

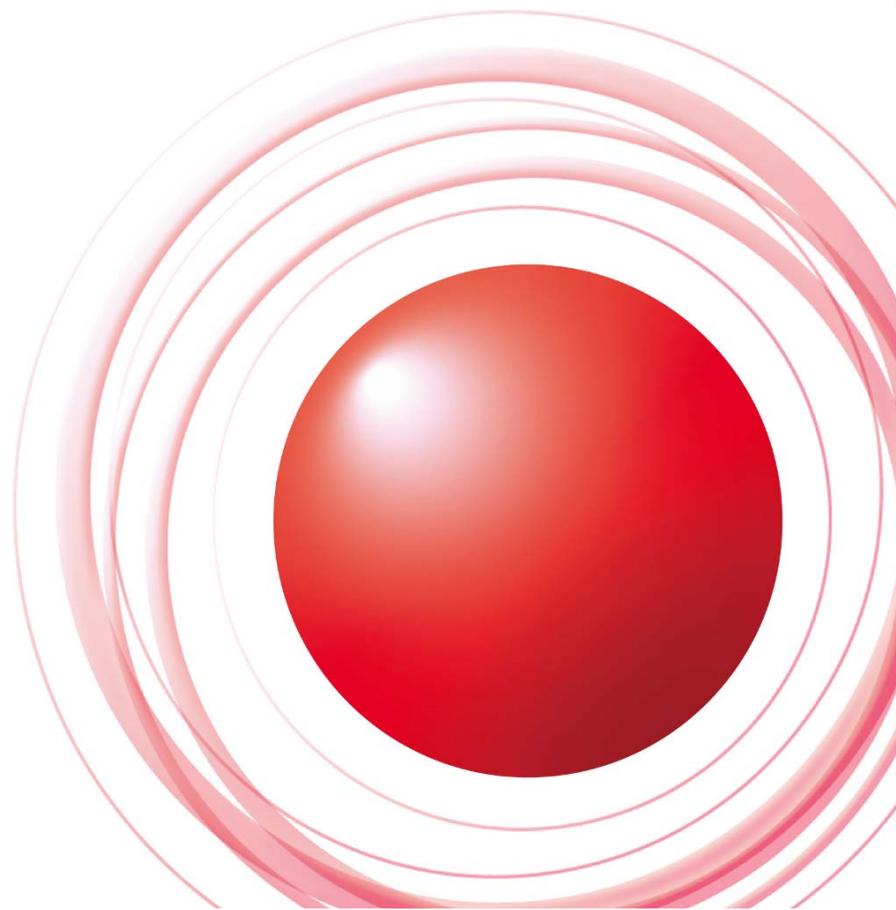
Fiscal Year ended March 31, 2010

Consolidated Financial Results



Internet Initiative Japan Inc.
2010.5.14

Ongoing Innovation



Agenda

**I . Summary of FY2009 Financial Results
and Target for FY2010**

II . FY2009 Consolidated Financial Results

III . FY2010 Financial Target

IV . Reference Materials

I. Summary of FY2009 Financial Results and FY2010 Target

◀ FY2009 Financial Results ▶

➤ Revenue	JPY68,006 million (down 2.5% YoY)
➤ Operating Income	JPY 3,412 million (up 16.9% YoY)
➤ Income before Income Tax Expense	JPY 2,859 million (up 40.5% YoY)
➤ Net Income Attributable to IIJ	JPY 2,234 million (up 57.4% YoY)

- **Connectivity and outsourcing service revenue increased 5.4% YoY, SI revenue decreased 10.6% YoY**
 - Contracts of IIJ Mobile Service accumulated and over 1Gbps service reached 125 contracts (up 31 compared to Mar. 2009)
 - Systems construction revenue decreased by 22.5% YoY due to the decrease in IT related investments, however business environment are slightly improving
 - **Operating income for Connectivity and Outsourcing Service and SI increased 22.0% YoY**
 - Profitability progressed due to the continued increase in connectivity and outsourcing service revenues and tight cost control
 - Gross margin was 21.7% (up 1.6 % points), operating income was 6.5% (up 1.3% points)
 - **ATM operation business is in its course of business start up**
 - Operates 136 ATMs as of Mar. 2010, operating loss was JPY1,000 million (FY08:JPY698 million)
-
- **IIJ absorbed two of its 100% owned consolidated subsidiary on April 1, 2010**
 - IIJ absorbed IIJ Technology Inc. & IIJ Financial Systems Inc. that mainly provides SI to operate the Group more efficiently
 - **To boost sales promotion for IIJ GIO. Having over 600 business inquiries.**
 - **Construction Plan of Module-type Eco Data Center will further increase competitiveness of IIJ GIO.**
 - The introduction of this DC will largely lower facility costs. Start with minimum DC capacity and increase along with the sales of IIJ GIO.
 - **Target revenue and income growth for FY2010**
 - Revenue target :JPY71.0 billion (up 4.4% YoY), Operating Income target: JPY4.3 billion (up 26.0% YoY)
 - **FY2009 year-end cash dividend forecast revised up to JPY1,250 from JPY1,000 per share of common stock. Target cash dividend of JYP2,500 for full FY2010**

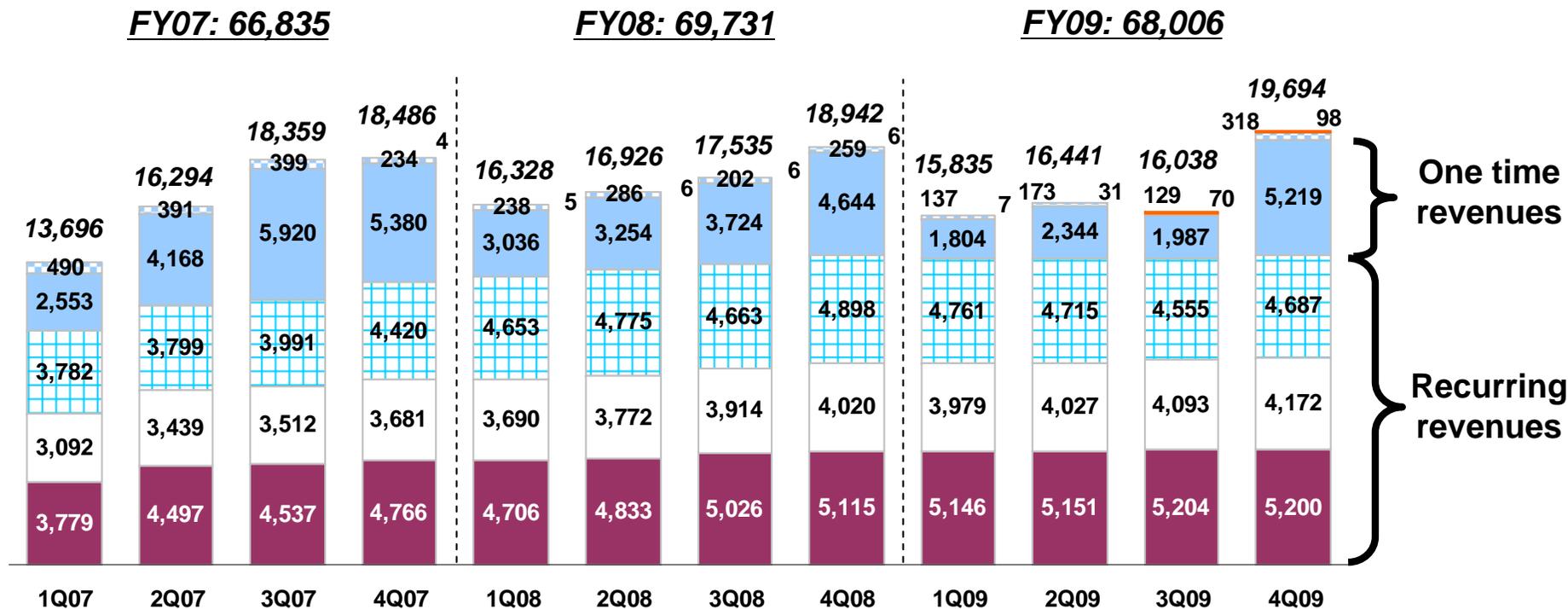
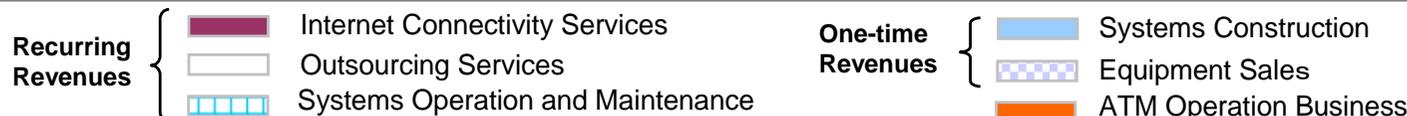
II-1. Consolidated Results for FY2010

Unit: JPY million

	% of Revenues FY09 (09/4~10/03)	% of Revenues FY08 (08/4~09/03)	YoY	
Total Revenues	68.0	69.7	(2.5%)	<ul style="list-style-type: none"> ➤ Connectivity and outsourcing service revenue increased 5.4% YoY ➤ SI revenue decreased 10.6% YoY affected by the weak economy
Total Costs	54.1	56.1	(3.7%)	<ul style="list-style-type: none"> ➤ Continued cost control ➤ Outsourcing and purchasing cost decreased due to the decrease in systems construction revenue
Gross Margin	14.0	13.6	2.7%	<ul style="list-style-type: none"> ➤ Gross margin and gross margin ration increased despite the decrease in revenue
SG&A/R&D	10.5	10.7	(1.2%)	
Operating Income	3.4	2.9	16.9%	<ul style="list-style-type: none"> ➤ General and administrative cost decreased due to cost control
Income before Income Tax Benefit	2.9	2.0	40.5%	<ul style="list-style-type: none"> ➤ Operating income increased 16.9% YoY, Operating Margin Ratio was up 0.8 points YoY
Net Income attributable to IIJ per Share	2.2	1.4	57.4%	<ul style="list-style-type: none"> ➤ Operating loss for ATM Operation Business FY09 : JPY1,000 million (losses) FY08 : JPY698 million (losses)

