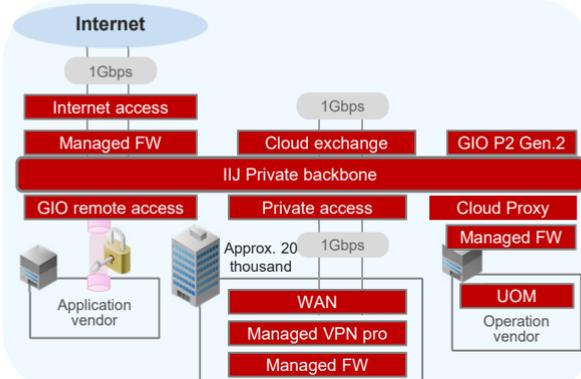
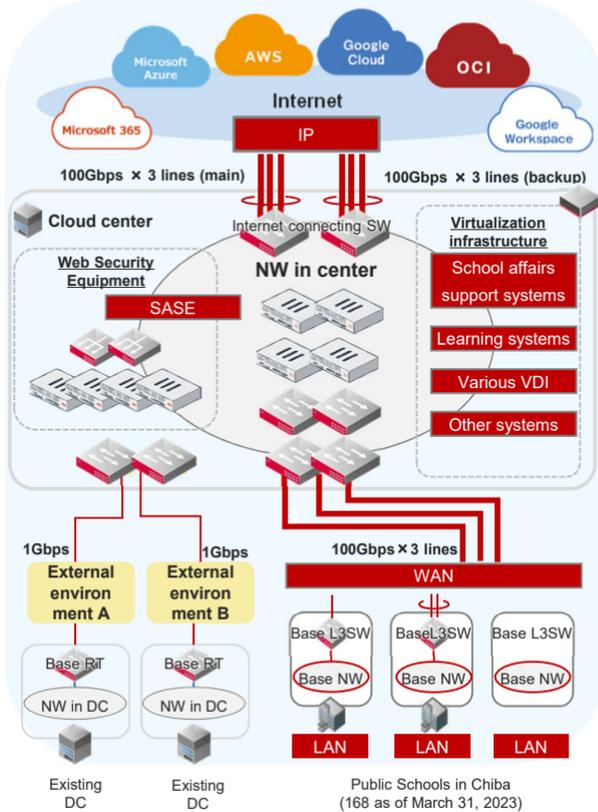
# Acquired large-scale Service Integration projects

Services provided by IJ  
SI provided by IJ

## Educational Information NW for Chiba city

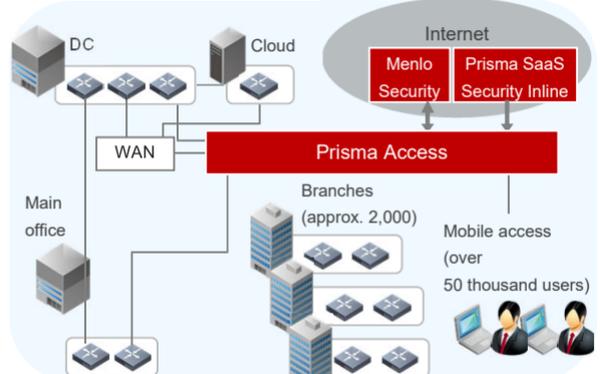
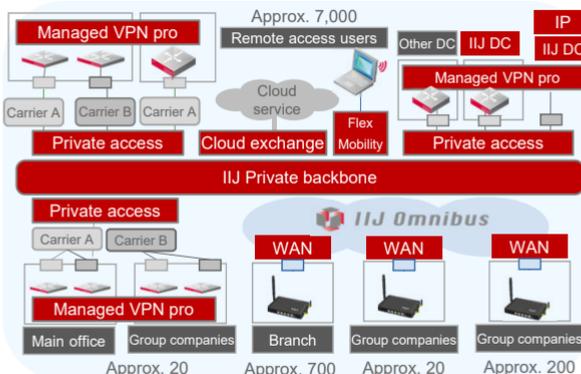
## Integrated information system for public safety org.

## Large-scale SASE project for a global company



## Total NW project for a prominent company group

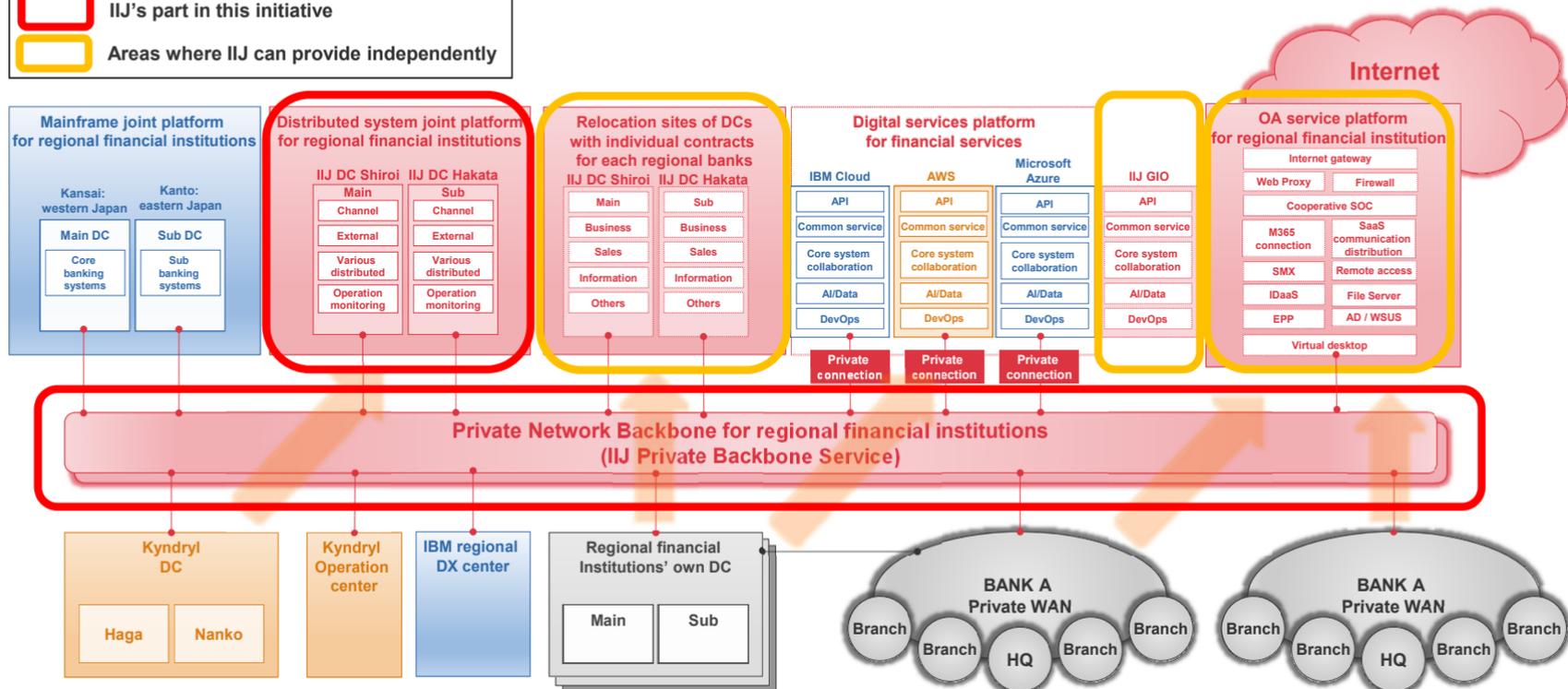
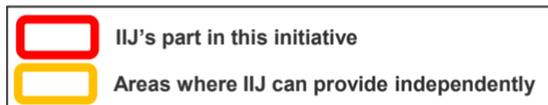
## Large-scale NW renewal for a financial institution



UOM: Unified Operation Management, NGFW: Next Generation FireWall, MPLS: MultiProtocol Label Switching

# Launched a new shared banking system platform for Japanese regional banks with IBM Japan and MUFG Bank

- ◆ The regional banking system alliance groups “Judankai” & “Chance” have adopted the platform  
Promoting service cross-selling for them



# NTT Docomo's Mobile data interconnectivity charge (Mbps Unit charge, monthly)

Fiscal Year	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27
Method	Future cost method: MNOs are to disclose the charges for next three yrs based on their prediction about cost etc.							
New						Announced in Mar. 2025 ¥10,874 -15.5% YoY	¥10,383 -4.5% YoY	¥9,052 -12.8% YoY
Fixed	¥37,280 -12.7% YoY	¥27,024 -27.5% YoY	¥19,979 -26.1% YoY	¥15,042 -24.7% YoY	To be fixed in Dec. 2025	To be fixed in Dec. 2026		
Old					Announced in Mar. 2024 ¥12,862 -14.5% YoY	¥10,874 -15.5% YoY	¥10,708 -1.5% YoY	
				Announced in Mar. 2023 ¥15,644 -21.7% YoY	¥13,084 -16.4% YoY	¥11,255 -14.0% YoY		
			Announced in Mar. 2022 ¥20,327 -24.8% YoY	¥15,697 -22.8% YoY	¥13,207 -15.9% YoY			
		Announced in Apr. 2021 ¥28,385 -23.9% YoY	¥22,190 -21.8% YoY	¥18,014 -18.8% YoY				
	Announced in Mar. 2020 ¥41,436 -3.0% YoY	¥33,211 -19.8% YoY	¥27,924 -15.9% YoY					

