

Consolidated Financial Results for 2Q FY2017 (First 6 months ended September 30, 2017)



25th
Anniversary

Internet Initiative Japan Inc.
TSE1(3774), NASDAQ(IIJI)
November 7, 2017

Agenda

I . Summary of 2Q FY2017 Financial Results

II . Consolidated Financial Results for 2Q FY2017

III . Reference Materials

I . Summary of 1H FY2017 Financial Results

	1H17 Results		1H17 Targets		FY17 Targets	
Revenue	JPY83.0 bn	+12.0%	JPY82.4 bn	+11.2%	JPY176.0 bn	+11.5%
Gross Margin	JPY13.0 bn	+9.9%	JPY12.6 bn	+6.3%	JPY28.2 bn	+11.7%
Operating Income	JPY2.3 bn	+18.9%	JPY2.0 bn	+2.7%	JPY6.5 bn	+26.6%
Net Income*	JPY1.5 bn	+34.3%	JPY1.1 bn	(0.7%)	JPY4.0 bn	+26.3%

Revenue & Income Grew as 1H17 Targets, Executing Business Strategies toward IoT Society

Enterprise Network Services

1H17 enterprise Internet revenue (including mobile)	+25.4%YoY
1H17 outsourcing revenue	+18.3%YoY
1H17 WAN revenue	+6.0%YoY

- ◆ **Security Services largely grew** **1H17 revenue +25.8%YoY**
 - IIJ DDoS Protection Services widely been adopted by large financial institutions, expand to other sectors such as service providers
 - Leverage Security Operation Center, provide services & SI together
- ◆ **IIJ Omnibus Service** **Order accumulation pace accelerating**
 - Demands for WAN replacement & closed network for multi-Cloud systems continue to increase

Mobile & IoT

- ◆ **Total mobile subscription exceeded 2 million** **+29.9%YoY**
 - Top-class MVNO market share with 22%* (including MVNE)
- ◆ **Enterprise mobile** **1H17 revenue +63.3%YoY**
 - Different business & profit model from consumer-oriented MVNOs with MVNE and IoT/M2M transactions
- ◆ **IoT prospective orders** **2Q-end: approx. 230, doubled YoY**
 - Smart factory with Hirata Corp, connected homes, paddy control, security cameras, connected cars etc.
- ◆ **Preparation for Full-MVNO services on track**
 - Plan to start providing from March 2018

*as of March-end 2017 SIM card subscription, MM Research Institute June 2017

Cloud & SI

- ◆ **Continue to focus on Private Cloud market with GIO P2**
 - Enhance competitive advantages with Cloud + Security + SI in the middle-to-long term growing market
 - Flattish 2Q QoQ revenue growth due to the timing of orders and decrease of revenue in a certain large gaming customer
- ◆ **Accumulate multi-Cloud demands with Unified Operation Maintenance (UOM) Service**
 - 2Q-end UOM clients: approx. 340 (up approx. 60 clients YoY)
 - Comprehensive support with MS Azure & AWS connectivity, meeting enterprises' needs for multi-Cloud
- ◆ **SI revenue: flattish YoY growth for 1H17 as revenue is expected to recognize in 2H17**
 - Operation heavily concentrated on a large-scale services integrated project
 - SI gross margin decreased QoQ due to initial installation work related to a large scale services integrated project

Others

- ◆ **Overseas business developments almost as planned**
 - Revenue: JPY2.7 bn, operating deficit: JPY0.06 bn
 - Western subsidiaries: continue profitable, Asian subsidiaries: deficit continuously shrinking as business starts to set up
 - Accumulating orders for GDPR solution continuously
- ◆ **JV with 15 Japanese major broadcasting companies "JOCDN" for CDN Business**
 - Providing CDN services to TVer and 2 other Japanese broadcasting companies, preparing to provide to a prominent contents holder, earlier than planned expansion of CDN facility with increase in traffic
- ◆ **Healthcare: Developed cloud-based collaboration platform "IIJ electronic contact/communication service"** allowing various professionals involved in home-based cares to share healthcare information with Nagoya University for community-based integrated care
 - Approx. 100 prospects, Providing to local governments such as Aichi, Ibaraki & Fukuoka

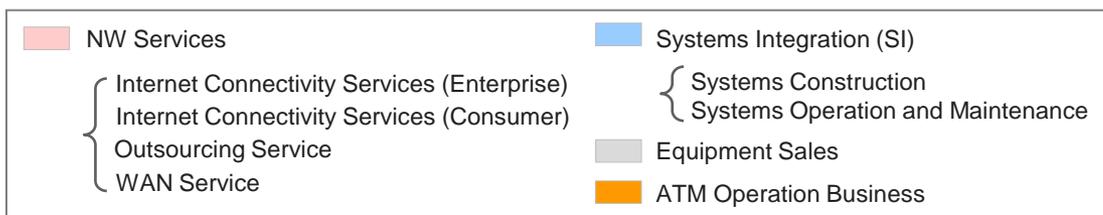
II - 1. Consolidated Financial Results for 1H FY2017

Unit: JPY billion

	<i>% of Revenues</i>	<i>% of Revenues</i>	YoY Change	<i>% of Revenues</i>	<i>% of Revenues</i>
	1H17 Results	1H16 Results		1H17 Targets	FY17 Targets
	(Apr. 2017 - Sep. 2017)	(Apr. 2016 - Sep. 2016)		(Apr. 2017 - Sep. 2017)	(Apr. 2017 - Mar. 2018)
Total Revenues	83.0	74.1	+12.0%	82.4	176.0
Total Cost of Revenues	70.0	62.3	+12.3%	69.8	147.8
Gross Margin	13.0	11.8	+9.9%	12.6	28.2
SG&A/R&D	10.7	9.9	+8.2%	10.6	21.7
Operating Income	2.3	1.9	+18.9%	2.0	6.5
Income before Income Tax Expense	2.5	2.1	+17.3%	2.0	6.5
Net Income*	1.5	1.1	+34.3%	1.1	4.0

*Net income attributable to IIJ

II - 2. Revenues



Unit: JPY million

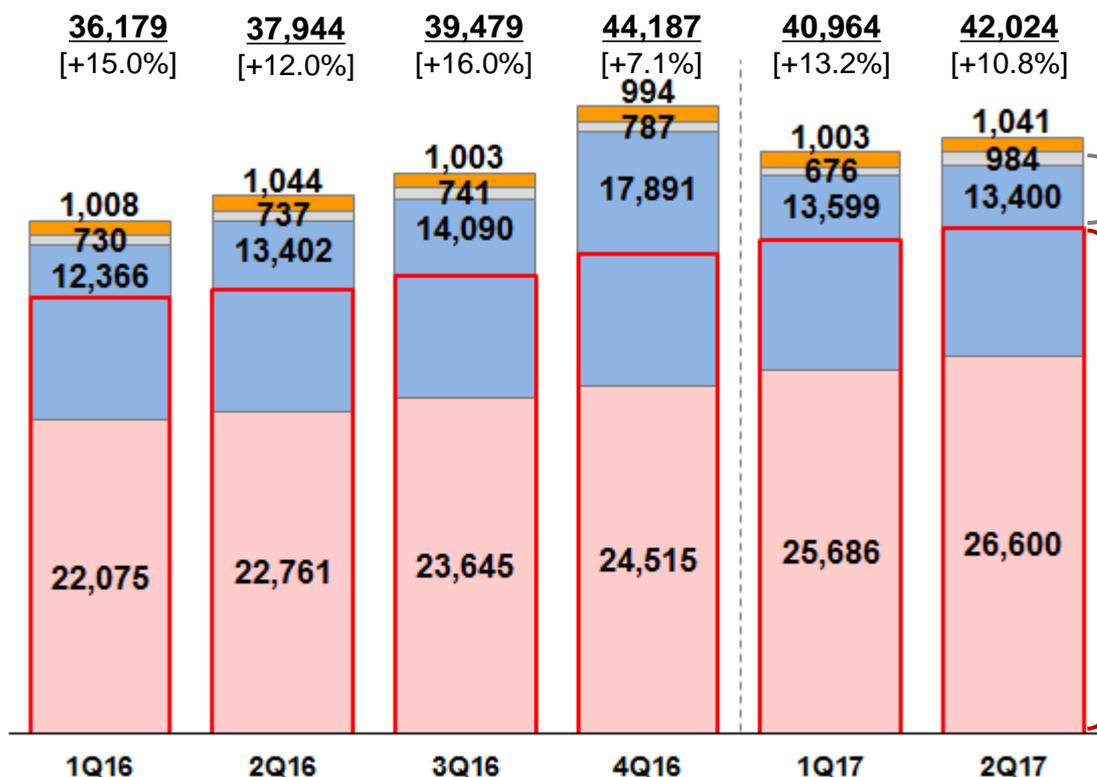
[], YoY = compared to the same period in a previous year

