IIJ
Internet Initiative Japan

For Immediate Release
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IIJ Announces its First Three Months Results for the Fiscal Year Ending March 31, 2027

Tokyo, August 7, 2026 - Internet Initiative Japan Inc. ("IIJ", TSE Prime: 3774) today announced its consolidated financial results for the first three months for the fiscal year ending March 31, 2027 ("1Q26", from April 1, 2026 to June 30, 2026) under International Financial Reporting Standards (IFRS).[1]

Highlights of Financial Results for 1Q26					FY2026 Targets	
					First Half	Full Year
Total revenues	JPY97.6 billion	up	27.1%	YoY[2]	JPY180.0 billion	JPY385.0 billion
Operating profit	JPY6.6 billion	up	9.2%	YoY	JPY15.4 billion	JPY38.5 billion
Profit before tax	JPY6.7 billion	up	17.0%	YoY	JPY14.1 billion	JPY37.0 billion
Net profit[3]	JPY4.4 billion	up	16.4%	YoY	JPY9.6 billion	JPY25.0 billion

Overview of 1Q26 Financial Results and Business Outlook

"The first quarter is typically a quiet period, as it marks the start of the new fiscal year for most Japanese enterprises. In this environment, we saw very strong revenue growth of 27.1% YoY in 1Q26, including approximately JPY1.7 billion of an enterprise mobile device implementation project and approximately JPY6.0 billion of overseas large-scale systems construction projects at PTC SYSTEM (S) PTE LTD, our Singapore subsidiary, largely exceeding our expectations. Operating profit increased 9.2% YoY as expected, reflecting the revenues from large-scale, low-margin hardware-related projects[4] and generally rising costs driven by inflation. While steadily executing this fiscal year's business plan, we are also developing our next three-year mid-term plan, which should start from FY27. Our core strategy remains unchanged, and we envision FY29 revenue exceeding JPY500 billion, enabling greater economies of scale that should further enhance corporate value," said Yasuhiko Taniwaki, President of IIJ.

"We have been cultivating our Internet-related expertise through over 2,000 highly skilled network engineers, which are very prominent in the Japanese market. By leveraging these capabilities, we operate one of Japan's largest Internet backbone networks with a global reach, continuously develop and provide our own services and solutions, and manage network and system platforms with secure and stable operations. We recognize that these core strengths are key differentiators and drivers of continued growth as Japanese enterprises increasingly adopt more open and flexible IT and network environments along with the growing use of AI. To address these trends, we are advancing our "Offering Model Approach[5]," combining our business elements including network, security, cloud, systems integration, and operations to deliver optimal solutions that meet common needs in specific domains. We are also developing our next-generation core integrated security services, which are scheduled to launch in 4Q26. We believe this approach will further strengthen our competitive advantage and continue to drive sustainable business growth over the medium to long term," concluded Koichi Suzuki, Founder and Chairman of IIJ.

1 Unless otherwise stated, all financial figures discussed in this announcement are prepared in accordance with IFRS, unaudited and consolidated.
2 YoY is an abbreviation for year over year change.
3 Net profit is "profit attributable to owners of the parent."
4 SI gross profit is generated from both hardware and labor portions. The procurement-based hardware portion generally tends to have a lower margin than the labor portion.
5 An approach that starts with solving customer issues by combining NW, security, cloud, operations, AI and other capabilities into reproducible solutions, then channels the resulting know-how into enhancing the features and competitiveness of our own in-house developed services.

1Q26 Financial Results Summary

We provide combined network services and systems integration to customers, and therefore, Network services and Systems integration (SI) business is our main reportable segment. Our analysis by service is described below.

Operating Results Summary

	1Q25	**1Q26**	YoY Change
	JPY millions	**JPY millions**	**%**
Total revenues	76,821	**97,604**	27.1
Network services	42,512	**46,101**	8.4
Systems integration (SI)	33,560	**50,739**	51.2
ATM operation business	749	**764**	2.0
Total costs	(60,128)	**(79,633)**	32.4
Network services	(30,912)	**(34,419)**	11.3
Systems integration (SI)	(28,822)	**(44,805)**	55.5
ATM operation business	(394)	**(409)**	3.8
Total gross profit	16,693	**17,971**	7.7
Network services	11,600	**11,682**	0.7
Systems integration (SI)	4,738	**5,934**	25.2
ATM operation business	355	**355**	0.0
SG&A, R&D, and other operating income (expenses)	(10,662)	**(11,383)**	6.8
Operating profit	6,031	**6,588**	9.2
Profit before tax	5,737	**6,712**	17.0
Profit for the period attributable to owners of the parent	3,777	**4,395**	16.4

(Note) Systems integration includes equipment sales.