- The calculation: (Data communication cost + profit) / demand
- The charge disclosed based on the future cost method is to be finalized based on MNOs actual cost results etc.
- The YoY (Year over Year) decrease percentage written under each charge is compared with the previous year charge
- The charge is public information disclosed in NTT Docomo's service terms and conditions document uploaded on NTT Docomo's website (only available in Japanese) <https://www.docomo.ne.jp/binary/pdf/corporate/disclosure/mvno/business/oroshi.pdf>

# Mobile service for consumers “IIJmio Giga Plan”

- ◆ IIJmio awarded No. 1 overall satisfaction in the Oricon Customer Satisfaction® Survey for low-cost SIM & mobile device sets

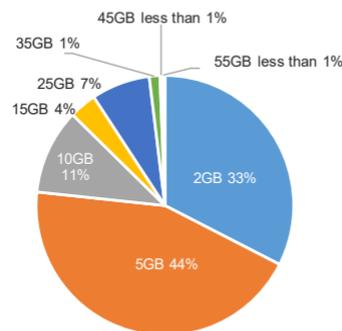
## IIJmio “Giga Plan”

Slight price revision in Mar. 2025

2GB	With voice	¥850
	Data-only	¥740
5GB	With voice	From ¥990 to ¥950
	Data-only	From ¥900 to ¥860
10GB	With voice	From ¥1,500 to ¥1,400
	Data-only	From ¥1,400 to ¥1,300
15GB	With voice	¥1,800
	Data-only	¥1,730
From 20GB to 25GB	With voice	¥2,000
	Data-only	¥1,950
From 30GB to 35GB	With voice	From ¥2,700 to ¥2,400
	Data-only	From ¥2,640 to ¥2,340
From 40GB to 45GB	With voice	¥3,300
	Data-only	¥3,240
From 50GB to 55GB	With voice	¥3,900
	Data-only	¥3,840

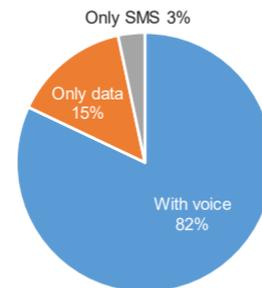
## GigaPlans: by data plans

As of Mar. 31, 2025



## GigaPlans: by plans

As of Mar. 31, 2025



• Low-cost smartphones' ranking: The survey was conducted on users who purchased a SIM card and a SIM-free handset at the same time (including transfers from other companies) at official MVNO and carrier sub-brand websites or stores in 2023 or later, set up the handset, and are currently using the handset as their main phone. The survey asked the current main users about their satisfaction with nine evaluation items, including the subscription process, ease of initial setup, handset lineup, etc.



**【Reference】**  
**Presentation material for company overview**  
**P. 27 ~ P. 45**

## IIJ has been taking initiatives in Internet Infrastructure field in Japan

<b>Established</b>	December 1992 (The first established full-scale ISP in Japan)
<b>Number of Employees</b>	5,221 (approx. 70% engineers)
<b>Large Shareholders</b>	NTT Group, KDDI, ITOCHU Techno-Solutions (CTC), Koichi Suzuki

### ◆ The first established full-scale ISP (Internet Service Provider) in Japan

- ✓ Introduce many in-house developed Internet-related network services
- ✓ Highly skilled IP (Internet Protocol) engineers from the inception
- ✓ Operate one of the largest Internet backbone networks in Japan

### ◆ Well recognized “IIJ” brand among Japanese blue-chip companies’ IT division

- ✓ Differentiate by reliability and quality of network and systems operation
- ✓ Long-term (almost 30 yrs) client relationship since the establishment of IIJ

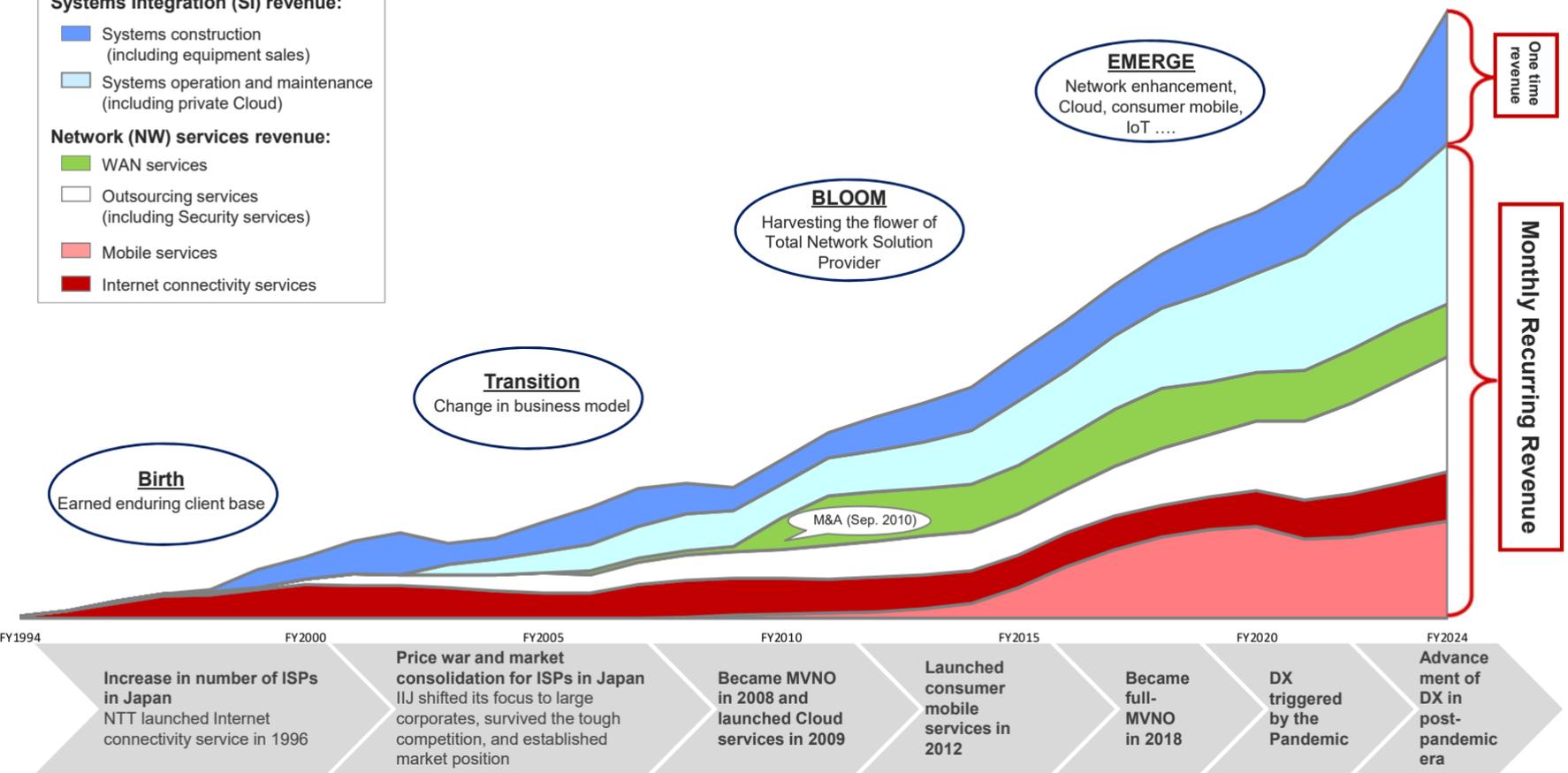
### ◆ Development of innovative Internet-related services

- ✓ Differentiate by continuous network service developments and business investments
- ✓ Focus on Cloud, mobile, security, solutions related to Big Data, IoT and data governance
- ✓ Always ahead of telecom carriers and systems integrators (Slers) with regards to services development and operation

- Number of employees is on the consolidated basis and as of Mar. 31, 2025
- Large shareholders are as of Mar. 31, 2025

# From ISP to Total Network Solution Provider

- Systems Integration (SI) revenue:**
- Systems construction (including equipment sales)
  - Systems operation and maintenance (including private Cloud)
- Network (NW) services revenue:**
- WAN services
  - Outsourcing services (including Security services)
  - Mobile services
  - Internet connectivity services



# IJ as a Total Network Solution Provider

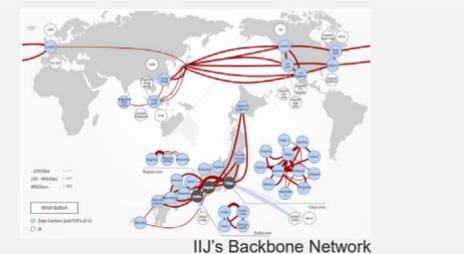
Offers various network services and systems integration together in many projects

