Summary of Consolidated Financial Results for 1H26

(April 1, 2026 to September 30, 2026)

IIJ
Internet Initiative Japan

Internet Initiative Japan Inc. (IIJ)
The Prime Market of the Tokyo Stock Exchange (Ticker symbol: 3774)
November 6, 2026

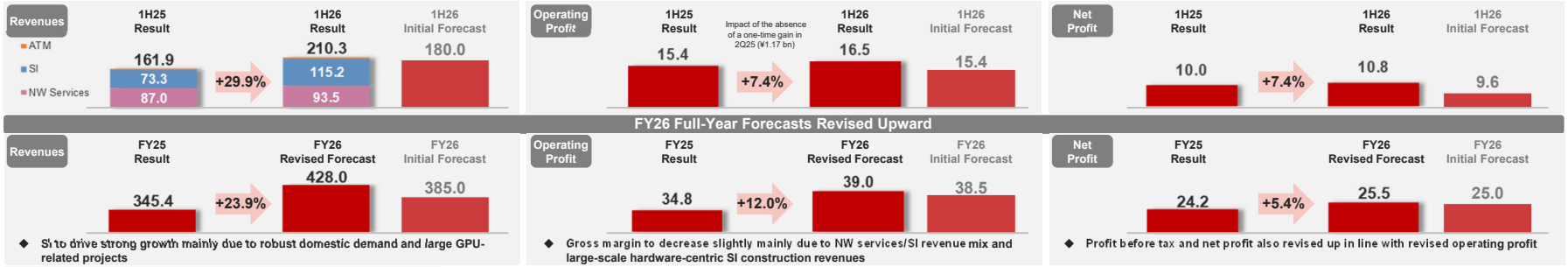
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I - 1. 1H26 Summary

Unit: JPY billion
+%, YoY = Year-over-year change
Net income: attributable to owners of the parent

Amid Japanese Enterprises' Networks & Systems Changes, Shifting to Structural Business Growth by Leveraging Our Network Technological & Operational Expertise
1H26 Revenue Significantly Exceeded Forecast; FY26 Forecast Revised Up to ¥428.0 bn
Along with Growing Cybersecurity & AI Demand, Our Competitive Advantage to Become More Prominent



NW Services (excl. Mobile)	**¥64.11 bn**	**+6.6%**	◆ IP and Outsourcing services grew steadily ◆ Security service revenue continued to expand: 1H26 ¥22.01 bn, +11.8% YoY ✓ Growing demand across diverse industries for security consulting/assessment and secure infrastructure construction, etc. ✓ Continuously strengthening our own service platforms with behavior-based detection, multi-layered WAF defense, etc.
- IP	¥9.56 bn	+3.5%	
- Outsourcing	¥36.18 bn	+10.8%	
- WAN	¥14.25 bn	+1.7%	
Mobile & IoT	**¥29.43 bn**	**+9.4%**	◆ Number of subscriptions grew steadily, led by enterprise mobile (IoT use, etc.) Total subscriptions: 6.75 million, +0.76 million YoY ◆ Gross profit slightly down YoY mainly due to an annual change in mobile data interconnectivity charge rates and higher device procurement; gross profit improved QoQ ◆ Launched "IIJ Multi-Profile SIM 2.0," enabling access to two domestic carriers' networks with a single SIM (Aug. 2026)
- Enterprise	¥9.62 bn	+9.5%	
- MVNE	¥6.39 bn	+9.7%	
- Consumer	¥13.42 bn	+9.2%	
SI	**¥115.21 bn**	**+57.1%**	◆ Order trends in 1H26
- Construction	¥60.67 bn	+114.4%	
- O & M	¥54.54 bn	+21.1%	
SG&A, etc.	**¥22.97 bn**	**+16.4%**	◆ Other income reflected the absence of the ¥1.17 bn one-time gain in 2Q25 from the retirement benefit plan revision ◆ SG&A etc. were slightly below our expectations
Other Topics			◆ Plan price revisions for many enterprise NW services from the beginning of FY27, reflecting price revision trends among telecom service providers ◆ Selected for MIC's "Watt-Bit Collaboration" demonstration; launched a field trial to expand use cases for distributed DC operations (Sep. 2026) ◆ DCP (equity method investee): JAPAN POST BANK to issue tokenized deposits in 2H26; 43 companies joined FSA-supported interbank settlement verification (Aug. 2026)

	Orders-Received	Order-Backlog
Construction	¥89.4 bn +¥52.6 bn YoY	¥60.6 bn +¥36.4 bn YoY
O&M	¥80.9 bn +¥26.8 bn YoY	¥153.3 bn +¥44.7 bn YoY

