

Corporate Overview of Internet Initiative Japan (IIJ)

Internet Initiative Japan Inc. (IIJ)

The Prime Market of the Tokyo Stock Exchange (Ticker symbol: 3774)

February and March 2026

Disclaimer

Statements made in this presentation regarding IIJ's or managements' 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, operating and net profitability 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.

Outline

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- FY25 (FY2025) stands for a fiscal year ending March 31, 2026. Others alike
- 1Q-3Q25 stands for the nine months of FY2025 (Apr. 1, 2025 to Dec. 31, 2025). Others alike
- Abbreviation: NW stands for network, SI stands for systems integration, SI O/M stands for systems operation and maintenance, DC stands for data center, ¥(JPY) bn stands for JPY billion, HD stands for holdings, and PF stands for platform.

We changed our accounting principles from the Generally Accepted Accounting Principles in the U.S. (“U.S. GAAP”) to the International Financial Reporting Standards (IFRS) from the filing of FY2018 annual report “Yuka-shoken-houkokusho” which was filed on June 28, 2019. Because reporting period of foreign consolidated subsidiaries under IFRS is different from that of under U.S. GAAP, some figures disclosed in the past are different.

Business Status Updates

1 Network Engineering Capabilities as Our Core Value, to Become Prominent Differentiation

- **Over 2,000 network engineers** engaging in network service developments, operation, network enhancement and maintenance
- Proud of **comprehensive lineups of network services and network operation expertise**, enabling to maintain clients' trust for over 30 years no critical network outages since our founding
- Core differentiator from System Integrators (SIs)

2 Japanese Enterprises' Network Evolution Drives Our Business Demands

- Japanese enterprises **shifting from legacy closed internal networks to Internet-combined flexible network and systems**
- Not involved in such legacy networks, new and significant opportunities for IJ

3 Toward Service Integration Business Model, and Thereafter

- Securing dramatically increasing **large-scale network replacement projects through Service Integration model**, recognize one-time Network Integration (NI) revenue upfront followed by 4-5 years of monthly recurring revenue (MRR)
- **Transition to higher ARPU and stronger client retention**
- Anticipating full-outsourcing of large-scale network and system operation, driven by accelerating DX/IT adoption and labor shortage

4 Profitability to Improve with Business Scale Expansion

- **Volatility remains in the short term:**
 - ✓ Increasing large-scale Service Integration projects. Low-margin NI first, high-margin MRR follows for 4-5 years
 - ✓ Impacted by increased VMware license costs in FY24
 - ✓ General cost increases due to inflation; Japan's telecom market has been slow to raise prices, but the change is coming very soon
- **Operates a large-scale network with significant common costs. Increasing MRR benefits economies of scale**
- **AI enhances network operational efficiency and internal service development capabilities without linear headcount growth**

5 Advancement of Growth Strategy

- **Current business environment and enduring IJ Group's competitive advantages are driving a shift in our business model: from NI & individual service/product delivery to an integrated service offering**
 - ✓ Network and system infrastructure operations as our business and technology foundation
- **IJ is positioned to benefit from AI through the above operational and development enhancements, unlike application-centric developers exposed to AI substitution risk**

Revenue (¥ bn)

FY20 FY24

63	151
127	163

System Integration
Network Services

Client Base

Private Sectors in Japan

- ICT
- Finance
- Services
- Construction
- Retail
- Manufacturing

Public Sectors in Japan

- Central government agencies
- Local governments
- Educational institutions

Top MVNO by market share

- Over 30%*
- Over 200 MVNE clients

*MM Research Institute, as of Mar. 31, 2025

Overseas Business

- Supporting Japanese companies operating overseas
- Developing IJ's local businesses in ASEAN

- Approx. 16,000 clients
- Longstanding client relationships
- High penetration to top tier 10 companies each industry
- Continue to meet Internet-related demands
- Exceptionally low churn
- Advancing large-account strategy

Large-scale projects revenue (¥ bn)

FY23 FY24

5	10
3	7

One-time Recurring

Transactions and Projects Trends

Large-scale projects
Network replacement

Strong Demands from
Finance and Public sectors

IoT-related Projects to Increase

Full-outsourcing Needs to Prevail

- Provide total solution as one suite
- Large-scale Service Integration projects increasing
- SI to enhance network service business development

Service Elements

Internet/Network

- Dedicated Internet connectivity
- Broadband connectivity
- Cloud network optimization
- Proprietary router
- Wireless LAN
- WAN

Security

- SOC
- Secure web gateway
- Mail security
- Managed firewall
- Zero Trust
- SASE

Cloud

- File servers
- Virtualization platform
- Backup servers
- Multi-cloud
- Data integration platform
- Dedicated cloud connectivity

MVNO

- Private network SIM
- Mobile router
- 5G
- eSIM
- Multi-carrier
- IMSI

IoT

- LoRa WAN
- Agriculture IoT
- Paddy field management
- Smart meter
- Factory automation
- Transportation data log

Network Integration

- Consultation
- Operation and maintenance



Professional Services

- Cloud integration
- IT consulting
- Full-outsourcing of IT operation

Over 2,000
talented network engineers

Proven operational excellence
in network services

In-house development of
a wide range of
network services

One of the largest Internet
backbone networks in Japan



Network Engineering Capabilities

- Network availability; 99.9999%
- Fully redundant configuration through multi-carrier architecture, etc.
- Low HR turnover rate: 3-4%
- Established service brand in Japan