Approx. **16,000 customers** (as of Mar. 31, 2025)  
 (Japanese companies, central government agencies, local governments, consumer ISPs universities and more)



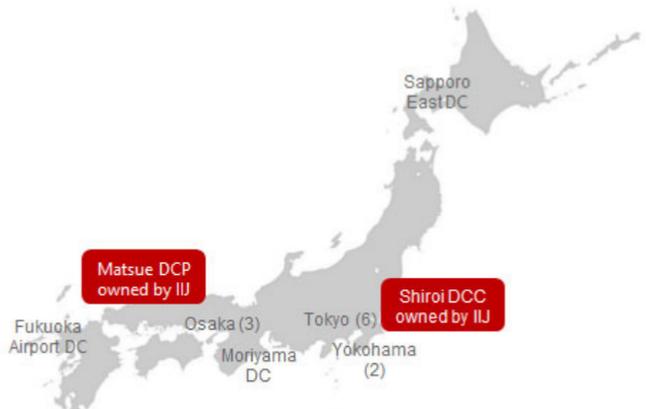
## Major cost components of Network services (mostly non-revenue linked cost)

- Fiber leasing cost for Internet backbone and WAN access line
- Depreciation cost and maintenance cost of network equipment
- Personnel cost for network service development and operation and outsourcing cost
- Licenses fee such as software, etc.
- Data center operation cost etc.
- Mobile data interconnectivity and voice service purchasing cost for mobile services



# Data center (DC)

- ◆ Operate 16 DCs in Japan, 2 of which are owned by IIJ (as of Mar. 2025)
  - Expanding own DC capacity along with growing demands for IIJ services
  - Expect higher efficiency by gradually migrating leased DC spaces to own DCs



Container DC at Matsue DCP



Server room at Shiroy DCC



• PUE(Power Usage Effectiveness) is a metric that shows how efficiently electricity is used at a data center. The closer to 1.0 is considered good. Industry max at 1.4 or lower.

	Matsue DCP (opened in Apr. 2011)	Shiroy DCC (opened in May 2019)
Objective	IIJ's own service facility	
Features	<ul style="list-style-type: none"> <li>• First in Japan to use outside-air cooling container units</li> <li>• Able to increase capacity responding to demand per container</li> <li>• Utilize on-site solar power panels</li> </ul>	<ul style="list-style-type: none"> <li>• Adopt latest energy-saving method including outside-air cooling method</li> <li>• More flexible and cheaper capacity expansion through system module method</li> <li>• Shifting peak of air conditioning power by utilizing lithium-ion storage batteries</li> <li>• Utilize on-site solar power panels</li> <li>• Direct procurement of non-fossil fuel certificates toward the supply of electricity with environmental values</li> </ul>
Land	Approx. 16,000m <sup>2</sup>	Approx. 40,000m <sup>2</sup>
Number of in placed racks	Approx. 500 racks	Approx. 1,800 racks
Plan	<ul style="list-style-type: none"> <li>• Construction of new system module                             <ul style="list-style-type: none"> <li>✓ Construction from June 2024, Scheduled operation from May 2025</li> <li>✓ Construction area: approx. 2,000m<sup>2</sup></li> <li>✓ Approx. 300 racks</li> <li>✓ Expected CAPEX: over ¥5.0 bn (to be partially covered with subsidy)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• 2<sup>nd</sup> site which started its operation from July 2023 is to be fully occupied around FY26 by IIJ's own service facility and collocation</li> <li>• 3<sup>rd</sup> site construction                             <ul style="list-style-type: none"> <li>✓ Expected CAPEX: approx. ¥30.0 bn</li> <li>✓ Plan to start constructing from June 2025, expected to start operating from FY26</li> <li>✓ Construction area: approx. 5,400m<sup>2</sup></li> <li>✓ Approx. 1,000 racks</li> </ul> </li> </ul>

### ◆ Sustainability targets

Major KPIs	Targets	FY24 results
Usage of renewable energy	FY30: 85%	55% (Matsue 100%)
PUE of own DCs	Throughout FY30: Continue to be lower than 1.4	Matsue: 1.34 Shiroy: 1.32

# Extensive Service Lineups

Unit: ¥ (JPY) billion (bn)

About IJ  
Strength  
Business Model  
Growth Strategy

Revenue category		FY24 revenue	About		Business Situation & Outlook											
NW services	Internet connectivity services for enterprise	48.99	<table border="1"> <tr> <td>IP</td> <td>17.32</td> <td> <ul style="list-style-type: none"> <li>Core service providing from the foundation</li> <li>Highly reliable dedicated connectivity services for enterprise (multi-carrier, redundancy etc.)</li> <li>Contracts are based on bandwidth</li> <li>Enterprises use the service for their main Internet line</li> </ul> </td> </tr> <tr> <td>Mobile</td> <td>26.86</td> <td> <table border="1"> <tr> <td>Enterprise mobile (IoT usages etc.)</td> <td>15.48</td> </tr> <tr> <td>MVNE (Proving to other MVNOs)</td> <td>11.38</td> </tr> </table> </td> </tr> </table> <p>(Others) Broadband Internet services etc.</p>	IP	17.32	<ul style="list-style-type: none"> <li>Core service providing from the foundation</li> <li>Highly reliable dedicated connectivity services for enterprise (multi-carrier, redundancy etc.)</li> <li>Contracts are based on bandwidth</li> <li>Enterprises use the service for their main Internet line</li> </ul>	Mobile	26.86	<table border="1"> <tr> <td>Enterprise mobile (IoT usages etc.)</td> <td>15.48</td> </tr> <tr> <td>MVNE (Proving to other MVNOs)</td> <td>11.38</td> </tr> </table>	Enterprise mobile (IoT usages etc.)	15.48	MVNE (Proving to other MVNOs)	11.38	<table border="1"> <tr> <td>IP</td> <td> <ul style="list-style-type: none"> <li>Matured market (hard to entry)</li> <li>Blue-chip client base</li> <li>Expect the revenue to continuously increase along with traffic volume and contracted bandwidth increase</li> </ul> </td> </tr> </table>	IP	<ul style="list-style-type: none"> <li>Matured market (hard to entry)</li> <li>Blue-chip client base</li> <li>Expect the revenue to continuously increase along with traffic volume and contracted bandwidth increase</li> </ul>
	IP	17.32	<ul style="list-style-type: none"> <li>Core service providing from the foundation</li> <li>Highly reliable dedicated connectivity services for enterprise (multi-carrier, redundancy etc.)</li> <li>Contracts are based on bandwidth</li> <li>Enterprises use the service for their main Internet line</li> </ul>													
	Mobile	26.86	<table border="1"> <tr> <td>Enterprise mobile (IoT usages etc.)</td> <td>15.48</td> </tr> <tr> <td>MVNE (Proving to other MVNOs)</td> <td>11.38</td> </tr> </table>	Enterprise mobile (IoT usages etc.)	15.48	MVNE (Proving to other MVNOs)	11.38									
	Enterprise mobile (IoT usages etc.)	15.48														
MVNE (Proving to other MVNOs)	11.38															
IP	<ul style="list-style-type: none"> <li>Matured market (hard to entry)</li> <li>Blue-chip client base</li> <li>Expect the revenue to continuously increase along with traffic volume and contracted bandwidth increase</li> </ul>															
Internet connectivity services for consumers	26.83	<table border="1"> <tr> <td>Mobile</td> <td>23.44</td> <td> <ul style="list-style-type: none"> <li>Inexpensive SIM services (mainly data),</li> <li>Direct sale (via IJ web), Indirect sale (via sales partners such as retailers)</li> </ul> </td> </tr> </table> <p>(Others) Broadband Internet services and email services for households etc.</p>	Mobile	23.44	<ul style="list-style-type: none"> <li>Inexpensive SIM services (mainly data),</li> <li>Direct sale (via IJ web), Indirect sale (via sales partners such as retailers)</li> </ul>	<table border="1"> <tr> <td>Mobile</td> <td> <ul style="list-style-type: none"> <li>Expect infrastructure utilization &amp; profitability to improve by gathering various traffic such as IoT/enterprise/consumers</li> <li>Enterprise: Expect the demand to increase in the mid-to-long term</li> <li>Consumer: Maintain and increase market share subscription with GigaPlans in competitive market</li> </ul> </td> </tr> </table>	Mobile	<ul style="list-style-type: none"> <li>Expect infrastructure utilization &amp; profitability to improve by gathering various traffic such as IoT/enterprise/consumers</li> <li>Enterprise: Expect the demand to increase in the mid-to-long term</li> <li>Consumer: Maintain and increase market share subscription with GigaPlans in competitive market</li> </ul>								
Mobile	23.44	<ul style="list-style-type: none"> <li>Inexpensive SIM services (mainly data),</li> <li>Direct sale (via IJ web), Indirect sale (via sales partners such as retailers)</li> </ul>														
Mobile	<ul style="list-style-type: none"> <li>Expect infrastructure utilization &amp; profitability to improve by gathering various traffic such as IoT/enterprise/consumers</li> <li>Enterprise: Expect the demand to increase in the mid-to-long term</li> <li>Consumer: Maintain and increase market share subscription with GigaPlans in competitive market</li> </ul>															
WAN (Wide Area Network)	27.61	Closed network used to connect multiple sites		Stable market in the long-term												
Outsourcing	59.15	<p>Various in-house developed Internet-related service line-ups</p> <table border="1"> <tr> <td>Security</td> <td>35.94</td> <td> <ul style="list-style-type: none"> <li>Managed security services, Security Operation Center services and so many more</li> </ul> </td> </tr> <tr> <td>Public Cloud</td> <td>2.48</td> <td> <ul style="list-style-type: none"> <li>Offered as a part of Cloud service line-ups</li> </ul> </td> </tr> </table>		Security	35.94	<ul style="list-style-type: none"> <li>Managed security services, Security Operation Center services and so many more</li> </ul>	Public Cloud	2.48	<ul style="list-style-type: none"> <li>Offered as a part of Cloud service line-ups</li> </ul>	<ul style="list-style-type: none"> <li>Have been developing services based on Zero Trust concept</li> <li>Acquire enterprise demand by cross-selling services.</li> <li>Continuous service development is important</li> <li>Demands for security and remote access to increase continuously</li> </ul>						
Security	35.94	<ul style="list-style-type: none"> <li>Managed security services, Security Operation Center services and so many more</li> </ul>														
Public Cloud	2.48	<ul style="list-style-type: none"> <li>Offered as a part of Cloud service line-ups</li> </ul>														
SI	Operation and Maintenance	82.53	<table border="1"> <tr> <td>On-premise Systems</td> <td>48.53</td> <td> <ul style="list-style-type: none"> <li>Operation and maintenance of constructed systems</li> </ul> </td> </tr> <tr> <td>Private Cloud etc.</td> <td>34.01</td> <td> <ul style="list-style-type: none"> <li>Promote Cloud shift with abundant, highly reliable, value-added private Cloud related service line-ups</li> </ul> </td> </tr> </table>	On-premise Systems	48.53	<ul style="list-style-type: none"> <li>Operation and maintenance of constructed systems</li> </ul>	Private Cloud etc.	34.01	<ul style="list-style-type: none"> <li>Promote Cloud shift with abundant, highly reliable, value-added private Cloud related service line-ups</li> </ul>	<ul style="list-style-type: none"> <li>Expect great business opportunity in the mid-to-long term as internal IT systems migrate to Cloud</li> <li>Revenue to increase continuously along with accumulation of construction projects</li> </ul>						
	On-premise Systems	48.53	<ul style="list-style-type: none"> <li>Operation and maintenance of constructed systems</li> </ul>													
Private Cloud etc.	34.01	<ul style="list-style-type: none"> <li>Promote Cloud shift with abundant, highly reliable, value-added private Cloud related service line-ups</li> </ul>														
Construction (including equipment sales)	68.77	System construction related to office IT, security, Cloud, IoT, Internet-related construction such as online banking & brokerage, network for university, and E-commerce site		<ul style="list-style-type: none"> <li>Increase in large-scale complex projects as enterprises' private NW and systems are renewed</li> <li>Through providing SI, offer greater value as IoT and Cloud usage penetrate</li> </ul>												