1H16: 74,123 [+13.5%]

1H17: 82,988

FY16: 157,789 [+12.2%]

[+12.0%]



One-time Revenue *
 1H17: JPY10,468 million (up 4.2% YoY)
 (12.6% of 1H17 revenues)

Recurring Revenue*
 1H17: JPY70,477 million (up 13.6% YoY)
 (84.9% of 1H17 revenues)

* One-time revenues, which are systems construction and equipment sales, are recognized when systems or equipment are delivered and accepted by customers
 * Recurring revenues represent the following monthly recurring revenues: Internet Connectivity Services for Enterprise, Internet Connectivity Services for Consumer, Outsourcing Services, WAN Services, and Systems Operation and Maintenance

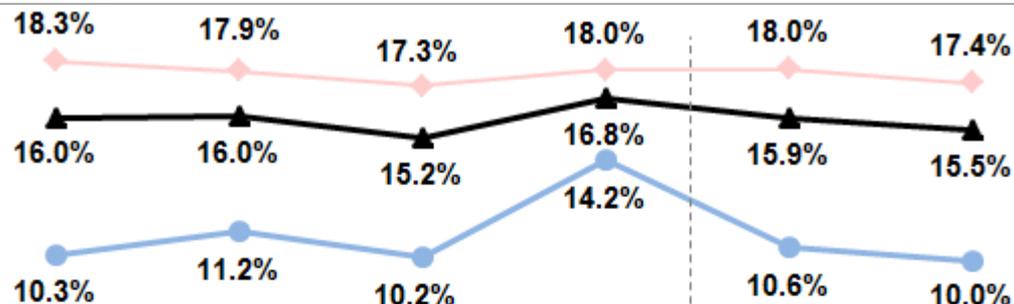
II - 3. Cost of Revenues and Gross Margin Ratio

Cost of revenues: ■ NW Services ■ SI ■ Equipment Sales ■ ATM Operation Business

Gross margin ratio: ◆ NW Services ◆ SI ▲ Overall

Unit: JPY million

[], YoY = compared to the same period in a previous year
QoQ = 2Q17 compared to 1Q17



1H16: 62,275 [+16.1%]

FY16: 132,542 [+14.3%]

1H17: 69,962

[+12.3%]

30,397
[+17.8%]

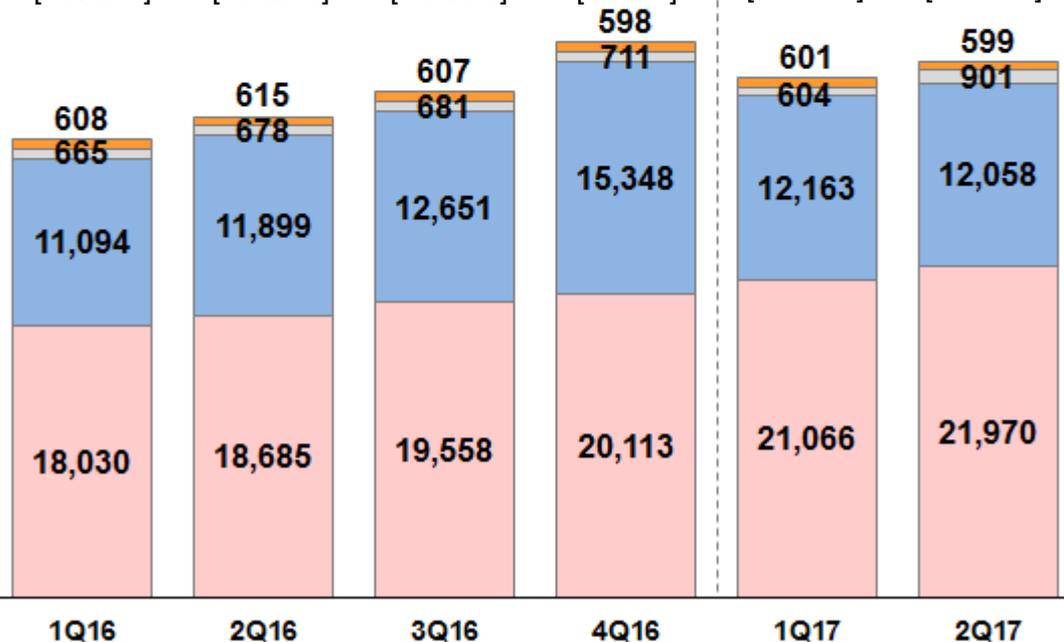
31,878
[+14.6%]

33,497
[+19.8%]

36,770
[+6.9%]

34,434
[+13.3%]

35,529
[+11.5%]



Gross Margin

◆ Total

1H17: JPY13,026 million (up 9.9% YoY)

1H16: JPY11,848 million (up 1.2% YoY)

➢ Gross margin ratio: 15.7% (down 0.3 points YoY)

◆ NW Services

1H17: JPY9,249 million (up 13.9% YoY)

1H16: JPY8,120 million (up 8.3% YoY)

➢ Mobile gross margin amount continued to increase YoY in 1H17. Mobile gross margin ratio on a QoQ decreasing trend along with an increase in MVNE transactions in 2Q17

➢ The revised NTT DOCOMO's interconnectivity charge, fixed in Mar. 2017, decreased by 14% YoY (unlike last revised charge, the calculation excluded the cost for lending SIM).

◆ SI

1H17: JPY2,778 million (up 0.1% YoY)

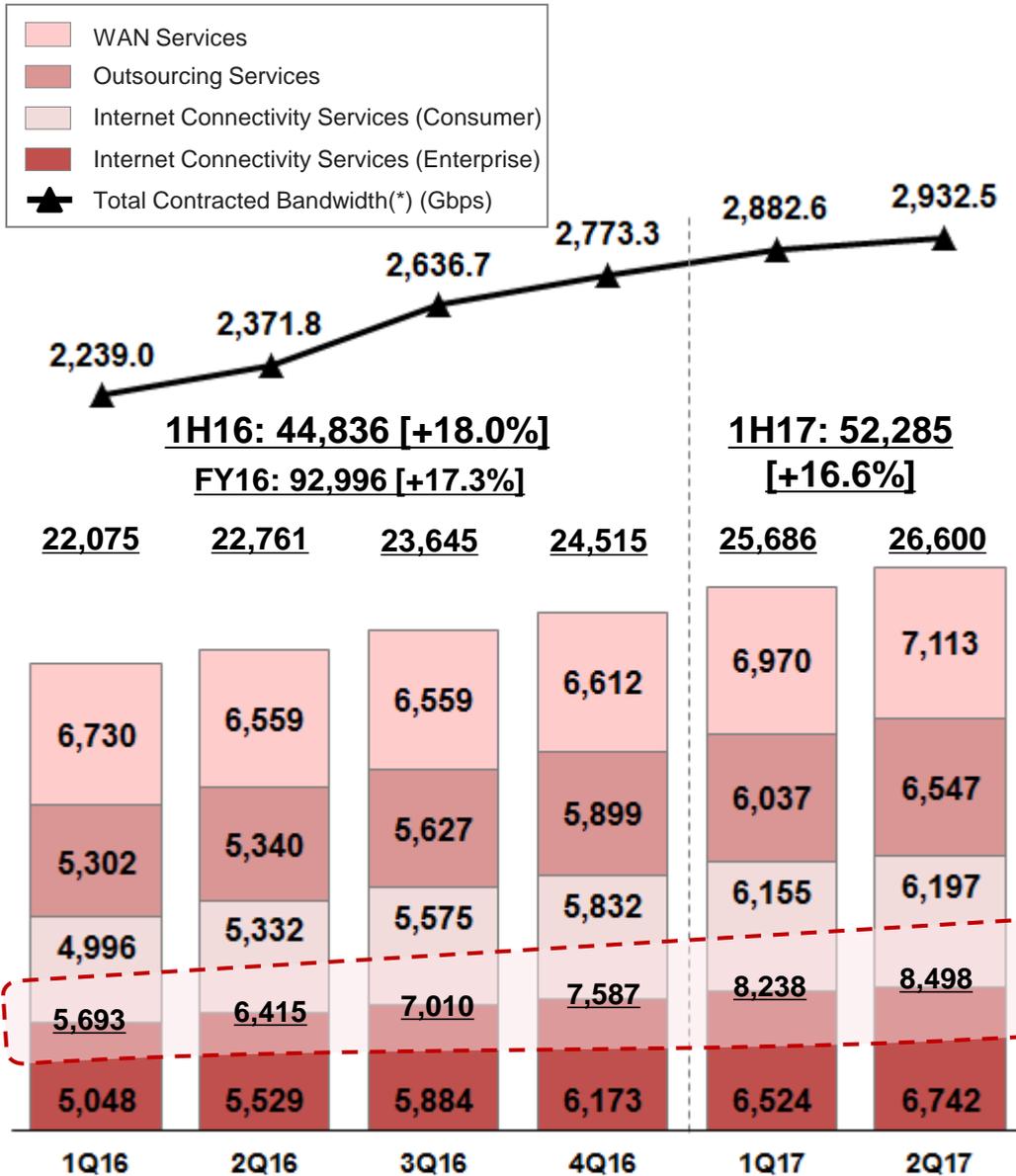
1H16: JPY2,775 million (down 18.0% YoY)