Segment Results Summary

	1Q25	**1Q26**
	JPY millions	**JPY millions**
Total revenues	76,821	**97,604**
Network services and SI business	76,081	**96,848**
ATM operation business	749	**764**
Elimination	(9)	**(8)**
Operating profit	6,031	**6,588**
Network services and SI business	5,744	**6,282**
ATM operation business	287	**306**
Elimination	-	—

1Q26 Revenues and Income

Revenues

Total revenues were JPY97,604 million, up 27.1% YoY (JPY76,821 million for 1Q25).

Network services revenue was JPY46,101 million, up 8.4% YoY (JPY42,512 million for 1Q25).

Revenues for Internet connectivity services for enterprise were JPY13,794 million, up 8.3% YoY from JPY12,731 million for 1Q25, mainly due to an increase in revenues of enterprise mobile services and IP services.

Revenues for Internet connectivity services for consumers were JPY7,462 million, up 7.2% YoY from JPY6,958 million for 1Q25, mainly due to an increase in revenues of IIJmio Mobile services.

Revenues for Outsourcing services were JPY17,730 million, up 11.5% YoY from JPY15,898 million for 1Q25, mainly due to an increase in security-related services revenues.

Revenues for WAN services were JPY7,115 million, up 2.7% YoY from JPY6,925 million for 1Q25.

Network Services Revenues Breakdown

	1Q25	**1Q26**	YoY Change
	JPY millions	**JPY millions**	**%**
Total network services	42,512	**46,101**	8.4
Internet connectivity services (enterprise)	12,731	**13,794**	8.3
IP services (including data center connectivity services)	4,568	**4,734**	3.6
IIJ Mobile Services	6,899	**7,805**	13.1
Enterprise mobile services (IoT usages etc.)	4,013	**4,619**	15.1
IIJ Mobile MVNO Platform Service (MVNE)	2,886	**3,186**	10.4
Others	1,264	**1,255**	(0.7)
Internet connectivity services (consumer)	6,958	**7,462**	7.2
IIJmio Mobile Services	6,107	**6,665**	9.1
Others	851	**797**	(6.3)
Outsourcing services	15,898	**17,730**	11.5
WAN services	6,925	**7,115**	2.7

Number of Contracts and Subscription for Connectivity Services (Note 1)

	As of June 30, 2025	**As of June 30, 2026**	YoY Change
Internet connectivity services (enterprise)	4,530,747	**5,018,149**	487,402
IP service (greater than or equal to 1Gbps) (Note 2)	1,474	**1,509**	35
IP service (less than 1Gbps) (Note 2)	1,567	**1,620**	53
IIJ Mobile Services	4,422,233	**4,911,048**	488,815
Enterprise mobile services (IoT usages etc.)	3,173,529	**3,508,718**	335,189
IIJ Mobile MVNO Platform Service (MVNE)	1,248,704	**1,402,330**	153,626
Others	105,473	**103,972**	(1,501)
Internet connectivity services (consumer)	1,663,459	**1,739,970**	76,511
IIJmio Mobile Services	1,350,225	**1,453,415**	103,190
Others	313,234	**286,555**	(26,679)
Total contracted bandwidth (Gbps) (Note 3)	14,328.8	**19,532.7**	5,203.9

(Notes)

1. Numbers in the table above show number of contracts except for "IIJ Mobile Services (enterprise)" and "IIJmio Mobile Services" which show number of
2. The numbers of IP service contracts include the numbers of IIJ data center connectivity service contracts.
3. Total contracted bandwidth is calculated by multiplying number of contracts under "Internet connectivity services (enterprise)" except for "IIJ Mobile Services" and the contracted bandwidths of the services respectively.

SI revenues, including equipment sales, were JPY50,739 million, up 51.2% YoY (JPY33,560 million for 1Q25). Systems construction and equipment sales, a one-time revenue, was JPY24,190 million, up 106.9% YoY (JPY11,689 million for 1Q25), mainly due to contributions from a large-scale enterprise mobile device implementation project and an overseas large-scale server infrastructure construction project. Systems operation and maintenance revenue, a recurring revenue, was JPY26,549 million, up 21.4% YoY (JPY21,871 million for 1Q25), mainly due to continued accumulation of systems operation orders.

