

IIJ Announces its Nine Months Results for the Fiscal Year Ending March 31, 2026

Tokyo, February 6, 2026 - Internet Initiative Japan Inc. (“IIJ”, TSE Prime: 3774) today announced its consolidated financial results for the nine months for the fiscal year ending March 31, 2026 (“1Q-3Q25”, from April 1, 2025 to December 31, 2025) under International Financial Reporting Standards (IFRS).¹

Highlights of Financial Results for 1Q-3Q25				FY2025 Financial Targets
				Full Year
Total revenues	JPY249.3 billion	up	8.7% YoY ²	JPY340.0 billion
Operating profit	JPY24.4 billion	up	17.9% YoY	JPY36.5 billion
Profit before tax	JPY24.6 billion	up	19.6% YoY	JPY33.7 billion
Net profit ³	JPY16.3 billion	up	18.0% YoY	JPY23.0 billion

Overview of 1Q-3Q25 Financial Results and Business Outlook

“We are seeing strong demand especially for enterprise network construction and systems operation amid the ongoing evolution of IT architectures driven by digital transformation in Japan. We proactively secured large-scale Service Integration⁴ projects across various sectors, leveraging this excellent opportunity. Revenues from these projects will be recognized over the contract period, starting with one-time systems construction revenue, followed by multiple years of monthly recurring revenues (MRR) of network services and systems operation and maintenance. Furthermore, by taking on enterprise large-scale internal network and systems operations, we expect to capture additional demand for cybersecurity-related operations, full-scale IT outsourcing and so on as further growth opportunities. Regarding 1Q-3Q25 results, total revenues increased 8.7% YoY backed by a 12.0% YoY rise in MRR, while systems construction revenue saw a reactionary decline 3.5% YoY mainly due to the absence of last year’s approximately JPY5.0 billion single large-scale project revenue. In addition, orders received for systems construction and systems operation and maintenance increased strongly, 28.6% and 20.3% YoY, respectively. Although margin did not expand significantly, reflecting a higher proportion of relatively lower margin systems construction and inflation driven cost increases, we believe that continued business scale expansion will realize greater economies of scale over the medium term,” said Yasuhiro Taniwaki, President of IIJ.

“The foundation of our growth today lies in the Internet technology expertise we have refined over more than 30 years since our founding. In particular, the stable operational capabilities provided by more than 2,000 highly skilled network engineers are our distinctive strength, which has enabled us to build long-standing relationships with major Japanese enterprises. While there is increasing competition in the market, including foreign players, our role as a long-term and trusted partner in providing reliable network operations would be irreplaceable in Japanese market. We will continue to fulfill our mission of supporting Japan’s network society and pursue further business expansion,” 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 for the year attributable to owners of the parent.”

⁴ Service Integration offers our accumulated network services line-up with systems integration.

1Q-3Q25 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

	1Q-3Q24	1Q-3Q25	YoY Change
Total revenues	JPY millions 229,310	JPY millions 249,331	% 8.7
Network services	120,109	132,121	10.0
Systems integration (SI)	107,003	114,958	7.4
ATM operation business	2,198	2,252	2.5
Total costs	(180,382)	(195,125)	8.2
Network services	(86,417)	(96,355)	11.5
Systems integration (SI)	(92,787)	(97,596)	5.2
ATM operation business	(1,178)	(1,174)	(0.3)
Total gross profit	48,928	54,206	10.8
Network services	33,692	35,766	6.2
Systems integration (SI)	14,216	17,362	22.1
ATM operation business	1,020	1,078	5.7
SG&A, R&D, and other operating income (expenses)	(28,223)	(29,794)	5.6
Operating profit	20,705	24,412	17.9
Profit before tax	20,588	24,631	19.6
Profit for the period attributable to owners of the parent	13,786	16,274	18.0

(Note) Systems integration includes equipment sales.

