For Immediate Release

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IIJ Announces its First Six Months Results for the Fiscal Year Ending March 31, 2027

Tokyo, November 6, 2026 - Internet Initiative Japan Inc. ("IIJ", TSE Prime: 3774) today announced its consolidated financial results for the first six months for the fiscal year ending March 31, 2027 ("1H26", from April 1, 2026 to September 30, 2026) under International Financial Reporting Standards (IFRS).[1]

Highlights of Financial Results for 1H26

Total revenue	JPY210.3 billion	up	29.9% YoY[2]
Operating profit	JPY16.5 billion	up	7.4% YoY
Net profit[3]	JPY10.8 billion	up	7.4% YoY
Interim Dividend	JPY21.50	per share of common stock	

Revised Financial Forecasts for FY26 (Announced on November 6, 2026)

Total revenue	JPY428.0 billion	up	23.9% YoY
Operating profit	JPY39.0 billion	up	12.0% YoY
Net profit	JPY25.5 billion	up	5.4% YoY
Annual cash dividend[4]	JPY43.00	per share of common stock	

Overview of 1H26 Financial Results and Business Outlook

"We recognize that the IIJ Group is entering a new phase of growth. In 1H26, we increased our revenue significantly by 29.9% YoY, mainly reflecting strong Systems Integration (SI), and exceeded our forecast by JPY30.3 billion. Our 1H26-end total SI order backlog was JPY214.0 billion, up 61.0% YoY, with one-time SI construction up 150.2% and SI operation and maintenance up 41.1% YoY. This growth was driven by strong demand for networks and systems construction as well as GPU infrastructure projects, one of which, acquired in 2Q26, exceeded JPY20.0 billion. As a result, we raised our full-year forecasts to JPY428.0 billion in revenue, up 23.9% YoY, and to JPY39.0 billion in operating profit, up 12.0% YoY. Strong revenue growth of SI is currently putting slight downward pressure on overall profit ratio, although we believe the growth of these businesses should lead to margin expansion by realizing greater economies of scale. Additionally, while we are absorbing the impact of general cost increases as much as possible, we are going to implement price revisions for our enterprise network services from the beginning of the next fiscal year," said Yasuhiko Taniwaki, President of IIJ.

"Enterprise networks and systems are shifting structurally toward Internet-based architectures incorporating AI, while cybersecurity risks are rapidly increasing. In this environment, IIJ's expertise in stable and secure network and system operations has become more prominent, which has been cultivated over thirty years by more than 2,000 network engineers. I am confident that the current business environment, our market position in Japan and our core business strategy would bring us continued growth both in revenue, which should exceed JPY500 billion in the next three-year medium-term plan, and profit 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 Annual cash dividend forecast remains unchanged from the forecast announced in May 2026.

1H26 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

	1H25	**1H26**	YoY Change
	JPY millions	**JPY millions**	%
Total revenues	161,910	**210,303**	29.9
Network services	87,047	**93,535**	7.5
Systems integration (SI)	73,344	**115,208**	57.1
ATM operation business	1,519	**1,560**	2.7
Total costs	(126,782)	**(170,800)**	34.7
Network services	(63,434)	**(69,328)**	9.3
Systems integration (SI)	(62,558)	**(100,627)**	60.9
ATM operation business	(790)	**(845)**	7.0
Total gross profit	35,128	**39,503**	12.5
Network services	23,613	**24,207**	2.5
Systems integration (SI)	10,786	**14,581**	35.2
ATM operation business	729	**715**	(1.9)
SG&A, R&D, and other operating income (expenses)	(19,740)	**(22,972)**	16.4
Operating profit	15,388	**16,531**	7.4
Profit before tax	15,149	**16,045**	5.9
Profit for the period attributable to owners of the parent	10,032	**10,772**	7.4

(Note) Systems integration includes equipment sales.

Segment Results Summary

	1H25	**1H26**
	JPY millions	**JPY millions**
Total revenues	161,910	**210,303**
Network services and SI business	160,409	**208,760**
ATM operation business	1,519	**1,560**
Elimination	(18)	**(17)**
Operating profit	15,388	**16,531**
Network services and SI business	14,760	**15,918**
ATM operation business	628	**613**
Elimination	—	**—**

1H26 Revenues and Income

Revenues

Total revenues were JPY210,303 million, up 29.9% YoY (JPY161,910 million for 1H25).