2 Network Evolution Drives Our Business Demands

30 years ago

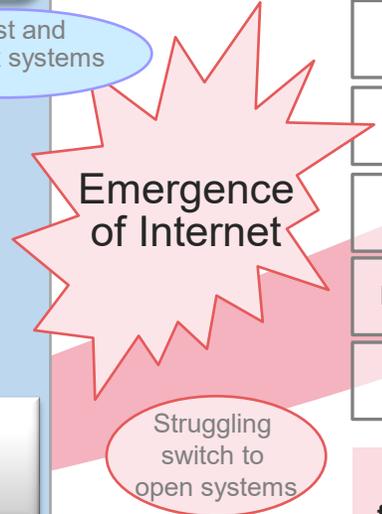
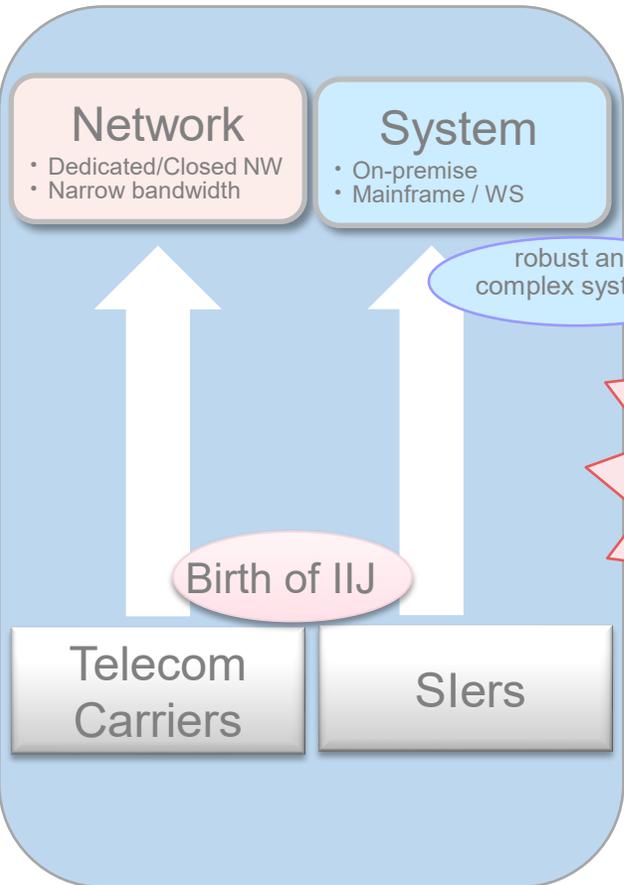
IJ: external network with Internet
Carriers & Slers: internal network & systems

Stick to legacy network & systems

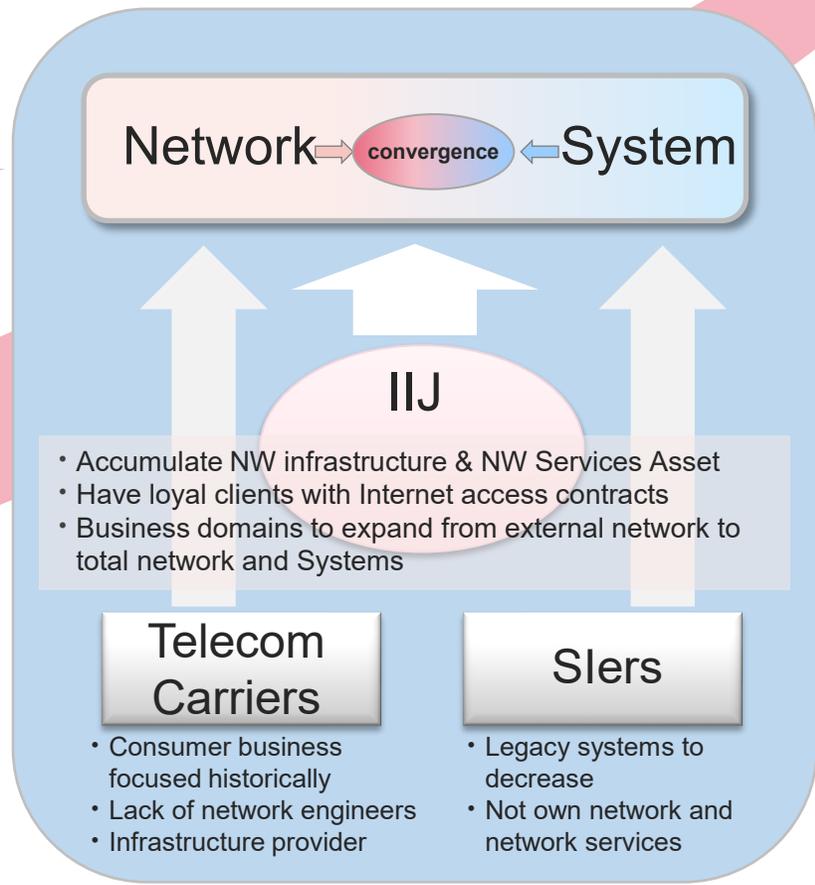
Nowadays

IJ's growth opportunities
full network & system coverage with various network functions

Finally network & systems began to change in Japan after the COVID-19



- High Speed/Capacity Network
- CPU/Storage Performance Improve
- Internet Usages Progressed
- Security for various incidents
- Gradual Cloud Shift
- Data Analysis and AI
- Preliminary IoT usages
- IT adoption at last forced by Pandemic



- Labor shortage requires more IT
- Every CEO says DX (Digital Transformation)
- Legacy NW and Systems to be reformed
- Internet traffic continues to increase
- Cyber security demands
- Cloud systems penetration
- 5G SA adoption and advanced IoT projects
- Importance of stable operation of large-scale NW remains unchanged
- AI-enabled NW and systems transformation