Orders received for SI, including equipment sales, totaled JPY71,379 million, up 57.5% YoY (JPY45,317 million for 1Q25); orders received for systems construction and equipment sales were JPY40,208 million, up 135.5% YoY (JPY17,073 million for 1Q25), and orders received for systems operation and maintenance were JPY31,171 million, up 10.4% YoY (JPY28,244 million for 1Q25).

Order backlog for SI, including equipment sales, as of June 30, 2026 amounted to JPY179,550 million, up 41.2% YoY (JPY127,200 million as of June 30, 2025); order backlog for systems construction and equipment sales was JPY47,956 million, up 126.3% YoY (JPY21,189 million as of June 30, 2025) and order backlog for systems operation and maintenance was JPY131,594 million, up 24.1% YoY (JPY106,011 million as of June 30, 2025).

ATM operation business revenues were JPY764 million, up 2.0% YoY (JPY749 million for 1Q25).

Cost of sales

Total cost of sales was JPY79,633 million, up 32.4% YoY (JPY60,128 million for 1Q25).

Cost of network services revenue was JPY34,419 million, up 11.3% YoY (JPY30,912 million for 1Q25), mainly due to increases in outsourcing-related costs and purchasing cost of mobile devices. Gross profit was JPY11,682 million, up 0.7% YoY (JPY11,600 million for 1Q25) and gross profit ratio was 25.3% (27.3% for 1Q25).

Cost of SI revenues, including equipment sales was JPY44,805 million, up 55.5% YoY (JPY28,822 million for 1Q25), mainly due to an increase in purchasing costs. Gross profit was JPY5,934 million, up 25.2% YoY (JPY4,738 million for 1Q25) and gross profit ratio was 11.7% (14.1% for 1Q25).

Cost of ATM operation business revenues was JPY409 million, up 3.8% YoY (JPY394 million for 1Q25). Gross profit was JPY355 million, the same level as 1Q25 (JPY355 million for 1Q25) and gross profit ratio was 46.5% (47.4% for 1Q25).

Selling, general and administrative expenses and other operating income and expenses

Selling, general and administrative expenses, including research and development expenses, totaled JPY11,386 million, up 7.6% YoY (JPY10,584 million for 1Q25), mainly due to an increase in personnel-related expenses associated with the hiring of new graduates and annual revision of salary levels.

Other operating income was JPY40 million (JPY16 million for 1Q25).

Other operating expenses were JPY37 million (JPY94 million for 1Q25).

Operating profit

Operating profit was JPY6,588 million (JPY6,031 million for 1Q25), up 9.2% YoY.

Finance income and expenses, and share of profit (loss) of investments accounted for using equity method

Finance income was JPY796 million, compared to JPY223 million for 1Q25. It included gains on financial instruments, mainly related to funds, of JPY426 million (loss of JPY14 million for 1Q25) and dividend income of JPY225 million (JPY179 million for 1Q25).

Finance expenses were JPY463 million compared to JPY409 million for 1Q25. It included interest expenses of JPY380 million (JPY327 million for 1Q25), mainly related to bank borrowings and lease transactions.

Share of loss of investments accounted for using equity method was JPY209 million (loss of JPY108 million for 1Q25), mainly due to loss of DCP Co., Ltd. of JPY282 million (loss of JPY174 million for 1Q25).

Profit before tax

Profit before tax was JPY6,712 million (JPY5,737 million for 1Q25), up 17.0% YoY.

Profit for the period

Income tax expense was JPY2,266 million (JPY1,928 million for 1Q25). As a result, profit for the period was JPY4,446 million (JPY3,809 million for 1Q25), up 16.7% YoY.

Profit for the period attributable to non-controlling interests was JPY51 million (JPY32 million for 1Q25), mainly related to net income of Trust Networks Inc.

Profit for the period attributable to owners of the parent was JPY4,395 million (JPY3,777 million for 1Q25), up 16.4% YoY.

Comprehensive income for the period

Comprehensive income for the period was JPY6,383 million (JPY6,092 million for 1Q25), up 4.8% YoY. There were profit for the period of JPY4,446 million (JPY3,809 million for 1Q25) and impact of an increase in the market value of investment securities and others (*) of JPY1,686 million (increase of JPY2,278 million for 1Q25).

Comprehensive income for the period attributable to owners of parent was JPY6,332 million (JPY6,060 million for 1Q25), up 4.5% YoY.

(*) Regarding financial instruments under IFRS, we recognize changes in the fair value of funds as net profit or loss in the consolidated statements of profit or loss, while changes in the fair value of equity securities are recognized as changes in equity through other comprehensive income.