Network services revenue was JPY93,535 million, up 7.5% YoY (JPY87,047 million for 1H25).

Revenues for Internet connectivity services for enterprise were JPY28,099 million, up 6.5% YoY from JPY26,384 million for 1H25, mainly due to an increase in revenues of enterprise mobile services and IP services.

Revenues for Internet connectivity services for consumers were JPY15,015 million, up 7.2% YoY from JPY14,012 million for 1H25, mainly due to an increase in revenues of IIJmio Mobile services.

Revenues for Outsourcing services were JPY36,176 million, up 10.8% YoY from JPY32,641 million for 1H25, mainly due to an increase in security-related services revenues.

Revenues for WAN services were JPY14,245 million, up 1.7% YoY from JPY14,010 million for 1H25.

Network Services Revenues Breakdown

	1H25	**1H26**	YoY Change
	JPY millions	**JPY millions**	**%**
Total network services	87,047	**93,535**	7.5
Internet connectivity services (enterprise)	26,384	**28,099**	6.5
IP services (including data center connectivity services)	9,230	**9,556**	3.5
IIJ Mobile Services	14,618	**16,012**	9.5
Enterprise mobile services (IoT usages etc.)	8,792	**9,623**	9.5
IIJ Mobile MVNO Platform Service (MVNE)	5,826	**6,389**	9.7
Others	2,536	**2,531**	(0.2)
Internet connectivity services (consumer)	14,012	**15,015**	7.2
IIJmio Mobile Services	12,291	**13,418**	9.2
Others	1,721	**1,597**	(7.2)
Outsourcing services	32,641	**36,176**	10.8
WAN services	14,010	**14,245**	1.7

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

	As of Sep. 30, 2025	**As of Sep. 30, 2026**	YoY Change
Internet connectivity services (enterprise)	4,714,421	**5,384,795**	670,374
IP service (greater than or equal to 1Gbps) (Note 2)	1,501	**1,606**	105
IP service (less than 1Gbps) (Note 2)	1,672	**1,642**	(30)
IIJ Mobile Services	4,605,568	**5,277,033**	671,465
Enterprise mobile services (IoT usages etc.)	3,302,987	**3,902,652**	599,665
IIJ Mobile MVNO Platform Service (MVNE)	1,302,581	**1,374,381**	71,800
Others	105,680	**104,514**	(1,166)
Internet connectivity services (consumer)	1,690,538	**1,758,907**	68,369
IIJmio Mobile Services	1,382,080	**1,472,101**	90,021
Others	308,458	**286,806**	(21,652)
Total contracted bandwidth (Gbps) (Note 3)	14,947.0	**20,661.6**	5,714.6

(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 JPY115,208 million, up 57.1% YoY (JPY73,344 million for 1H25). Systems construction and equipment sales, a one-time revenue, was JPY60,669 million, up 114.4% YoY (JPY28,296 million for 1H25), reflecting continued strong demand in Japan as well as a total of approximately JPY17.0 billion in revenue from overseas large-scale projects, primarily comprising GPU infrastructure construction projects. Systems operation and maintenance revenue, a recurring revenue, was JPY54,539 million, up 21.1% YoY (JPY45,048 million for 1H25), mainly due to continued accumulation of systems operation orders.

Orders received for SI, including equipment sales, totaled JPY170,261 million, up 87.5% YoY (JPY90,816 million for 1H25), reflecting continued strong demand in Japan as well as a total of approximately JPY52.5 billion in orders from overseas large-scale projects, primarily comprising GPU infrastructure construction projects; orders received for systems construction and equipment sales were JPY89,365 million, up 143.3% YoY (JPY36,728 million for 1H25), and orders received for systems operation and maintenance were JPY80,896 million, up 49.6% YoY (JPY54,088 million for 1H25).

Order backlog for SI, including equipment sales, as of September 30, 2026 amounted to JPY213,963 million, up 61.0% YoY (JPY132,915 million as of September 30, 2025); order backlog for systems construction and equipment sales was JPY60,634 million, up 150.2% YoY (JPY24,237 million as of September 30, 2025) and order backlog for systems operation and maintenance was JPY153,329 million, up 41.1% YoY (JPY108,678 million as of September 30, 2025).