II-2. Revenues

Unit: JPY million



◆ **Recurring revenues: FY09: JPY55,690 million (up 3.0% YoY), 4Q09: JPY14,059 million (up 0.2% YoY, up 1.5% QoQ)**

- Internet Connectivity Service : FY09: JPY20,701 million (up 5.2% YoY), 4Q09: up 1.7% YoY, down 0.1% QoQ
- Outsourcing Service : FY09: JPY16,271 million (up 5.7% YoY), 4Q09: up 3.8% YoY, up 1.9% QoQ
- Systems Operation and Maintenance : FY09: JPY18,717 million (down 1.4% YoY), 4Q09: down 4.3% YoY, up 2.9% QoQ

◆ **One time revenues: FY09: JPY12,110 million (down 22.6% YoY), 4Q09: JPY5,536 million (up 12.9% YoY, up 161.6% QoQ)**

- Systems Construction : FY09: JPY11,354 million (down 22.5% YoY), 4Q09: up 12.4% YoY, up 162.6% QoQ

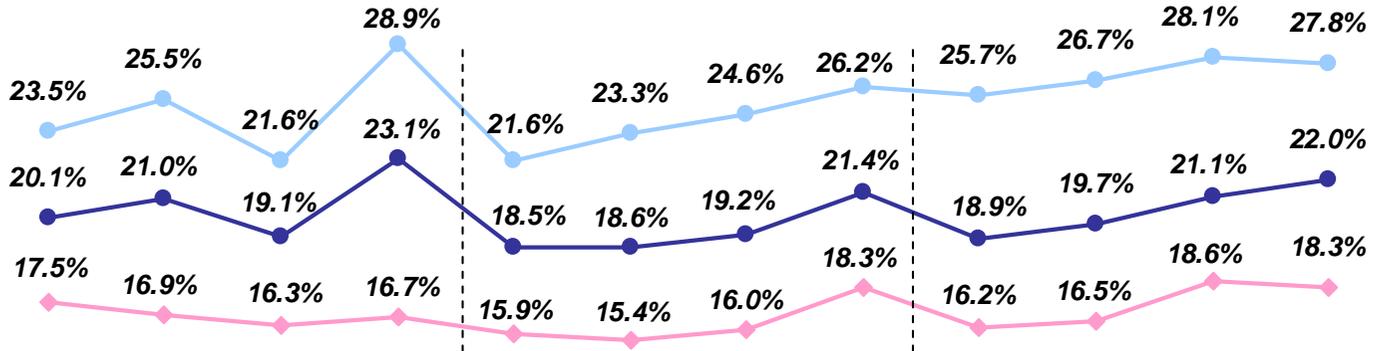
◆ **ATM operation business revenue: FY09: JPY207 million (up JPY183 million YoY), 4Q09: up JPY92 million YoY, up JPY28 million QoQ)**

YoY = 4Q09 compared to 4Q08
QoQ = 4Q09 compared to 3Q09

II-3. Cost of Revenues and Gross Margin Ratio



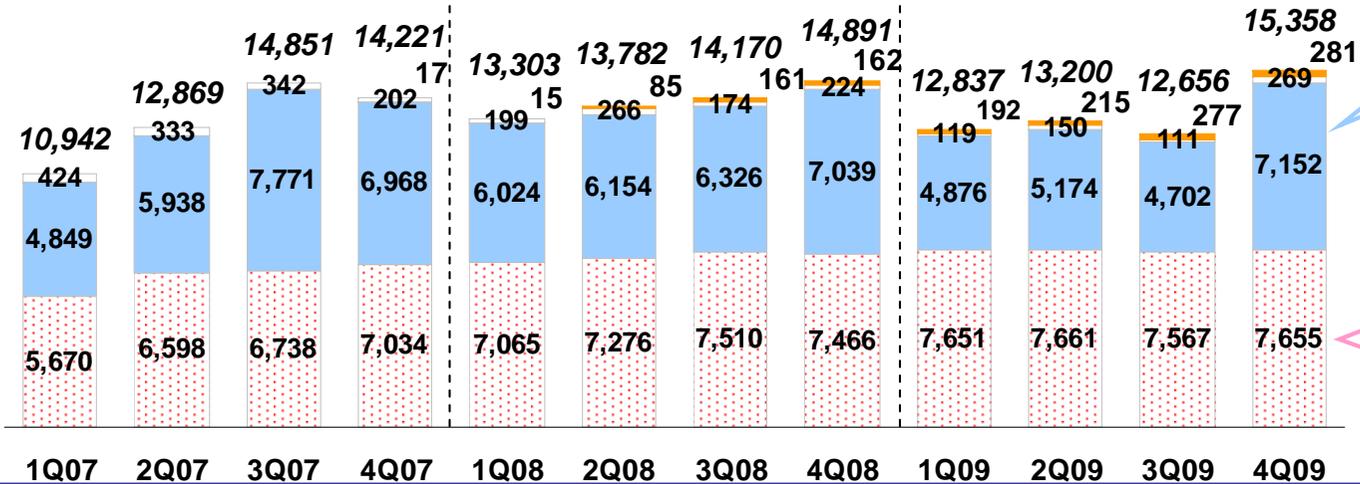
Unit: JPY million



FY07 : 52,883

FY08 : 56,146

FY09 : 54,051



SI

Personnel related costs, outsourcing costs and purchase etc.

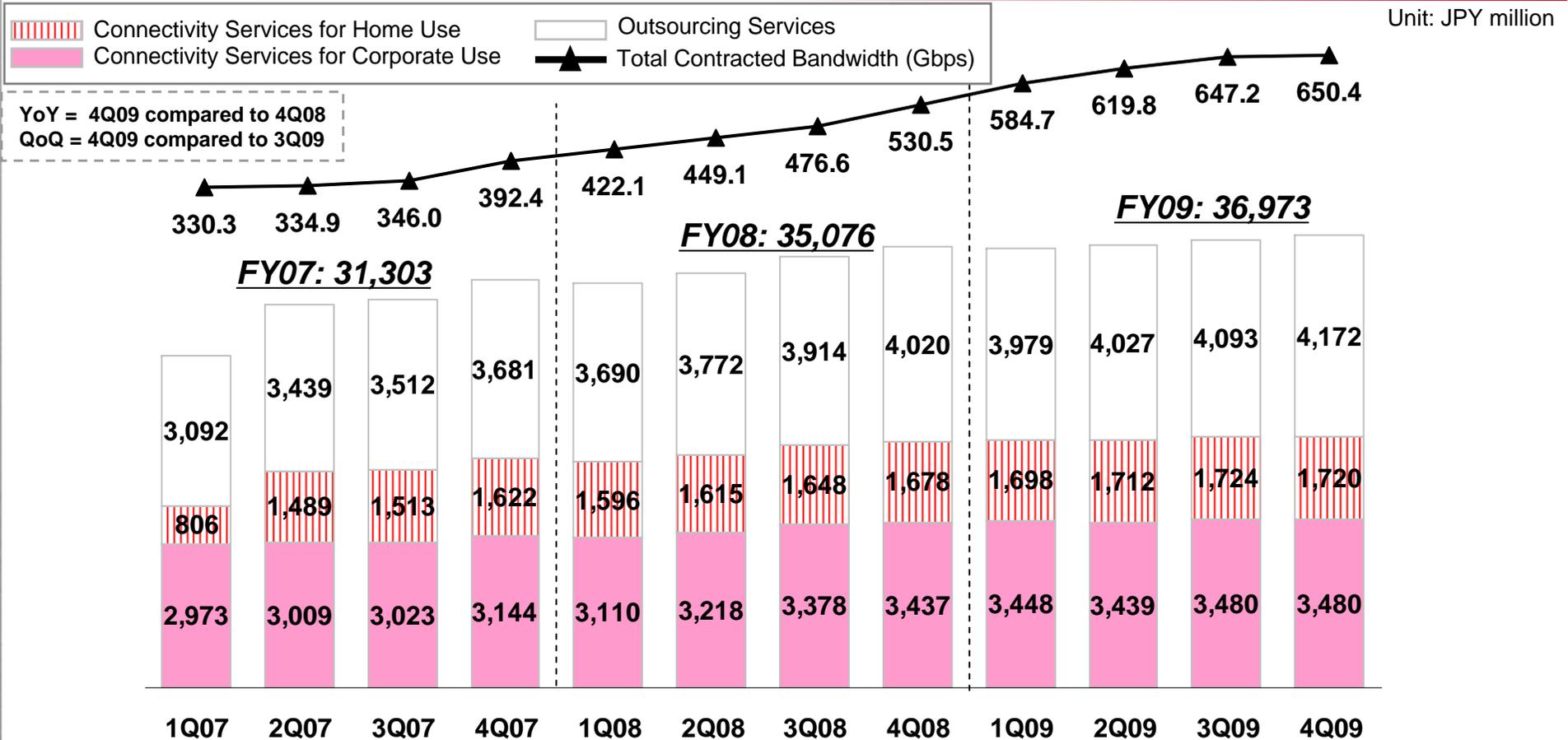
Connectivity and Outsourcing Services

Backbone costs, network equipment costs, network operation related costs, outsourcing related cost and personnel related costs

- ◆ **Cost of connectivity and outsourcing service: FY09: JPY30,534 million (up 4.1% YoY), 4Q09: up 2.5% YoY, up 1.2% QoQ**
 Gross margin ratio: FY09 17.4% (up 1.0 points YoY), 4Q09: unchanged YoY, down 0.3 points QoQ
- ◆ **Cost of SI: FY09: JPY21,904 million (down 14.2% YoY), 4Q09: up 1.6% YoY, up 52.1% QoQ**
 Gross margin ratio: FY09 27.2% (up 3.1 points YoY), 4Q09: up 1.6 points YoY, down 0.3 points QoQ
- ◆ **Cost of ATM operation business: FY09: JPY964 million (up JPY542 million YoY), 4Q09: up JPY119 million YoY, up JPY4 million QoQ)**

YoY = 4Q09 compared to 4Q08
 QoQ = 4Q09 compared to 3Q09

II-4. Connectivity and Outsourcing Services (1) Revenues



◆ **Connectivity service for corporate use: FY09: JPY13,847 million (up 5.4% YoY), 4Q09: up 1.3% YoY, unchanged QoQ)**

- 4Q09 IP service revenue decreased affected by the decrease in volume charge revenue.
- Over 1Gbps contracts reached 125 contracts as of Mar. 2010 (up 31 contracts YoY).