◆ Large-scale projects in 1H26 (total contract value exceeding ¥1.0 bn)

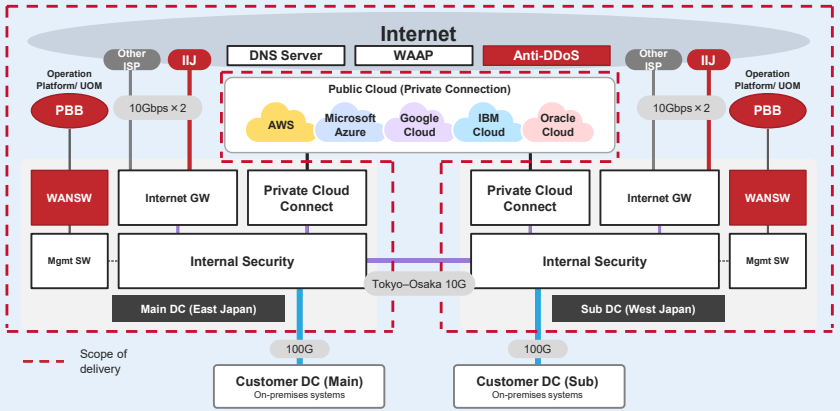
1Q	GPU infrastructure construction ¥6.0 bn	Mobile device procurement ¥1.7 bn	NW construction & O/M for a public institution ¥1.5 bn	GPU infrastructure construction & O/M ¥12.0 bn		
2Q	Server construction for a service provider ¥1.0 bn	Security enhancement for an IT service provider ¥1.5 bn	IT infrastructure renewal for a local government ¥1.0 bn	DC infrastructure reconstruction for a retail company ¥2.0 bn	GPU infrastructure construction & O/M ¥20.5 bn	4 other projects ¥14.0 bn

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Ⅰ - 2. Examples of IT Infrastructure and Security Projects Across Industries

IIJ services

Internet Connectivity Infrastructure Consolidation for a Major Financial Group



Cybersecurity Governance Enhancement for a Major Financial Group

01 Assess & Visualize

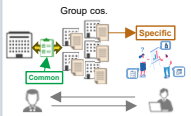
- Map structure, configurations and operations through interviews

✓ OA configuration
✓ System settings
✓ Workflows
✓ Operation structure
✓ Internal controls
✓ Operational documents/ records
✓ SaaS mgmt
✓ Device mgmt

etc.

02 Identify Gaps

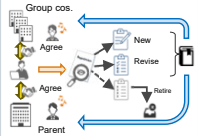
- Pinpoint gaps against risk levels suited to business scale and profile



Solutions tailored to each industry and company size

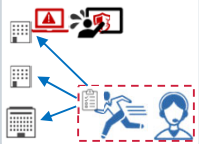
03 Plan & Improve

- Define and agree on policies for each issue
- Support rule, document and tool updates

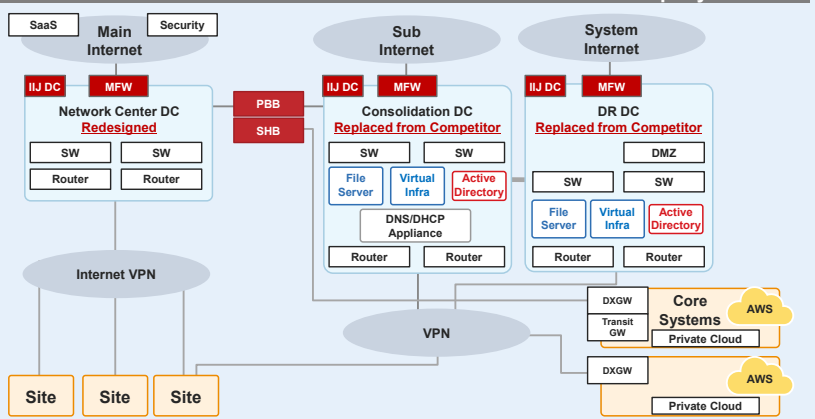


04 Incident Readiness

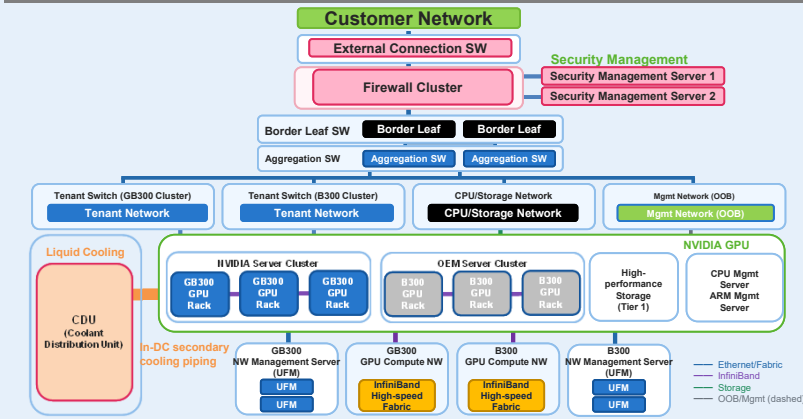
- Support from on-site investigation through recovery in the event of an incident