ATM operation business revenues were JPY1,560 million, up 2.7% YoY (JPY1,519 million for 1H25).

Cost of sales

Total cost of sales was JPY170,800 million, up 34.7% YoY (JPY126,782 million for 1H25).

Cost of network services revenue was JPY69,328 million, up 9.3% YoY (JPY63,434 million for 1H25), mainly due to increases in outsourcing-related costs. Gross profit was JPY24,207 million, up 2.5% YoY (JPY23,613 million for 1H25) and gross profit ratio was 25.9% (27.1% for 1H25).

Cost of SI revenues, including equipment sales, was JPY100,627 million, up 60.9% YoY (JPY62,558 million for 1H25), mainly due to an increase in purchasing costs. Gross profit was JPY14,581 million, up 35.2% YoY (JPY10,786 million for 1H25) and gross profit ratio was 12.7% (14.7% for 1H25).

Cost of ATM operation business revenues was JPY845 million, up 7.0% YoY (JPY790 million for 1H25). Gross profit was JPY715 million, down 1.9% YoY (JPY729 million for 1H25) and gross profit ratio was 45.8% (48.0% for 1H25).

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

Selling, general and administrative expenses, including research and development expenses, totaled JPY22,925 million, up 9.9% YoY (JPY20,853 million for 1H25), mainly due to an increase in personnel-related expenses.

Other operating income was JPY89 million (JPY1,219 million for 1H25), mainly due to the absence of a one-time gain of JPY1,169 million in 2Q25 related to the revision of the retirement benefit plans.

Other operating expenses were JPY136 million (JPY106 million for 1H25).

Operating profit

Operating profit was JPY16,531 million (JPY15,388 million for 1H25), up 7.4% YoY.

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

Finance income was JPY889 million, compared to JPY743 million for 1H25. It included gains on financial instruments, mainly related to funds, of JPY422 million (gain of JPY431 million for 1H25) and dividend income of JPY225 million (JPY179 million for 1H25).

Finance expenses were JPY914 million compared to JPY756 million for 1H25. It included interest expenses of JPY805 million (JPY651 million for 1H25), mainly related to bank borrowings and lease transactions, and foreign exchange loss of JPY109 million (loss of JPY74 million for 1H25).

Share of loss of investments accounted for using equity method was JPY461 million (loss of JPY226 million for 1H25), mainly due to loss of DCP Co., Ltd. of JPY594 million (loss of JPY355 million for 1H25).

Profit before tax

Profit before tax was JPY16,045 million (JPY15,149 million for 1H25), up 5.9% YoY.

Profit for the period

Income tax expense was JPY5,197 million (JPY5,019 million for 1H25). As a result, profit for the period was JPY10,848 million (JPY10,130 million for 1H25), up 7.1% YoY.

Profit for the period attributable to non-controlling interests was JPY76 million (JPY98 million for 1H25), mainly related to net income of Trust Networks Inc.

Profit for the period attributable to owners of the parent was JPY10,772 million (JPY10,032 million for 1H25), up 7.4% YoY.

Comprehensive income for the period

Comprehensive income for the period was JPY15,364 million (JPY10,809 million for 1H25), up 42.1% YoY, mainly due to an increase in the fair value of investment securities and others (*) of JPY4,690 million (increase of JPY63 million for 1H25).

Comprehensive income for the period attributable to owners of parent was JPY15,288 million (JPY10,711 million for 1H25), up 42.7% 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 September 30, 2026

As of September 30, 2026, the balance of total assets was JPY390,036 million, increased by JPY43,103 million from the balance as of March 31, 2026 of JPY346,933 million.

As of September 30, 2026, the balance of current assets was JPY171,424 million, increased by JPY19,257 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, trade receivables increased by JPY6,422 million to JPY68,506 million, prepaid expenses increased by JPY5,177 million to JPY42,996 million mainly due to increases in project costs for customers, license fees and equipment-related costs, contract assets increased by JPY3,575 million to JPY6,920 million, and cash and cash equivalents increased by JPY2,766 million to JPY41,161 million.