◆ **Connectivity service for home use: FY09: JPY6,854 million (up 4.8% YoY), 4Q09: up 2.5% YoY, down 0.2% QoQ)**

- Continuous shift towards optical fiber service which charge higher monthly fees and increases from MVNO for home use

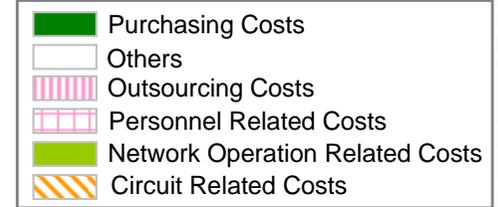
✓ **Mobile service increased with contracts reaching over 40,000 lines (up 4,000 lines compared to 3Q09).**

◆ **Outsourcing service: FY09: JPY16,271 million (up 5.7% YoY), 4Q09: up 3.8% YoY, up 1.9% QoQ)**

- Each service line-ups, such as "IIJ SecureMX Service" of email related services and "IIJ Secure Web Gateway Service", increased steadily. "IIJ Secure Web Gateway Service" prevents virus infection through a web browser and also prevents information leakage.

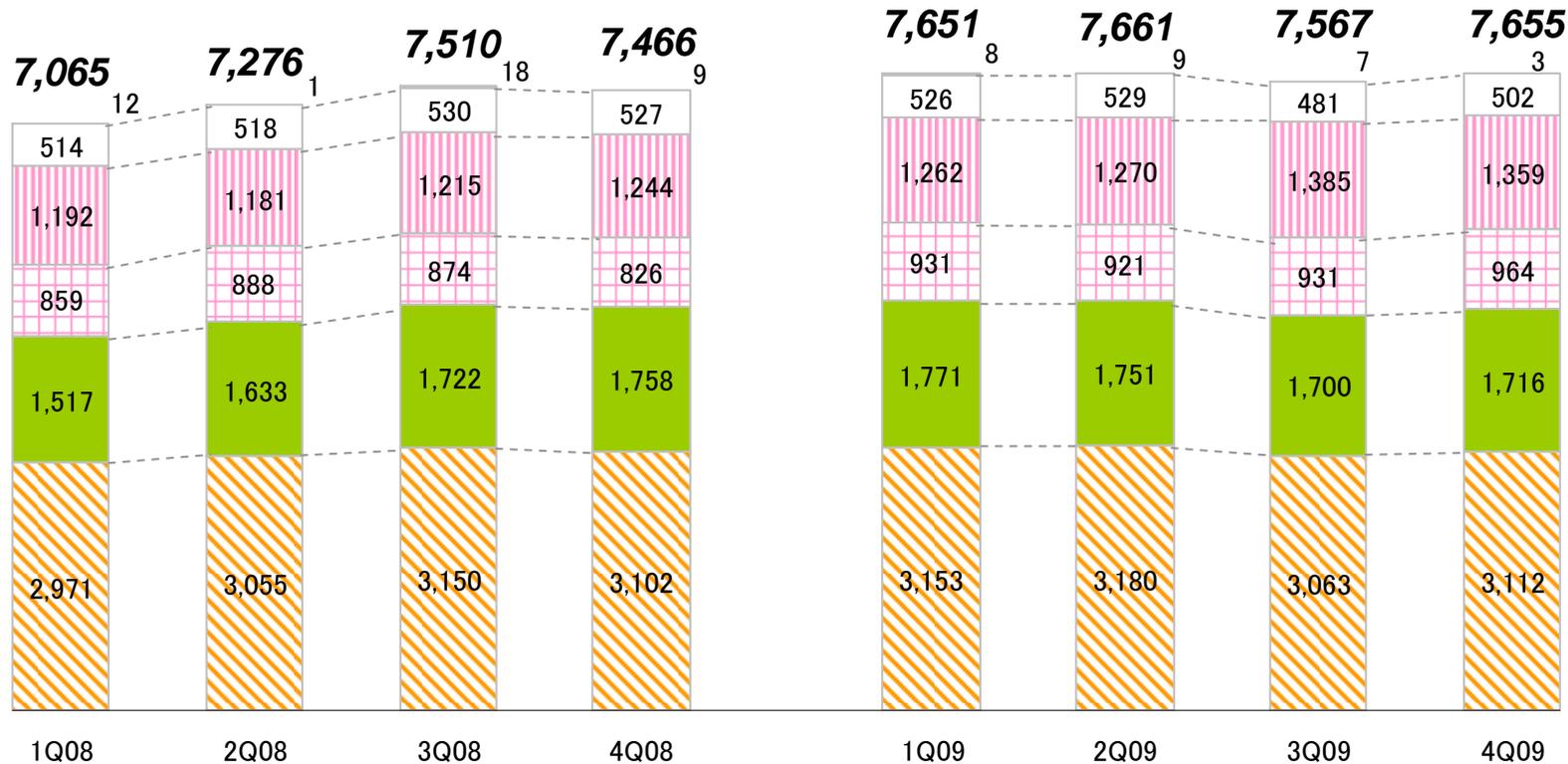
II-4. Connectivity and Outsourcing Services (2) Cost of Revenues

Unit: JPY million



FY08 : 29,318

FY09 : 30,534



◆ Total cost of connectivity and outsourcing service: FY09 : up 4.1% YoY, 4Q09 : up 2.5% YoY, up 1.2% QoQ

➢ FY09 : increase in outsourcing costs, network operation related costs and personnel costs

➢ Backbone cost : FY09 : JPY3,699 million (up 0.2% YoY)

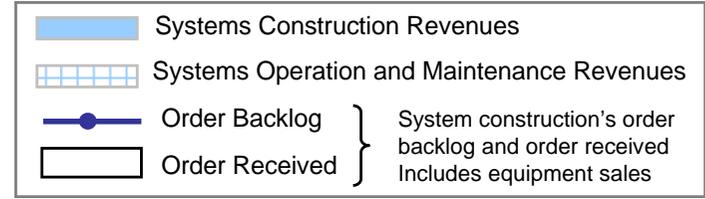
4Q09 : JPY954 million (up 4.2% YoY, up 4.3% QoQ)

YoY = 4Q09 compared to 4Q08
QoQ = 4Q09 compared to 3Q09

II-5. Systems Integration (1) Revenues

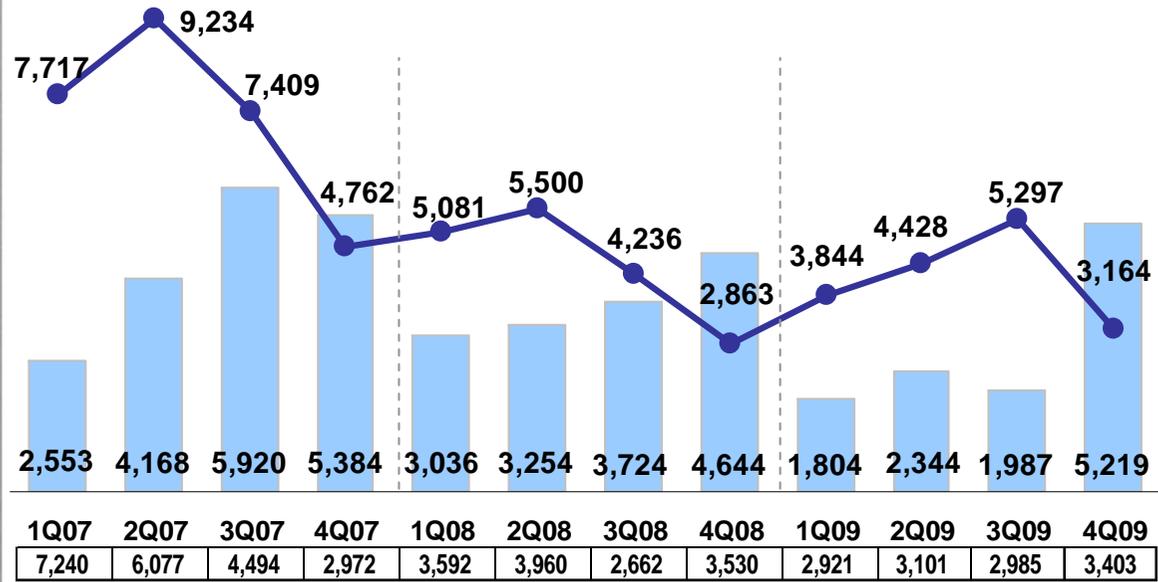
YoY = 4Q09 compared to 4Q08
QoQ = 4Q09 compared to 3Q09

Unit: JPY million



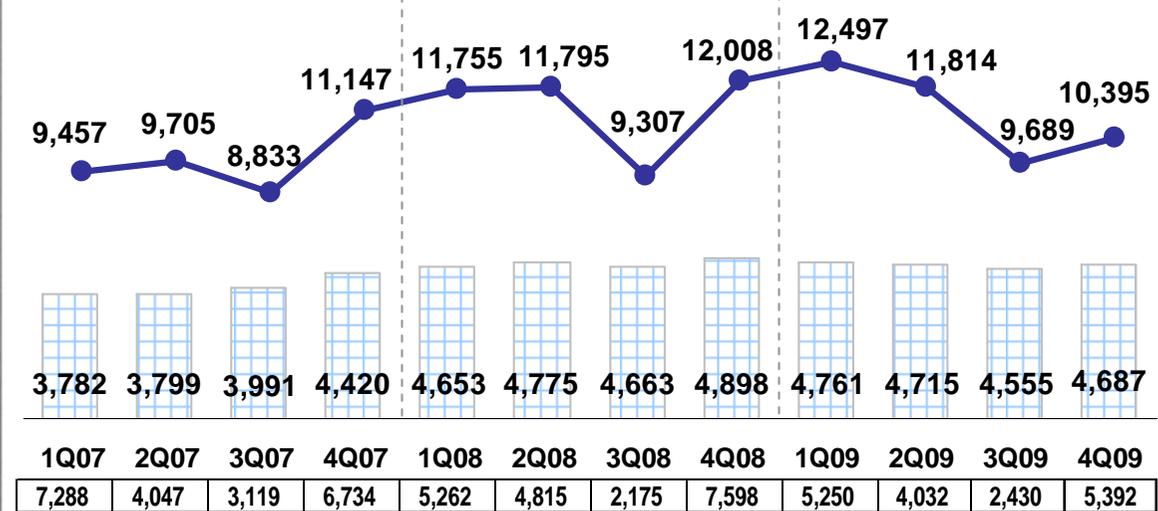
(Systems construction)