Segment Results Summary

	1Q-3Q24	1Q-3Q25
	JPY millions	JPY millions
Total revenues	229,310	249,331
Network services and SI business	227,138	247,106
ATM operation business	2,198	2,252
Elimination	(26)	(27)
Operating profit	20,705	24,412
Network services and SI business	19,836	23,480
ATM operation business	869	932
Elimination	-	-

1Q-3Q25 Revenues and Income

Revenues

Total revenues were JPY249,331 million, up 8.7% YoY (JPY229,310 million for 1Q-3Q24).

Network services revenue was JPY132,121 million, up 10.0% YoY (JPY120,109 million for 1Q-3Q24).

Revenues for Internet connectivity services for enterprise were JPY39,999 million, up 10.7% YoY from JPY36,132 million for 1Q-3Q24, mainly due to an increase in revenues of enterprise mobile services and IP services.

Revenues for Internet connectivity services for consumers were JPY21,317 million, up 7.2% YoY from JPY19,880 million for 1Q-3Q24, mainly due to an increase in IIJmio Mobile services revenues.

Revenues for Outsourcing services were JPY49,599 million, up 14.2% YoY from JPY43,434 million for 1Q-3Q24, mainly due to an increase in security-related services revenues.

Revenues for WAN services were JPY21,206 million, up 2.6% YoY from JPY20,663 million for 1Q-3Q24.

Network Services Revenues Breakdown

	1Q-3Q24	1Q-3Q25	YoY Change
	JPY millions	JPY millions	%
Total network services	120,109	132,121	10.0
Internet connectivity services (enterprise)	36,132	39,999	10.7
IP services (including data center connectivity services)	12,806	13,895	8.5
IIJ Mobile Services	19,754	22,301	12.9
Enterprise mobile services (IoT usages etc.)	11,259	13,389	18.9
IIJ Mobile MVNO Platform Service (MVNE)	8,495	8,912	4.9
Others	3,572	3,803	6.5
Internet connectivity services (consumer)	19,880	21,317	7.2
IIJmio Mobile Services	17,375	18,743	7.9
Others	2,505	2,574	2.8
Outsourcing services	43,434	49,599	14.2
WAN services	20,663	21,206	2.6

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

	As of Dec. 31, 2024	As of Dec. 31, 2025	YoY Change
Internet connectivity services (enterprise)	4,336,695	4,980,248	643,553
IP service (greater than or equal to 1Gbps) (Note 2)	1,460	1,510	50
IP service (less than 1Gbps) (Note 2)	1,582	1,657	75
IIJ Mobile Services	4,230,732	4,872,806	642,074
Enterprise mobile services (IoT usages etc.)	2,999,911	3,499,978	500,067
IIJ Mobile MVNO Platform Service (MVNE)	1,230,821	1,372,828	142,007
Others	102,921	104,275	1,354
Internet connectivity services (consumer)	1,607,052	1,696,675	89,623
IIJmio Mobile Services	1,284,309	1,394,701	110,392
Others	322,743	301,974	(20,769)
Total contracted bandwidth (Gbps) (Note 3)	11,826.1	15,787.8	3,961.7

(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 subscriptions.
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 JPY114,958 million, up 7.4% YoY (JPY107,003 million for 1Q-3Q24). Systems construction and equipment sales, a one-time revenue was JPY45,104 million, down 3.5% YoY (JPY46,726 million for 1Q-3Q24), reflecting the reactionary decline due to the absence of last year's approximately JPY5.0 billion single large-scale project revenue. Systems operation and maintenance revenue, a recurring revenue, was JPY69,854 million, up 15.9% YoY (JPY60,277 million for 1Q-3Q24), mainly due to continued accumulation of systems operation and maintenance orders.

Orders received for SI, including equipment sales, totaled JPY140,459 million, up 23.7% YoY (JPY113,588 million for 1Q-3Q24); orders received for systems construction and equipment sales were JPY58,498 million, up 28.6% YoY (JPY45,485 million for 1Q-3Q24), and orders received for systems operation and maintenance were JPY81,961 million, up 20.3% YoY (JPY68,103 million for 1Q-3Q24).