Financial Position as of June 30, 2026

As of June 30, 2026, the balance of total assets was JPY363,758 million, increased by JPY16,825 million from the balance as of March 31, 2026 of JPY346,933 million.

As of June 30, 2026, the balance of current assets was JPY158,302 million, increased by JPY6,135 million from the balance as of March 31, 2026 of JPY152,167 million. As for the major breakdown of balance and fluctuation of current assets, prepaid expenses increased by JPY7,286 million to JPY45,105 million mainly due to increases in project costs for customers, license fees, equipment-related costs and bonus, inventories increased by JPY4,716 million to JPY11,848 million, cash and cash equivalents decreased by JPY4,209 million to JPY34,186 million, and trade receivables decreased by JPY2,740 million to JPY59,344 million.

As of June 30, 2026, the balance of non-current assets was JPY205,456 million, increased by JPY10,690 million from the balance as of March 31, 2026 of JPY194,766 million. As for the major breakdown of balance and fluctuation of non-current assets, tangible assets increased by JPY4,705 million to JPY49,819 million mainly due to purchases related to data centers, prepaid expenses increased by JPY4,331 million to JPY38,370 million mainly due to increases in project costs for customers and license fees, investment securities (equity) increased by JPY2,490 million to JPY14,596 million, right-of-use assets, the rights under operating lease contracts such as office and data centers and under finance lease contracts such as data communication equipment, decreased by JPY1,746 million to JPY37,364 million mainly due to depreciation, and intangible assets increased by JPY685 million to JPY23,340 million.

As of June 30, 2026, the balance of current liabilities was JPY139,508 million, increased by JPY9,967 million from the balance as of March 31, 2026 of JPY129,541 million. As for the major breakdown of balance and fluctuation of current liabilities, trade and other payables increased by JPY8,882 million to JPY43,360 million, contract liabilities increased by JPY3,608 million to JPY26,388 million, and income taxes payable decreased by JPY2,653 million to JPY2,466 million.

As of June 30, 2026, the balance of non-current liabilities was JPY61,778 million, increased by JPY3,857 million from the balance as of March 31, 2026 of JPY57,921 million. As for the major breakdown of balance and fluctuation of non-current liabilities, contract liabilities increased by JPY2,340 million to JPY18,467 million, deferred income increased by JPY1,787 million to JPY1,968 million mainly due to a subsidy for purchases related to a data center, and other financial liabilities decreased by JPY1,090 million to JPY35,695 million.

As of June 30, 2026, the balance of total equity attributable to owners of the parent was JPY160,945 million, increased by JPY2,938 million from the balance as of March 31, 2026 of JPY158,007 million. Ratio of owners' equity to total assets was 44.2% as of June 30, 2026.

1Q26 Cash Flows

Cash and cash equivalents as of June 30, 2026 were JPY34,186 million (JPY30,020 million as of June 30, 2025).

Net cash provided by operating activities for 1Q26 was JPY10,527 million (net cash provided in operating activities of JPY12,106 million for 1Q25). There were profit before tax of JPY6,712 million (JPY5,737 million for 1Q25), depreciation and amortization of JPY8,167 million (JPY7,963 million for 1Q25), including JPY2,939 million (JPY2,890 million for 1Q25) of depreciation of right-of-use operating lease assets under IFRS 16, and income taxes paid of JPY4,923 million (JPY5,043 million for 1Q25). Regarding changes in working capital, there was net cash in of JPY542 million compared to net cash in of JPY2,952 million for 1Q25. As for the major factors for the decrease in net cash inflow in comparison with 1Q25, there were a decrease in proceeds from trade receivables, an increase in payments for prepaid expenses, and a decrease in payments mainly related to trade and other payables.

Net cash used in investing activities for 1Q26 was JPY7,427 million (net cash used in investing activities of JPY6,825 million for 1Q25), mainly due to payments for purchases of tangible assets, such as assets related to data centers, of JPY7,786 million (JPY4,470 million for 1Q25), proceeds from subsidies for purchases related to a data center of JPY2,157 million, and purchases of intangible assets, such as software, of JPY2,063 million (JPY2,458 million for 1Q25).

Net cash used in financing activities for 1Q26 was JPY7,472 million (net cash used in financing activities of JPY7,759 million for 1Q25), mainly due to payments for other financial liabilities of JPY6,458 million (JPY5,576 million for 1Q25), which included payments under operating lease contracts such as office rent and finance lease contracts such as network equipment, dividends paid of JPY3,457 million (JPY3,096 million for 1Q25), and proceeds from other financial liabilities of JPY2,431 million (JPY991 million for 1Q25).