Monthly Recurring Revenue

77%

One time revenue

# Monthly Recurring Revenue Accumulation

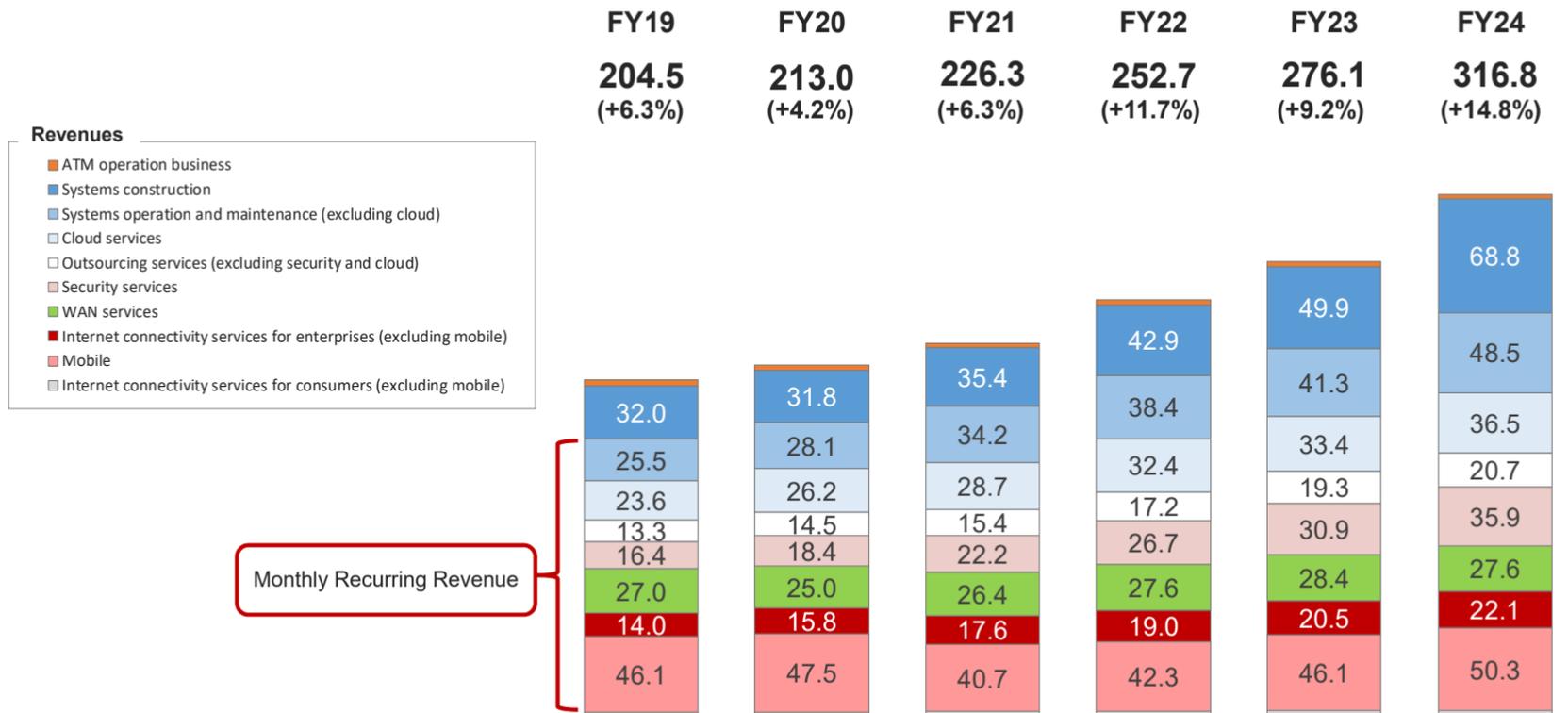
Unit: ¥ (JPY) billion (bn)  
% = Year over year change

About IJ

Business Model

Strength

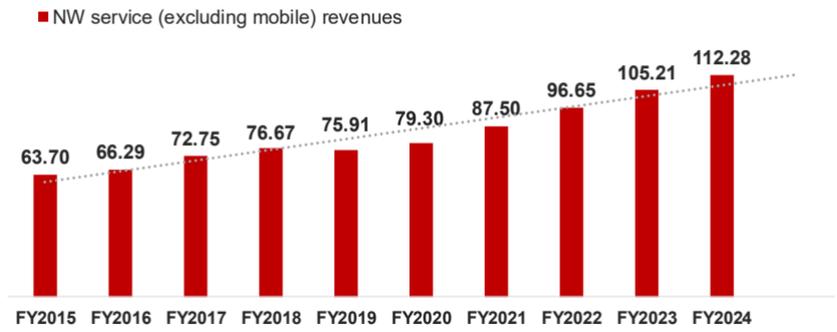
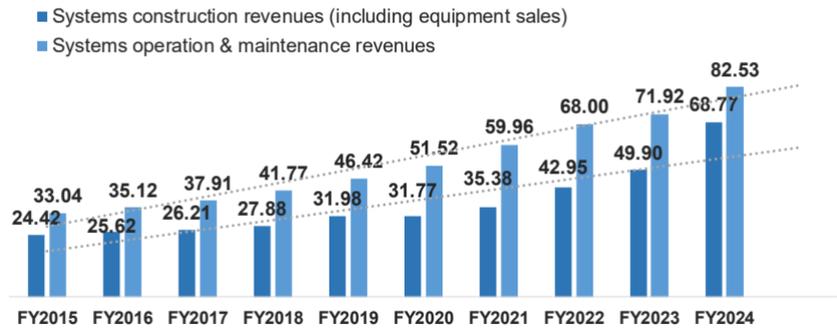
Growth Strategy