➢ 1H17 SI revenue slightly increased YoY as SE resources concentrated on a large-scale services integrated project. SI gross margin ratio decreased with small SI revenue volume and initial installation cost related to the large-scale services integrated project

II - 4. Network Services (1)Revenues

Unit: JPY million

[], YoY = compared to the same period in a previous year
QoQ = 2Q17 compared to 1Q17



NW Services Revenues

◆ Internet Connectivity (Enterprise)

- 1H17: up 25.4% YoY
 - MVNE & enterprise mobile solution continued to increase
 - ✓ 1H17-end subs. : 1,021 thousand (up 57.9% YoY)

◆ Internet Connectivity (Consumer)

- 1H17: up 19.6% YoY
 - “IIJmio Mobile Services”
 - ✓ 1H17-end subs. : 972 thousand (up 11.1% YoY)

◆ Outsourcing Services

- 1H17: up 18.3% YoY,
 - Security-related revenue continued to grow
 - ✓ 1H17 revenue: up 25.8% YoY
 - ✓ 2Q17 revenue: up 6.2% QoQ

◆ WAN Services

- 1H17: up 6.0% YoY

◆ Mobile services

- 1H17: up 38.2% YoY

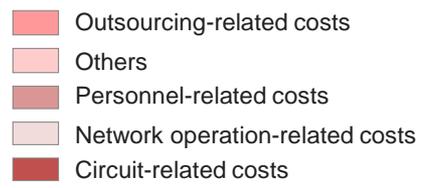
◆ Non-mobile services

- 1H17: up 8.6% YoY

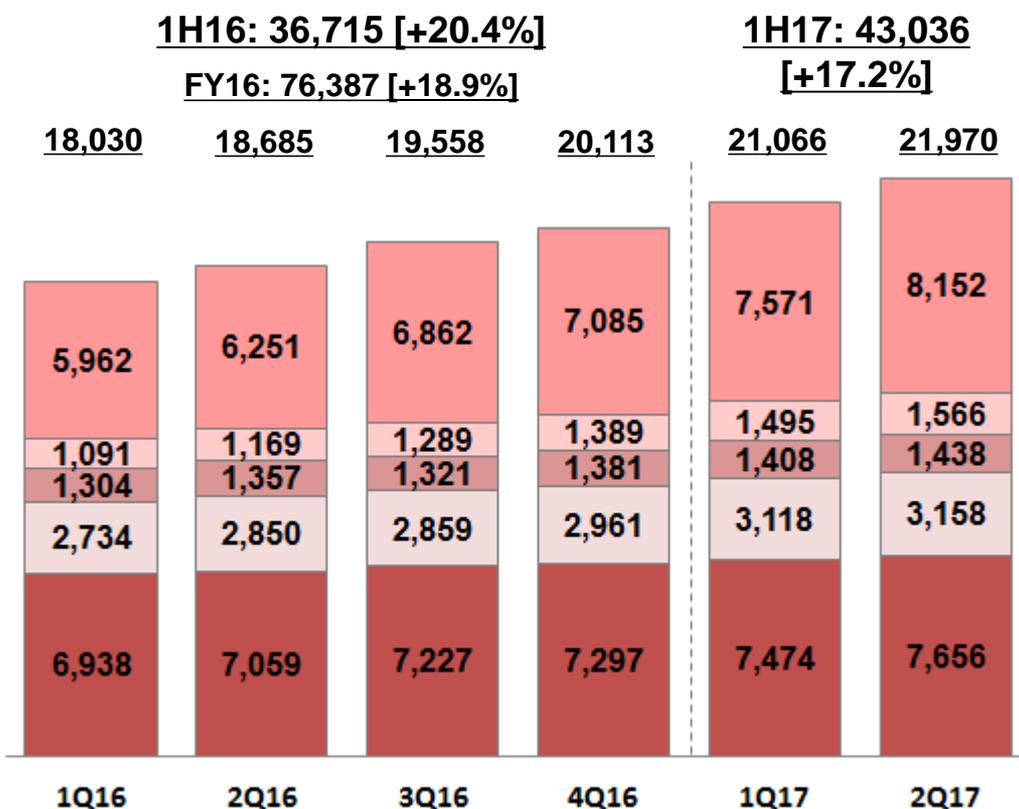
(*) Total contracted bandwidth is calculated by multiplying number of contracts by contracted bandwidths respectively for IP service, data center connectivity service and IIJ FiberAccess/F and IIJ DSL/F of Internet connectivity services (Enterprise).

II - 4. Network Services (2)Cost of Revenues

Unit: JPY million



[], YoY = compared to the same period in a previous year



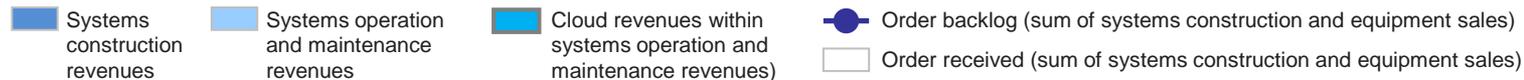
Cost of NW Services

- 1H17: up 17.2% YoY
- Along with increases in WAN revenues and continuous network expansion, circuit-related costs increased
- Along with continuous network equipment installation and service developments, network operation-related costs increased
- One time expansion of mobile infrastructure in 2Q in order to provide reliable connectivity. Mobile-related costs (mainly in outsourcing-related costs) increased

◆ Regarding NTT DOCOMO's ("DOCOMO") mobile interconnectivity cost recognition:

- Regarding our FY16 and FY15 usage charge, DOCOMO's interconnectivity telecommunications service charge was fixed in Mar. 2017 and it decreased by 14% (excluding the cost for lending SIM) YoY.
- Regarding our FY17 and FY16 usage charge, DOCOMO's interconnectivity telecommunications service charge, which is calculated by DOCOMO's FY16 mobile-related cost, is expected to be fixed in Mar. 2018. DOCOMO's payment arrangement is 15% off temporarily from Apr. 2017 which is same as FY16.

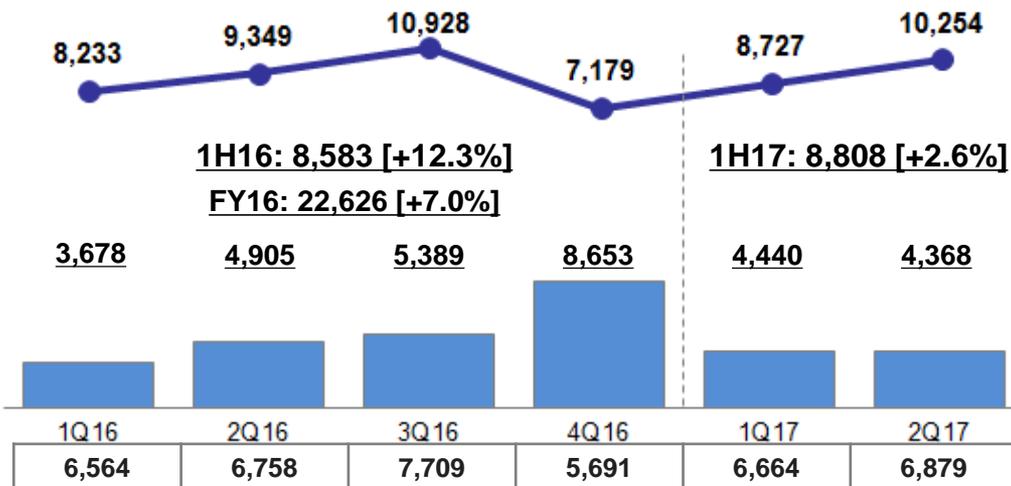
II - 5. Systems Integration (SI) (1)Revenues