FY07 : 18,025 **FY08 : 14,659** **FY09 : 11,354**



(Systems operation and maintenance)

FY07 : 15,993 **FY08 : 18,989** **FY09 : 18,717**



Systems Construction

- ◆ Revenue: FY09 : down 22.5% YoY
4Q09 : up 12.4% YoY, up 162.6% QoQ
- ◆ 4Q09 Order Backlog:
YoY: up 10.5%, up JPY301 million
QoQ: down 40.3%, down JPY2,133 million
- 4Q09 revenue increased due to seasonal factors (Many Japanese companies have fiscal year ending in March)
- Mid-size projects of over several hundred million are increasing compared to 1H09.
- IIJ will strengthen group solution and promote cloud computing related services by merging the two 100% owned subsidiaries

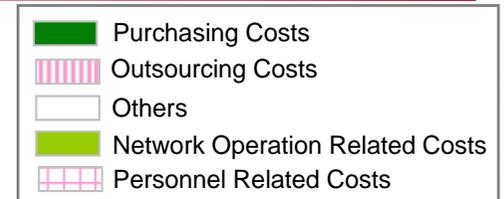
Systems operation and maintenance

- ◆ Revenue: FY09 : down 1.4% YoY
4Q09 : down 4.3% YoY, up 2.9% QoQ
- ◆ 4Q09 Order Backlog:
YoY: down 13.4%, down JPY1,613 million
QoQ: up 7.3%, up JPY705 million
- 4Q09 revenue increased compared to 3Q09. 3Q09 decreased affected by scale down by certain large client.
- 1H10 to decrease affected by the further scale down or cancellations.

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

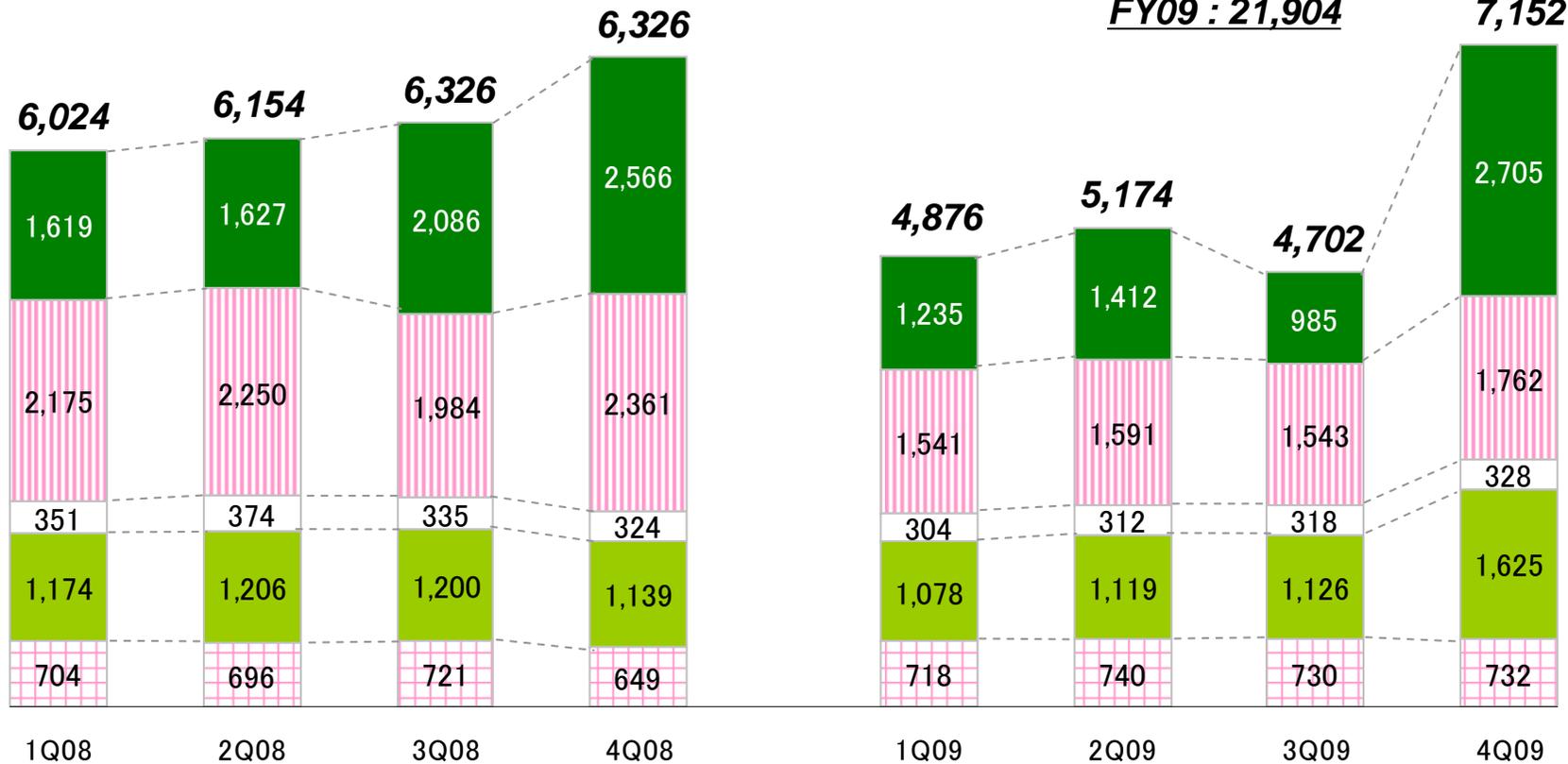
YoY = 4Q09 compared to 4Q08
QoQ = 4Q09 compared to 3Q09

Unit: JPY million



FY08 :25,543

FY09 : 21,904

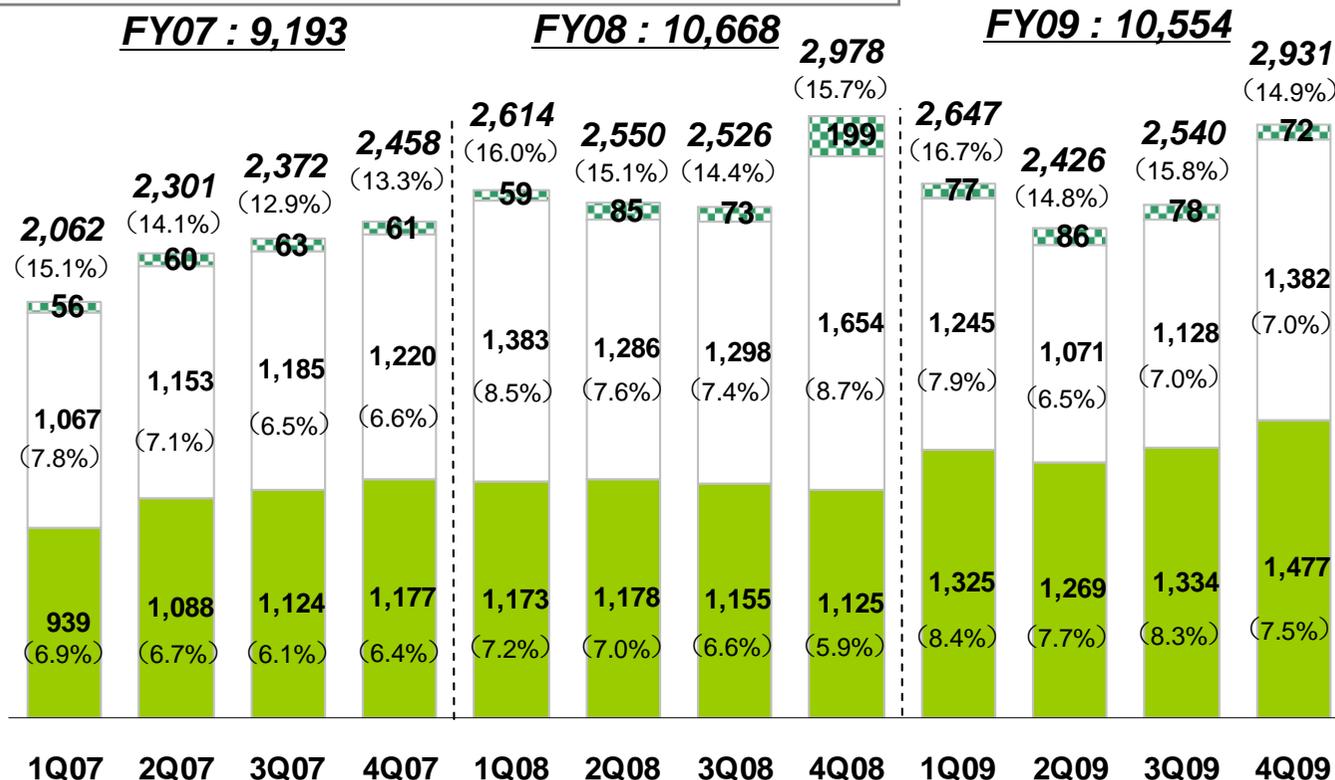


- ◆ **Total cost of systems integration: FY09 : down 14.2% YoY, 4Q09 : up 1.6% YoY, up 52.1% QoQ**
 - FY09 : Decreased as a result of reduction in full-time outsourcing personnel and purchasing cost in relation to the decrease in revenues
 - 4Q09 : Purchasing and outsourcing related costs decreased along with the decrease in SI revenues QoQ
 - The number of full-time outsourcing personnel: 312 people as of Mar. 2010 (up 58 people YoY, up 76 people QoQ)

II-6. SG&A Expenses/R&D



Unit: JPY million



◆ **SG&A/R&D expenses: FY09 : down 1.2% YoY, 4Q09 : down 1.6% YoY, up 15.4% QoQ**

➤ **Sales and marketing expenses: FY09: JPY5,405 million (up 16.7% YoY), 4Q09: up 31.4% YoY, up 10.7% QoQ)**