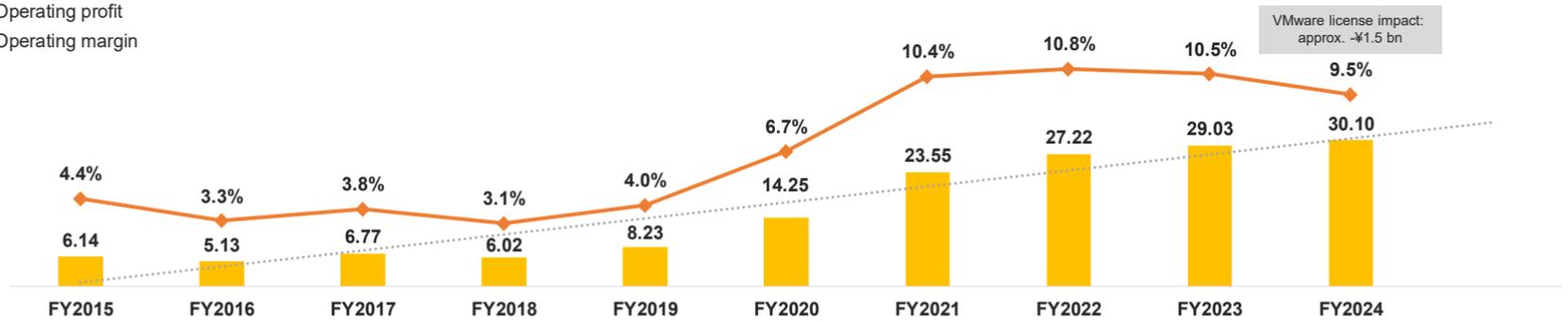
Monthly Recurring Revenue

- Mobile revenue decreased year over year in FY21 due to ARPU decrease for consumers and change in unit charge for MVNE clients
- Systems construction and systems operation & maintenance revenue increase for FY21 includes PTC revenue which became IJ's consolidated subsidiary from Apr. 2021
- During FY20, ATM operation business was impacted by the COVID-19 pandemic due for example to the store closure and smaller number of users coming to stores
- WAN revenue decreased year over year in FY19 and FY20 mainly due to certain large customers' migration to our mobile services (cheaper than WAN to connect multiple sites)

# Expanding economies of scale by Service Integration



Operating profit  
Operating margin



\* Until FY2016: US-GAAP, from FY2017: IFRS

# Capex and Business Developments

Unit: ¥ (JPY) billion (bn)

About IJ	Business Model
Strength	Growth Strategy

	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Revenues	176.2	192.4	204.5	213.0	226.3	252.7	276.1	316.8
NW service gross profit Operating profit	18.1%	14.6%	16.3%	21.4%	27.8%	27.5%	28.7%	27.8%
	3.8%	3.1%	4.0%	6.7%	10.4%	10.8%	10.5%	9.5%
NW service gross margin Operating margin	19.5 6.8	17.4 6.0	19.9 8.2	27.2 14.2	35.6 23.5	38.1 27.2	43.5 29.0	45.3 30.1
CAPEX	20.7	15.1	15.2	15.2	16.1	20.8	22.5	26.3
NW services, etc.	9.9	9.4	9.6	8.8	9.0	9.7	12.9	15.0
Shiroi, Matsue DCs	1.8	2.1	2.1	1.7	1.6	5.6	5.7	4.7
Cloud	7.4	1.9	2.5	2.7	2.3	2.0	1.5	2.0
SI, others	1.6	1.7	1.0	2.0	3.2	3.5	2.4	4.6
CAPEX-related depreciation and amortization	12.1	13.9	14.4	14.5	15.1	15.3	15.6	17.3
Number of employees	3,203	3,353	3,583	3,805	4,147	4,451	4,803	5,221

Stronger demands for enterprise network services

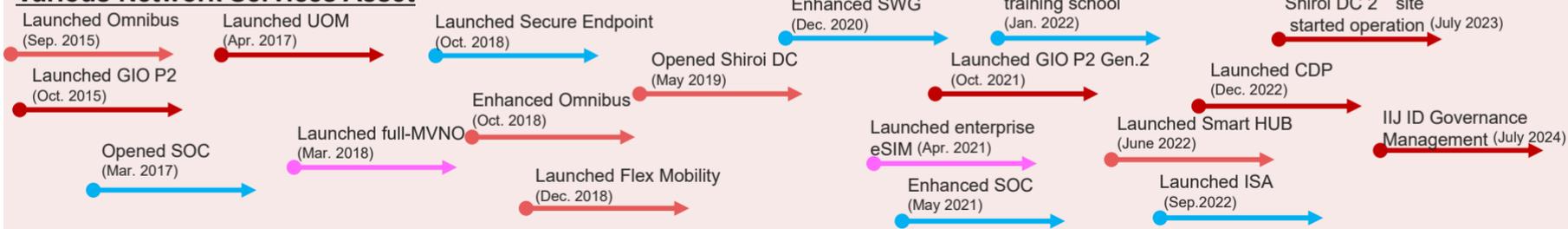
Large CAPEX increase due to aggressive business investment

CAPEX & its depreciation almost same volume (excl. DC)

Increasing DC Investment

Cost stabilizing

## Various Network Services Asset



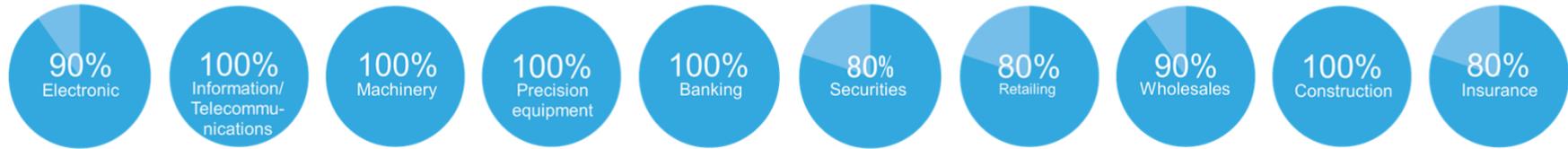
• CAPEX-related depreciation and amortization is calculated by excluding depreciation and amortization of assets that do not have the nature of capital investment, such as right-of-use assets related to operating leases, small-amount equipment and customer relationship



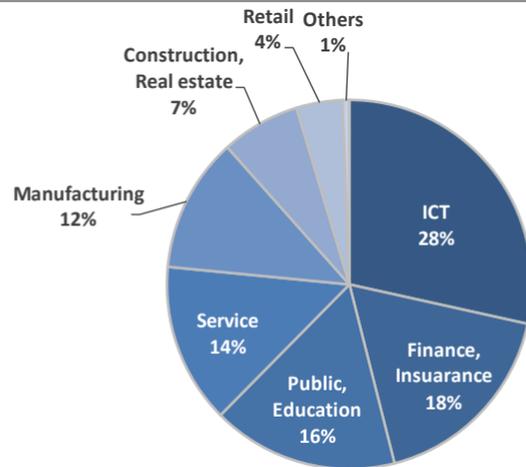
# Excellent Customer Base (Number of IJ Group's clients: approx. 16,000 as of March 31, 2025)

- ◆ Through reliable operation, continuous use of Internet connectivity services since the inception of IJ
- ◆ Our reliable infrastructure operation and cross-sell strategy have led to low churn rate

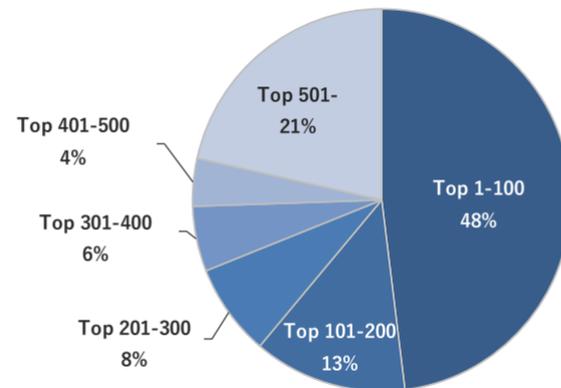
## Cover Most of Top Revenue Companies



## Client Distribution by Industry



## Client Distribution by Revenue Volume



\* Top ten firms in each industry taken from annual revenues are selected by IJ based on the Yahoo! Japan Finance website (finance/sales/whole market/daily)  
 \* The service penetration and the revenue distributions are based on IJ's FY24

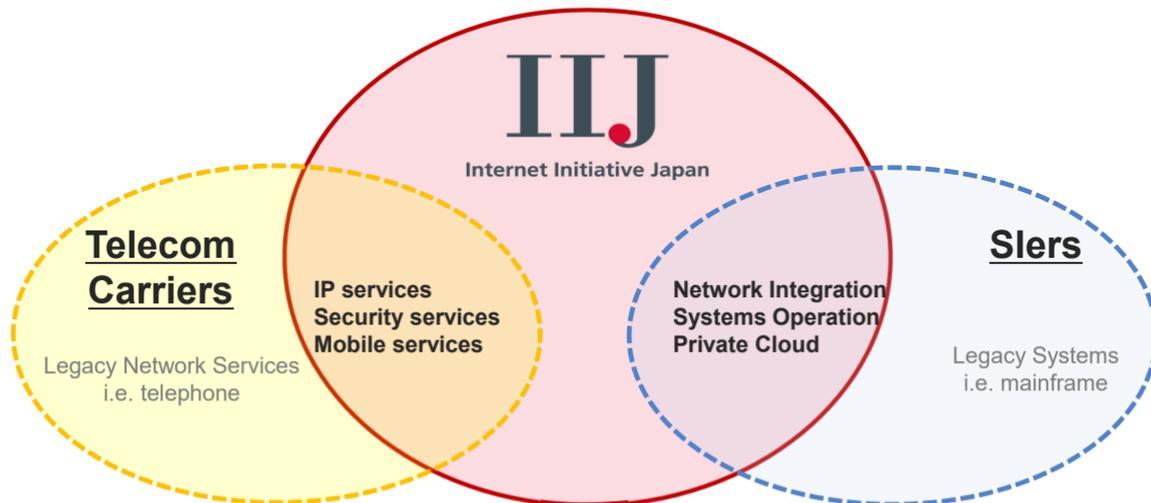
# Competitive Advantages

## Against telecom carriers, IIJ

- Has highly skilled IP (Internet Protocol) engineers
- Is faster to move than bureaucratic organizations
- Focuses on blue-chip companies' IT needs with SI