Order backlog for SI, including equipment sales, as of December 31, 2025 amounted to JPY140,944 million, up 22.1% YoY (JPY115,478 million as of December 31, 2024); order backlog for systems construction and equipment sales was JPY29,199 million, up 29.7% YoY (JPY22,520 million as of December 31, 2024) and order backlog for systems operation and maintenance was JPY111,745 million, up 20.2% YoY (JPY92,958 million as of December 31, 2024).

ATM operation business revenues were JPY2,252 million, up 2.5% YoY (JPY2,198 million for 1Q-3Q24).

Cost of sales

Total cost of sales was JPY195,125 million, up 8.2% YoY (JPY180,382 million for 1Q-3Q24).

Cost of network services revenue was JPY96,355 million, up 11.5% YoY (JPY86,417 million for 1Q-3Q24), mainly due to an increase in purchasing cost of mobile devices. There was no one-time cost reimbursement in 3Q25 related to the finalization of the mobile unit charge for FY2024 usage, whereas reimbursements were recorded in prior years. Gross profit was JPY35,766 million, up 6.2% YoY (JPY33,692 million for 1Q-3Q24) and gross profit ratio was 27.1% (28.1% for 1Q-3Q24).

Cost of SI revenues, including equipment sales was JPY97,596 million, up 5.2% YoY (JPY92,787 million for 1Q-3Q24), mainly due to an increase in outsourcing-related costs. Gross profit was JPY17,362 million, up 22.1% YoY (JPY14,216 million for 1Q-3Q24). In addition to revenue growth, the negative impact in 1Q-3Q24 due to the substantial price increases of VMware products was mostly offset by the price pass-through, and gross profit ratio was 15.1% (13.3% for 1Q-3Q24).

Cost of ATM operation business revenues was JPY1,174 million, down 0.3% YoY (JPY1,178 million for 1Q-3Q24). Gross profit was JPY1,078 million, up 5.7% YoY (JPY1,020 million for 1Q-3Q24) and gross profit ratio was 47.9% (46.4% for 1Q-3Q24).

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

Selling, general and administrative expenses, including research and development expenses, totaled JPY30,905 million, up 9.5% YoY (JPY28,228 million for 1Q-3Q24), mainly due to an increase in personnel-related expenses.

Other operating income was JPY1,274 million (JPY119 million for 1Q-3Q24), mainly due to one-time gain of JPY1,169 million in 2Q25 related to the revision of the retirement benefit plans.

Other operating expenses was JPY163 million (JPY114 million for 1Q-3Q24).

Operating profit

Operating profit was JPY24,412 million (JPY20,705 million for 1Q-3Q24), up 17.9% YoY.

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

Finance income was JPY1,690 million, compared to JPY903 million for 1Q-3Q24. It included gains on financial instruments, mainly related to funds, of JPY1,315 million (gain of JPY512 million for 1Q-3Q24), and dividend income of JPY189 million (JPY128 million for 1Q-3Q24).

Finance expense was JPY1,088 million, compared to JPY756 million for 1Q-3Q24. It included interest expenses of JPY1,002 million (JPY738 million for 1Q-3Q24), mainly related to bank borrowing and lease transaction, and foreign exchange loss of JPY50 million (gain of JPY144 million for 1Q-3Q24).

Share of loss of investments accounted for using equity method was JPY383 million (loss of JPY264 million for 1Q-3Q24), mainly due to loss of DeCurret Holdings, Inc. of JPY561 million (loss of JPY335 million for 1Q-3Q24).

Profit before tax

Profit before tax was JPY24,631 million (JPY20,588 million for 1Q-3Q24), up 19.6% YoY.