Future Prospects including FY2026 Financial Targets

As for 1Q26 consolidated financial results, total revenues largely exceeded our expectations, mainly due to contributions from the large-scale enterprise mobile device implementation project and the overseas large-scale server infrastructure construction project. Operating profit progressed mostly in line with our expectations, reflecting the revenues from large-scale, low-margin hardware-related projects and generally rising costs driven by inflation.

Presentation

Presentation materials will be posted on our web site (https://www.iij.ad.jp/en/ir/) on August 7, 2026.

About Internet Initiative Japan Inc.

Founded in 1992, IIJ is one of Japan’s leading Internet-access and comprehensive network solutions providers. IIJ and its group companies provide total network solutions that mainly cater to high-end corporate customers. IIJ's services include high-quality Internet connectivity services, mobile services, security services, cloud computing services, and systems integration. Moreover, IIJ operates one of the largest Internet backbone networks in Japan that is connected to the United States, the United Kingdom and Asia. IIJ listed on the First Section of the Tokyo Stock Exchange (“TSE”) in 2006 and transitioned to the Prime Market of TSE from April 2022.

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Disclaimer:

Condensed Consolidated Statements of Financial Position (Unaudited)

	March 31, 2026	June 30, 2026
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and cash equivalents	38,395	34,186
Trade receivables	62,084	59,344
Inventories	7,132	11,848
Prepaid expenses	37,819	45,105
Contract assets	3,345	3,556
Other financial assets	3,183	3,234
Other current assets	209	1,029
Total current assets	152,167	158,302
Non-current assets		
Tangible assets	45,114	49,819
Right-of-use assets	39,110	37,364
Goodwill	10,773	10,841
Intangible assets	22,655	23,340
Investments accounted for using equity method	6,293	5,818
Prepaid expenses	34,039	38,370
Contract assets	2,447	2,348
Investment securities (Equity)	12,106	14,596
Other investments	12,691	13,482
Deferred tax assets	334	333
Other financial assets	8,870	8,793
Other non-current assets	334	352
Total non-current assets	194,766	205,456
Total assets	346,933	363,758

	March 31, 2026	June 30, 2026
	Millions of yen	Millions of yen
Liabilities and Equity		
Liabilities		
Current liabilities		
Trade and other payables	34,478	43,360
Borrowings	35,570	35,570
Income taxes payable	5,119	2,466
Provisions	480	—
Contract liabilities	22,780	26,388
Deferred income	32	232
Other financial liabilities	23,875	24,813
Other current liabilities	7,207	6,679
Total current liabilities	129,541	139,508
Non-current liabilities		
Retirement benefit liabilities	1,013	1,016
Provisions	1,255	1,299
Contract liabilities	16,127	18,467
Deferred income	181	1,968
Deferred tax liabilities	1,316	2,119
Other financial liabilities	36,785	35,695
Other non-current liabilities	1,244	1,214
Total non-current liabilities	57,921	61,778
Total liabilities	187,462	201,286
Equity		
Share capital	25,663	25,671
Share premium	35,930	35,860
Retained earnings	98,163	99,101
Other components of equity	10,006	11,939
Treasury shares	(11,755)	(11,626)
Total equity attributable to owners of the parent	158,007	160,945
Non-controlling interests	1,464	1,527
Total equity	159,471	162,472
Total liabilities and equity	346,933	363,758

Condensed Consolidated Statements of Profit or Loss (Unaudited)

	Three Months Ended June 30, 2025	Three Months Ended June 30, 2026
	Millions of yen	Millions of yen
Revenues		
Network services	42,512	46,101
Systems integration	33,560	50,739
ATM operation business	749	764
Total revenues	76,821	97,604
Cost of sales		
Cost of network services	(30,912)	(34,419)
Cost of systems integration	(28,822)	(44,805)
Cost of ATM operation business	(394)	(409)
Total cost of sales	(60,128)	(79,633)
Gross Profit	16,693	17,971
Selling, general and administrative expenses	(10,584)	(11,386)
Other operating income	16	40
Other operating expenses	(94)	(37)
Operating Profit	6,031	6,588
Finance income	223	796
Finance expenses	(409)	(463)
Share of profit (loss) of investments accounted for using equity method	(108)	(209)
Profit (loss) before tax	5,737	6,712
Income tax expense	(1,928)	(2,266)
Profit (loss) for the period	3,809	4,446
Profit (loss) for the period attributable to:		
Owners of the parent	3,777	4,395
Non-controlling interests	32	51
Total	3,809	4,446
Earnings per share		
Basic earnings per share (yen)	21.35	24.79
Diluted earnings per share (yen)	21.24	24.70