3 Toward Service Integration Business Model, and Thereafter

Other IJ-original offerings

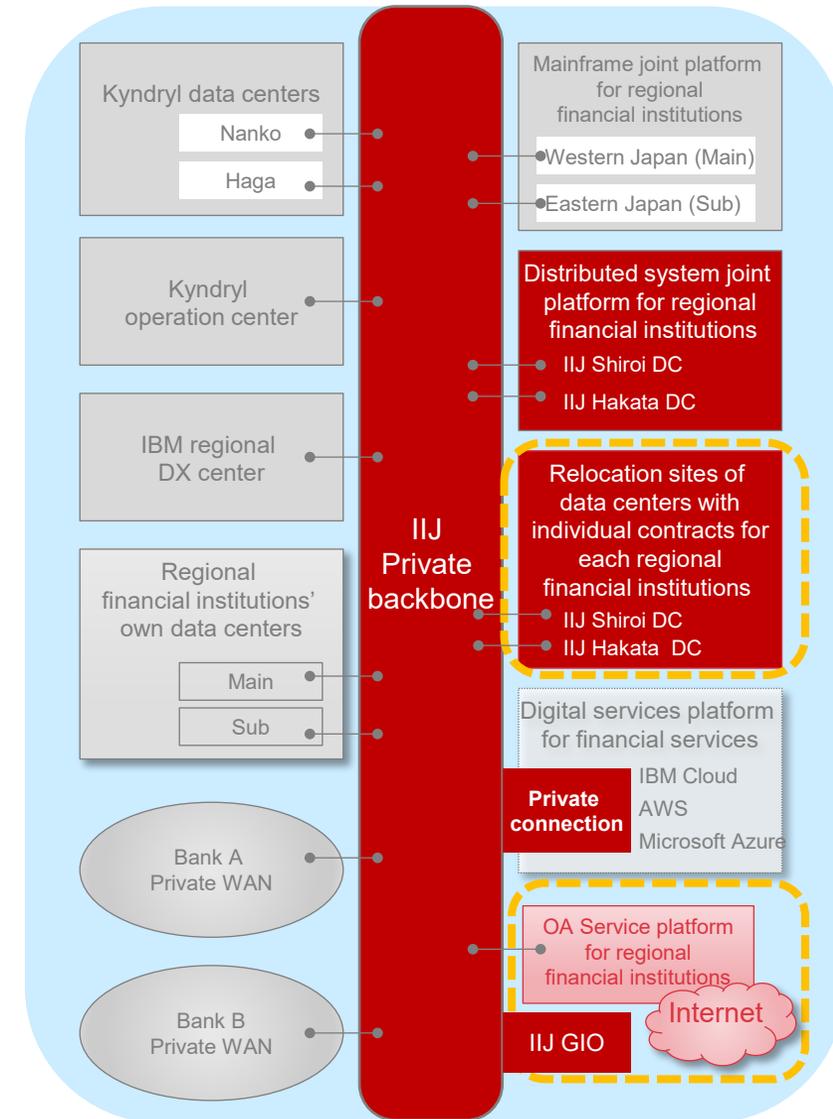
