



For Immediate Release

IIJ and Brains Technology to Jointly Develop Failure Prediction/Detection Solutions that Utilize Machine Learning

--The two companies will develop monitoring systems capable of predicting and detecting silent network failures and system failures, and will provide solutions to support the preventive maintenance of IT equipment and IoT devices--

TOKYO—November 28, 2016—Internet Initiative Japan Inc. (IIJ, NASDAQ: IJJI, TSE1: 3774) and Brains Technology, Inc. today announced that they will jointly develop monitoring systems that utilize machine learning to predict and detect system failures, and will sell said systems as failure prediction and detection solutions for IT equipment and IoT devices, targeting mostly telecom industry and the IoT market.

As artificial intelligence (AI) technology is increasingly applied to business, the areas in which machine learning can be applied continue to expand. Machine learning is a technology that is capable of predicting future results by recursively learning from input data and discovering patterns within that data. The application of machine learning to business is expected to grow because this technology can reduce production costs by performing work that was originally done by people, and it is capable of making predictions that are more accurate than those of people.

One example of a technology that has already been introduced in many companies is "Impulse," a big data analytics platform provided by Brains Technology that uses machine learning to provide advanced prediction and analysis functionality. IIJ has recently entered into an integration partner agreement with Brain Technology and will build systems that use Impulse technology, as well as offer services and solutions with this technology on its cloud service, "IIJ GIO Service." The two companies will build a cooperative framework for technological development, marketing, and sales activities to meet the demand for solutions that utilize this technology and provide preventive maintenance as well.

Specifically, the companies plan to offer the following services and solutions.

IT equipment monitoring solution

This solution utilizes machine learning to analyze normal network traffic and server resources in IT equipment. It then discovers silent system failures and predicts failure by detecting anomalous behaviors in real time. This can prevent failures from happening, and can significantly reduce costs and operation burdens. This solution is already being introduced into customer environments.

IoT solution

This solution analyzes a large amount of sensor device data (big data), and predicts failures in real time. This can deliver advanced and systematic monitoring, management, and control of devices that would be impossible under subjective threshold or visual monitoring. This solution is currently in development and

is slated for launch during the 2017 fiscal year. IJJ also plans to implement this technology as a function offered by "IJJ IoT Service," which is scheduled to launch at the end of November 2016.

The company aims to use this initiative to implement this technology in 50 companies over the next two years, targeting ISPs and cable television operators that own IT equipment, and the manufacturing industry at large.

In addition to failure prediction and detection, IJJ and Brains Technology plan to automate the management and control of systems and devices that utilize machine learning or AI, and then to create next-generation cloud computing networks to support these frameworks, with their sights set on IoT environments that will require communication between the tens of billions of devices that will connect to the Internet in the future and on the large-scale data processing that these devices will require.

About Impulse

Impulse is a real time prediction and analytics platform that gathers and structures a variety of data, and that can aggregate data and even detect failures. It uses machine learning to automatically discern the states of a massive amount of log and sensor data in order to provide highly viable data prediction/analytics and failure detection. It offers a new approach toward reaching real solutions for problems that have been difficult to deal with until now, such as detecting failures and defective products that would be impossible to discover using conventional threshold-based management frameworks. The product won the Special Prize in the Cloud Service category of the "Best of Show Award" at Interop Tokyo 2016.

About Brains Technology

Brains Technology, Inc. provides corporate IT services (such as "Impulse," a real time prediction and analytics platform that utilizes machine learning technology, and "Neuron," an enterprise search engine) that use leading-edge open technology, based on its core focus on artificial intelligence (AI). The company registered a trademark for "Enterprise Intelligence" (#5472937) in March 2012, under its strong desire to support the creation of intelligence within the enterprise. For more information see <https://www.brains-tech.co.jp/en/>.

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 the United States, the United Kingdom and Asia. 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/>.

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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