

For Immediate Release

IIJ Introduces Industry-First Business Model: Providing Equipment for Free and Billing for Functionality

--Greatly reducing cost by providing SACM network administration service features to equipment for a monthly fee--

TOKYO—January 22, 2013—Internet Initiative Japan Inc. (IIJ, NASDAQ: IJJI, TSE1: 3774), one of Japan's leading Internet access and comprehensive network solutions providers, today announced the introduction of a new network service business model that provides functionality for a fee while providing service adaptors free of charge. As part of this business model, IIJ has added a new "recipe" function to Service Adaptor Control Manager (SACM) (*1)—a network administration service provided on an OEM basis that connects automatically and completely manages itself—and this will be offered for service providers starting on February 14, 2013. VPN, wireless LAN, and other functions make up the "recipe," and users acquire only the ingredients they need for their recipe from the SACM system through the newly developed SA-W1 service adaptor, after which they are billed on a monthly basis for this functionality.

In the future, group company IIJ Global Solutions Inc.—also an OEM client—will use this service as a platform for offering services to its corporate clients.

The followings are the first recipes available.

Name	Functions
IPsec-VPN recipe	Provides an Internet connection compatible with many different line types, and communication between locations via VPN.
Wireless AP recipe	Provides an access point function for connecting PC and smart devices to a wireless LAN

Service Highlights

Billing based on the functions themselves

The service adaptor (SA-W1) installed at the user's premises is provided free of charge, which enables them to inexpensively create a customized network for only as long as necessary without having to purchase equipment. This represents a very large savings over existing VPN services.

Quickly build the network you need

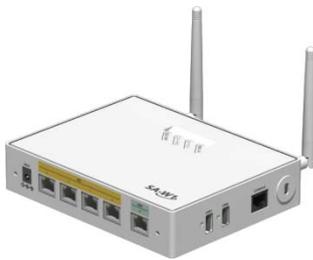
IIJ provides service providers the necessary equipment and functions with complete set of configuration templates to build a network and makes it easy to configure network devices. The service providers need

only input the required configuration parameters into the template to quickly build a network.

Other recipes are scheduled to be released: these include "L2-VPN recipe," "LTE+3G Mobile Access Redundancy recipe," "mruby Script recipe," and "WAN High-speed recipe."

In addition, IIJ will be exhibiting the SA-W1 service adaptor and the IPsec-VPN recipe at the JANOG31 Meeting, one of the biggest events of the Internet engineering community in Japan, from the 24th to the 25th January 2013. IIJ will continue to develop highly competitive and innovative network services.

SA-W1



Dimensions	W 155 mm x H 32 mm x D 120 mm
Wired LAN	Gigabit Ethernet ×4 ports
Wired WAN	Gigabit Ethernet ×1 port
Wireless LAN	2 x 2 MIMO 2 stream, compatible with IEEE802.11b/g/n
USB port	USB2.0 Type A × 2
Performance	Forwarding at 400 Mbps IPsec about 100 Mbps

JANOG31 Meeting Event Summary

Date:	Thu. January 24 to Fri. January 25, 2013
Location:	Tokyo Midtown Hall and Conference (Roppongi, Tokyo)
Organizer:	Japan Network Operators Group

*1. SACM (Service Adaptor Control Manager): Management service platform for providing complete management mechanisms and automatic connection with IIJ's proprietary network management technology SMFv2 (Japanese patent: 4463868, US patent: 7660266) as an OEM. SMFv2 enables the centralized management and network initialization and re-configuration for IIJ's proprietary SEIL routers as well as network equipment of other manufacturers.

About IIJ

Founded in 1992, Internet Initiative Japan Inc. (IIJ, NASDAQ: IJJI, Tokyo Stock Exchange TSE1: 3774) is one of Japan's leading Internet-access and comprehensive network solutions providers. IIJ and its group of companies provide total network solutions that mainly cater to high-end corporate customers. The company's services include high-quality systems integration and cloud computing/data center services, security services, Internet access, and content distribution. Moreover, the company has built one of the largest Internet backbone networks in Japan, and between Japan and the United States. IIJ was listed on NASDAQ in 1999 and on the First Section of the Tokyo Stock Exchange in 2006. For more information about IIJ, visit the IIJ Web site at <http://www.ij.ad.jp/en/>.

The statements within this release contain forward-looking statements about our future plans that involve risk and uncertainty. These statements may differ materially from actual future events or results. Readers are referred to the documents furnished by Internet Initiative Japan Inc. with the SEC, specifically the most recent reports on Forms 20-F and 6-K, which identify important risk factors that could cause actual results to differ from those contained in the forward-looking statements.

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