Condensed Consolidated Statements of Comprehensive Income (Unaudited)

	Three Months Ended June 30, 2025	Three Months Ended June 30, 2026
	Millions of yen	Millions of yen
Profit (loss)	3,809	4,446
Other comprehensive income, net of tax		
Items that will not be reclassified to profit or loss		
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	2,278	1,686
Total items that will not be reclassified to profit or loss	2,278	1,686
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(4)	247
Share of other comprehensive income of investments accounted for using equity method	(16)	0
Effective portion of cash flow hedges	25	4
Total of items that may be reclassified to profit or loss	5	251
Total other comprehensive income, net of tax	2,283	1,937
Comprehensive income	6,092	6,383
Comprehensive income attributable to:		
Owners of the parent	6,060	6,332
Non-controlling interests	32	51
Comprehensive income	6,092	6,383

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Unaudited)

Three months ended June 30, 2025

	Owners of the parent's shareholders' equity						Non-controlling interests	Total equity
	Share capital	Share premium	Retained earnings	Other components of equity	Treasury shares	Total		
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance, April 1, 2025	25,577	35,865	79,885	11,266	(11,910)	140,683	1,403	142,086
Comprehensive income								
Profit (loss)	-	-	3,777	-	-	3,777	32	3,809
Other comprehensive income	-	-	-	2,283	-	2,283	-	2,283
Total comprehensive income	-	-	3,777	2,283	-	6,060	32	6,092
Transactions with owners								
Issuance of common stock	7	(7)	-	-	-	-	-	-
Disposal of treasury shares	-	24	-	-	93	117	-	117
Dividends paid	-	-	(3,096)	-	-	(3,096)	(63)	(3,159)
Stock-based compensation	-	(74)	-	-	-	(74)	-	(74)
Transfer from other components of equity to retained earnings	-	-	97	(97)	-	-	-	-
Transfer to non-financial assets	-	-	-	(25)	-	(25)	-	(25)
Total transactions with owners	7	(57)	(2,999)	(122)	93	(3,078)	(63)	(3,141)
Balance, June 30, 2025	25,584	35,808	80,663	13,427	(11,817)	143,665	1,372	145,037

Three months ended June 30, 2026

	Owners of the parent's shareholders' equity						Non-controlling interests	Total equity
	Share capital	Share premium	Retained earnings	Other components of equity	Treasury shares	Total		
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance, April 1, 2026	25,663	35,930	98,163	10,006	(11,755)	158,007	1,464	159,471
Comprehensive income								
Profit (loss)	-	-	4,395	-	-	4,395	51	4,446
Other comprehensive income	-	-	-	1,937	-	1,937	-	1,937
Total comprehensive income	-	-	4,395	1,937	-	6,332	51	6,383
Transactions with owners								
Issuance of common stock	8	(8)	-	-	-	-	-	-
Disposal of treasury shares	-	(111)	-	-	129	18	-	18
Dividends paid	-	-	(3,457)	-	-	(3,457)	(72)	(3,529)
Stock-based compensation	-	49	-	-	-	49	-	49
Transfer to non-financial assets	-	-	-	(4)	-	(4)	-	(4)
Changes in ownership interest in subsidiaries	-	-	-	-	-	-	84	84
Total transactions with owners	8	(70)	(3,457)	(4)	129	(3,394)	12	(3,382)
Balance, June 30, 2026	25,671	35,860	99,101	11,939	(11,626)	160,945	1,527	162,472

Condensed Consolidated Statements of Cash Flows (Unaudited)

	Three Months Ended June 30, 2025	Three Months Ended June 30, 2026
	Millions of yen	Millions of yen
Cash flows from operating activities		
Profit (loss) before tax	5,737	6,712
Adjustments		
Depreciation and amortization	7,963	8,167
Loss (gain) on sales/disposals of property and equipment	64	(2)
Shares of loss (profit) of investments accounted for using equity method	108	209
Finance income	(223)	(796)
Finance expenses	409	463
Other	152	121
Changes in working capital		
Decrease (increase) in trade receivables	9,610	2,874
Decrease (increase) in inventories	(1,073)	(4,657)
Decrease (increase) in prepaid expenses	(5,520)	(11,519)
Decrease (increase) in contract assets	749	(107)
Decrease (increase) in other assets	22	(809)
Decrease (increase) in other financial assets	(934)	258
Increase (decrease) in trade and other payables	(4,170)	9,039
Increase (decrease) in contract liabilities	4,248	5,793
Increase (decrease) in deferred income	18	(1)
Increase (decrease) in provisions	(330)	(464)
Increase (decrease) in other liabilities	(1,004)	(571)
Increase (decrease) in other financial liabilities	1,224	704
Increase (decrease) in retirement benefit liabilities	112	2
Subtotal	17,162	15,416
Interest and dividends received	282	370
Interest paid	(295)	(336)
Income taxes paid	(5,043)	(4,923)
Cash flows from operating activities	12,106	10,527

