For Immediate Release

IIJ Launches Field Trial in the Thai Aquaculture Industry with IoT, Backed by JETRO's "Project for Nurturing New Industries in ASEAN and Japan"

–Conducting PoC Trial for IoT- and AI-based Water Environmental Quality
and Operations Management in Thai Shrimp Farms–

TOKYO—May 15, 2018—Internet Initiative Japan Inc. (IIJ, NASDAQ: IIJI, TSE1: 3774), one of Japan's leading Internet access and comprehensive network solutions providers, today announced that its project to improve productivity in the Thai aquaculture industry using IoT has been accepted by the Japan External Trade Organization (JETRO) for its public "Project for Nurturing New Industries in ASEAN and Japan."

This project aims to improve operational efficiency and productivity in Thai shrimp farms by visualizing the correlation between changes in the water environment and operations. IoT sensors installed in the farms will automatically collect data on water temperature, dissolved oxygen, pH levels, and other water environmental quality markers, while also recording data on feeding, changing water, and other tasks conducted by employees. The proof-of-concept trial will begin in April 2018, with the goal of commercializing the system within two years, after verifying the utility of IoT applications in the aquaculture business.

Project Outline

1. Background and objectives

   In Southeast Asia, the aquaculture industry is a vital and extremely successful export industry in which industry players seek out greater competitiveness through productivity improvements. However, the current shrimp farming business significantly relies on the knowledge of employees in assessing water environmental quality and in responding to its changes. The industry has been struggling to optimize water environmental quality control and operations processes, as it deals with incidents of excess evaporation, high feed costs, and cases in which large quantities of shrimp die during their cultivation. Thus, this project aims to clarify the correlation between operations and water environmental quality through monitoring that uses IoT technology, and to adequately control the water environmental quality so as to ensure increased operational efficiency and appropriate production output.

2. Trial overview

   IIJ will build an IoT system that allows for the remote monitoring and collection of water environmental quality data, and it will conduct proof-of-concept trial at shrimp farms in Phang Nga Province, Kingdom of Thailand, which is run by the major seafood company in Thailand.

   By visualizing operational conditions through records of breeding tasks, while simultaneously providing the automatic collection and application-driven remote monitoring of water environmental quality data, IIJ's system will conduct correlation analyses of these data and operational processes. The system will derive the optimal operational processes for maintaining water environmental quality and for breeding shrimp, thereby realizing improved productivity through operational feedback. Furthermore, from a business perspective, IIJ will verify the system's profitability by clarifying the costs involved in its installation, as well as the impacts

of installing the system, including productivity improvements and the effects of reducing employee workloads and production costs.

3. IoT system overview
   - Water quality control sensors
     Installed in shrimp breeding tanks, these water quality control sensors automatically gather water quality data, including water temperature, volumes of oxygen dissolved, pH levels, ammonium ion levels, and nitrite ion levels.
   - Network and cloud connectivity
     To realize low-cost operations in the collection of sensor data, the system uses LoRaWAN, a low-power, wide-area (LPWA) wireless communications technology. The water quality data collected from sensors using LoRaWAN are aggregated on Leap GIO Cloud, a cloud service provided by IIJ's affiliated company in Thailand, via the Vodafone IoT SIM, a global SIM provided by IIJ Group for IoT applications.
   - Application for reviewing water quality and managing operations
     Loxley Public Company Limited ("Loxley"), a Thai IT services provider, is developing the application for viewing pH levels, ion levels, and other water environmental quality data. This application allows users to review water quality data via PC, tablet, or smartphone, while also providing visual records of breeding tasks so that users can enter feeding, regulator administration, water replacement, and other breeding tasks via the same application. The proof-of-concept trial for this system aim to improve operational efficiency and productivity in the aquaculture business through the AI-based analysis of the correlation between water environmental quality and breeding tasks.