FY09 : personnel related costs and amortization related to the back-office system which began its operation from 3Q09 increased YoY
 4Q09 : depreciation and disposals of assets increased QoQ

➤ **General and administrative expenses: FY09: JPY4,826 million (down 14.2% YoY), 4Q09: down 16.5% YoY, up 22.5% QoQ)**

FY09 YoY : decrease in outsourcing related cost, decrease in amount of depreciation of assets and decrease in general expenses
 4Q09 : QoQ disposals of assets

➤ **R&D expenses: FY09: JPY313 million (down 24.6% YoY), 4Q09: down 63.7% YoY, down 7.3% QoQ)**

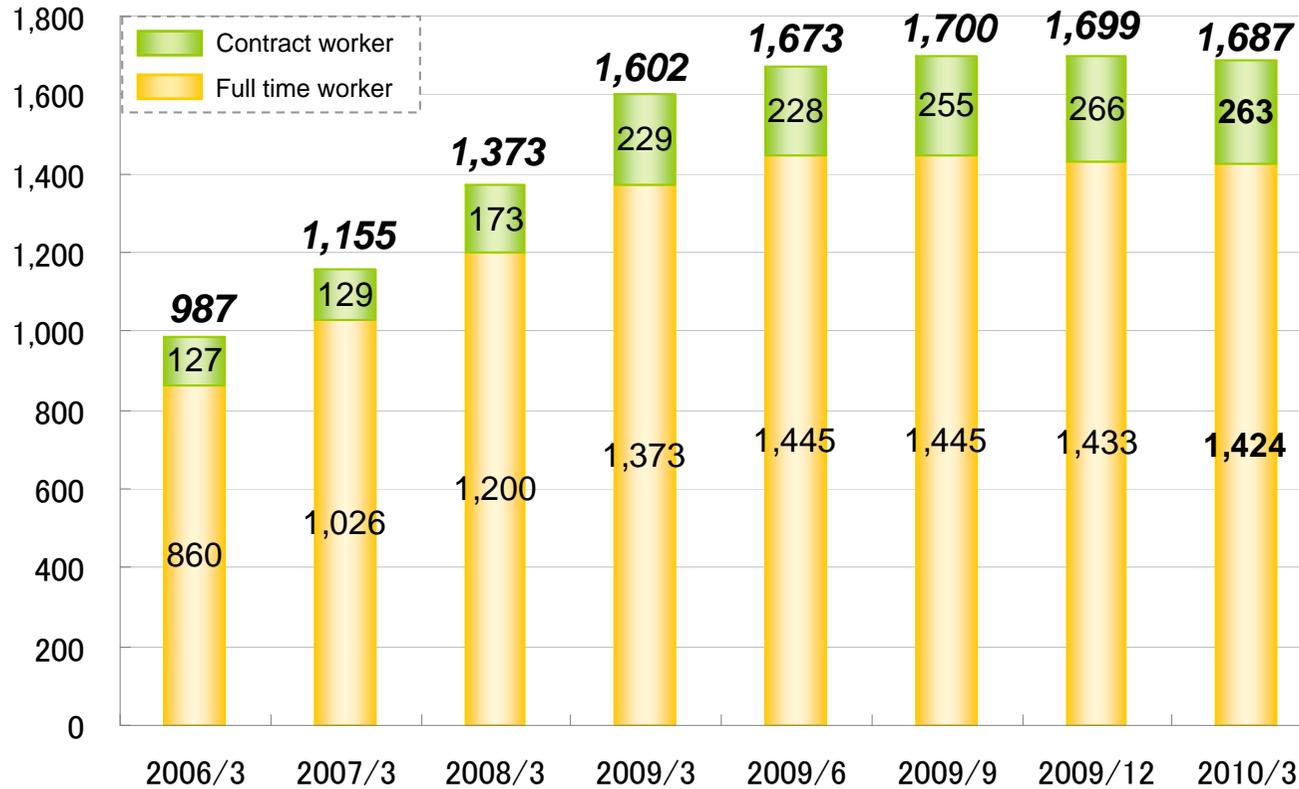
➤ **SG&A expenses related to ATM operation business:**

FY09 : JPY243 million, 4Q09 JPY88 million (JPY78 million in 4Q08, JPY56 million in 3Q09)

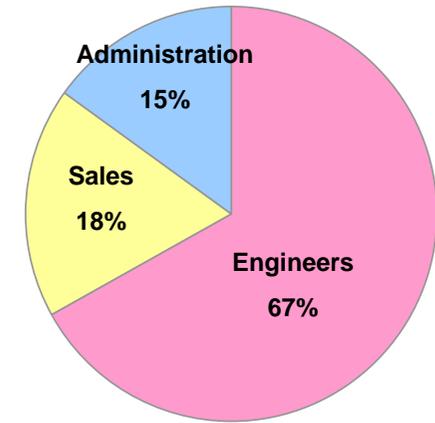
YoY = 4Q09 compared to 4Q08
 QoQ = 4Q09 compared to 3Q09

II-7. Number of Employees

(number of employees)



[Employee Distribution]



Personnel related costs and expenses (% of revenue)	2,771 (17.5%)	2,733 (16.6%)	2,728 (17.0%)	2,887 (14.7%)

Unit: JPY million

YoY = 4Q09 compared to 4Q08
QoQ = 4Q09 compared to 3Q09

- ◆ **Number of employees as of Mar. 2010: slightly decreased**
 - Hired 60 newly graduates in FY2010 (FY2009: 77 newly graduates, FY2008: 92 newly graduates)
- ◆ **Personnel related cost and expenses: FY09 : JPY11,119 million (up 8.4% YoY)**