## Against systems integrators (Slers), IIJ

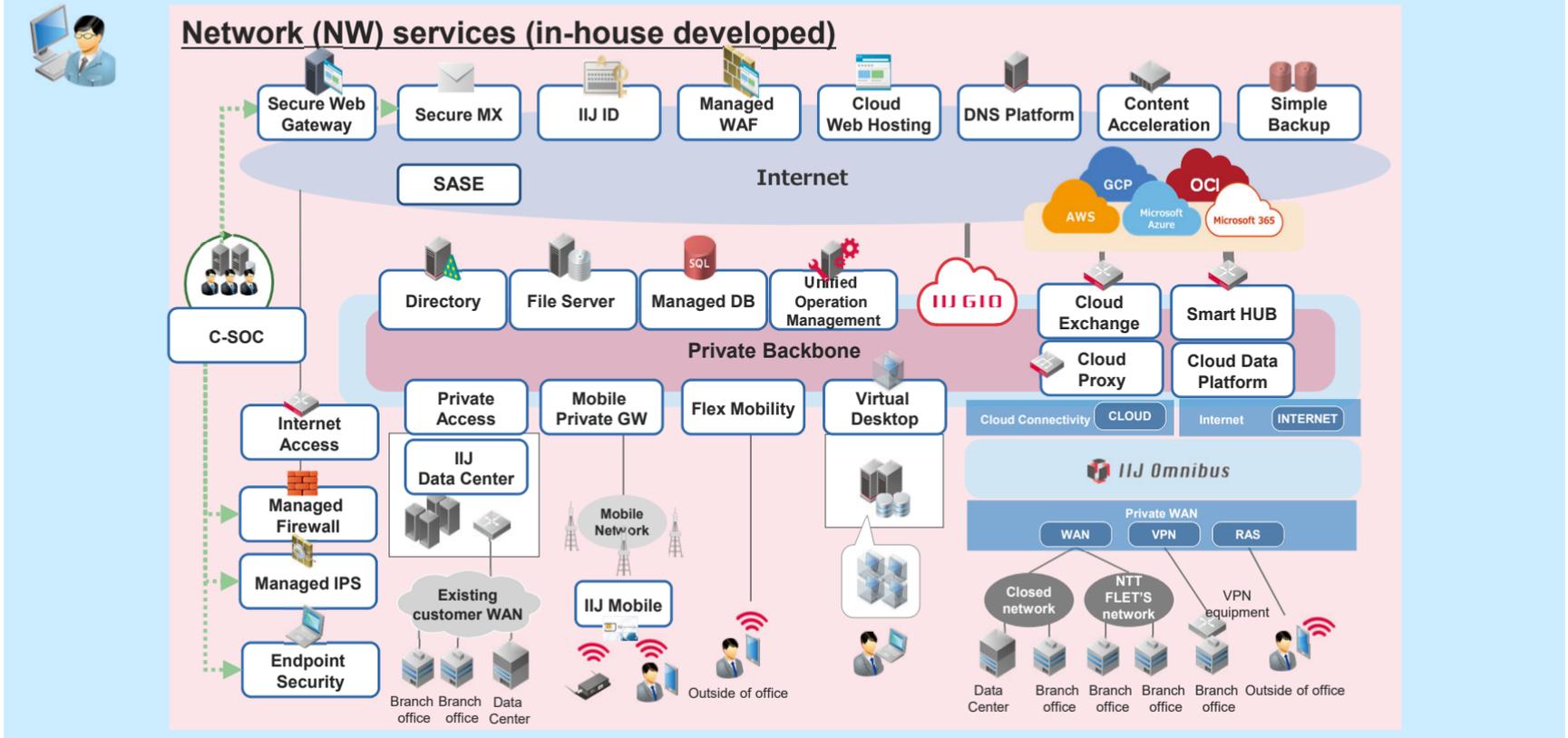
- Operates one of the largest Internet backbone (Slers do not)
- Has NW services asset and development capability (Slers do not)
- Focuses on Internet-related open type systems



**IIJ deals with newer systems and growing IT market  
(Not involved in heavy and legacy systems)**

# NW Services and SI provided together as a Total Solution

## Systems Integration (SI) to meet specific requirements cannot be covered by NW services



# Mid-term Plan (FY24 ~ FY26)

Consolidated base  
 Net Profit is "Profit for the period attributable to owners of the parent"  
 "times" are calculated by comparing FY26/FY26-end to FY23/FY23-end  
 The figures below are all assumed targets

About IJ	Business Model
Strength	Growth Strategy

**Accelerate business scale expansion toward the Mid-to-long Term Vision by advancing the business structure transformation in FY23**  
**Revenue growth led by integration and profit growth through economies of scale as a NW service operator**

Total Revenue	Operating Profit	Net Profit	ROE	Human Capital
FY23 ¥276.1 bn → <b>1.4 times</b> FY26 ¥380.0 bn	FY23 ¥29.0 bn → <b>1.6 times</b> FY26 ¥46.0 bn	FY23 ¥19.8 bn → <b>1.5 times</b> over FY26 ¥30.0 bn	FY23 16.3% → <b>+2.7 pt.</b> FY26 19%	FY23-end 4,803 → <b>1.3 times</b> FY26-end around <b>6,100</b>

## Further enhancement of the existing core business area

<b>SI as Revenue driver</b> <ul style="list-style-type: none"> <li>Accelerate revenue growth by rolling out NW construction/renewal projects to various industry, enhancing account sales &amp; PM, expanding human resource</li> <li>Enhance SI project management</li> </ul>	<b>NW service as Profit driver</b> <ul style="list-style-type: none"> <li>Accelerate NW service accumulation through Service Integration</li> <li>Demonstrate the strength of stable NW operation in the DX era</li> </ul>
<b>Promotion of large transactions &amp; clients</b> <ul style="list-style-type: none"> <li>Comprehensive outsourcing of client's NW and open systems</li> <li>Add large volume revenue to the multi-industry recurring revenue base</li> <li>Stable additional profit source for the future</li> </ul>	<b>Further enhancement of service development &amp; operation</b> <ul style="list-style-type: none"> <li>Focus on strengthening cyber-security service development</li> <li>Respond to DX progress with DWP lineup</li> <li>Develop services that would be PF for AI, data lake, etc.</li> </ul>
<b>Enhancement of Service Control</b> <ul style="list-style-type: none"> <li>Higher efficiency for service development &amp; operation by new technology such as AI</li> <li>Implement appropriate pricing in response to inflation &amp; cost increase</li> </ul>	<b>Continuous expansion of NW infrastructure Pursuit of differentiation</b> <ul style="list-style-type: none"> <li>Construct the third site of Shiroy DC for long-term growth</li> <li>Deploy full-MVNO 5G SA</li> </ul>

## Creation of new growth area

**Initiatives for Data-driven society**

- Operate data utilization business, generate meaningful data, data distribution mechanisms & operations, etc.  
 → Study & create business models in conjunction with the existing infrastructure & services

**Achieve the spread of Digital Currency in Japan**  
 (Equity method investee: DeCurrent)

- First in Japan to issue commercial digital currency as a practical case (scheduled in Jul. 2024)
  - ✓ Digitalized token of environmental value transaction
- Within FY26, anticipate loss to shrink & become profitable on a monthly basis
- Executing STO(\*) of digital currency, invoice chain(\*), web3/NFT(\*) & other practical projects

(\*) STO (Security Token Offering): securities issued using electronic means such as blockchain, replacing traditional mechanism of stocks and bonds  
 (\*) Invoice chain: concept of industry standard systems for corporate intercompany reimbursement  
 (\*) NFT (Non-Fungible Token): Token issued on the blockchain that can prove uniqueness and cannot be replaced