Image of trial
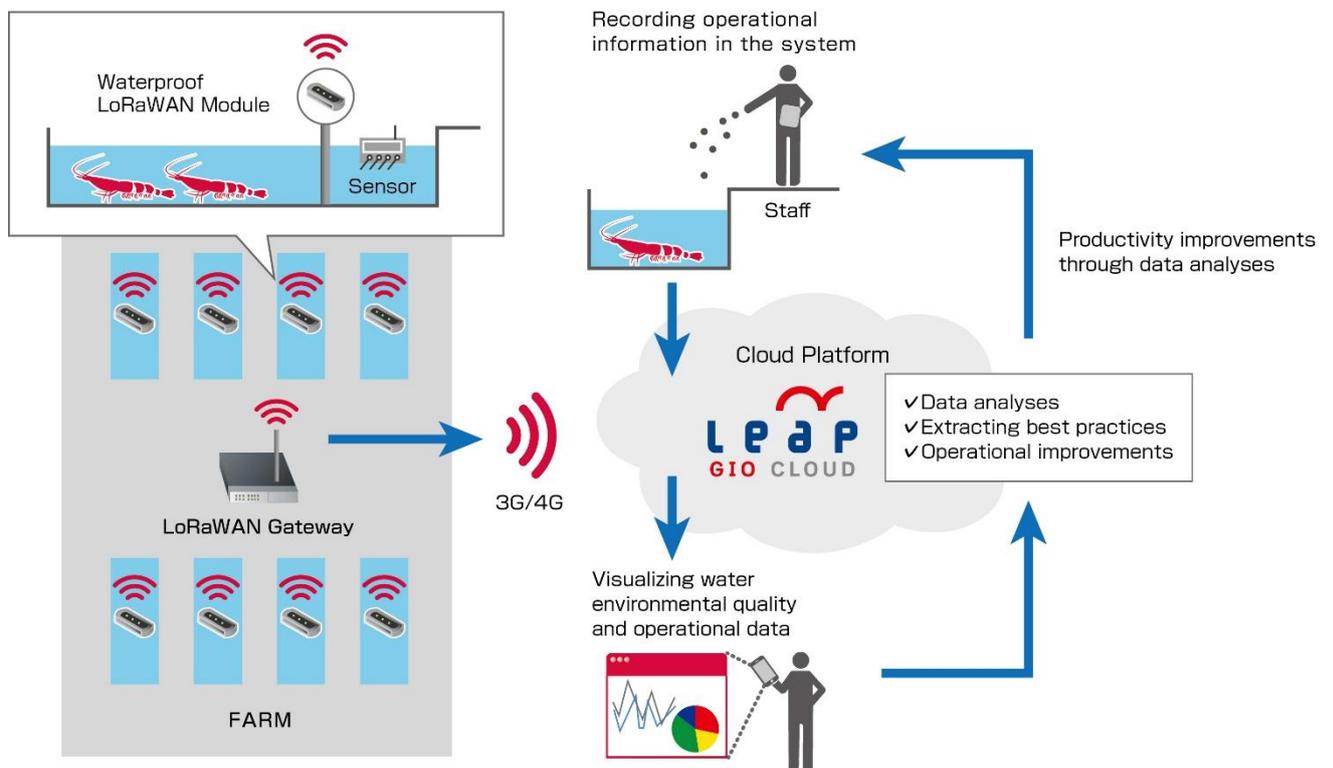
4. Trial period
    Scheduled for April 2018–March 2019

5. Division of responsibilities
    Internet Initiative Japan Inc.: Overall project management, system specification formulation, AI platform construction, etc.
    Loxley Public Company Limited: Sensor system construction, application development, etc.

Through this project, IIJ will contribute to increased competitiveness in the Thai aquaculture business, while actively working to promote the development of ASEAN's primary industry through the realization of a shared platform that could be applied to various fishery industries in other countries and regions.

About Loxley

Established in 1939, Loxley Plc. is currently one of Thailand's largest technology and trading conglomerates boosted largely by the government's infrastructure investments. Given its expertise in information and communications technology (ICT), Loxley has thrown its full support behind the government's digital economy policy such as Thailand 4.0 and Smart City Clean Energy projects.

Loxley Plc. has subsidiaries, joint ventures as well as its own business units which are generally divided into five business lines namely Information Technology, Energy, Network Solutions, Food Services & Distribution, and Services. For more information, visit the Loxley Web site at http://www.loxley.co.th/.

About IIJ

Founded in 1992, Internet Initiative Japan Inc. (IIJ, NASDAQ: IIJI, 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.iij.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.

For inquiries, contact:

IIJ Corporate Communications

Tel: +81-3-5259-6310   E-mail: press@iij.ad.jp

www.iij.ad.jp/en/