

IIJ to Increase its Stake in Asia Internet Holding
Further Strengthening its Operation in the Asia Pacific region

TOKYO, August 8, 2001 -- Internet Initiative Japan Inc. ("IIJ", NASDAQ: IJJI) today announced that it will increase its stake in Asia Internet Holding ("AIH"), its affiliate which operates a pan-Asian Internet backbone network, from 20.6% to 26.7%, by an acquiring additional 1,966 shares of common stock of AIH. IIJ will purchase these shares from Sumitomo Corporation, which recently acquired all of SembCorp Ventures's 3,931 shares of AIH's common stock. The transaction is expected to be completed by the middle of August 2001.

"For the IIJ group, AIH's network infrastructure is strategically important for our operations in the Asia Pacific region," said Koichi Suzuki, President and CEO of IIJ. "AIH's network infrastructure, called A-Bone, which links Asian countries such as China, Hong Kong, Singapore, Malaysia, the Philippines, Thailand and Indonesia, has established a unique position in the market place as the region's central piece of Internet infrastructure. We anticipate great potential for a pan-Asian network as a reliable and efficient information foundation for building global scale Intranets and B2B networks covering the region."

About IIJ

Internet Initiative Japan Inc. (IIJ, NASDAQ: IJJI) is Japan's leading Internet-access and comprehensive Internet solution provider mainly targeting high-end corporate customers. Founded in 1992 as a pioneer of commercial Internet services in Japan, IIJ has built one of the largest Internet backbone networks in Japan as well as between Japan and the United States. IIJ and its group companies provide total solutions including new generation network services over optical-fiber infrastructure optimized for data communications, construction of Asian-wide IP backbone networks, high-quality Internet access, securities, hosting/housing, and content design and systems integration.

About AIH

Asia Internet Holding Co., Ltd. (AIH) was established in 1995, to construct and operate "A-Bone", the Internet backbone network covering the Asia Pacific region. A-Bone directly links countries in the region with high-speed and large-capacity circuits, which enables intra-Asian information traffic to be routed effectively. AIH is supported by shareholders in the region such as Internet Initiative Japan (IIJ, NASDAQ: IJJI), Sumitomo Corporation, NTT Communications, Itochu Corporation, Sembcorp Ventures, Telecom Malaysia and Communications Authority of Thailand. Website: www.abone.net

The statements within this release contain forward-looking statements about our future plans that involve risk and uncertainties. These statements may differ materially from actual future events or results. Readers are referred to the documents filed 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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