	Three Months Ended June 30, 2025	Three Months Ended June 30, 2026
	Millions of yen	Millions of yen
Cash flows from investing activities		
Purchases of tangible assets	(4,470)	(7,786)
Proceeds from sales of tangible assets	433	713
Purchases of intangible assets	(2,458)	(2,063)
Proceeds from sale of investments accounted for using equity method	-	263
Purchases of other investments	(267)	(436)
Payments for leasehold deposits and guarantee deposits	(55)	(256)
Proceeds from collection of leasehold deposits and guarantee deposits	11	13
Payments for refundable insurance policies	(19)	(30)
Proceeds from subsidies	-	2,157
Other	0	(2)
Cash flows from investing activities	(6,825)	(7,427)
Cash flows from financing activities		
Repayment of long-term borrowings	(15)	-
Proceeds from other financial liabilities	991	2,431
Payments of other financial liabilities	(5,576)	(6,458)
Dividends paid	(3,096)	(3,457)
Capital contribution from non-controlling interests	-	84
Other	(63)	(72)
Cash flows from financing activities	(7,759)	(7,472)
Effect of exchange rate changes on cash and cash equivalents	(36)	163
Net increase (decrease) in cash and cash equivalents	(2,514)	(4,209)
Cash and cash equivalents, beginning of the period	32,534	38,395
Cash and cash equivalents, end of the period	30,020	34,186

Notes to Condensed Consolidated Financial Statements (Unaudited)

Going Concern Assumption

Nothing to be reported.

Changes in Accounting Policies

Nothing to be reported.

Segment Information

The reportable segments of IIJ and its subsidiaries (collectively “the Company”) are defined as the Company's constituent units for which separated financial information is available and which are regularly reviewed by the Representative Director, President and Executive Officer of IIJ, who is the chief decision-maker regarding business operations in order to determine the allocation of resources and evaluate performance. The Representative Director, President and Executive Officer of IIJ evaluates the performance of each segment, with operating revenue and operating profit as the primary indicator.

The Company defined two reportable segments: “Network service and systems integration business” and “ATM operation business.” Network service and systems integration business is provided comprehensively with Network services, which is composed of Internet connectivity services, WAN services, outsourcing services, and systems integration service. ATM operation business constructs and operates ATMs and network systems for them, and receives a commission for each bank withdrawal transaction when a customer uses its serviced ATMs.

Segment information for the Company is as follows:

Three months ended June 30, 2025

	Reportable segments			
	Network service and systems integration business	ATM operation business	Adjustments	Consolidated
	JPY millions	JPY millions	JPY millions	JPY millions
Revenue				
Customers	76,072	749	―	76,821
Intersegment transactions	9	―	(9)	―
Total revenue	76,081	749	(9)	76,821
Segment operating profit	5,744	287	―	6,031
Finance income				223
Finance expense				(409)
Share of profit (loss) of investments accounted for using the equity method				(108)
Profit before tax				5,737

Three months ended June 30, 2026

	Reportable segments			
	Network service and systems integration business	ATM operation business	Adjustments	Consolidated
	JPY millions	JPY millions	JPY millions	JPY millions
Revenue				
Customers	96,840	764	―	97,604
Intersegment transactions	8	―	(8)	―
Total revenue	96,848	764	(8)	97,604
Segment operating profit	6,282	306	―	6,588
Finance income				796
Finance expense				(463)
Share of profit (loss) of investments accounted for using the equity method				(209)
Profit before tax				6,712

Intersegment transactions are based on market price.

Subsequent Events

Nothing to be reported.

Note: The following information is provided to disclose Internet Initiative Japan Inc. ("IIJ") financial results (unaudited) for the first three months ended June 30, 2026("1Q26") in the form defined by the Tokyo Stock Exchange.