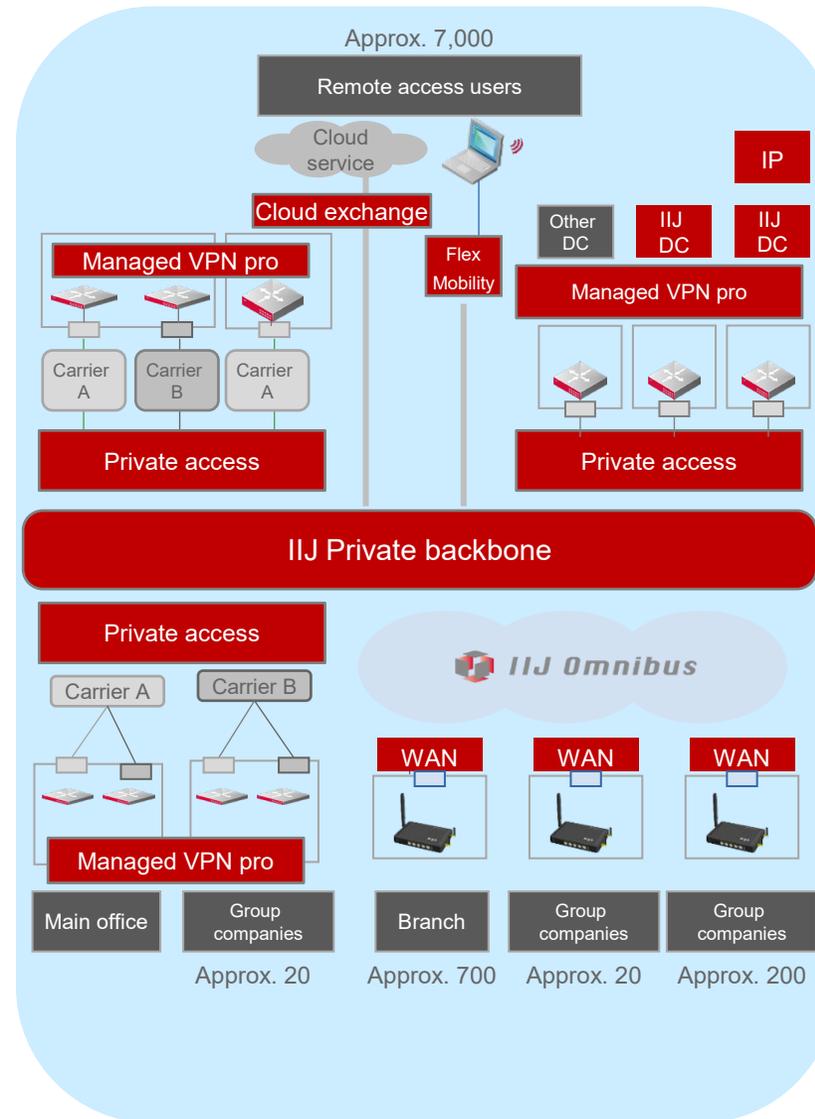
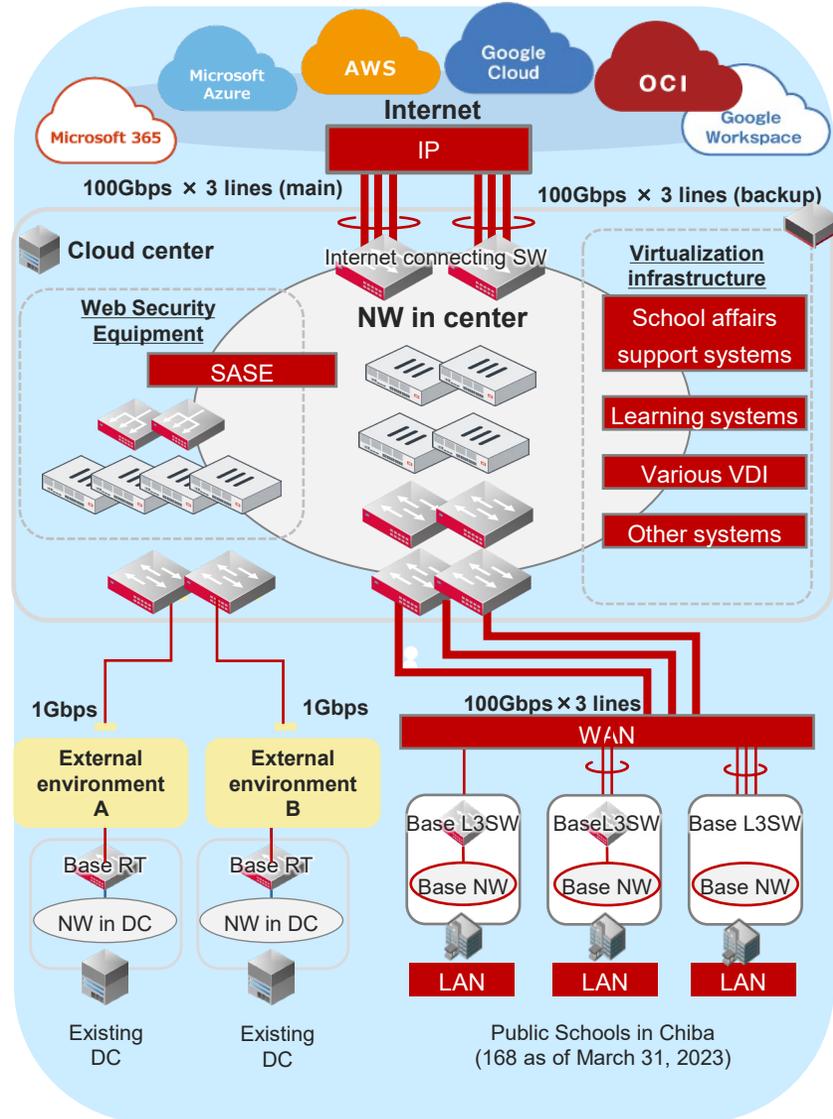
Updates