Profit for the period

Income tax expense was JPY8,192 million (JPY6,661 million for 1Q-3Q24). As a result, profit for the period was JPY16,439 million (JPY13,927 million for 1Q-3Q24), up 18.0% YoY.

Profit for the period attributable to non-controlling interests was JPY165 million (JPY141 million for 1Q-3Q24), mainly related to net income of Trust Networks Inc.

Profit for the period attributable to owners of parent was JPY16,274 million (JPY13,786 million for 1Q-3Q24), up 18.0% YoY.

Comprehensive income for the period

Comprehensive income for the period was JPY17,756 million (JPY16,878 million for 1Q-3Q24), up 5.2% YoY, mainly due to the impact of changes in foreign exchange rate on the assets and liabilities of overseas subsidiaries of JPY1,029 million (JPY513 million for 1Q-3Q24).

Comprehensive income for the period attributable to owners of parent was JPY17,591 million (JPY16,737 million for 1Q-3Q24), up 5.1% YoY.

Financial Position as of December 31, 2025

As of December 31, 2025, the balance of total assets was JPY336,063 million, increased by JPY23,628 million from the balance as of March 31, 2025 of JPY312,435 million.

As of December 31, 2025, the balance of current assets was JPY143,051 million, increased by JPY12,856 million from the balance as of March 31, 2025 of JPY130,195 million. As for the major breakdown of balance and fluctuation of current assets, cash and cash equivalents increased by JPY8,069 million to JPY40,603 million, trade receivables decreased by JPY5,433 million to JPY50,928 million, and prepaid expenses increased by JPY7,707 million to JPY35,829 million mainly due to increases in project costs for customers, license fees and equipment-related costs.

As of December 31, 2025, the balance of non-current assets was JPY193,012 million, increased by JPY10,772 million from the balance as of March 31, 2025 of JPY182,240 million. As for the major breakdown of balance and fluctuation of non-current assets, tangible assets increased by JPY6,321 million to JPY40,092 million mainly due to purchases related to data centers, 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 JPY4,390 million to JPY41,366 million mainly due to depreciation, intangible assets increased by JPY1,285 million to JPY22,306 million, and prepaid expenses increased by JPY4,410 million to JPY33,218 million, mainly due to increases in project costs for customers and license fees.

As of December 31, 2025, the balance of current liabilities was JPY123,180 million, increased by JPY9,865 million from the balance as of March 31, 2025 of JPY113,315 million. As for the major breakdown of balance and fluctuation of current liabilities, trade and other payables decreased by JPY681 million to JPY29,557 million, borrowings increased by JPY1,954 million to JPY35,570 million, contract liabilities increased by JPY6,203 million to JPY21,889 million and other financial liabilities increased by JPY3,799 million to JPY24,678 million.

As of December 31, 2025, the balance of non-current liabilities was JPY59,667 million, increased by JPY2,633 million from the balance as of March 31, 2025 of JPY57,034 million. As for the major breakdown of balance and fluctuation of non-current liabilities, retirement benefit liabilities decreased by JPY3,847 million to JPY1,002 million, contract liabilities increased by JPY5,535 million to JPY15,647 million and other financial liabilities increased by JPY1,250 million to JPY38,949 million.

As of December 31, 2025, the balance of total equity attributable to owners of the parent was JPY151,807 million, increased by JPY11,124 million from the balance as of March 31, 2025 of JPY140,683 million. Ratio of owners' equity to total assets was 45.2% as of December 31, 2025.

1Q-3Q25 Cash Flows

Cash and cash equivalents as of December 31, 2025 were JPY40,603 million (JPY34,814 million as of December 31, 2024).

