



## *For Immediate Release*

### **IIJ and SAP Japan Announce Strategic Partnership to Provide Cloud Solutions for SMEs**

*--Building a support system to quickly introduce cost-effective services to customers through the provision of SAP Cloud Solution development and verification environments to systems integrators--*

TOKYO— January 9, 2014 —Internet Initiative Japan Inc. (IIJ, NASDAQ: IIJI, TSE1: 3774) and SAP Japan Co., Ltd. (SAP Japan) announced today the creation of a strategic cooperative framework for their cloud business.

Through this partnership, IIJ will provide SAP's software-based cloud environments and infrastructure solutions to systems integrators (SI). This will support a smooth migration from on-premise to cloud environments and enable to build SAP business applications in the cloud. Small and medium-sized enterprises (SMEs) will be able to quickly and cost-effectively utilize SAP solutions<sup>\*1</sup>.

The number of SME customers who wish to reduce their operating costs by migrating their mission-critical systems such as accounting, production, and procurement to cloud environments is on the rise. In order to meet these market needs, IIJ, currently the top share in the public cloud market in Japan,<sup>\*2</sup> and SAP Japan, with an expansive product portfolio, will build a seamless and wide-ranging strategic cooperative relationship to provide systems construction, platform installation and subsequent product installation, through the support of their SI partners.

The principal details of the collaboration are as follows:

1. Starting in March 2014, IIJ will begin providing SI companies the development environment for cloud-based solutions and the templates that have integrated SAP HANA, SAP's in-memory platform that allows to analyze a large volume of data in real-time, and an expansive range of business applications, including SAP® ERP, SAP® CRM, SAP® SCM, SAP® PLM, SAP® BusinessObjects™, and the mobile solutions, with IIJ GIO Service<sup>\*3</sup>. At the same time, IIJ will provide technical assistance to SI companies transitioning to development in a cloud environment.

2. In collaboration with SI companies, IJJ will offer cloud-based solutions that SI companies integrated SAP HANA and SAP business applications onto IJJ GIO services to end-users.
3. SAP Japan will offer IJJ the sales support, such as pre-sales activity. SAP Japan and IJJ plan to develop co-marketing programs as well as special education program for personnel training and for providing technical information regarding the various solutions.

IJJ would like to achieve sales of JPY3.5 billion in the next three years, by the end of FY2016 by acquiring 20 projects by the end of March 2015 and 50 projects by the end of March 2016.

\*1. SAP solutions will cover ERP, CRM, SCM, PLM, Analytics, and Mobile areas.

\*2. Public cloud service market share (based on sales volume). Citation from "Fuji Marketing Report: Full-Scale Introduction at BT Enterprise Has Begun, The Present and Future of Public Cloud (Haas/IaaS)," published on August 26, 2013, by Fuji Chimera Research Institute, Inc.

\*3. The IJJ GIO Service uses the resource on demand service "IBPS (Integration & Business Platform Service)" operations technology, developed and first deployed by the IJJ Group in 2000. It is a high-quality cloud service that covers all service layers from HaaS/IaaS to SaaS. It was developed to be a component of the IT resources that comprise a system, and it can be combined in more than 1,000 different ways to enable customers to construct optimal cost-effective systems. It provides a wide range of system infrastructures with its highly secure and flexible network configuration, and it can be used in many different environments, from private clouds on corporate intranets to public cloud services.

## About IJJ

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

## About SAP Japan

SAP Japan Co., Ltd. was established in 1992 as SAP AG's corporate entity in Japan, and it is currently a market leader in enterprise application software that helps companies of all sizes and industries run better. From back office to boardroom, warehouse to storefront, desktop to mobile devices, SAP

(NYSE: SAP) offers a wide range of solutions and empowers people and organizations to work together more efficiently and use business insight more effectively to stay ahead of the competition. SAP applications and services enable more than 251,000 customers worldwide to operate profitably, adapt continuously, and grow sustainably. Domestically, SAP contributes to the advancement of information technologies for Japanese corporations and the improvement of their corporate value, along with their competitiveness in the international market. For more information, visit [www.sap.com/japan](http://www.sap.com/japan).

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*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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