Unit: JPY million

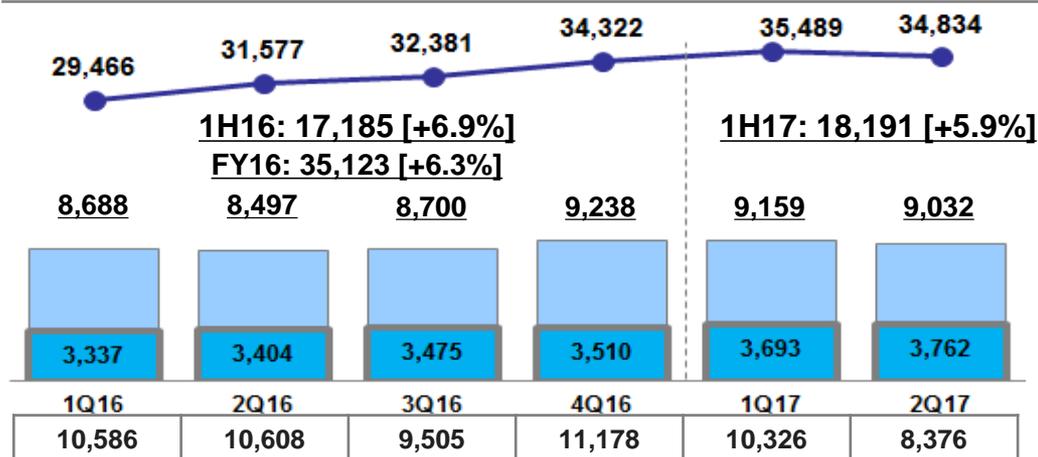
[], YoY = compared to the same period in a previous year

Systems Construction



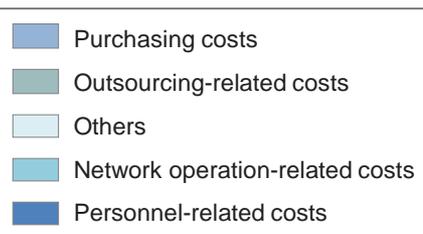
- 1H17 revenue: up JPY225 million YoY
- Large-scale construction projects orders received in 2Q17:
 - University campus network
 - Mail and security services for a consumer ISP
 - GDPR assessment for a prominent retailer
 - System replacement for a prominent online bank
 - Office 365 system for a famous toy company etc.
- As resources concentrated on a large-scale services integrated project, 1H17 revenue and order received slightly increased YoY, Expect the situation to improve in 2H17

Systems Operation and Maintenance



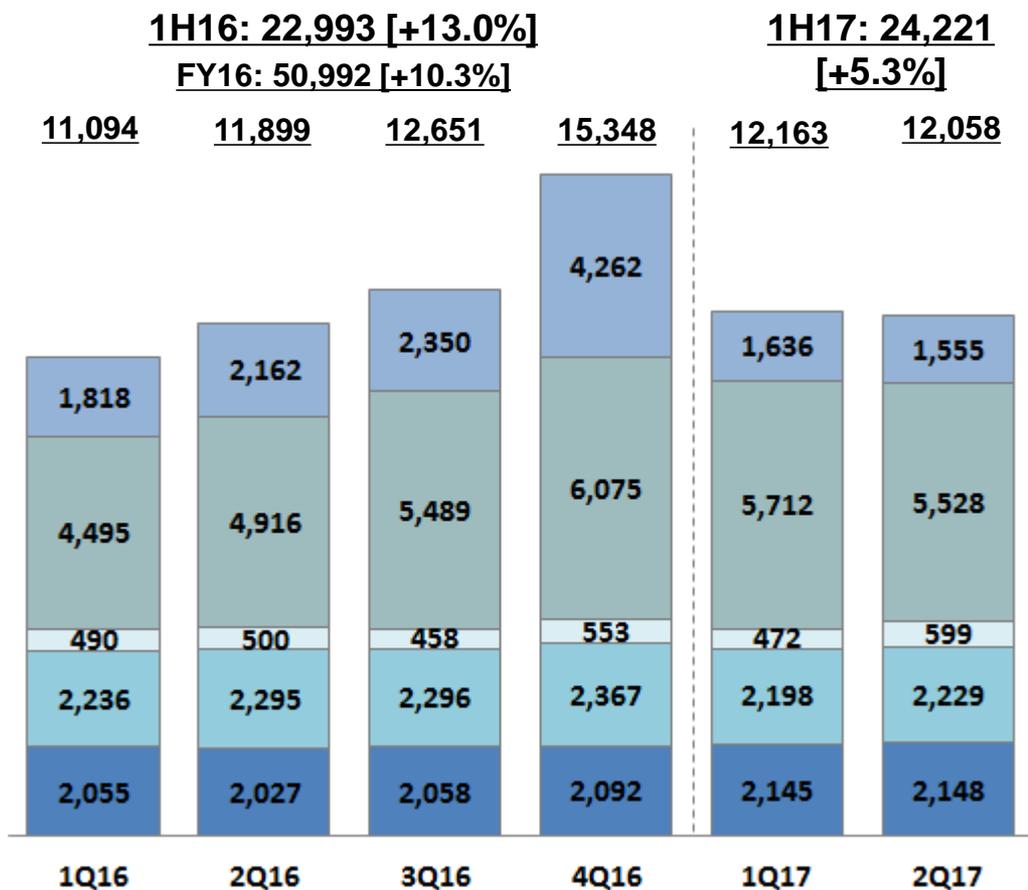
- 1H17 revenue: up JPY1,006 million YoY
- Continuous revenue growth mainly due to the accumulation of systems construction which migrated to systems operation and maintenance phase as well as continuous increase in private Cloud revenue
 - 1H17 revenue from private Cloud: up 10.6 YoY
 - 1H17 revenue from SI construction: up 2.8% YoY
 - ✓ Sluggish growth due to expected termination of DC contract with a large game customer in 1Q17
- 86.3% of 2Q17 Cloud-related revenue is recognized in systems operation and maintenance revenues (13.7% in outsourcing)

II - 5. Systems Integration (SI) (2)Cost of Revenues



Unit: JPY million

[], YoY = compared to the same period in a previous year
QoQ = 2Q17 compared to 1Q17

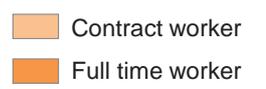


Cost of SI

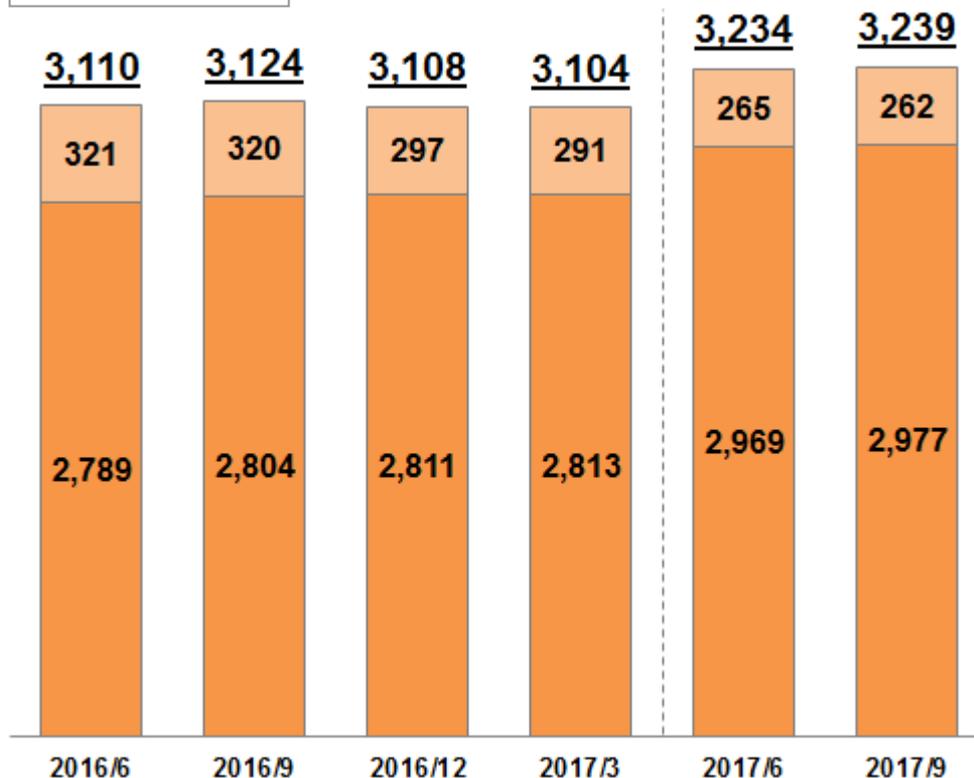
- 1H17: up JPY1,228million YoY
 - 2Q17-end number of outsourcing personnel: 1,626 personnel (up 401 YoY, up 59 QoQ)
 - ✓ Within the above 1,626 personnel, 1,079 personnel were for SI related (up 135 YoY, down 14 QoQ)
 - GIO P2: 1H17 revenue up JPY0.84 billion YoY, 1H17 cost up JPY0.47 billion YoY