## Enhancement of business foundation

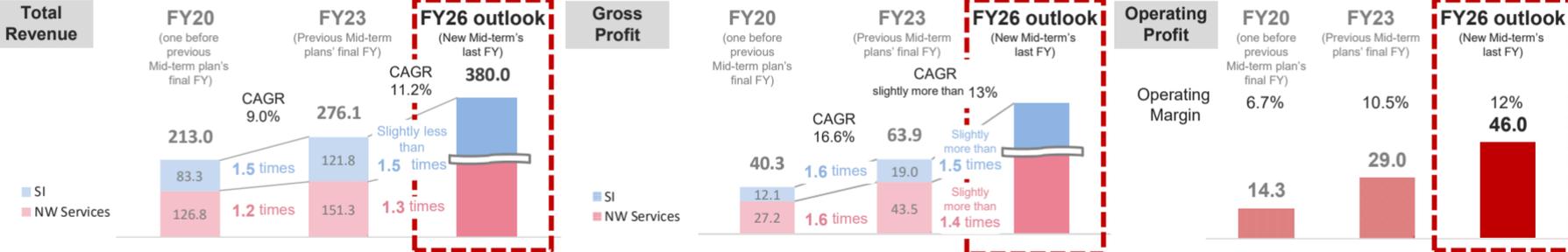
<b>Thorough expansion of Human Capital</b> <ul style="list-style-type: none"> <li>Continuous expansion of human resources</li> <li>Develop next-generation human resources for long term growth</li> <li>Maintain &amp; enhance top-tier engineering capabilities &amp; expand that to multiple layer</li> </ul>	<b>Enhancement of cash control</b> <ul style="list-style-type: none"> <li>Appropriate management of increasing SI-related working capital</li> <li>Investment allocation Shiroy DC &amp; growth areas</li> <li>Increase payout ratio when the Mid-to-long Term Vision is realized</li> </ul>
<b>Maintain &amp; improve Sustainability /Governance</b> <ul style="list-style-type: none"> <li>Strengthen governance in line with growth</li> <li>Contribute to the productivity of future society through continuous stable NW operation</li> <li>Introduce a new executive compensation scheme linked to the new Mid-term Plan</li> </ul>	<b>Complement growth through M&amp;As</b> <ul style="list-style-type: none"> <li>Pursuit M&amp;A opportunities as a supplemental means of expanding domestic resources &amp; technology</li> <li>Leverage residual borrowing capability (up to ¥70.0 bn is envisioned image)</li> </ul>

# Mid-term Plan's Financial Outlook

Unit: ¥ (JPY) billion

About IJ Business Model  
Strength Growth Strategy

## Breakdown image of financial outlook



## Capital allocation (FY24-FY26, 3 yrs in total)

### Cash in

Cash generated from business approx. ¥134.0 bn(\*)

(\*) post-tax, pre-depreciation

### Debt

Up to approx. ¥65.0 bn

### Cash out

#### Investment: approx. ¥90.0 bn

**Ordinal NW infrastructure, etc. approx. ¥51.0 bn**

Stable with economies of scale

**Shiroi DC 3<sup>rd</sup> Site construction approx. ¥30.0 bn**

Mainly for own services

Strategic investment for new growth areas

Along with an increase in large complex project  
**Increase in working capital and lease obligation**

Approx. **¥13.0 bn**

Payout ratio 30%  
**Dividend**

Approx. **¥24.0 bn**

**Scheduled repayment of long term borrowing**

Approx. **¥1.5 bn**

**M&As**

up to **¥70.0 bn**

### Overview

**Shiroi DC 3<sup>rd</sup> site construction**

- ◆ Start the construction within the new Mid-term plan period, but the schedule is undetermined
  - First site: CAPEX approx. ¥8.3 bn, No. of racks: approx. 700, started operating from May 2019
  - Second site: CAPEX approx. ¥12.8 bn (plan), No. of racks: approx. 1,100, started operating from Jul. 2023

**Strategic Investment**

- ◆ Specific investment details have not fixed and will be discussed going forward

**Increase in working capital & lease obligations**

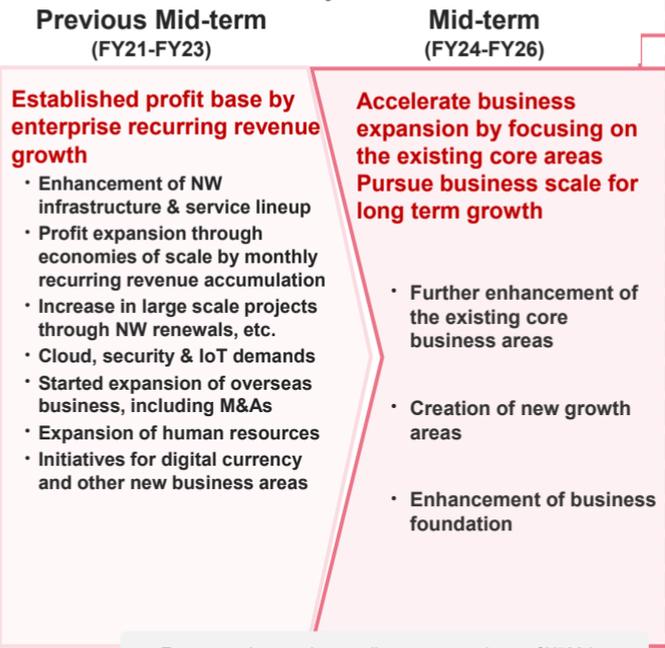
- ◆ Increase in work in process, prepayments, etc. due to an increase in large scale multi-year SI projects
  - The impact of increased working capital should gradually be reduced due to the constant revenue recognition of large scale projects

**M&As**

- ◆ M&As to be conducted in sequence with borrowing capacity
  - Maintain debt/equity ratio & financial discipline, Up to ¥70.0 bn of additional debt could be implemented for M&As

# Mid-to-long Term Vision

The figures mentioned below are all assumed status and image



Execute actions early to realize revenue volume of ¥500 bn

<b>Targets</b> (consolidated)
Total Revenue
Operating Margin
Payout ratio

	FY23 result	FY26 target	
Total Revenue	¥276.1 bn	¥380.0 bn	¥500.0 bn
Operating Margin	10.5%	12%	12% ~ 15%
Payout ratio		30%	30% ~ 40%

## Beyond 5,000

\*5,000 is derived from the Japanese unit of ¥5,000 oku (oku = one hundred million) which is ¥500 bn

**Deliver added value as an IT full outsourcer for infrastructure operation to support realization of NW society**

- Develop integrated PF to enable processing various types of data, together with security & high performance. IJ to become a full outsourced IT providers equipped with DC (including edge computing) & cloud resources, including wired and wireless NWs
- Achieve high profit margins by managing large customers' NW & IT domains as fully outsource
- Leadership including M&As amidst a changing industry landscape
- Become leading IT service provider by leveraging domestic knowledge & SWOT in ASEAN

# Enterprise internal NW & systems in Japan becoming to change

30 yrs ago

IIJ covered external NW with Internet  
Carriers & Slers covered internal NW & systems

---

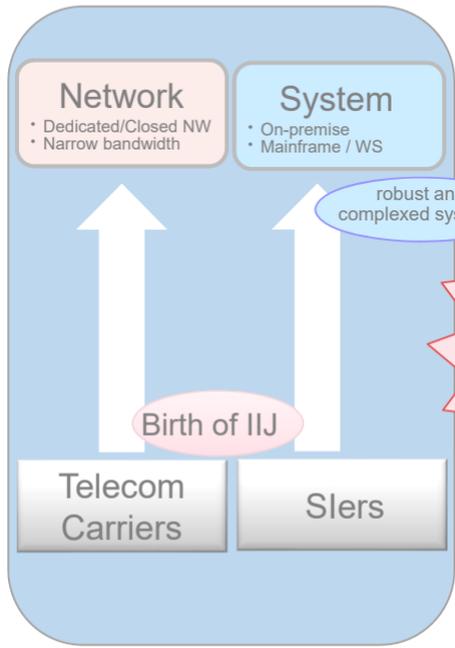
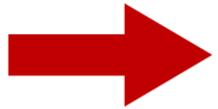
Stick to legacy NW systems

Nowadays

IIJ's opportunities rise to cover entire NW & system  
utilizing various NW functions

---

Finally systems & NW began to change in Japan after the COVID-19



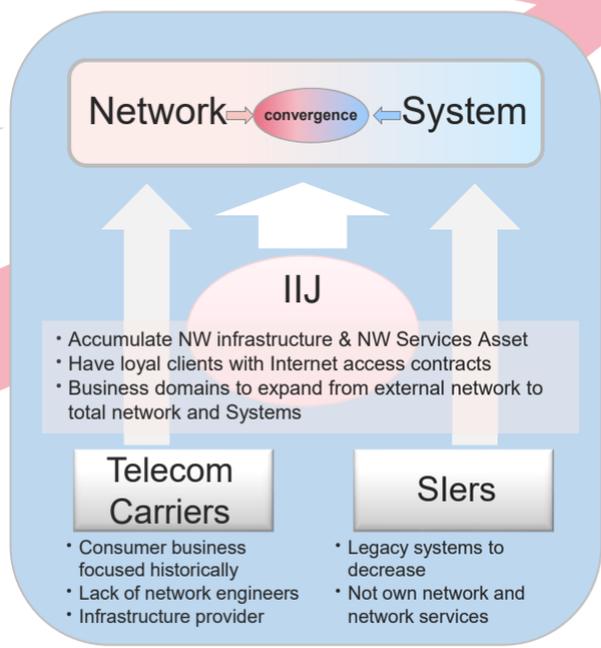
robust and complexed systems

Birth of IIJ

Emergence of Internet

Struggling switch to open systems

- High Speed/Capacity Network
- CPU/Storage Performance Improve
- Internet Usages Progressed
- Security for various incidents
- Gradual Cloud Shift
- Data Analysis and AI
- Preliminary IoT usages
- IT adoption at last forced by Pandemic