◆ Typical transactions of Service Integration projects ■ Network Services ■ Network Integration

Educational Information NW for Chiba city

Total NW project for a prominent company group

Shared Banking System Platform



3 Recent Track Record of Large-scale Projects

◆ Along with accumulation of large-scale projects & progress in revenue recognition, MRR is gradually increasing

Revenue recognitions of large-scale projects	1H23	2H23	1H24	2H24	1H25	3Q25 (3 months)
One-time	Approx. ¥0.4 bn	Approx. ¥5.0 bn	Approx. ¥2.3 bn	Approx. ¥7.7 bn	Approx. ¥2.8 bn	Approx. ¥5.7 bn
Monthly recurring	Approx. ¥1.4 bn	Approx. ¥1.7 bn	Approx. ¥2.3 bn	Approx. ¥4.5 bn	Approx. ¥6.6 bn	Approx. ¥5.9 bn

Revenue recognition category

- NW service
- Network Integration

		<p>The first project of the new shared banking system platform for regional banks ¥6.0 bn, 8 yrs NW service Revenue recognition from 3Q24</p>		<p>GIGA School infrastructure renewal for Ehime Prefecture ¥1.0 bn, 6 yrs SI construction, SI O/M Revenue to be recognized from 2Q26</p>
		<p>Security enhancement for a manufacturer ¥1.0 bn, 3 yrs NW service Revenue recognition from 2Q24</p>	<p>NW infrastructure renewal for a real estate company ¥3.0 bn, 5 yrs NW service, SI construction, SI O/M Revenue recognition from 1Q25</p>	<p>Sales system renewal for a service provider ¥1.0 bn SI construction Revenue to be recognized from 4Q25</p>
		<p>Sales system renewal for a service provider ¥2.0 bn, 2 yrs NW service, SI O/M Revenue recognition from 2Q24</p>	<p>Remote access environment for a construction company ¥2.0 bn, 5 yrs NW service, SI construction, SI O/M Revenue recognition from 2Q25</p>	<p>NW system construction & operation for a public sector institution ¥16.0 bn, 18 yrs NW service, SI construction, SI O/M Revenue to be recognized from FY29</p>
<p>Educational information network for Chiba city ¥12.3 bn, 5 yrs NW service, SI construction, SI O/M</p>	<p>Construction & operation for service infrastructure for an enterprise ¥4.0 bn, 5 yrs NW service, SI construction, SI O/M</p>	<p>Remote access implementation for a manufacturer ¥3.0 bn, 5 yrs NW service Revenue recognition from 3Q24</p>	<p>Business operation environment for a public institution ¥2.0 bn, 3 yrs NW service, SI construction, SI O/M Revenue recognition from 3Q25</p>	<p>Email infrastructure operations for ISP ¥1.5 bn, 2 yrs NW service, SI construction, SI O/M Revenue to be recognized from 4Q25</p>
<p>Next generation research platform for a private university ¥1.0 bn, 5 yrs SI construction, SI O/M</p>	<p>Large-scale IT infrastructure installment project ¥1.0 bn SI construction</p>	<p>Remote work environment development for a public sector organization ¥1.0 bn SI construction Revenue recognition from 2Q24</p>	<p>ICT infrastructure for a public institution ¥3.0 bn, 5 yrs NW service, SI construction, SI O/M Revenue recognition from 4Q24</p>	<p>Security enhancement for a financial institution ¥1.0 bn, 5 yrs NW service Revenue recognition from 2Q25</p>
<p>Integrated operation system for a public sector organization ¥3.0 bn, 5 yrs NW service, SI construction, SI O/M</p>	<p>Large-scale NW renewal for a manufacturer ¥3.0 bn, 5 yrs SI construction</p>	<p>Research platform renewal for a private educational institution ¥2.0 bn, 4 yrs NW service, SI construction, SI O/M Revenue recognition from 3Q24</p>	<p>The second project of the new shared banking system platform for regional banks ¥11.0 bn, 8 yrs NW service, SI O/M Revenue recognition from 4Q24</p>	<p>Global NW for a Japanese megabank ¥5.5 bn, 5 yrs NW service, SI construction, SI O/M Revenue recognition from 2Q25</p>
<p>Enhancement of security for a carrier ¥1.5 bn, 5 yrs SI construction, SI O/M</p>	<p>Large-scale NW renewal for a prominent financial institution ¥4.0 bn, 8 yrs NW service, SI construction, SI O/M</p>	<p>Office IT Installation for a public sector organization ¥1.0 bn, 3 yrs NW service Revenue recognition from 2Q24</p>	<p>Introduction of a service system for a public institution ¥1.0 bn, 5 yrs SI construction, SI O/M Revenue recognition from 4Q24</p>	<p>Infrastructure for education service ¥1.0 bn, 5 yrs NW service, SI construction, SI O/M Revenue recognition from 1Q25</p>
<p>Next generation NW renewal for a system integrator ¥1.0 bn, 5 yrs NW service</p>	<p>Large-scale server construction for AI infrastructure ¥3.0 bn, 3 yrs SI construction, SI O/M</p>	<p>Information infrastructure system for a public sector organization ¥3.0 bn, 4 yrs NW service, SI construction, SI O/M Revenue recognition from 3Q24</p>	<p>System infrastructure construction for a public institution ¥4.0 bn, 5 yrs NW service, SI construction, SI O/M Revenue recognition from 3Q24</p>	<p>Business operation environment for a public institution ¥1.0 bn, 3 yrs NW service, SI construction, SI O/M Revenue recognition from 2Q25</p>

New Wins

<p>Security enhancement for a manufacturing company ¥2.0 bn, 5 yrs SI construction, SI O/M Revenue to be recognized from 4Q25</p>
<p>Office IT platform implementation for a construction company ¥6.0 bn, 3 yrs NW service Revenue to be recognized from 4Q25</p>
<p>IT infrastructure renewal for a life insurance company ¥2.0 bn, 2 yrs NW service, SI construction, SI O/M Revenue to be recognized from 3Q25</p>
<p>Core system replacement for a security company ¥1.0 bn, 2 yrs NW service, SI construction, SI O/M Revenue to be recognized from 4Q25</p>

* For details, please refer to "Timing of revenue recognition for large-scale complex flagship projects" in the past financial results presentation materials
 * Recorded revenues of acquired large-scale projects since FY22
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Perspective	Our Initiatives
Ongoing	<ul style="list-style-type: none">➤ Pursue large-scale Service Integration projects as many as possible to steadily accumulate MRR➤ Enhance existing network services features to strengthen cross-selling and accelerate MRR growth➤ Restructured the sales organization to focus on MRR accumulation, especially in the small to medium enterprises segment➤ Continuously adjust pricing of network services on per-service basis, considering market prices and cost condition<ul style="list-style-type: none">• At the beginning of 3Q24, price revisions for a range of NW services were implemented• At the beginning of 1Q26, price revisions for selected NW services are scheduled to be implemented
Middle-term	<ul style="list-style-type: none">➤ Advance the current network services strategy to enhance economies of scale➤ Expand service offerings continuously by launching new value-added services➤ Full-outsourcing transactions enhance our value proposition➤ Further strengthen cybersecurity capabilities➤ Should absorb inflation-driven cost increases in the ordinary course of business operation, and benefit from further economies of scale➤ Leverage AI technologies to significantly ease pressure on limited human resources<ul style="list-style-type: none">• Benefit from AI application for areas such as network operation and internal service developments, unlike application-centric developers exposed to AI substitution risk

Business Environment

- Changes & expansion of corporate NW/system
- Continuous expansion of Internet traffic
- Expansion of IT department coverage areas & the digitalization of business units



- Rising cybersecurity threats
- Growing importance of NW/system operations
- Shortage of professional NW/system engineers

- Progress in AI utilization
- Increasing demand for DC & operation
- Advancement of data utilization



- Growth of foreign cloud & SaaS providers
- Consolidation, and shift toward service-based model among domestic Slers

IJ Group's Competitive Advantages

- Operation of Japan's one of the largest Internet backbone & NW/system, common cost model
- Internet security capability
- Construction & operation of own DCs



- 16,000 customers, primarily large corporations
- Stable, long-standing recurring revenue transaction