II - 6. Number of Employees

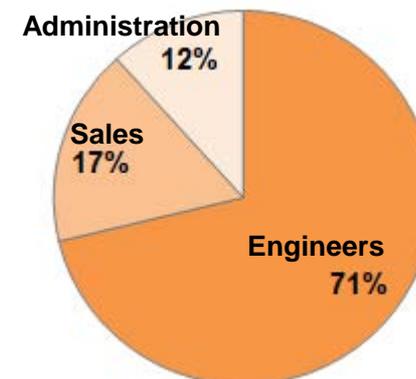
Unit: JPY million



[], YoY = compared to the same period in a previous year



Employee Distribution



Personnel related costs & expenses

(% of revenue)

1Q16	2Q16	3Q16	4Q16	1Q17	2Q17
5,464 (15.1%)	5,446 (14.4%)	5,432 (13.8%)	5,635 (12.8%)	5,797 (14.2%)	5,784 (13.8%)
1H16: 10,909 (14.7%) +3.3% YoY				1H17: 11,581 (14.0%)	
FY16: 21,977 (13.9%) up 822, up 3.9% YoY				+6.2% YoY	

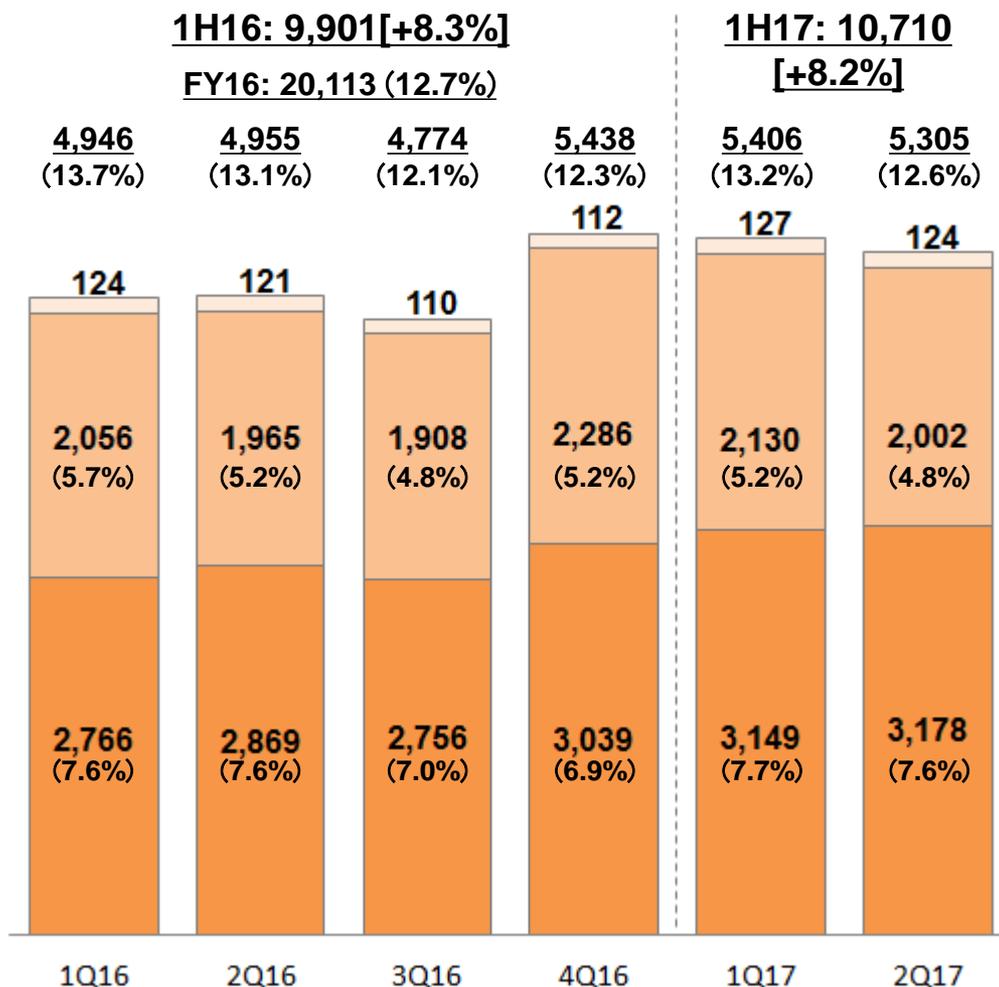
- ◆ 2Q17: up JPY338 million, up 6.2% YoY
- ◆ Hired 148 new graduates in Apr. 2017 (137 in Apr. 2016, 155 in Apr. 2015)
- ◆ 178 new graduates are planned to join in Apr. 2018
- ◆ Net addition of employees for FY17 is approx. 190 (included in the budget)

II - 7. SG&A Expenses/R&D



Unit: JPY million

[], YoY = compared to the same period in a previous year



Sales & marketing expenses

- 1H17: up 12.3% YoY
 - Sales commission expenses, advertising expenses, and personnel-related expenses increased

General & administrative expenses

- 1H17: up 2.8% YoY
 - Personnel-related expenses increased
- 2Q17: Compared to 1Q17, training expenses and others decreased

◆SG&A related to ATM operation business

Unit: JPY million

1Q16	2Q16	3Q16	4Q16	1Q17	2Q17
43.5	51.1	42.9	47.0	35.5	44.8

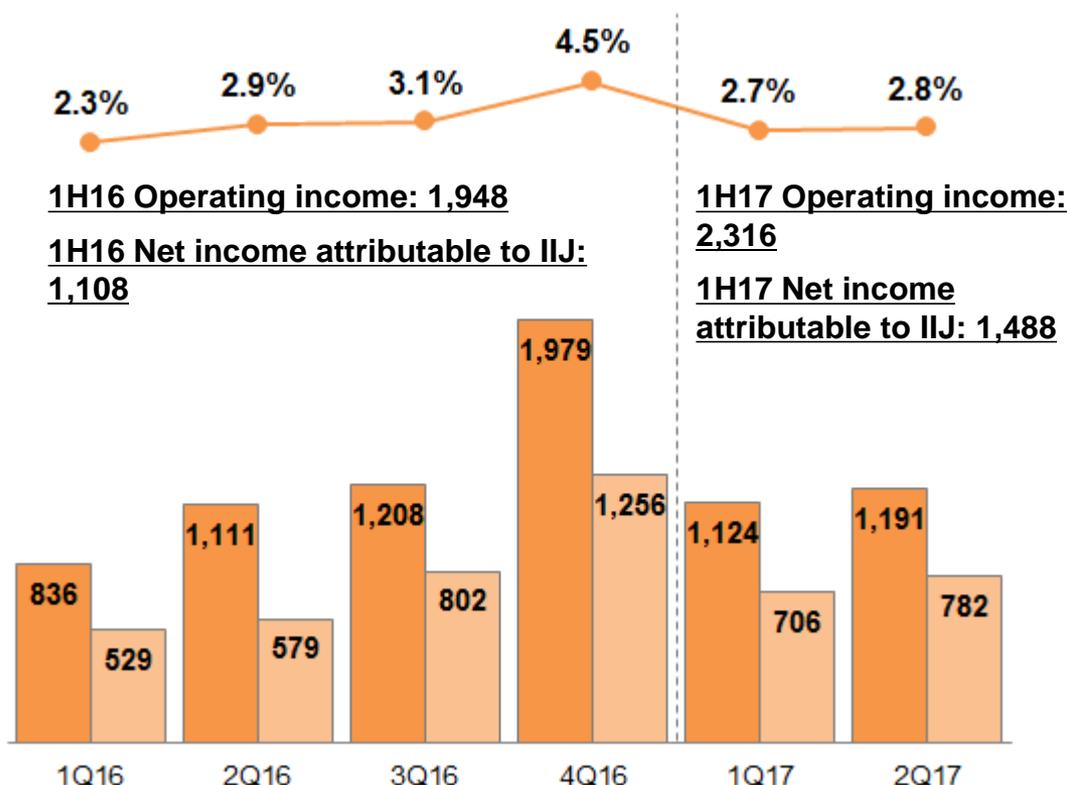
- Placed 1,093 ATMs as of September 30, 2017

II - 8. Operating Income and Net Income

Operating Income Net Income Attributable to IIJ Operating Margin Ratio

Unit: JPY million

[], YoY = compared to the same period in a previous year



Income

◆ Income before income tax expense:

- 1H17: JPY2,469 million (up JPY363 million, up 17.3% YoY)
 - Dividend income: JPY197 million
 - Distribution from fund investments: JPY122 million
 - Foreign exchange gain: JPY19 million
 - Interest expense: JPY184 million

◆ Net income attributable to IIJ:

- 1H17: JPY1,488 million (up JPY380 million, up 34.3% YoY)
 - Equity in net income of equity method investees including Internet Multifeed: JPY77 million
 - Net income attributable to noncontrolling interests including Trust Networks: JPY89 million

139	531	446	1,203	342	764	Current income tax expense
301	(18)	67	(444)	109	(245)	Deferred tax expense (benefit)
17	25	28	61	36	41	Equity in net income of equity method investees
(42)	(43)	(41)	(39)	(42)	(47)	Less: Net income attributable to noncontrolling interests

II - 9. Consolidated Balance Sheets (Summary)

Unit: JPY million

	Mar. 31, 2017	Sep. 30, 2017	Changes
Cash and Cash Equivalents	21,959	19,871	(2,088)
Accounts Receivable	27,384	26,233	(1,151)
Inventories	2,798	4,162	+1,364
Prepaid Expenses (Current and Noncurrent)	14,218	15,920	+1,702
Investments in Equity Method Investees	3,150	3,348	+198
Other Investments	7,925	9,689	+1,764
Property and Equipment	39,775	42,193	+2,418
Goodwill and Other Intangible Assets	9,257	9,073	(183)
Guarantee Deposits	3,060	3,344	+284
Total Assets:	137,395	140,488	+3,093
Accounts Payable	16,962	16,792	(170)
Income Taxes Payable	1,076	1,014	(62)
Borrowings (Short-term and Long-term)	17,750	17,750	-
Capital Lease Obligations (Current and Noncurrent)	15,203	16,830	+1,627
Total Liabilities:	70,015	71,085	+1,070
Common Stock	25,509	25,512	+2
Additional Paid-in Capital	36,118	36,147	+30
Retained earnings	4,512	5,392	+880
Accumulated Other Comprehensive Income	2,500	3,623	+1,123
Treasury stock	(1,897)	(1,897)	-
Total IJ Shareholders' Equity:	66,742	68,777	+2,035

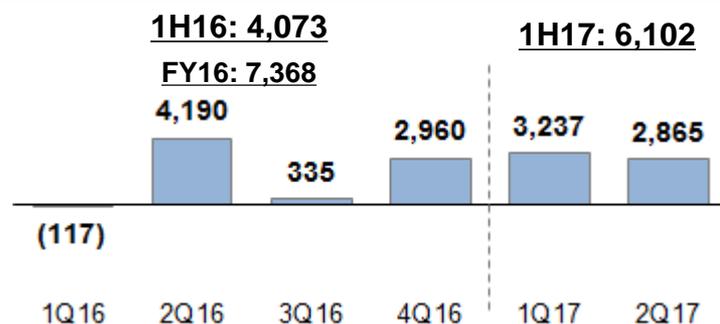
➤ Total IJ Shareholders' Equity to Total Assets: 48.6% as of Mar. 31, 2017, 49.0% as of Sep. 30, 2017

II - 10. Consolidated Cash Flows

Unit: JPY million

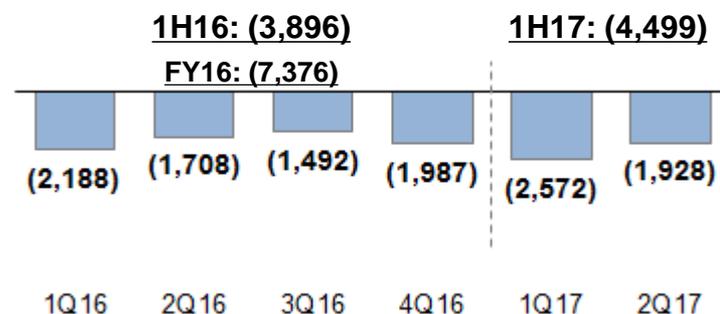
Operating Activities

[], YoY = compared to the same period in a previous year



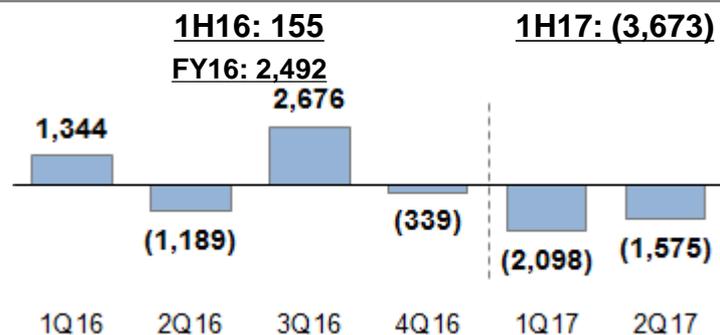
	Major Breakdown	YoY Change
Net income	1,577	+383
Depreciation and amortization	6,022	+738
Fluctuations of operating assets and liabilities	(1,512)	+1,234

Investing Activities



	Major Breakdown	YoY Change
Purchase of property and equipment	(6,423)	(1,065)
Proceeds from sales of property & equipment (lease-back transaction)	2,384	+1,174

Financing Activities

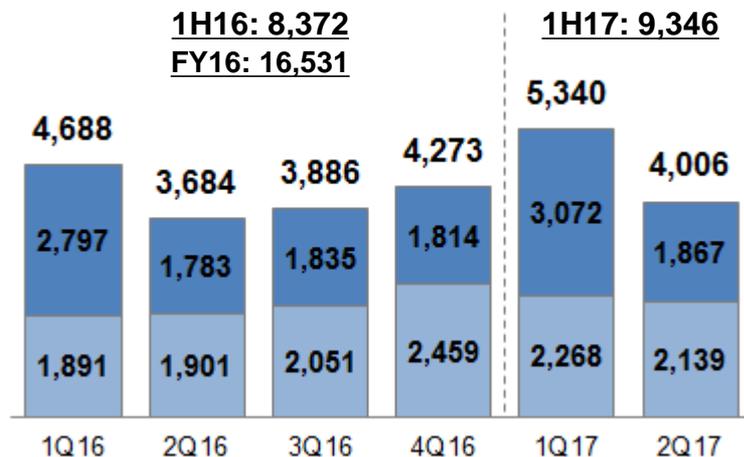


	Major Breakdown	YoY Change
Principal payments under capital leases	(2,764)	(450)
Dividends paid	(608)	(103)

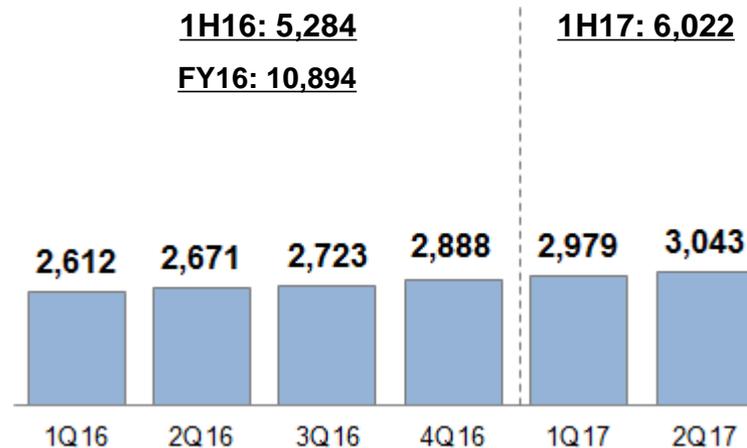
II - 11. Other Financial Data (CAPEX etc.)