Net cash provided by operating activities for 1Q-3Q25 was JPY40,165 million (net cash provided by operating activities of JPY19,329 million for 1Q-3Q24). There were profit before tax of JPY24,631 million (JPY20,588 million for 1Q-3Q24), depreciation and amortization of JPY24,417 million (JPY23,280 million for 1Q-3Q24), including JPY8,698 million (JPY8,998 million for 1Q-3Q24) of depreciation of right-of-use operating lease assets under IFRS 16, and income taxes paid of JPY9,591 million (JPY9,400 million for 1Q-3Q24). Regarding changes in working capital, there was net cash in of JPY181 million compared to net cash out of JPY17,122 million for 1Q-3Q24. As for the major factor for the increase in net cash in compared to 1Q-3Q24, there were increases in proceeds from trade receivables and contract liabilities, and a decrease in payments of prepaid expenses.

Net cash used in investing activities for 1Q-3Q25 was JPY17,847 million (net cash used in investing activities of JPY17,875 million for 1Q-3Q24), mainly due to payments for purchases of tangible assets, such as assets related to data centers, of JPY14,422 million (JPY9,711 million for 1Q-3Q24) and purchases of intangible assets, such as software, of JPY5,958 million (JPY6,267 million for 1Q-3Q24).

Net cash used in financing activities for 1Q-3Q25 was JPY14,968 million (net cash used in financing activities of JPY12,459 million for 1Q-3Q24), mainly due to payments of other financial liabilities of JPY18,508 million (JPY 17,502 million for 1Q-3Q24), which included payments under operating lease contracts such as office rent and finance lease contracts such as network equipment, proceeds from other financial liabilities of JPY8,273 million (JPY7,770 million for 1Q-3Q24), dividends paid of JPY6,553 million (JPY6,134 million for 1Q-3Q24), and net increase in short-term borrowings of JPY2,000 million (JPY7,000 million for 1Q-3Q24).

Future Prospects including FY2025 Financial Targets

As for the 1Q-3Q25 consolidated financial results, total revenues slightly exceeded our overall expectations, with network services slightly below expectations and systems integration above them. Operating profit was slightly below our expectations mainly due to the revenue composition. Meanwhile, profit attributable to owners of the parent was in line with our expectations as finance income exceeded them.

Presentation

Presentation materials will be posted on our web site (<https://www.iij.ad.jp/en/ir/>) on February 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 Consolidated Statements of Financial Position (Unaudited)

	March 31, 2025	December 31, 2025
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and cash equivalents	32,534	40,603
Trade receivables	56,361	50,928
Inventories	4,681	5,471
Prepaid expenses	28,122	35,829
Contract assets	6,098	6,902
Other financial assets	2,247	2,822
Other current assets	152	496
Total current assets	130,195	143,051
Non-current assets		
Tangible assets	33,771	40,092
Right-of-use assets	45,756	41,366
Goodwill	10,307	10,698
Intangible assets	21,021	22,306
Investments accounted for using equity method	6,639	6,192
Prepaid expenses	28,808	33,218
Contract assets	327	2,084
Investment securities (Equity)	15,823	15,193
Other investments	10,711	12,175
Deferred tax assets	252	312
Other financial assets	8,361	9,077
Other non-current assets	464	299
Total non-current assets	182,240	193,012
Total assets	312,435	336,063

	March 31, 2025	December 31, 2025
	Millions of yen	Millions of yen
Liabilities and Equity		
Liabilities		
Current liabilities		
Trade and other payables	30,238	29,557
Borrowings	33,616	35,570
Income taxes payable	5,205	3,926
Provisions	316	471
Contract liabilities	15,686	21,889
Deferred income	36	67
Other financial liabilities	20,879	24,678
Other current liabilities	7,339	7,022
Total current liabilities	113,315	123,180
Non-current liabilities		
Retirement benefit liabilities	4,849	1,002
Provisions	1,551	1,238
Contract liabilities	10,112	15,647
Deferred income	209	188
Deferred tax liabilities	1,474	1,301
Other financial liabilities	37,699	38,949
Other non-current liabilities	1,140	1,342
Total non-current liabilities	57,034	59,667
Total liabilities	170,349	182,847
Equity		
Share capital	25,577	25,663
Share premium	35,865	35,749
Retained earnings	79,885	90,174
Other components of equity	11,266	11,976
Treasury shares	(11,910)	(11,755)
Total equity attributable to owners of the parent	140,683	151,807
Non-controlling interests	1,403	1,409
Total equity	142,086	153,216
Total liabilities and equity	312,435	336,063