Consolidated Financial Results for the First Three Months ended June 30, 2026 [Under IFRS]

August 7, 2026

Company name: Internet Initiative Japan Inc.
Exchange listed: Tokyo Stock Exchange
Ticker symbol: 3774
URL: https://www.iij.ad.jp/
Representative: Yasuhiko Taniwaki, Representative Director, President and Executive Officer
Contact: Akihisa Watai, Member of the Board, Executive Vice President and CFO
TEL: +81-3- 5205-6500
Scheduled date for dividend payment: -
Supplemental material on quarterly results: Yes
Presentation on quarterly results: Yes (for institutional investors and analysts)

(Amounts of less than JPY one million are rounded)

1. Consolidated Financial Results for the Three Months ended June 30, 2026 (April 1, 2026 to June 30, 2026)

(1) Consolidated Results of Operations (% shown is YoY change)

	Revenues		Operating profit		Profit (loss) before tax		Profit (loss) for the period		Profit (loss) attributable to owners of the parent		Comprehensive income for the period	
	JPY millions	%	JPY millions	%	JPY millions	%	JPY millions	%	JPY millions	%	JPY millions	%
Three Months ended June 30, 2026	97,604	27.1	6,588	9.2	6,712	17.0	4,446	16.7	4,395	16.4	6,383	4.8
Three Months ended June 30, 2025	76,821	6.7	6,031	34.6	5,737	13.9	3,809	12.5	3,777	13.7	6,092	35.1

	Basic earnings per share	Diluted earnings per share
	JPY	JPY
Three Months ended June 30, 2026	24.79	24.70
Three Months ended June 30, 2025	21.35	21.24

(2) Consolidated Financial Position

	Total assets	Total equity	Total equity attributable to owners of the parent	Ratio of owners' equity to total assets
	JPY millions	JPY millions	JPY millions	%
As of June 30, 2026	363,758	162,472	160,945	44.2
As of March 31, 2026	346,933	159,471	158,007	45.5

2. Dividends

	Annual Dividends				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	JPY	JPY	JPY	JPY	JPY
Fiscal Year Ended March 31, 2026	—	19.50	—	19.50	39.00
Fiscal Year Ending March 31, 2027	—				
Fiscal Year Ending March 31, 2027 (forecast)		21.50	—	21.50	43.00

(Note) Changes from the latest forecasts disclosed: None

3. Targets of Consolidated Financial Results for the Fiscal Year ending March 31, 2027 (April 1, 2026 to March 31, 2027)

(% shown is YoY change)

	Revenues		Operating profit		Profit (loss) before tax		Profit (loss) for the year attributable to owners of the parent		Basic earnings per share
	JPY millions	%	JPY millions	%	JPY millions	%	JPY millions	%	JPY
Interim Period Ending September 30, 2026	180,000	11.2	15,350	(0.2)	14,050	(7.3)	9,550	(4.8)	53.88
Fiscal Year Ending March 31, 2027	385,000	11.5	38,500	10.5	37,000	5.0	25,000	3.4	141.03

(Notes)
1. Changes from the latest forecasts disclosed: None
2. As for the details about our financial targets for the fiscal year ending March 31, 2027, please refer to “Future Prospects including FY2026 Financial Targets” which is disclosed on page 8 of this earnings release.

* Notes:

(1) Changes in significant subsidiaries: None

(2) Changes in accounting policies and estimate
- i. Changes in accounting policies required by IFRS: None
- ii. Other changes in accounting policies: None
- iii. Changes in accounting estimates: None

(3) Number of shares issued (common stock)
- i. Number of shares issued (inclusive of treasury stock):
  - As of June 30, 2026: 183,471,380 shares
  - As of March 31, 2026: 183,448,852 shares
- ii. Number of treasury stock:
  - As of June 30, 2026: 6,118,847 shares
  - As of March 31, 2026: 6,186,958 shares
- iii. Number of weighted average common shares outstanding:
  - For the three months ended June 30, 2026: 177,296,398 shares
  - For the three months ended June 30, 2025: 176,948,883 shares

* Review of quarterly consolidated financial statements by certified public accountants or auditing firms: None

* Explanation on the Appropriate Use of Future Outlook and other special instructions

i) Forward-looking statements

Forward-looking statements disclosed in this document are based on IIJ Group’s expectation, estimates, and projections based on information available to IIJ Group as of August 7, 2026. As these forward-looking statements are subject to known and unknown risks and uncertainties, actual results may differ from those disclosed due, for example, to but not limited to changes in business climate and/or market trends. As for our latest forecast of our financial targets, please refer to “Future Prospects including FY2026 Financial Targets” written on page 8 of this document.

ii) Others

Presentation material will be disclosed on TDnet as well as posted on our website on August 7, 2026.