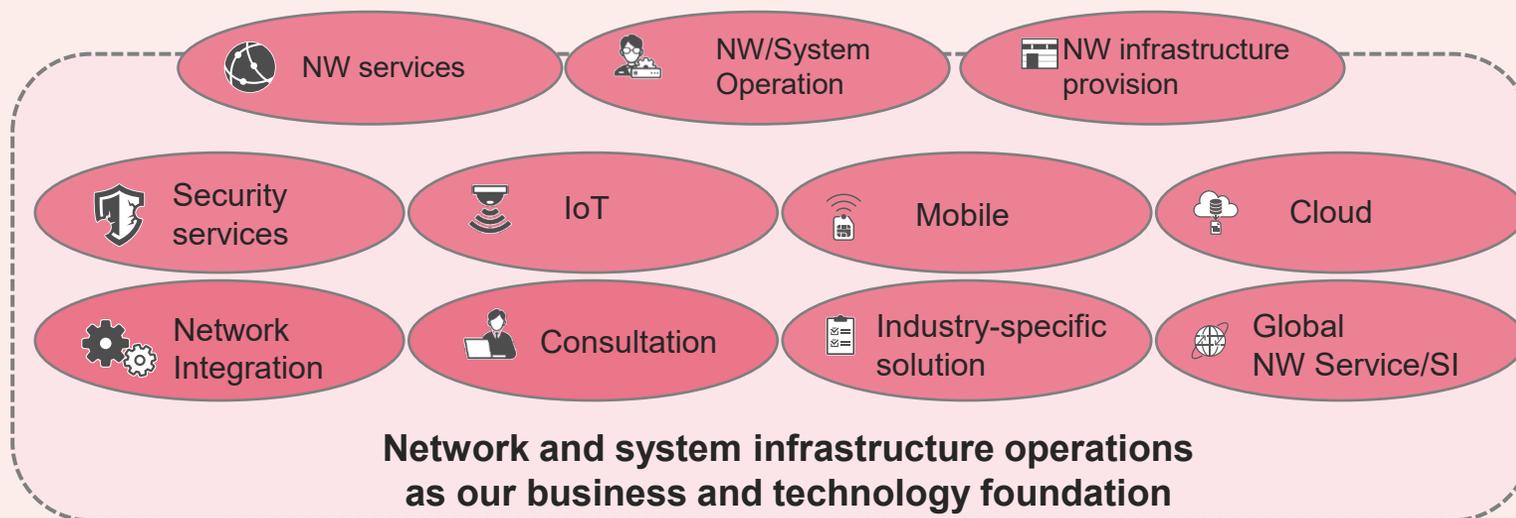
- Over 2,000 highly skilled Internet-related NW engineers
- Highly reliable operation capabilities



- Diverse in-house developed NW services
- Providing managed services that integrate NI & third-party solutions
- A consultative, proposal-based sales team

A Business Model Under Ongoing Expansion

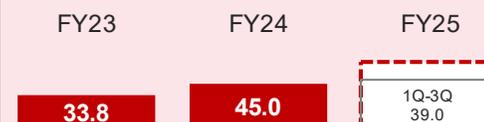
Shifting from NI & individual service/product delivery to an integrated service offering



Capturing Business Opportunities by Service Integration

Larger MRR and Deeper Transactions

Trend in Large-Scale Deal Value (¥ bn)



Expansion of Target Domains

IT department

Internet (external)

Business department

Intra/Inter Enterprise NW/Systems

Areas for Further Functional Expansion

Cybersecurity measures

IT system outsourcing

AI solution

Data circulation

- Service Integration: Provide in-house developed NW services with SI, Greater opportunities & proposal areas along with internal large-scale NW renewals, etc.
- Large-scale projects are defined as those exceeding JPY1.0 bn in total contract value

Outline

- | | |
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Established	December 1992 (The first established full-scale Internet Service Provider in Japan)
Number of Employees	5,514 (approx. 70% engineers)
Number of Customers	Approximately 16,000 enterprises
Large Shareholders	NTT Group, KDDI, ITOCHU Techno-Solutions (CTC), Koichi Suzuki (Founder and Chairman)

◆ IIJ is a pioneer of Internet in Japan

- ✓ Provider of numerous in-house developed Internet-related network services
- ✓ Home to highly skilled IP (Internet Protocol) engineers since the inception
- ✓ Operator of one of the largest Internet backbone networks in Japan

Approx. 80% recurring revenue
Stable and Scalable Business Foundation

◆ Strong and long-term relationships with Japanese corporations; minimal client churn over 30 years

- ✓ The IIJ brand is widely recognized and trusted by IT divisions of Japanese blue-chip companies
- ✓ Differentiated by the reliability and quality of network and system operations