Condensed Consolidated Statements of Profit or Loss (Unaudited)

	Nine Months Ended December 31, 2024	Nine Months Ended December 31, 2025
	Millions of yen	Millions of yen
Revenues		
Network services	120,109	132,121
Systems integration	107,003	114,958
ATM operation business	2,198	2,252
Total revenues	<u>229,310</u>	<u>249,331</u>
Cost of sales		
Cost of network services	(86,417)	(96,355)
Cost of systems integration	(92,787)	(97,596)
Cost of ATM operation business	(1,178)	(1,174)
Total cost of sales	<u>(180,382)</u>	<u>(195,125)</u>
Gross Profit	48,928	54,206
Selling, general and administrative expenses	(28,228)	(30,905)
Other operating income	119	1,274
Other operating expenses	(114)	(163)
Operating Profit	<u>20,705</u>	<u>24,412</u>
Finance income	903	1,690
Finance expenses	(756)	(1,088)
Share of profit (loss) of investments accounted for using equity method	(264)	(383)
Profit (loss) before tax	<u>20,588</u>	<u>24,631</u>
Income tax expense	(6,661)	(8,192)
Profit (loss) for the period	<u>13,927</u>	<u>16,439</u>
Profit (loss) for the period attributable to:		
Owners of the parent	13,786	16,274
Non-controlling interests	141	165
Total	<u>13,927</u>	<u>16,439</u>
Earnings per share		
Basic earnings per share (yen)	77.93	91.86
Diluted earnings per share (yen)	77.53	91.44

Condensed Consolidated Statements of Comprehensive Income (Unaudited)

	Nine Months Ended December 31, 2024	Nine Months Ended December 31, 2025
	Millions of yen	Millions of yen
Profit (loss)	13,927	16,439
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	2,429	(76)
Remeasurement of defined benefit plans	—	344
Total items that will not be reclassified to profit or loss	2,429	268
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	513	1,029
Share of other comprehensive income of investments accounted for using equity method	9	(19)
Effective portion of cash flow hedges	—	39
Total of items that may be reclassified to profit or loss	522	1,049
Total other comprehensive income, net of tax	2,951	1,317
Other comprehensive income	16,878	17,756
Other comprehensive income attributable to:		
Owners of the parent	16,737	17,591
Non-controlling interest	141	165
Other comprehensive income	16,878	17,756

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

Nine months ended December 31, 2024

	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, 2024	25,562	35,737	65,616	10,863	(12,027)	125,751	1,281	127,032
Comprehensive income								
Profit (loss)	-	-	13,786	-	-	13,786	141	13,927
Other comprehensive income	-	-	-	2,951	-	2,951	-	2,951
Total comprehensive income	-	-	13,786	2,951	-	16,737	141	16,878
Transactions with owners								
Issuance of common stock	15	(15)	-	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	(0)	(0)	-	(0)
Disposal of treasury shares	-	(15)	-	-	117	102	-	102
Dividends paid	-	-	(6,134)	-	-	(6,134)	(49)	(6,183)
Stock-based compensation	-	92	-	-	-	92	-	92
Transfer from other components of equity to retained earnings	-	-	(21)	21	-	-	-	-
Total transactions with owners	15	62	(6,155)	21	117	(5,940)	(49)	(5,989)
Balance, December 31, 2024	25,577	35,799	73,247	13,835	(11,910)	136,548	1,373	137,921