As of September 30, 2026, the balance of non-current assets was JPY218,612 million, increased by JPY23,846 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 JPY10,003 million to JPY55,117 million mainly due to purchases related to data centers, investment securities (equity) increased by JPY6,928 million to JPY19,034 million mainly due to an increase in the fair value of investment securities, prepaid expenses increased by JPY6,218 million to JPY40,257 million mainly due to increases in project costs for customers and license fees, intangible assets increased by JPY1,017 million to JPY23,672 million, and 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 JPY28 million to JPY39,082 million mainly due to depreciation.

As of September 30, 2026, the balance of current liabilities was JPY151,346 million, increased by JPY21,805 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 JPY14,394 million to JPY48,872 million, contract liabilities increased by JPY3,542 million to JPY26,322 million, borrowings increased by JPY3,000 million to JPY38,570 million, and other financial liabilities increased by JPY190 million to JPY24,065 million.

As of September 30, 2026, the balance of non-current liabilities was JPY67,158 million, increased by JPY9,237 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 JPY5,593 million to JPY21,720 million, deferred tax liabilities increased by JPY2,233 million to JPY3,549 million mainly due to increases in the fair value of investment securities (equity securities), deferred income increased by JPY2,055 million to JPY2,236 million mainly due to a subsidy for purchases related to a data center, and other financial liabilities decreased by JPY654 million to JPY36,131 million.

As of September 30, 2026, the balance of total equity attributable to owners of the parent was JPY169,980 million, increased by JPY11,973 million from the balance as of March 31, 2026 of JPY158,007 million. Ratio of owners' equity to total assets was 43.6% as of September 30, 2026.

1H26 Cash Flows

Cash and cash equivalents as of September 30, 2026 were JPY41,161 million (JPY37,298 million as of September 30, 2025).

Net cash provided by operating activities for 1H26 was JPY28,746 million (net cash provided by operating activities of JPY23,378 million for 1H25). There were profit before tax of JPY16,045 million (JPY15,149 million for 1H25), depreciation and amortization of JPY16,826 million (JPY16,072 million for 1H25), including JPY6,285 million (JPY5,764 million for 1H25) of depreciation of right-of-use operating lease assets under IFRS 16, and income taxes paid of JPY4,953 million (JPY5,206 million for 1H25). Regarding changes in working capital, there was net cash in of JPY215 million compared to net cash out of JPY3,561 million for 1H25. As for the major factors for the net cash inflow, there was a decrease in payments mainly related to trade and other payables, which exceeded a decrease in proceeds from trade receivables and contract liabilities and an increase in payments for prepaid expenses.

Net cash used in investing activities for 1H26 was JPY15,319 million (net cash used in investing activities of JPY11,443 million for 1H25), mainly due to payments for purchases of tangible assets, such as assets related to data centers, of JPY14,725 million (JPY8,343 million for 1H25), purchases of intangible assets, such as software, of JPY3,958 million (JPY3,900 million for 1H25), and proceeds from subsidies for purchases related to a data center of JPY2,553 million.

Net cash used in financing activities for 1H26 was JPY10,503 million (net cash used in financing activities of JPY7,299 million for 1H25), mainly due to payments for other financial liabilities of JPY13,351 million (JPY11,721 million for 1H25), 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 1H25), proceeds from other financial liabilities of JPY3,293 million (JPY5,710 million for 1H25), and net increase in short-term borrowings of JPY3,000 million (JPY2,000 million for 1H25).

Future Prospects including FY2026 Financial Forecasts

We have revised our FY2026 financial forecasts, which were announced on May 14, 2026. For details, please refer to our press release titled “Notice regarding Differences between Financial Forecasts and Results for the Six Months ended September 30, 2026, and Upward Revision of the Full-Year Financial Forecasts for the Fiscal Year ending March 31, 2027” which was announced today, November 6, 2026.

Presentation

Presentation materials will be posted on our web site (https://www.iij.ad.jp/en/ir/) on November 6, 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:

Statements made in this press release regarding IIJ’s or management’s intentions, beliefs, expectations, or predictions for the future are forward-looking statements that are based on IIJ’s and managements’ current expectations, assumptions, estimates and projections about its business and the industry. These forward-looking statements, such as statements regarding revenues and profits, are subject to various risks, uncertainties and other factors that could cause IIJ’s actual results to differ materially from those contained in any forward-looking statement.