II-8. Operating Income and Net Income

YoY = 4Q09 compared to 4Q08
QoQ = 4Q09 compared to 3Q09

Operating Income Net Income Operating Margin Ratio

Unit: JPY million

Operating income : 4,759

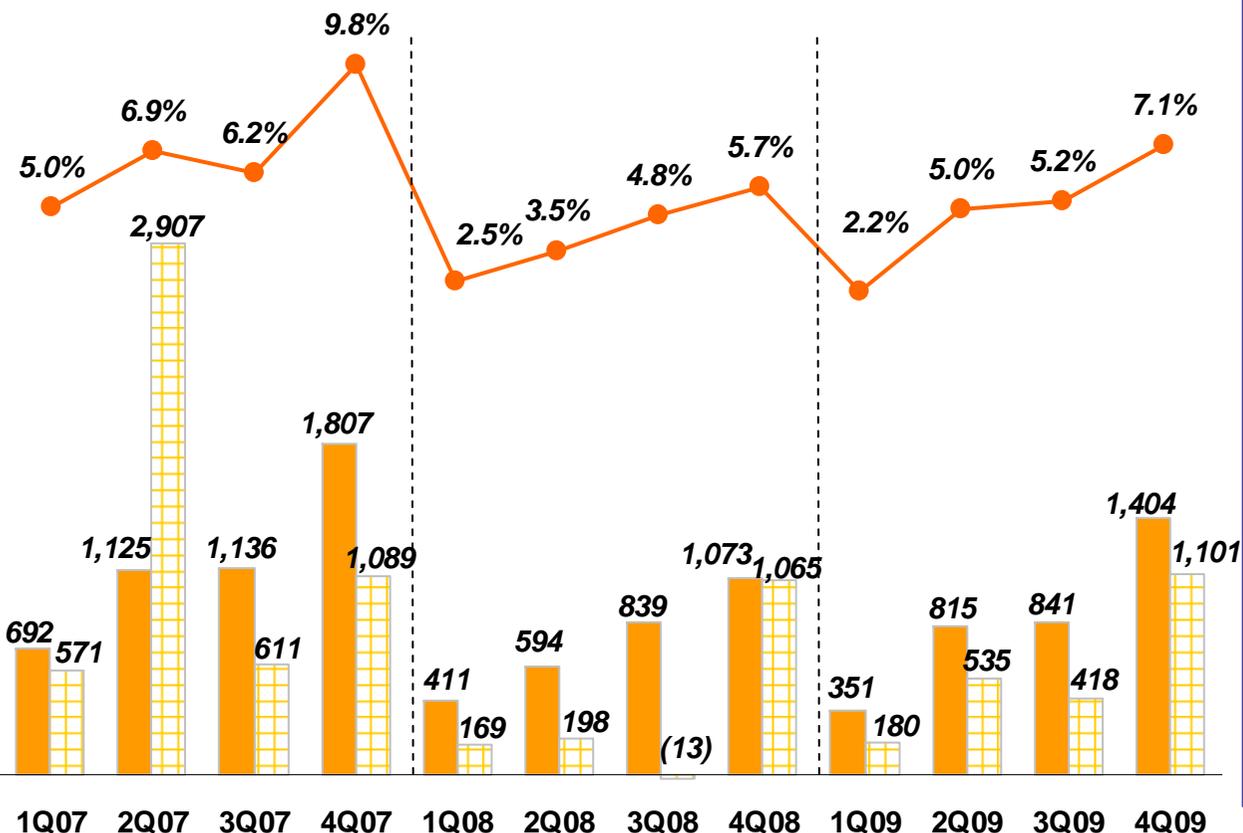
Operating income : 2,917

Operating income : 3,412

Net income attributable to IJ: 5,177

Net income attributable to IJ: 1,419

Net income attributable to IJ: 2,234



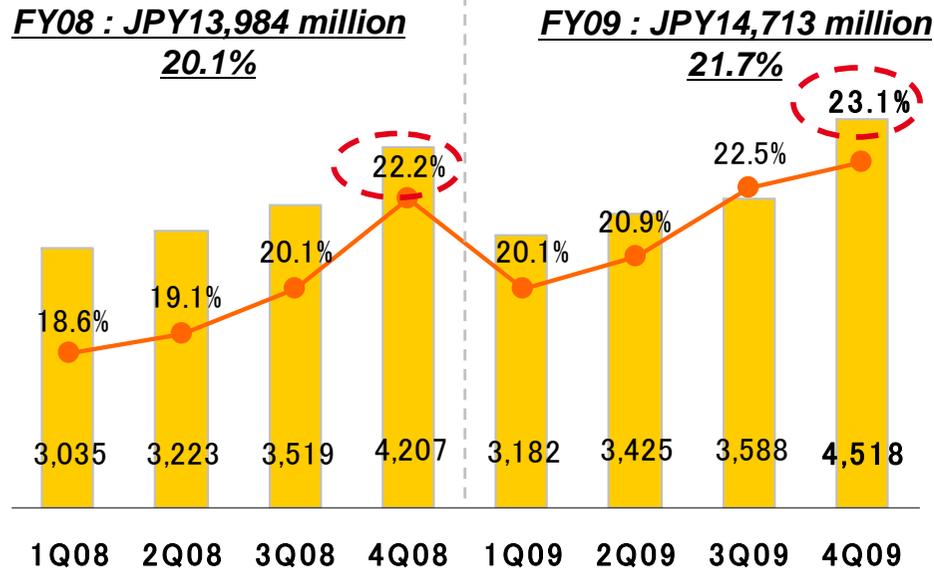
- ◆ **Operating Income:**
 - FY09: up 16.9% YoY
 - Gross margin of connectivity and outsourcing service increased YoY.
 - General expenses decreased as a result of tight cost control
 - 4Q09: up 30.9% YoY, up 67.0% QoQ
 - Gross margin of SI increased YoY.
- ◆ **Income before income tax expense: FY09: up 40.5% YoY**
 - Impairment losses on equity securities and interest expenses decreased
- 4Q09: up 35.8% YoY, up 42.0% QoQ
 - 4Q09 impairment loss (net) of JPY293 million
- ◆ **Net income attributable to IJ: down FY09: up 57.4% YoY, 4Q09: up 3.4% YoY, up 163.4% QoQ**
 - Deferred tax expense
 - FY09: JPY756 million in expense
 - FY08: JPY637 million in expense
 - 4Q09: JPY34 million in income
 - 3Q09: JPY418 million in expense
 - 4Q08: JPY335 million in income
 - Equity in net income of equity method investees:
 - FY09: JPY159 million, FY08: JPY35 million
 - Net loss attributable to noncontrolling interests: FY09: JPY348 million in losses related to GDJ Japan and Trust Networks, FY08: JPY352 million

	1Q07	2Q07	3Q07	4Q07	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09
Income Tax Expenses	175	(1,980)	392	552	213	326	653	(190)	244	284	514	90
Equity in net income (loss) of equity method investees	(20)	(29)	(42)	(52)	18	(17)	44	(10)	32	11	85	32
Net loss attributable to noncontrolling interests	9	15	27	45	55	85	120	93	93	82	90	83

II-9. Connectivity and Outsourcing Service and SI

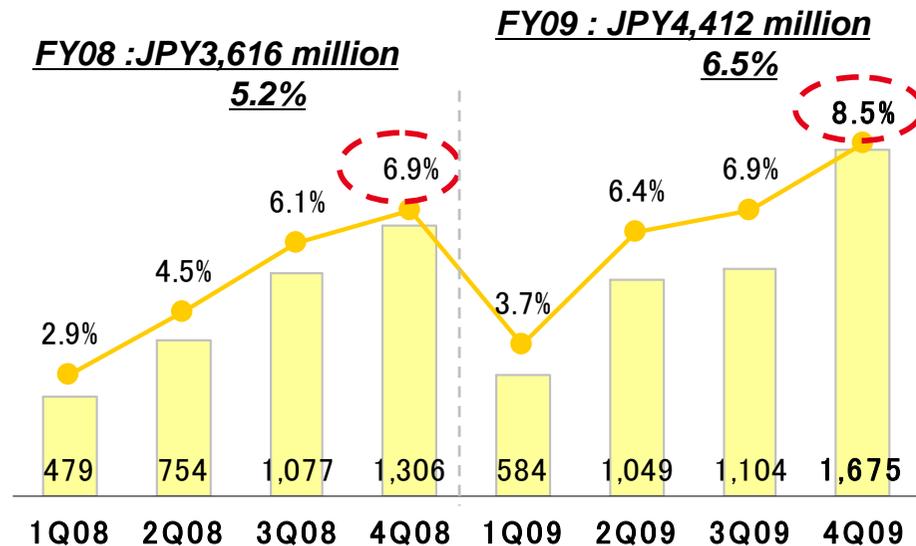
Unit: JPY million

[Gross margin and gross margin ratio]



YoY = 4Q09 compared to 4Q08
QoQ = 4Q09 compared to 3Q09

[Operating income and operating margin ratio]



Connectivity and Outsourcing Service and SI

◆ Gross margin:

- FY09: up 5.2% YoY due to the increase in connectivity and outsourcing service revenue and cost control. Gross margin ratio improved 1.6 points YoY.
- 4Q09: up 7.4% YoY and 25.9% QoQ as a result of recovered SI. Gross margin ratio improved 0.8 points YoY and 0.6 points QoQ.

◆ Operating income:

- FY09: up 22.0% YoY as a result of increase in gross margin and decrease in general and administrative expense due to cost control. Operating margin ratio improved 1.3 points YoY.
- 4Q09: up 28.2% YoY and 51.7% QoQ. Operating margin ratio improved 1.6 points YoY and 1.6 points QoQ

ATM Operation Business

◆ Placed 136 ATMs as of Mar. 2009

	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09
Revenue	5	6	6	6	7	31	70	98
Cost	15	85	161	161	192	215	277	281
Expenses	58	81	83	78	49	50	56	88
Sum	72	166	244	239	240	265	333	369
Operating Loss	(67)	(160)	(238)	(233)	(233)	(234)	(263)	(270)

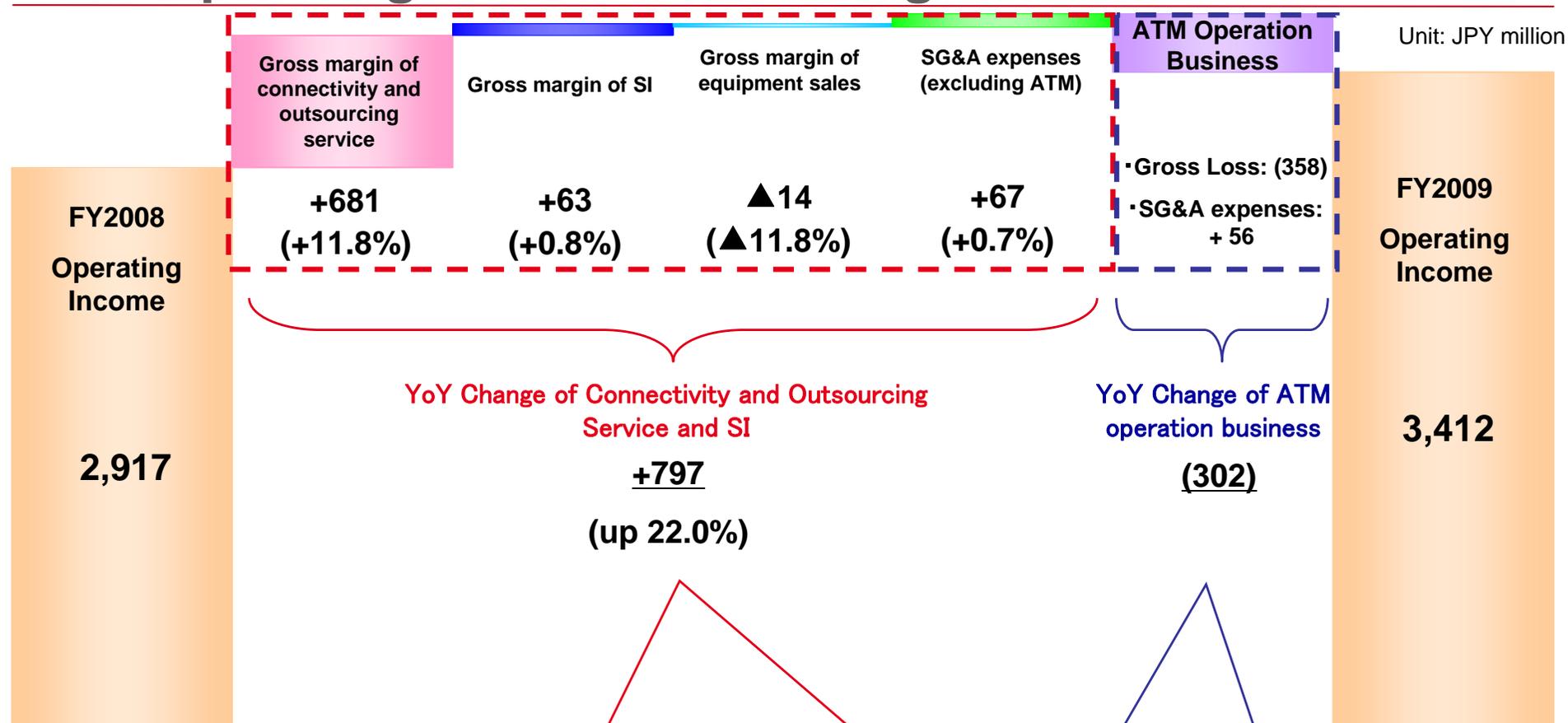


Trust Networks Inc.