Nine months ended December 31, 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)	-	-	16,274	-	-	16,274	165	16,439
Other comprehensive income	-	-	-	1,317	-	1,317	-	1,317
Total comprehensive income	-	-	16,274	1,317	-	17,591	165	17,756
Transactions with owners								
Issuance of common stock	86	(85)	-	-	-	1	-	1
Disposal of treasury shares	-	31	-	-	155	186	-	186
Dividends paid	-	-	(6,553)	-	-	(6,553)	(63)	(6,616)
Stock-based compensation	-	(61)	-	-	-	(61)	-	(61)
Transfer from other components of equity to retained earnings	-	-	568	(568)	-	-	-	-
Transfer to non-financial assets	-	-	-	(39)	-	(39)	-	(39)
Changes in ownership interest in subsidiaries	-	(1)	-	-	-	(1)	(96)	(97)
Total transactions with owners	86	(116)	(5,985)	(607)	155	(6,467)	(159)	(6,626)
Balance, December 31, 2025	25,663	35,749	90,174	11,976	(11,755)	151,807	1,409	153,216

Condensed Consolidated Statements of Cash Flows (Unaudited)

	Nine Months Ended December 31, 2024	Nine Months Ended December 31, 2025
	Millions of yen	Millions of yen
Cash flows from operating activities		
Profit (loss) before tax	20,588	24,631
Adjustments		
Depreciation and amortization	23,280	24,417
Loss (gain) on sales/disposals of property and equipment	84	94
Shares of loss (profit) of investments accounted for using equity method	264	383
Finance income	(903)	(1,690)
Finance expenses	756	1,088
Other	2,242	1,152
Changes in working capital		
Decrease (increase) in trade receivables	(1,252)	5,813
Decrease (increase) in inventories	(3,172)	(603)
Decrease (increase) in prepaid expenses	(17,408)	(11,582)
Decrease (increase) in contract assets	(3,778)	(2,561)
Decrease (increase) in other assets	353	(334)
Decrease (increase) in other financial assets	(4,017)	(971)
Increase (decrease) in trade and other payables	5,151	(311)
Increase (decrease) in contract liabilities	4,260	11,014
Increase (decrease) in deferred income	12	28
Increase (decrease) in provisions	809	(295)
Increase (decrease) in other liabilities	642	(206)
Increase (decrease) in other financial liabilities	934	3,692
Increase (decrease) in retirement benefit liabilities	344	(3,503)
Subtotal	<hr/> 29,189	<hr/> 50,256
Interest and dividends received	282	408
Interest paid	(742)	(908)
Income taxes paid	<hr/> (9,400)	<hr/> (9,591)
Cash flows from operating activities	<hr/> 19,329	<hr/> 40,165

	Nine Months Ended December 31, 2024	Nine Months Ended December 31, 2025
	Millions of yen	Millions of yen
Cash flows from investing activities		
Purchases of tangible assets	(9,711)	(14,422)
Proceeds from sales of tangible assets	1,112	2,577
Purchases of intangible assets	(6,267)	(5,958)
Proceeds from sales of intangible assets	-	2
Purchase of investments accounted for using equity method	(1,925)	(18)
Purchases of investment securities (Equity)	(100)	-
Proceeds from sales of investment securities (Equity)	-	504
Purchases of other investments	(779)	(616)
Proceeds from sales of other investments	16	141
Payments for leasehold deposits and guarantee deposits	(289)	(305)
Proceeds from collection of leasehold deposits and guarantee deposits	129	57
Payments for refundable insurance policies	(56)	(64)
Proceeds from refundable insurance policies	-	225
Other	(5)	30
Cash flows from investing activities	(17,875)	(17,847)
Cash flows from financing activities		
Repayment of long-term borrowings	(3,548)	(47)
Net increase (decrease) in short-term borrowings	7,000	2,000
Purchase of treasury shares	(0)	-
Proceeds from other financial liabilities	7,770	8,273
Payments of other financial liabilities	(17,502)	(18,508)
Dividends paid	(6,134)	(6,553)
Payments for acquisition of interests in subsidiaries from non-controlling interests	-	(97)
Other	(45)	(36)
Cash flows from financing activities	(12,459)	(14,968)
Effect of exchange rate changes on cash and cash equivalents	345	719
Net increase (decrease) in cash and cash equivalents	(10,660)	8,069
Cash and cash equivalents, beginning of the period	45,474	32,534
Cash and cash equivalents, end of the period	34,814	40,603