Condensed Interim Consolidated Statements of Financial Position (Unaudited)

	March 31, 2026	September 30, 2026
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and cash equivalents	38,395	41,161
Trade receivables	62,084	68,506
Inventories	7,132	7,643
Prepaid expenses	37,819	42,996
Contract assets	3,345	6,920
Other financial assets	3,183	2,817
Other current assets	209	1,381
Total current assets	152,167	171,424
Non-current assets		
Tangible assets	45,114	55,117
Right-of-use assets	39,110	39,082
Goodwill	10,773	10,747
Intangible assets	22,655	23,672
Investments accounted for using equity method	6,293	5,559
Prepaid expenses	34,039	40,257
Contract assets	2,447	2,187
Investment securities (Equity)	12,106	19,034
Other investments	12,691	13,495
Deferred tax assets	334	359
Other financial assets	8,870	8,711
Other non-current assets	334	392
Total non-current assets	194,766	218,612
Total assets	346,933	390,036

	March 31, 2026	September 30, 2026
	Millions of yen	Millions of yen
Liabilities and Equity		
Liabilities		
Current liabilities		
Trade and other payables	34,478	48,872
Borrowings	35,570	38,570
Income taxes payable	5,119	5,359
Provisions	480	13
Contract liabilities	22,780	26,322
Deferred income	32	298
Other financial liabilities	23,875	24,065
Other current liabilities	7,207	7,847
Total current liabilities	129,541	151,346
Non-current liabilities		
Retirement benefit liabilities	1,013	1,020
Provisions	1,255	1,351
Contract liabilities	16,127	21,720
Deferred income	181	2,236
Deferred tax liabilities	1,316	3,549
Other financial liabilities	36,785	36,131
Other non-current liabilities	1,244	1,151
Total non-current liabilities	57,921	67,158
Total liabilities	187,462	218,504
Equity		
Share capital	25,663	25,678
Share premium	35,930	35,877
Retained earnings	98,163	105,478
Other components of equity	10,006	14,518
Treasury shares	(11,755)	(11,571)
Total equity attributable to owners of the parent	158,007	169,980
Non-controlling interests	1,464	1,552
Total equity	159,471	171,532
Total liabilities and equity	346,933	390,036

Condensed Interim Consolidated Statements of Profit or Loss (Unaudited)

	Six Months Ended September 30, 2025	Six Months Ended September 30, 2026
	Millions of yen	Millions of yen
Revenues		
Network services	87,047	93,535
Systems integration	73,344	115,208
ATM operation business	1,519	1,560
Total revenues	161,910	210,303
Cost of sales		
Cost of network services	(63,434)	(69,328)
Cost of systems integration	(62,558)	(100,627)
Cost of ATM operation business	(790)	(845)
Total cost of sales	(126,782)	(170,800)
Gross Profit	35,128	39,503
Selling, general and administrative expenses	(20,853)	(22,925)
Other operating income	1,219	89
Other operating expenses	(106)	(136)
Operating Profit	15,388	16,531
Finance income	743	889
Finance expenses	(756)	(914)
Share of profit (loss) of investments accounted for using equity method	(226)	(461)
Profit (loss) before tax	15,149	16,045
Income tax expense	(5,019)	(5,197)
Profit (loss) for the period	10,130	10,848
Profit (loss) for the period attributable to:		
Owners of the parent	10,032	10,772
Non-controlling interests	98	76
Total	10,130	10,848
Earnings per share		
Basic earnings per share (yen)	56.64	60.74
Diluted earnings per share (yen)	56.36	60.53

Condensed Interim Consolidated Statements of Comprehensive Income (Unaudited)

	Six Months Ended September 30, 2025	Six Months Ended September 30, 2026
	Millions of yen	Millions of yen
Profit (loss)	10,130	10,848
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	63	4,690
Remeasurement of defined benefit plans	344	—
Total items that will not be reclassified to profit or loss	407	4,690
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	266	(162)
Share of other comprehensive income of investments accounted for using equity method	(19)	(8)
Effective portion of cash flow hedges	25	(4)
Total of items that may be reclassified to profit or loss	272	(174)
Total other comprehensive income, net of tax	679	4,516
Comprehensive income	10,809	15,364
Comprehensive income attributable to:		
Owners of the parent	10,711	15,288
Non-controlling interests	98	76
Comprehensive income	10,809	15,364