Unit: JPY million

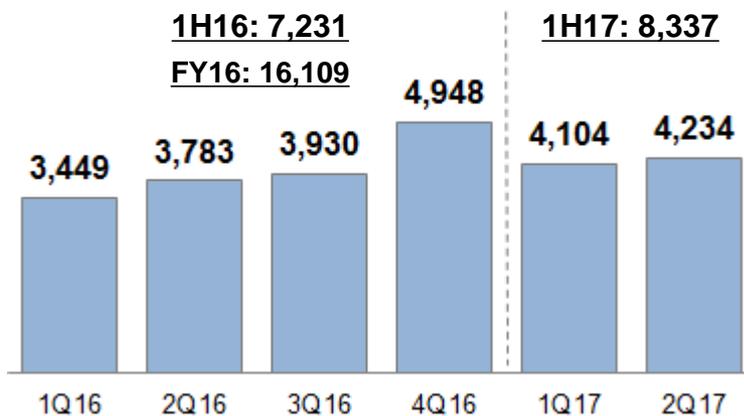
CAPEX



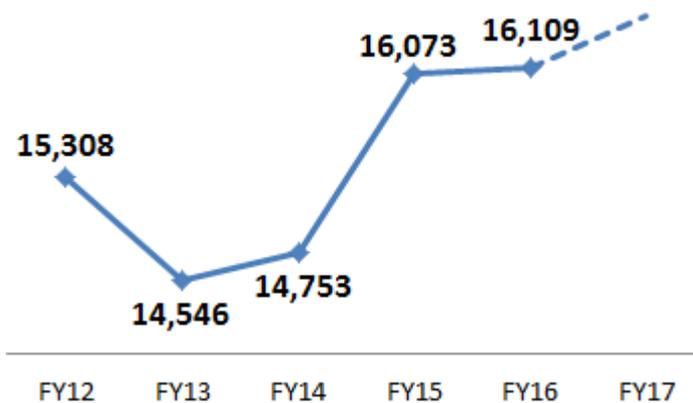
Depreciation and Amortization



Adjusted EBITDA



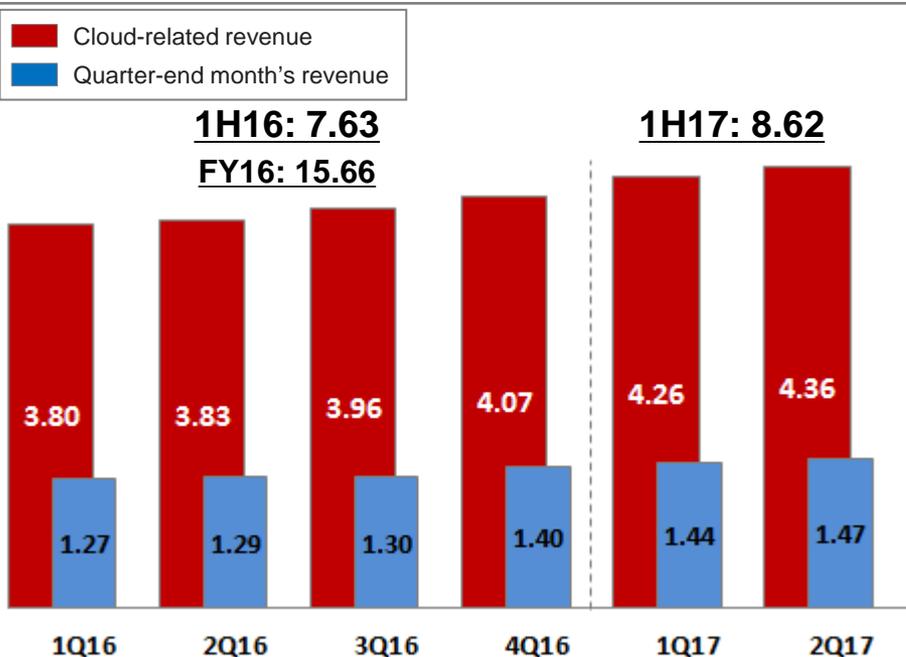
Adjusted EBITDA Annual Growth



III - 1. Cloud Business Developments

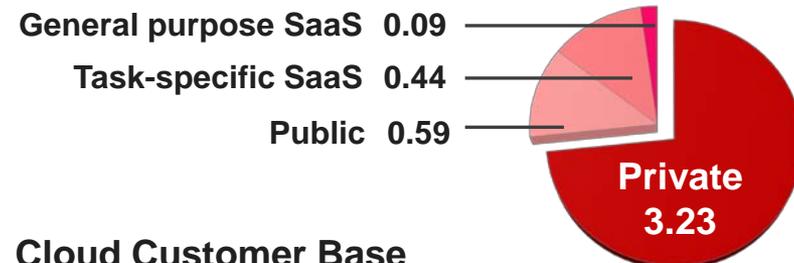
Cloud-related revenue

Unit: JPY billion

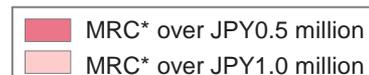


2Q17 revenue

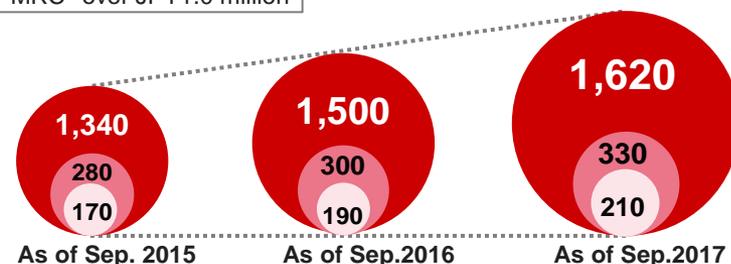
Unit: JPY billion



Cloud Customer Base



*Monthly Recurring Charge



◆ 1H17 revenue up 13.0% YoY

YoY=Year over Year change

- Accumulation of large-scale projects from 1Q. Flattish 2Q growth mainly due to the timing of orders and decrease of revenue in a certain gaming customer

◆ Enhance functions for Private Cloud

- Unified Operation Maintenance service continued to grow
 - Offers comprehensive centralized management for on-premise, multi-Cloud, and hybrid-Cloud systems
 - Significantly reduce operation workload by predicting system failures with in-house developed automated filtering etc.
- Continuously strengthening partnership with Microsoft
 - Accumulate demands to connect with Azure through closed network with Office 365

◆ Large-scale projects

- Mission critical system for Saitama prefecture
- Multi-Cloud systems for Nippon Express
- Office 365 private connectivity system for Aioi Nissay Dowa Insurance
- PoS systems for Conexio's retail stores
- Cloud-based remote management system for Nippon Seiki
- Enterprise system for At Home Co. etc

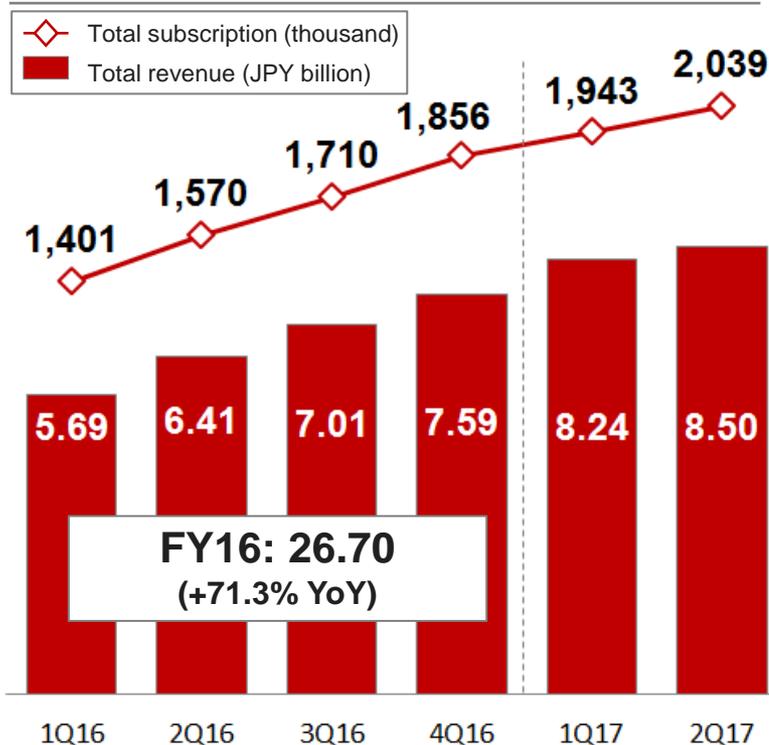
◆ 2Q17 cloud-related revenue recognition:

- 86.3% in systems operation and maintenance
- 13.7% in outsourcing

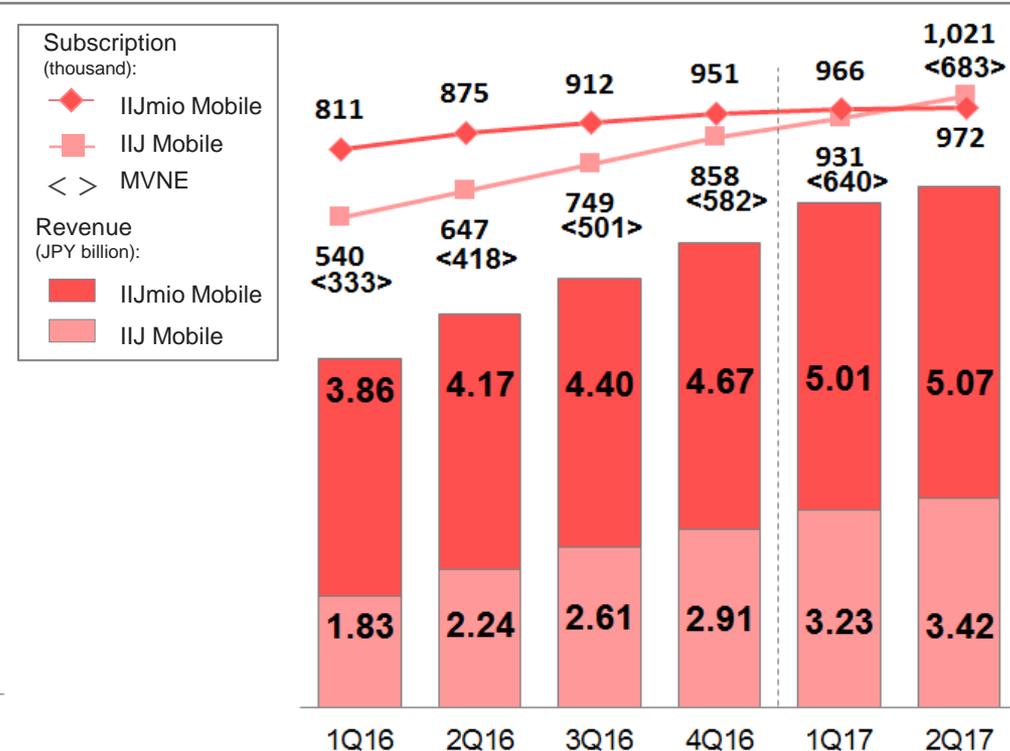
III - 2. Mobile and IoT Business Developments