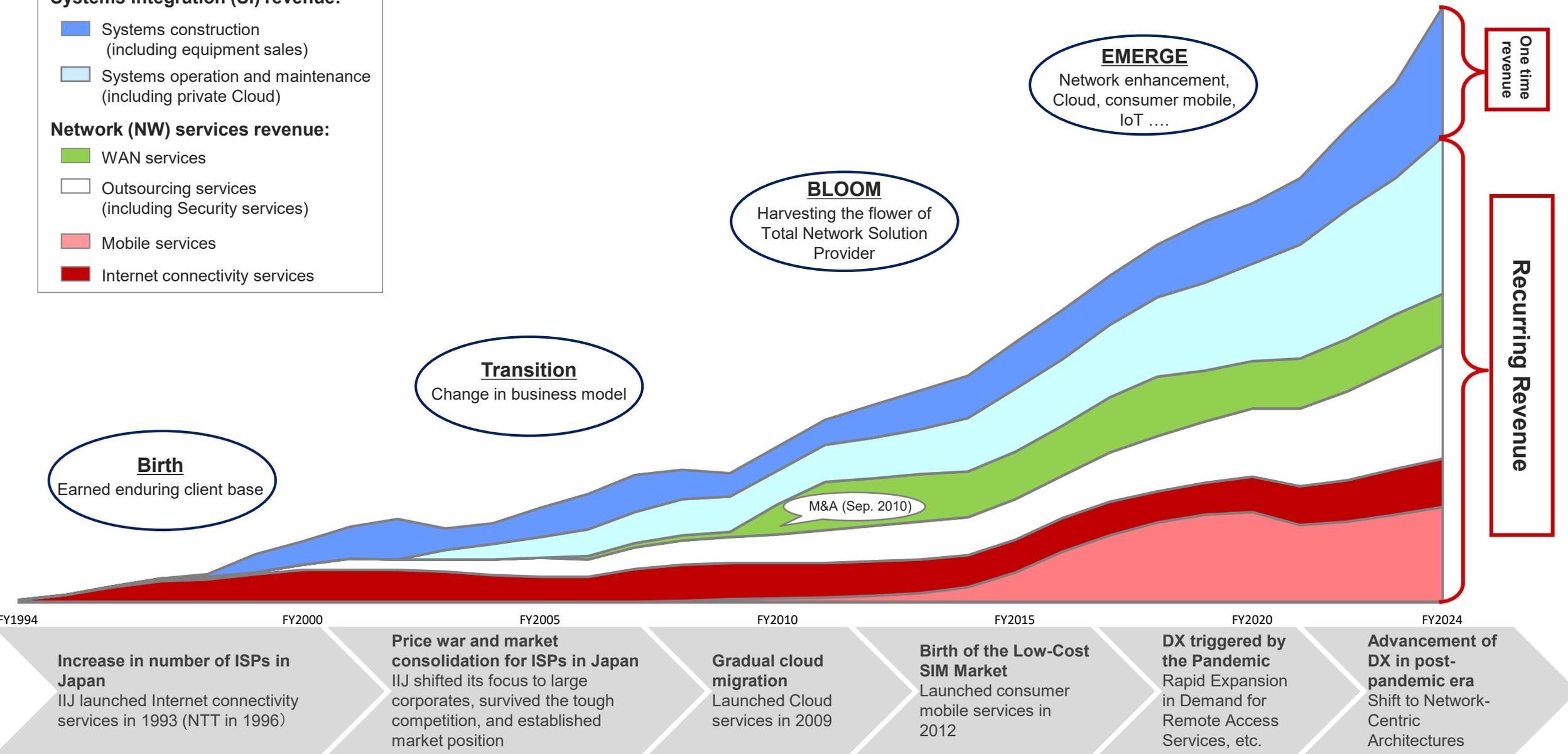
◆ Continuous development of innovative Internet services and active business investment

- ✓ Strategic focus on cloud, mobile, security, and solutions for Big Data, IoT, and data governance
- ✓ Maintains a competitive edge over telecom carriers and system integrators in service development and operations

• Number of employees (consolidated basis) is as of Dec. 31, 2025 and Large shareholders is as of Sep. 30, 2025

From ISP to Total Network Solution Provider

- Systems Integration (SI) revenue:**
- Systems construction (including equipment sales)
 - Systems operation and maintenance (including private Cloud)
- Network (NW) services revenue:**
- WAN services
 - Outsourcing services (including Security services)
 - Mobile services
 - Internet connectivity services



Birth
Earned enduring client base

Transition
Change in business model

BLOOM
Harvesting the flower of Total Network Solution Provider

EMERGE
Network enhancement, Cloud, consumer mobile, IoT

One time revenue

Recurring Revenue

FY1994 Increase in number of ISPs in Japan
IJ launched Internet connectivity services in 1993 (NTT in 1996)

FY2005 Price war and market consolidation for ISPs in Japan
IJ shifted its focus to large corporates, survived the tough competition, and established market position

FY2010 Gradual cloud migration
Launched Cloud services in 2009

FY2015 Birth of the Low-Cost SIM Market
Launched consumer mobile services in 2012

FY2020 DX triggered by the Pandemic
Rapid Expansion in Demand for Remote Access Services, etc.

FY2024 Advancement of DX in post-pandemic era
Shift to Network-Centric Architectures

Total Network Solution Provider with Extensive Service Lineup

Unit: ¥ (JPY) billion (bn)