Data Center Infrastructure Reconstruction for a Retail Company



GPU Infrastructure Construction



※PBB：Private Backbone（IIJ Cloud-Based Network Service）, SHB：Smart HUB, WAF：Web Application Firewall

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Ⅰ - 3. Progress on AI Initiatives

Bringing Our Proven In-House AI Expertise to Customers in a Secure, Enterprise-Ready Form Progress Toward an AI-Native Company

Internal Practice (In-House Use)

Company-wide: Shared Platform and Governance for all employees

Company-wide AI platform with built-in authentication, logging, and governance. Generative AI Usage Guidelines, 2nd Edition (effective Oct 2026). Target: AI to handle 30% of company-wide operations by March 2030

Development: AI-Driven Development Delivers Results

New services are designed, developed, and tested AI-first.
For some new services under development, development is two to three times faster with about half the usual team size.

Sales, Operation, and Support: Frontline Deployment

Deploying in sales, delivery and support such as for security service, enterprise service support, and internal IT operations. Codifying operational know-how with AI as organizational assets

External Value Delivery (For Customers)

Enterprise Platform with AI Guardrails Launched Sep. 2026

“IIJ AI Utilization Support Solution”: Dedicated environment with authentication, access control, and usage logs as standard. Choice of LLMs; RAG on internal documents. End-to-end support from construction to operation and adoption

Turning Hands-on Know-how into SI Solutions

Offering “living AI know-how,” proven through large-scale internal use, as offerings and implementation consulting to help corporate IT departments work more efficiently and effectively

Social Infrastructure That Runs AI (AI Backbone)

Focused on platforms that run AI securely and continuously: high-capacity, low-latency networks, sovereign cloud, and liquid-cooled DC for high-heat loads (Shiroi DCC 3rd site)

Returning know-how proven in-house to customers as services and SI with guardrails

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Ⅰ - 4. IIJ's Approach to Cybersecurity

Capturing Growing AI-Era Demand to Make Security Our Next Growth Engine

Market Environment

AI Transforms Attackers' Capabilities

Advanced AI now discovers vulnerabilities at a speed and scale far beyond human capability

AI Agents: A New Attack Surface

With authority not only to read but also to "act," damage can cascade (authorities in various countries have also issued warnings)

Security: Now a Management Issue

Ransomware and supply chain attacks directly threaten business continuity. Regulatory responses such as the SCS evaluation scheme are also gaining momentum

IIJ's Approach

Security as a Foundation for Growth

Treating trust as a prerequisite for business continuity, DX, and AI use, and investing continuously as a management priority

Evolving Defense with AI and Operational Expertise

Embedding years of accumulated threat data and judgment into AI to make detection, analysis, and response more advanced and autonomous

Turning Trust as Social Infrastructure into Business Value

Delivering our strength in operating our own networks, cloud, and SOC to customers as reproducible services

Business Development

Expanding and Advancing Security Business

Shifting to a growing recurring-revenue security business. End-to-end from consulting and construction to monitoring, operation, and improvement. Major team expansion and a more advanced Security CoE

AI-Native Next-Generation Operations

Integrating AI-driven risk assessment, threat analysis, and automated response. Shifting to next-generation operation services that keep pace with evolving threats, built on IIJ's experience and technology

Advancing Cyber BCP

Expanding from network and endpoint defense to cloud, AI, identity, and the supply chain. Integrating networks, backup, and failover/recovery to keep critical operations running even during a breach

Turning structural demand into growth in recurring revenue services and high-value SI and consulting

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The internet started in Japan in 1992, along with IIJ. Since that time, the IIJ Group has been building the infrastructure for a networked society, and with our technical expertise, we have continued to support its development. We have also continued to evolve our vision for the future and innovate to make it a reality. As an internet pioneer, IIJ has blazed the trail so that others could realize the full potential of a networked society, and that will never change. The middle "I" in "IIJ" stands for "initiative," and IIJ alway starts with the future.

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