- Established July 2007 (Consolidated subsidiary)
- Ownership: 73.3% (as of Apr. 2010)

YoY = 4Q09 compared to 4Q08
QoQ = 4Q09 compared to 3Q09

II-10. Operating Income YoY Change



Unit: JPY million

- ◆ **Increase in gross margin of connectivity and outsourcing service:**
Revenue increase 5.4% YoY. Gross margin was greater than the increase in costs (JPY1,216 million)
- ◆ **Decrease in gross margin of SI:**
Revenue decreased 10.6% YoY. Gross margin increased due to the decrease in costs (JPY3,639 million) such as outsourcing related costs and purchasing costs
- ◆ **Decrease in gross margin of equipment sales:**
Slightly decreased corresponding to the decrease in revenues
- ◆ **Decrease in SG&A expenses (positive impact on operating income):**
Decreased as general expenses decreased as a result of tight cost control

- ◆ **Gross loss of ATM operation business:**
FY09 : JPY757 million (losses)
FY08 : JPY399 million (losses)
- ◆ **SG&A expenses of ATM operation business:**
FY09 : JPY243 million
FY08 : JPY299 million

II-11. Consolidated Balance Sheets

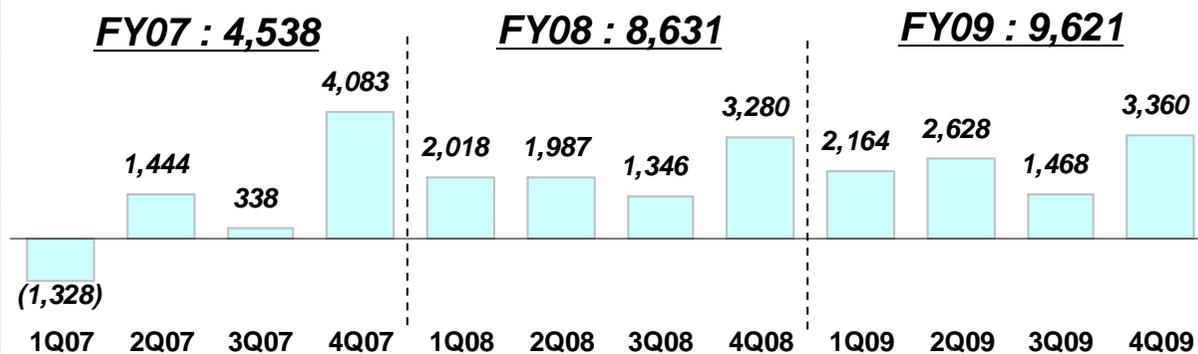
Unit: JPY million

	March 31, 2010	March 31, 2009	Changes	
Cash and Cash Equivalents	8,764	10,188	(1,423)	
Accounts Receivable	11,397	10,257	+1,140	➤ Increased correspondingly to the increase in on-going SI Projects
Inventories	808	530	+278	
Prepaid Expenses	1,593	1,772	(179)	
Deferred tax assets (current)	1,571	762	+809	➤ Nonmarketable equity securities: JPY1,447 million
Other Investments	2,582	1,915	+667	➤ Available for sale equity securities: JPY867 million ➤ Others: JPY268 million
Property and Equipment	12,970	13,173	(203)	
Goodwill and Other Intangible Assets	5,459	5,841	(383)	➤ Non-amortized intangible assets: JPY2,831 million
Deferred tax assets (non-current)	685	2,253	(1,568)	➤ Amortized intangible assets: JPY2,618 million
Borrowings (Short-term)	4,450	7,350	(2,900)	➤ Repayment of short term borrowings
Accumulated Deficit	(16,720)	(18,549)	+1,829	➤ Decreased due to income growth
Accumulated Other Comprehensive Income	+169	(321)	+489	
Total IJJ Shareholders' Equity	27,320	25,169	+2,150	➤ IJJ Shareholders' equity ratio: 53.4%
Total Assets	51,115	52,301	(1,186)	

II-12. Consolidated Cash Flows

Unit: JPY million

Net cash provided by (used in) operating activities

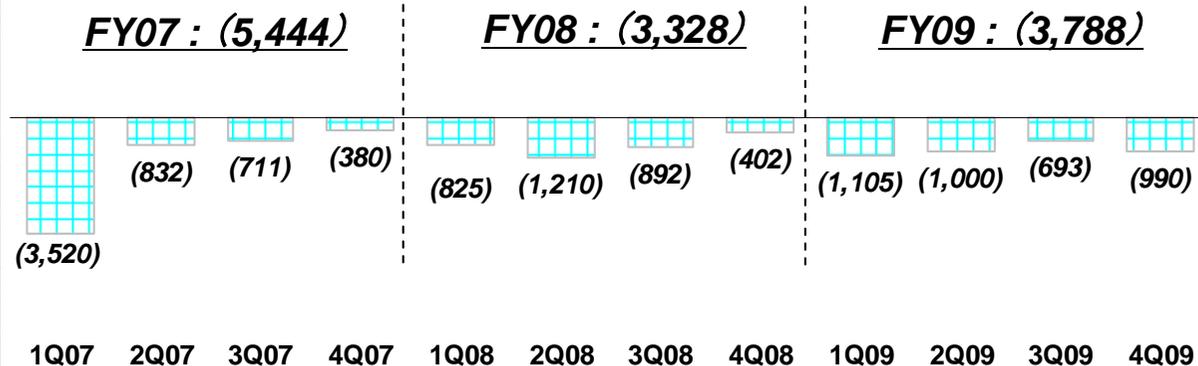


FY09 : YoY

- Increase in operating income
- Increase in accounts receivable: JPY1,179 million
- Increase in accounts payable: JPY809 million
- Decrease in inventories, prepaid expenses and other current and noncurrent assets: JPY486 million

etc.

Net cash used in investing activities

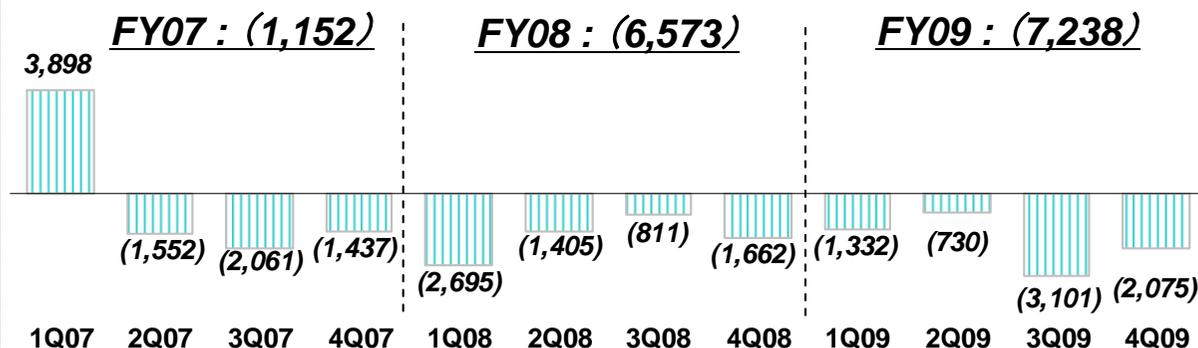


FY09 : YoY

- Purchase of property and equipment: JPY3,254 million
- Purchase of short-term and other investments (net): JPY875 million

etc.

Net cash provided by (used in) financing activities



FY09 : YoY

- Principle payments under capital leases: JPY4,083 million
- Net repayment of short-term borrowings : JPY2,900 million
- Dividend payment: JPY405 million

etc.

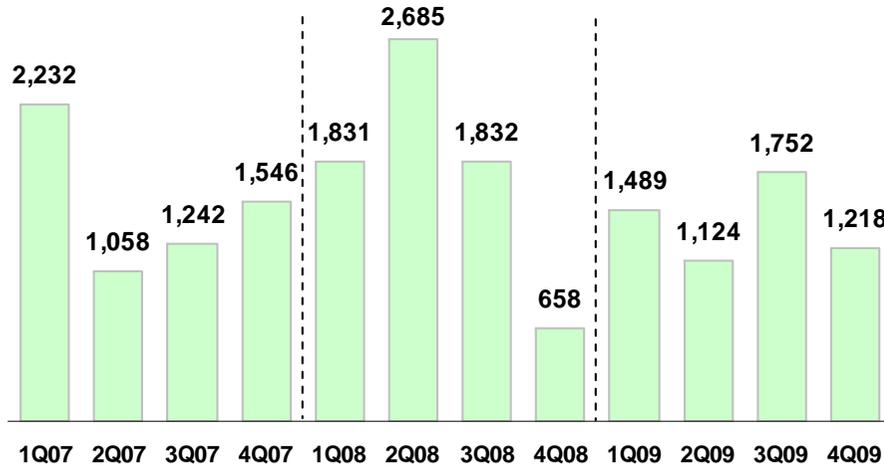
II-13. Other Financial Data (CAPEX etc.)

Unit: JPY million

CAPEX (Include Capital Lease)

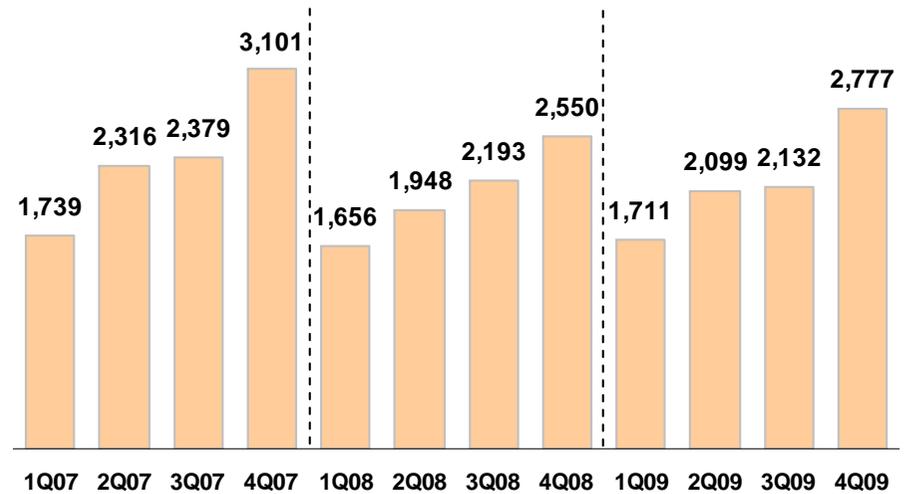
FY07 : 6,078 **FY08 : 7,006** **FY09 : 5,584**