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:

Nine months ended December 31, 2024

	Reportable segments			
	Network service and systems integration business	ATM operation business	Adjustments	Consolidated
	JPY millions	JPY millions	JPY millions	JPY millions
Revenue				
Customers	227,112	2,198	—	229,310
Intersegment transactions	26	—	(26)	—
Total revenue	227,138	2,198	(26)	229,310
Segment operating profit	19,836	869	—	20,705
Finance income				903
Finance expense				(756)
Share of profit (loss) of investments accounted for using the equity method				(264)
Profit before tax				20,588

Nine months ended December 31, 2025

	Reportable segments			
	Network service and systems integration business	ATM operation business	Adjustments	Consolidated
	JPY millions	JPY millions	JPY millions	JPY millions
Revenue				
Customers	247,079	2,252	—	249,331
Intersegment transactions	27	—	(27)	—
Total revenue	247,106	2,252	(27)	249,331
Segment operating profit	23,480	932	—	24,412
Finance income				1,690
Finance expense				(1,088)
Share of profit (loss) of investments accounted for using the equity method				(383)
Profit before tax				24,631

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 nine months ended December 31, 2025 ("1Q-3Q25") in the form defined by the Tokyo Stock Exchange.

Consolidated Financial Results for the Nine Months ended December 31, 2025 [Under IFRS]

February 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 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 Nine Months ended December 31, 2025 (April 1, 2025 to December 31, 2025)

(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	%
Nine Months ended December 31, 2025	249,331	8.7	24,412	17.9	24,631	19.6	16,439	18.0	16,274	18.0	17,756	5.2
Nine Months ended December 31, 2024	229,310	14.0	20,705	2.1	20,588	4.8	13,927	6.0	13,786	6.2	16,878	6.8

	Basic earnings per share	Diluted earnings per share
	JPY	JPY
Nine Months ended December 31, 2025	91.86	91.44
Nine Months ended December 31, 2024	77.93	77.53

(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 December 31, 2025	336,063	153,216	151,807	45.2
As of March 31, 2025	312,435	142,086	140,683	45.0

2. Dividends

	Annual Dividends				
	1Q-end	2Q-end	3Q-end	Year-end	Total
Fiscal Year Ended March 31, 2025	JPY —	JPY 17.50	JPY —	JPY 17.50	JPY 35.00
Fiscal Year Ending March 31, 2026	JPY —	JPY 19.50	JPY —	JPY 19.50	JPY 39.00
Fiscal Year Ending March 31, 2026 (forecast)				19.50	39.00

(Note) Changes from the latest forecasts disclosed: None

**3. Targets of Consolidated Financial Results for the Fiscal Year ending March 31, 2026
(April 1, 2025 to March 31, 2026)**

(% 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, 2026	340,000	7.3	36,500	21.2	33,700	15.5	23,000	15.4	130.00

(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, 2026, please refer to "Future Prospects including FY2025 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 December 31, 2025: 183,448,852 shares
 - As of March 31, 2025: 183,184,884 shares
 - ii. Number of treasury stock:
 - As of December 31, 2025: 6,186,775 shares
 - As of March 31, 2025: 6,268,144 shares
 - iii. Number of weighted average common shares outstanding:
 - For the nine months ended December 31, 2025: 177,156,664 shares
 - For the nine months ended December 31, 2024: 176,896,528 shares

* Review of interim 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 February 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 FY2025 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 February 6, 2026.