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

Six months ended September 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)	-	-	10,032	-	-	10,032	98	10,130
Other comprehensive income	-	-	-	679	-	679	-	679
Total comprehensive income	-	-	10,032	679	-	10,711	98	10,809
Transactions with owners								
Issuance of common stock	86	(85)	-	-	-	1	-	1
Disposal of treasury shares	-	(3)	-	-	155	152	-	152
Dividends paid	-	-	(3,096)	-	-	(3,096)	(63)	(3,159)
Stock-based compensation	-	(48)	-	-	-	(48)	-	(48)
Transfer from other components of equity to retained earnings	-	-	472	(472)	-	-	-	-
Transfer to non-financial assets	-	-	-	(25)	-	(25)	-	(25)
Changes in ownership interest in subsidiaries	-	(1)	-	-	-	(1)	(96)	(97)
Total transactions with owners	86	(137)	(2,624)	(497)	155	(3,017)	(159)	(3,176)
Balance, September 30, 2025	25,663	35,728	87,293	11,448	(11,755)	148,377	1,342	149,719

Six months ended September 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)	-	-	10,772	-	-	10,772	76	10,848
Other comprehensive income	-	-	-	4,516	-	4,516	-	4,516
Total comprehensive income	-	-	10,772	4,516	-	15,288	76	15,364
Transactions with owners								
Issuance of common stock	15	(15)	-	-	-	-	-	-
Disposal of treasury shares	-	(118)	-	-	184	66	-	66
Dividends paid	-	-	(3,457)	-	-	(3,457)	(72)	(3,529)
Stock-based compensation	-	80	-	-	-	80	-	80
Transfer to non-financial assets	-	-	-	(4)	-	(4)	-	(4)
Changes in ownership interest in subsidiaries	-	-	-	-	-	-	84	84
Total transactions with owners	15	(53)	(3,457)	(4)	184	(3,315)	12	(3,303)
Balance, September 30, 2026	25,678	35,877	105,478	14,518	(11,571)	169,980	1,552	171,532

Condensed Interim Consolidated Statements of Cash Flows (Unaudited)

	Six Months Ended September 30, 2025	Six Months Ended September 30, 2026
	Millions of yen	Millions of yen
Cash flows from operating activities		
Profit (loss) before tax	15,149	16,045
Adjustments		
Depreciation and amortization	16,072	16,826
Loss (gain) on sales/disposals of property and equipment	75	22
Shares of loss (profit) of investments accounted for using equity method	226	461
Finance income	(743)	(889)
Finance expenses	756	914
Other	847	383
Changes in working capital		
Decrease (increase) in trade receivables	4,879	(6,607)
Decrease (increase) in inventories	(1,698)	(701)
Decrease (increase) in prepaid expenses	(7,530)	(11,606)
Decrease (increase) in contract assets	(688)	(3,334)
Decrease (increase) in other assets	(517)	(1,183)
Decrease (increase) in other financial assets	(1,131)	543
Increase (decrease) in trade and other payables	(1,280)	14,294
Increase (decrease) in contract liabilities	5,935	9,246
Increase (decrease) in deferred income	39	5
Increase (decrease) in provisions	(91)	(448)
Increase (decrease) in other liabilities	(579)	560
Increase (decrease) in other financial liabilities	2,618	(561)
Increase (decrease) in retirement benefit liabilities	(3,518)	7
Subtotal	28,821	33,977
Interest and dividends received	354	455
Interest paid	(591)	(733)
Income taxes paid	(5,206)	(4,953)
Cash flows from operating activities	23,378	28,746