YoY=Year over Year change

Total subscription & revenue



IIJmio Mobile (consumer) & IIJ Mobile (enterprise)



◆ 1H17 enterprise mobile revenue (excluding MVNE): JPY1.73 billion (+15.4% YoY)

- Accumulating enterprise mobile solutions
 - Security camera, teleconference system, digital signage, taxi dispatch system, BtoC service handy devices, and many more
 - To further capture IoT-related projects, started providing 10GB or more data volume and service menu specialized in upload traffic
 - Systems construction and service developments for full-MVNO on track

◆ Continued to be profitable. 1H17 mobile gross margin amount continued to increase YoY. Mobile gross margin ratio as the same level as year before

◆ Top-class MVNO market share with 22% (including MVNE)

*as of March-end 2017 SIM card subscription, MM Research Institute June 2017

- Opened sales-counter at another prominent retailer (Yodobashi) from Sep. 2017, expanding handsets-included plans, executing many promotions

◆ 1H17-end MVNE clients: 128 (up 8 clients YoY)

III - 3. Business Developments (1)

YoY=Year over Year change

Further Accumulation of IoT Projects

- ◆ IoT-related discussion & PoC prj. with our blue-chip customers as they seek business opportunities with IoT
- ◆ Prospective orders increasing after the announcement of to engage in full-MVNO

1H17-end: approx. 230 projects (doubled YoY)

Sector	Examples of usage
Factory	<ul style="list-style-type: none"> • Remote mgmt. and control of factory facility • Predict machine failures, reduction in maintenance cost
Agri.	<ul style="list-style-type: none"> • Paddy mgmt. (control of water level & temp.)
Log.	<ul style="list-style-type: none"> • Mgmt. of vehicle location & delivery status • Connected Cars, data monitoring of racing cars
Retail	<ul style="list-style-type: none"> • Analysis on consumers' movement from in-store cameras to create marketing data • Monitoring waiting customers
Housing	<ul style="list-style-type: none"> • Mgmt. of electricity with info from smart-meter • IoT to consumer electronics and nursing care
Others	<ul style="list-style-type: none"> • Mgmt. for solar panels & windmills • Tracing products

< Glossary >

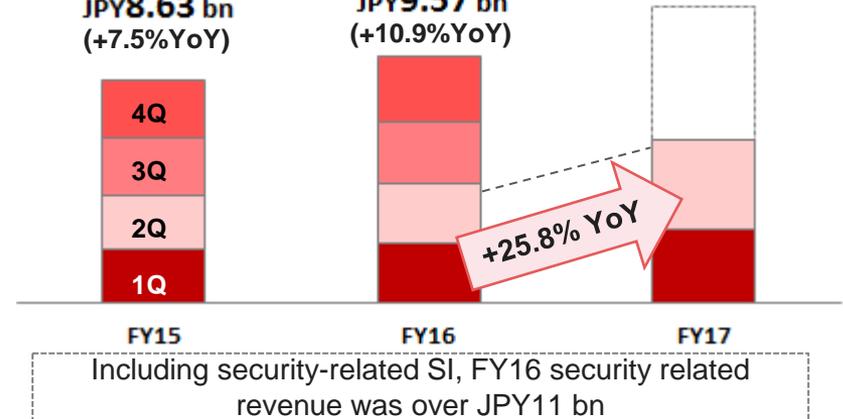
PoC	Proof of Concept	Agri.	Agriculture
Prj.	Projects	Log.	Logistics
Mgmt.	Management	Inst.	Institution
Temp.	Temperature	Govt.	Government
		a/c	account

Security Revenue Increasing Largely

◆ Security-related services revenue

JPY8.63 bn
(+7.5%YoY)

JPY9.57 bn
(+10.9%YoY)



◆ IIJ DDoS Protection Service growing strongly

2Q17 revenue: doubled YoY

- High penetration towards large financial inst. & central govt. agencies, Further demands coming from service sector
- Able to protect from over terabit scale attacks

◆ Email & Web gateway service continuously expanding

Mail service: approx. 1.8 million a/c

Web gateway service: approx. 1.2 million a/c

- Fully-manage over several hundred thousand a/c for global manufacturing company's mail gateway and more
- 10yrs+ of service operation, filter logics in-house developed
- ◆ Enhance competitiveness with SOC service (Mar. '17 ~)
 - Providing to local govts. Leveraging security log obtained as an ISP to protect against latest cyber threats
 - Assist enterprise security systems with establishment of CERT, SOC service & wide-range of security services

III - 3. Business Developments (2)

IIJ Omnibus Services Status

- ◆ Cloud-type NW service offering necessary functions for enterprise NW such as Internet connectivity, security & WAN by incorporating SDN/NFV technologies

Various function modules

- Internet connectivity
- Firewall
- Mail security
- Web security
- Cloud connectivity
- Data center connectivity
- WAN
- Internet VPN
- Remote access

etc.

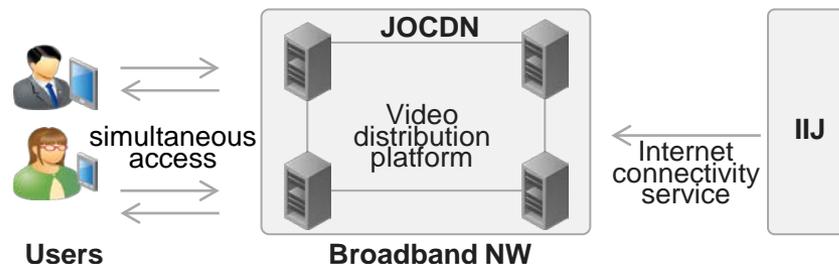
System cloud

Enterprise customers



- ◆ **Continuously acquiring orders from FY16, Order accumulation pace accelerating**
 - Demands to replace enterprise NW and to connect multiple cloud service with closed network increasing
- ◆ **Customers don't need their own NW equipment**
 - Together with system cloud, able to fully outsource enterprise network system
- ◆ **Flexible service design via systems developed by IIJ**
 - Expand functions and service line-ups accordingly with demands
 - Strong competitive advantage as NW service provider

Outlook for CDN Business



CDN

- ◆ **“JOCDN”* starting up business**
 - JV with 15 Japanese broadcasting companies
 - Providing services to TVer & 2 large broadcasting companies, Preparing to provide services to a prominent contents holder, Expanding service facility with greater than expected traffic
 - ◆ **Capable of distributing terabit volume video contents**
 - Strategically important project co-working with broadcasting companies towards 4K video distribution
- *Equity method investee with 20% IIJ ownership

Streaming services etc.

- ◆ **Supported online population census for the govt.**
 - 19 million users access simultaneously
- ◆ **Continuously chosen to online stream annually held national high-school baseball matches**
- ◆ **First in the world: live streaming of high-res. sound**
 - Berlin Philharmonic Performances, NHK Symphony Orchestra, Tokyo University of the Arts etc.
- ◆ **Experimenting uncompressed 4K video streaming using Internet backbone network**

※ Forward-looking statements

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. These risks, uncertainties and other factors include but not limited to:

- a decrease of corporate spending or capital expenditure due to depression in the Japanese economy and/or corporate earnings decreased,
- an inability to achieve anticipated results and cause negative impact on profitability,
- a possibility that less of reliability for our services and loss of business chances due to interruption or suspension of our services,
- an excess increase and fluctuation in network-related cost, mobile-related cost, outsourcing cost, personnel cost etc,
- a possibility to lose business opportunity due to our inadequate resources in personnel and others,
- an increase in competition and strong pricing pressure,
- the recording of an impairment loss as a result of an impairment test on the non-amortized intangible assets such as goodwill,
- a decline in value and trading value of our holding securities.

Please refer to IIJ's filings on Form 20-F of its annual report and other filings with the United States Securities and Exchange Commission ("SEC") for other risks.

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