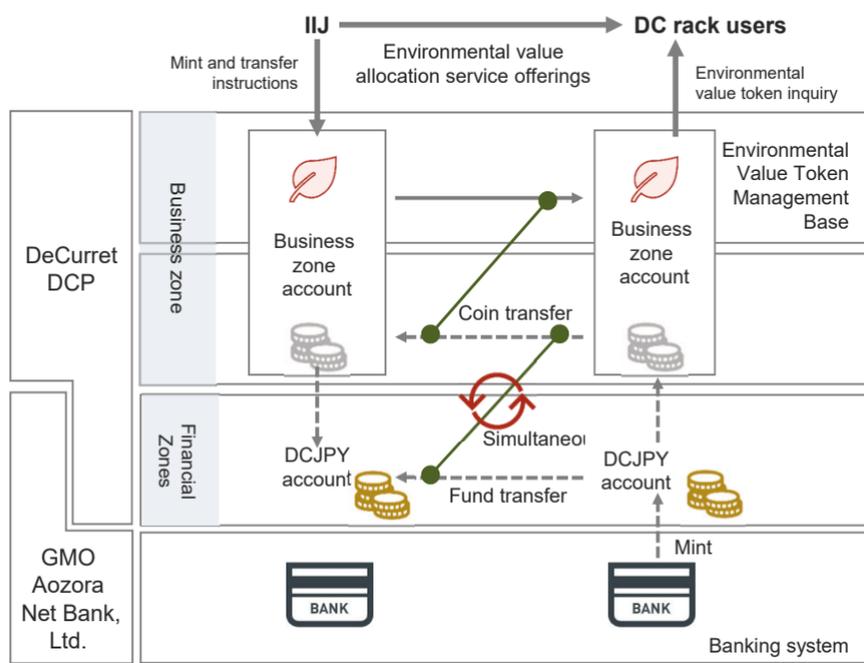
- Labor shortage requires more IT
- Every CEO says DX (Digital Transformation)
- Legacy NW and Systems to be reformed
- Internet traffic continues to increase
- Cyber security demands
- Cloud systems penetration
- 5G SA adoption and advanced IoT projects
- Importance of stable operation of large-scale NW remains unchanged

# The progress of Decurret's business

About DeCurret	
<b>DeCurret Holdings</b>	<ul style="list-style-type: none"> <li>Shareholder: 43 companies, IIJ ownership: 34.8% (an equity method investee)</li> <li>Business: Business planning and management of a digital currency business subsidiary</li> <li>Sep. 2024: Raised capital of approx. ¥6.35 bn through a third-party allotment (13 shareholders including 8 new shareholders: Hitachi, SHIZUOKA BANK, NSD, Fujitsu, Higo Bank, Kagoshima Bank, GMO Financial Holdings and ABeam Consulting)</li> </ul>
<b>DeCurret DCP</b>	<ul style="list-style-type: none"> <li>Shareholder: DeCurret Holdings 100%</li> <li>Business: Digital currency business</li> <li>Secretary for the "Digital Currency Forum" <ul style="list-style-type: none"> <li>Focus on the core areas of digital currency issuance and management, etc., with a view to practical application, and study use cases using digital currencies</li> <li>As of Oct. 2024, there are 119 companies, organization, experts, as members and related regulatory agencies (FSA, MIC, MOF, METI, BOJ)</li> </ul> </li> </ul>

The first commercial project about digital currency(DCJPY) in Japan	
<b>Issuer of digital currency</b>	GMO Aozora Net Bank, Ltd.
<b>Usages of digital currency</b>	<ul style="list-style-type: none"> <li>Digitalization of environmental value transaction (non-fossil certificates, etc.)</li> <li>Transactions and settlement in the digital currency DCJPY</li> </ul>

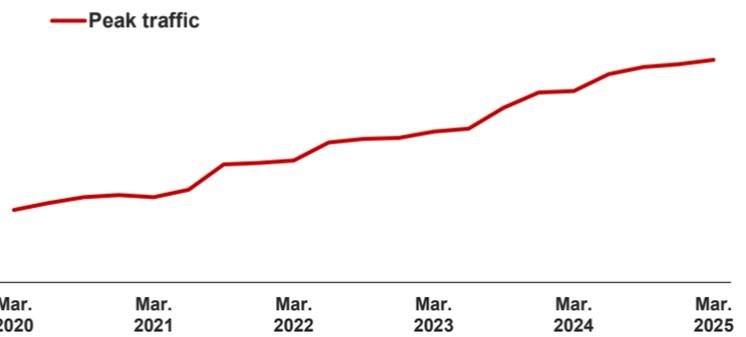
## Flow on DCJPY on the Two-tiered Digital Currency Platform



Difference between "DCJPY" and Trust Bank's Stablecoins		
	DeCurret's digital currency "DCJPY"	Trust Bank's stablecoins
<b>Corresponding act</b>	The Banking Act	The revised Payment Services Act (enforced in June 2023)
<b>Form</b>	Bank deposits	Stablecoins
<b>Scheme of issuance</b>	<ul style="list-style-type: none"> <li>Withdraw from user's bank deposit</li> <li>DCJPY will be issued after booking the same amount of such withdrawal to DCJPY account on the digital currency platform</li> </ul>	<ul style="list-style-type: none"> <li>User needs to deposit money and set up a trust asset each time</li> <li>Then, stablecoins can be issued by a trust bank</li> </ul>
<b>Features</b>	<ul style="list-style-type: none"> <li>Highly compatible with the current settlement system</li> <li>Issuers are reliable and trustworthy banks</li> <li>Banks support DCJPY can use the Digital Currency services</li> </ul>	<ul style="list-style-type: none"> <li>User needs to open an account with the Trust bank and deposit money each time</li> <li>User needs to arrange a trust asset each time transferring funds other than the two companies, a trust bank and a beneficiary</li> </ul>

# Market Environment & Growth Forecast, etc.

## Historical traffic data of major domestic IX



Source: INTERNET MULTIFEED CO., IX = Internet Exchange

## SIM type MVNO market share in Japan

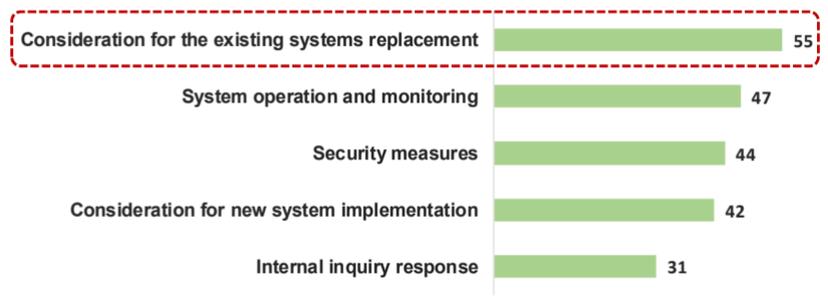
### ◆ Maintain top share in the domestic SIM-type MVNO market

	Mar. 31, 2023		Mar. 31, 2024	
1 <sup>st</sup>	IJ	19.8%	IJ	21.6%
2 <sup>nd</sup>	NTT Resonant	11.9%	NTT Docomo(*)	9.7%
3 <sup>rd</sup>	Optage	9.0%	Optage	8.7%
4 <sup>th</sup>	Fujitsu	5.6%	Fujitsu	5.6%
5 <sup>th</sup>	Aeon Retail	4.8%	Aeon Retail	4.7%

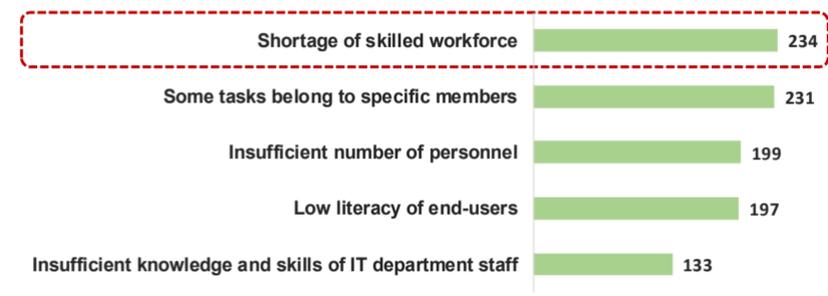
\* Source: the Ministry of Internal Affairs and Communications,  
 \* NTT Docomo's figures as of Mar. 31, 2024 was formerly NTT Resonant's one

## Nationwide survey on IT department 2024

### ◆ Operation where IT department spends the most time



### ◆ Challenges for IT department



Source: Internet Initiative Japan "Nationwide survey on IT department 2024"

Questionnaire conducted by IJ since 2021 targeting information system divisions of companies, etc. Number of valid responses in 2024: 363



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.