	Six Months Ended September 30, 2025	Six Months Ended September 30, 2026
	Millions of yen	Millions of yen
Cash flows from investing activities		
Purchases of tangible assets	(8,343)	(14,725)
Proceeds from sales of tangible assets	1,000	1,297
Purchases of intangible assets	(3,900)	(3,958)
Proceeds from sale of investments accounted for using equity method	-	263
Proceeds from sales of investment securities (Equity)	321	-
Purchases of other investments	(454)	(516)
Payments for leasehold deposits and guarantee deposits	(69)	(270)
Proceeds from collection of leasehold deposits and guarantee deposits	40	98
Payments for refundable insurance policies	(37)	(60)
Proceeds from subsidies	-	2,553
Other	(1)	(1)
Cash flows from investing activities	(11,443)	(15,319)
Cash flows from financing activities		
Repayment of long-term borrowings	(30)	-
Net increase (decrease) in short-term borrowings	2,000	3,000
Proceeds from other financial liabilities	5,710	3,293
Payments of other financial liabilities	(11,721)	(13,351)
Dividends paid	(3,096)	(3,457)
Capital contribution from non-controlling interests	-	84
Payments for acquisition of interests in subsidiaries from non-controlling interests	(97)	-
Other	(65)	(72)
Cash flows from financing activities	(7,299)	(10,503)
Effect of exchange rate changes on cash and cash equivalents	128	(158)
Net increase (decrease) in cash and cash equivalents	4,764	2,766
Cash and cash equivalents, beginning of the period	32,534	38,395
Cash and cash equivalents, end of the period	37,298	41,161

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:

Six months ended September 30, 2025

	Reportable segments		Adjustments	Consolidated
	Network service and systems integration business	ATM operation business		
	JPY millions	JPY millions	JPY millions	JPY millions
Revenue				
Customers	160,391	1,519	—	161,910
Intersegment transactions	18	—	(18)	—
Total revenue	160,409	1,519	(18)	161,910
Segment operating profit	14,760	628	—	15,388
Finance income				743
Finance expense				(756)
Share of profit (loss) of investments accounted for using the equity method				(226)
Profit before tax				15,149

Six months ended September 30, 2026

	Reportable segments		Adjustments	Consolidated
	Network service and systems integration business	ATM operation business		
	JPY millions	JPY millions	JPY millions	JPY millions
Revenue				
Customers	208,743	1,560	—	210,303
Intersegment transactions	17	—	(17)	—
Total revenue	208,760	1,560	(17)	210,303
Segment operating profit	15,918	613	—	16,531
Finance income				889
Finance expense				(914)
Share of profit (loss) of investments accounted for using the equity method				(461)
Profit before tax				16,045

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 six months ended September 30, 2026 ("1H26") in the form defined by the Tokyo Stock Exchange.

Consolidated Financial Results for the First Six Months ended September 30, 2026 [Under IFRS]

November 6, 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 filing Semiannual Securities Report (*Hanki-houkokusho*) to Japan's regulatory organization: November 16, 2026
Scheduled date for dividend payment: December 4, 2026
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 Six Months ended September 30, 2026 (April 1, 2026 to September 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	%
Six Months ended September 30, 2026	210,303	29.9	16,531	7.4	16,045	5.9	10,848	7.1	10,772	7.4	15,364	42.1
Six Months ended September 30, 2025	161,910	10.1	15,388	30.6	15,149	36.3	10,130	34.2	10,032	34.2	10,809	36.1

	Basic earnings per share	Diluted earnings per share
	JPY	JPY
Six Months ended September 30, 2026	60.74	60.53
Six Months ended September 30, 2025	56.64	56.36

(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 September 30, 2026	390,036	171,532	169,980	43.6
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	—	21.50			
Fiscal Year Ending March 31, 2027 (forecast)			—	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
Fiscal Year Ending March 31, 2027	428,000	23.9	39,000	12.0	37,500	6.4	25,500	5.4	143.79

(Notes)
1. Changes from the latest forecasts disclosed: Yes
2. As for the details about our financial forecasts for the fiscal year ending March 31, 2027, please refer to "Future Prospects including FY2026 Financial Forecasts" 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 September 30, 2026: 183,478,668 shares
As of March 31, 2026: 183,448,852 shares

ii. Number of treasury stock:
As of September 30, 2026: 6,090,172 shares
As of March 31, 2026: 6,186,958 shares

iii. Number of weighted average common shares outstanding:
For the six months ended September 30, 2026: 177,340,484 shares
For the six months ended September 30, 2025: 177,103,669 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 November 6, 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 Forecasts" written on page 8 of this document.

ii) Others
Presentation material will be disclosed on TDnet as well as posted on our website on November 6, 2026.