▶ CAPEX related to ATM operation business: JPY297 million



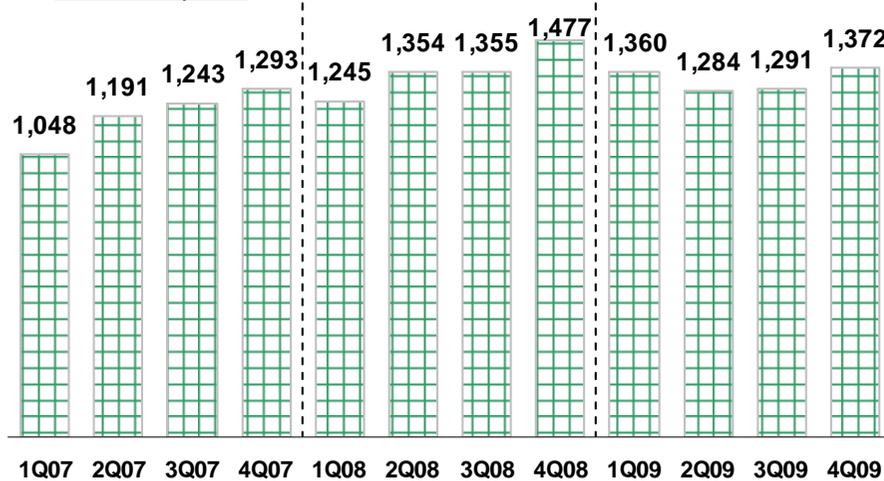
Adjusted EBITDA

FY07 : 9,534 **FY08 : 8,348** **FY09 : 8,718**



Depreciation and Amortization

FY07 : 4,775 **FY08 : 5,431** **FY09 : 5,307**



III. FY2010 Financial Target

	FY10 Revised Target (10/4~11/3)	FY09 Actual (09/4~10/3)	YoY	
Total Revenues	71.0	68.0	+3.0	4.4%
Operating Income	4.3	3.4	+0.9	26.0%
Income before Income Tax Expense (Benefit)	3.7	2.9	+0.8	29.4%
Net Income attributable to IIJ	2.6	2.2	+0.4	16.4%
Net Income attributable to IIJ per Share	JPY 12,837	JPY 11,030	+1,807	16.4%
Cash Dividend per Share	JPY 2,500 (Annual)	JPY 2,250 (Annual)	+250	11.1%

Unit: JPY billion
(except for Net Income and Cash Dividend per Share)

- ◆ Connectivity and outsourcing service revenue to steadily increase
- ◆ Despite the recovering trend in the number of new SI construction projects, the full recovery of IT investments are still uncertain and the order backlog for systems operation and maintenance as of March 2010 decreased by JPY1.6 billion YoY as a result of a size-down in a certain contracted account. We expect SI revenue to decrease compared to FY2009.
- ◆ For ATM operation business, target to reach break even at some point during the later half of FY2010. For full FY2010, estimated approx. JPY0.4 billion in operating losses.
- ◆ Target cash dividend of JPY2,500 per share of common stock for FY2010 (FY2009 total dividend: JPY2,250)

IV-1. The construction of Module-Type Eco Data Center

● Conducted Proof-of-Concept Testing for the module-type eco-Data Center from February 2010

- A modular Data Center with a cooling system that directly uses outside air
- The first Data Center in Japan with a container unit cooled all year round by outside air
- Pursuit (1) easy-to-expand, (2) low facility cost and (3) maximized power efficient eco-Data Center
- Conducted proof-of-concept testing with Toshiba Corporation, NLM ECAL Co., Ltd. (a Nippon Light Metal Group), Nohmi Bosai Ltd., Kawamura Electric and Inc. KSG Company., Ltd

● Completed Proof-of-Concept Testing and will begin to pursue commercialization

- Achieved Partial PUE of under 1.1. Believes it can achieve full year PUE of under 1.2

*Partial PUE

PUE is a calculator and tutorial on how to calculate Power Usage Effectiveness and Data Center infrastructure Efficiency. Partial PUE calculates Container Boundary.

● Outline of the construction size of this module-type eco-Data Center

- Will expand the facility along with the demands for IJ GIO. The maximum size would be 20 modules and 5,000 servers.
- The first phase will be of 5 modules with 1,600 servers. Construction cost of approx. JPY1.1 billion.
- Targeted operating from February 2011.

● Target to reduce 40% of the facility cost and will enhance IJ GIO's competitiveness

- Compared to conventional Data Centers, expected reduce annual CO2 output by about 4,000 tons



IV-2. Topics

◆ Business development of IJ cloud computing service “IJ GIO”

IJ GIO

- Launched “IJ GIO” in Nov 2009
- We are receiving over 600 inquiries from all different sectors such as internet service, finance sector etc.
- IJ acquired global security standard of PCI DSS (Payment Card Data Security Standard) Certification
- We will continue to strengthen and broaden service line-up of cloud computing from tailored to ready-made services

(Construction Examples)

Nomura Securities Co.,Ltd.

Constructed a sub system for security transaction using IJ GIO platform

It will be used by sales personnel over 171 branch offices

ASUMAL

Constructed an on-line shopping site for home user using IJ GIO platform

CAN increase/decrease the capacity of the system depending on the usage

Daiichikoshō Co., Ltd

Applied the INVITO mobile, a SaaS type CRM tool for membership marketing

The development and investment cost was decreased by over 30%

Ministry of Education, Culture, Sports, Science and Technology

Opened a web site for open discussion called “jukugi kakeai” on April 17, 2010. This discussion is for education involved personnel such as teachers and volunteers

◆ Mobile Solution Development

➤ Mobile service increased with contracts in FY09.

- Mobile service increased with contracts reaching about 40,000 lines due to expanded High-speed Data Communications Terminals and developed service lineup.



➤ Many M2M projects

- Machine to Machine data communication needs are increasing. IJ will be propelling this service in FY2010

USB Data card
「D31HW」 「120FU」



◆ Received patent for SMFv2 in Japan and U.S.A.



- SMF (SEIL Management Framework) is a technology for centralized management of communications devices and home appliances over the Internet. Acquired its patent in Japan in March 2006 (patent no. 3774433)
- SMFv2: Enables the centralized control of network equipments other than SEIL using and extending the technology of SMF
- SMF-LAN is a system to centrally administer communications equipment and other devices, from initialization to monitoring and maintenance, on WAN and other closed networks. Acquired its patent in Japan in 2007 (patent no. 3996922) and in U.S.A in 2009.

IV-3. Reference: IIJ Group Companies

(As of April 30, 2010)

	Company Name	Ownership	Main Business
Consolidated Subsidiaries	 Net Care, Inc.	100%	Provides a full range of network operation and management services, from customer support, end-user help desks, monitoring and troubleshooting to integrated management services.
	 Net Chart Japan Inc.		Provides network construction services, primarily for LANs, such as network installation wiring, installation and set-up of equipment, installation of applications, and operational support.
	 IIJ America Inc.		Provides quality Internet services in the U.S. with a focus on U.S.-based enterprises doing business in the Asia-Pacific region. Also IIJ-A constructs and operates on U.S. Internet backbone network.
	 hi-ho, Inc.		Supports customer's safe, secure and comfortable Internet life based on ISP business for personal users.
	 IIJ Innovation Institute Inc.		An incubation business for the next generation internet. (R&D)
	 Trust Networks Inc.	73.3%	Operates ATM network systems placed in designated facilities. Receives commission for each withdrawal transaction from a bank account.
Equity Method Investees	 GDX Japan Inc.	62.3%	Building safe, reliable corporate messaging networks and providing message exchange services.
	 Internet Mufeed Co.	32%	Provides mutual access with other major ISPs and content distribution services based on Mufeed technology. Also MFEED operates JPNAP, a distributed IX service.
	 Internet Revolution, Inc.	30%	Operates a comprehensive portal site that provides various contents, such as SNS, blogs, stunning games, videos, and music.
	 Taihei Computer Co., Ltd.	45%	Provides operation of reward point management system

IV-4. Reference: Press Release

Date		Press Releases
FY09	3Q	10/1 IIJ Makes the IIJ Managed Firewall Service IPv6 Compatible
		10/5 IIJ Group Announces the Latest Cloud Services for IIJ GIO
		10/8 IIJ and Cybozu Research Form Alliance to Promote Cloud Services
		10/13 IIJ Strengthens Compliance Function of IIJ Secure Web Gateway Service
		10/26 IIJ Adds Attachment Encryption Function to the IIJ Secure MX Service
		10/26 IIJ Group and Citrix Form Partnership for Cloud Services
		10/27 IIJ and Microsoft Embark on Project to Offer Cloud-based Services
		11/11 IIJ to Establish Layer 2 Connectivity with NTT DoCoMo
		11/13 IIJ Announces First Six Months Financial Results for FY2009
		11/18 IIJ Adds Three New Options to IIJ Managed VPN Pro Service
		11/24 IIJ Expands High-speed Data Communications Terminals for IIJ Mobile
		11/26 IIJ to Conduct Proof-of-Concept Testing for the Next-Generation Eco-Data Center
		11/26 IIJ Adds IPv6 Option to the IIJ Contents Delivery Service
		12/1 IIJ-FRT to Construct Remote Backup Site in Okinawa for CTI Engineering
		12/2 IIJ Group Launches INVITO MOBILE, a SaaS CRM Service For Mobile
	12/9 IIJ Announces Detailed Service Menu for IIJ GIO and Partner Support Program	
	12/16 IIJ Launches LaIT Hikari Connect	
	4Q	1/19 IIJ Builds Web Infrastructure for Cabinet Office Survey Site using IIJ's Cloud Service
		1/26 IIJ Introduces DKIM Sender Authentication Technology to the IIJ Post Office Service
		1/28 IIJ Offers Enterprise PDA with IIJ Mobile Service/Type D
2/4 IIJ to Absorb Wholly-Owned Subsidiary		
2/12 IIJ Announces Nine Months Financial Results for FY2009		
3/4 IIJ Announced Its Proposed Management Team and the Introduction of the Executive Officer System		
3/23 IIJ-Tech Acquires PCI DSS Certification as Security Standard for Its Own Cloud Services		
FY10 1Q	4/8 IIJ Obtains US and Japanese Patents for SMFv2	
	4/12 IIJ Introduces New Products to the IIJ SSL Certificate Management Service	
	5/12 IIJ and EC-One Form Alliance in Cloud Computing	

※ Forward-looking Statements

Statements made in this presentation regarding IIJ's or management's 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 and 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: the possibility a decrease of corporate spending or capital expenditure due to depression in Japanese economy and/or corporate earnings decreased; the possibility that less of reliability for our services and loss of business chances due to interrupt or suspend of our services; the possibility an increase over estimate in network related cost and outsourcing cost, personnel cost etc. ;increase in competition and strong pricing pressure; the recording of an impairment loss as a results of an impairment test on the non-amortized intangible assets such as goodwill; a decline in value and trending value of our holding securities; the amount and timing of the recognition of deferred tax benefits or expenses; and other risks referred to from time to time in IIJ's filings on Form 20-F of its annual report and other filings with the United States Securities and Exchange Commission ("SEC").

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