About IJ

Revenue category		FY24 revenue	YoY growth	Cost Structure	Gross Margin	About	Business situation, growth drivers and outlook																						
Network services	Internet connectivity services for enterprise	48.99	+9.5%	Mostly common costs	27.8%	<table border="1"> <tr> <td>IP (Internet Protocol)</td> <td>17.32</td> <td>+8.3%</td> <td> <ul style="list-style-type: none"> IIJ's flagship service since the inception Highly reliable dedicated connectivity services with multi-carrier redundancy Bandwidth-based contracts </td> </tr> <tr> <td rowspan="2">Mobile</td> <td rowspan="2">26.86</td> <td>Enterprise mobile</td> <td>15.48</td> <td>+13.5%</td> <td>Provide data connectivity for mainly IoT usages</td> </tr> <tr> <td>MVNE</td> <td>11.38</td> <td>+7.9%</td> <td>Provide mobile services for other MVNOs</td> </tr> <tr> <td colspan="4">(Others) Broadband Internet services, etc.</td> <td colspan="4"></td> </tr> </table>	IP (Internet Protocol)	17.32	+8.3%	<ul style="list-style-type: none"> IIJ's flagship service since the inception Highly reliable dedicated connectivity services with multi-carrier redundancy Bandwidth-based contracts 	Mobile	26.86	Enterprise mobile	15.48	+13.5%	Provide data connectivity for mainly IoT usages	MVNE	11.38	+7.9%	Provide mobile services for other MVNOs	(Others) Broadband Internet services, etc.								<ul style="list-style-type: none"> IP Matured market (hard to entry) Very low churn rate, loyal clients for over 30 years Expect Internet traffic volume to continuously increase along with cloud penetration, CDN, SaaS, DX, etc.
	IP (Internet Protocol)	17.32	+8.3%			<ul style="list-style-type: none"> IIJ's flagship service since the inception Highly reliable dedicated connectivity services with multi-carrier redundancy Bandwidth-based contracts 																							
	Mobile	26.86	Enterprise mobile			15.48	+13.5%	Provide data connectivity for mainly IoT usages																					
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	(Others) Broadband Internet services, etc.																												
Internet connectivity services for consumers	26.83	+6.1%	<table border="1"> <tr> <td>Mobile</td> <td>23.44</td> <td>+6.7%</td> <td> <ul style="list-style-type: none"> Provide SIM with monthly data limits (voice as option) </td> </tr> <tr> <td colspan="4">(Others) Broadband Internet services and email services for households, etc.</td> </tr> </table>	Mobile	23.44	+6.7%	<ul style="list-style-type: none"> Provide SIM with monthly data limits (voice as option) 	(Others) Broadband Internet services and email services for households, etc.				<ul style="list-style-type: none"> Mobile Unified mobile infrastructure for enterprise, MVNE and consumer Traffic management strategy Current infrastructure provisioning based on peak consumer traffic patterns. Peak demand concentrated during commuting hours and lunchtime Leading market share in Japan's consumer MVNO segment 																	
Mobile	23.44	+6.7%	<ul style="list-style-type: none"> Provide SIM with monthly data limits (voice as option) 																										
(Others) Broadband Internet services and email services for households, etc.																													
Outsourcing	59.15	+11.7%	<p>Various in-house developed Internet-related service line-ups</p> <table border="1"> <tr> <td>Security</td> <td>35.94</td> <td>+16.2%</td> <td> <ul style="list-style-type: none"> Managed security services, Security Operation Center services and so many more </td> </tr> <tr> <td colspan="4">(Others) NW monitoring, VPN services, public cloud services, and many more</td> </tr> </table>	Security	35.94	+16.2%	<ul style="list-style-type: none"> Managed security services, Security Operation Center services and so many more 	(Others) NW monitoring, VPN services, public cloud services, and many more				<ul style="list-style-type: none"> Have been developing services based on the Zero Trust concept Drive enterprise growth through cross-selling Ongoing service development is key Security demand is expected to remain strong 																	
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(Others) NW monitoring, VPN services, public cloud services, and many more																													
WAN (Wide Area Network)	27.61	-2.7%	<ul style="list-style-type: none"> Traditional method of connecting multiple sites (intranet and closed networks) Direct procurement of dedicated WAN lines 	<ul style="list-style-type: none"> Stable market Positioned as a cross-selling element 																									
SI	Operation and Maintenance	82.53	+14.8%	Cost plus	14.4%	<table border="1"> <tr> <td>On-premise Systems</td> <td>48.53</td> <td>+17.4%</td> <td> <ul style="list-style-type: none"> Operation and maintenance of deployed systems </td> </tr> <tr> <td>Private Cloud, etc.</td> <td>34.01</td> <td>+11.1%</td> <td> <ul style="list-style-type: none"> Promote cloud migration with robust, reliable and value-driven capabilities </td> </tr> </table>	On-premise Systems	48.53	+17.4%	<ul style="list-style-type: none"> Operation and maintenance of deployed systems 	Private Cloud, etc.	34.01	+11.1%	<ul style="list-style-type: none"> Promote cloud migration with robust, reliable and value-driven capabilities 	<ul style="list-style-type: none"> Strong mid-to-long business opportunity driven by cloud migration of internal IT systems Revenue expected to grow steadily as construction projects accumulate 														
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Construction (including equipment sales)	68.77	+37.8%	<ul style="list-style-type: none"> Primarily network integration projects, including server setup 	<ul style="list-style-type: none"> Securing large-scale projects as Japanese enterprises shift to network-based systems requiring integrated network functions 																									

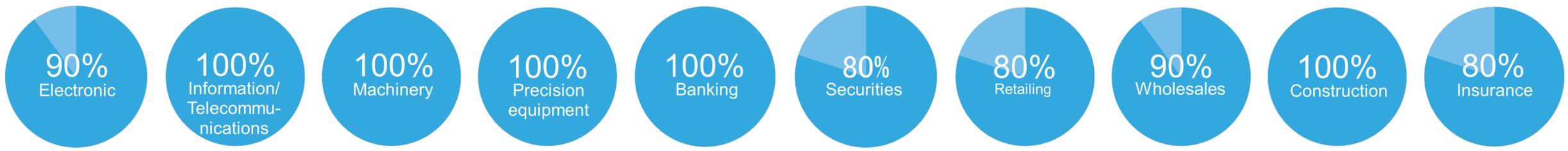
Recurring revenue 77%

One time revenue

Extensive Client Base

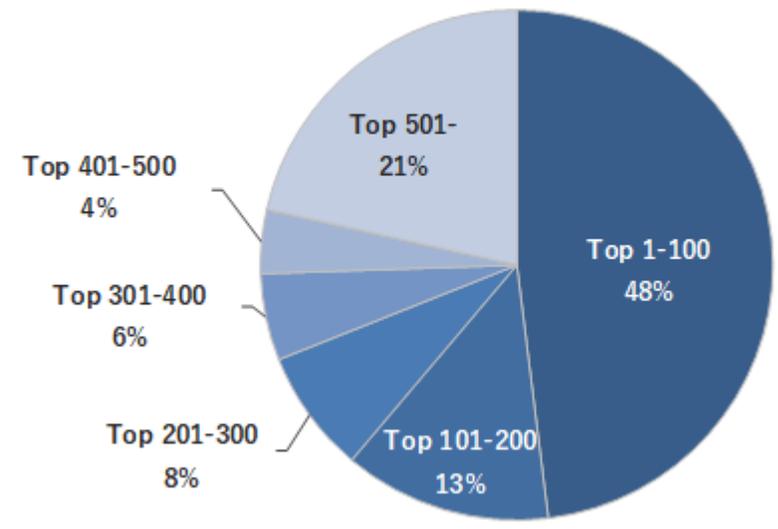
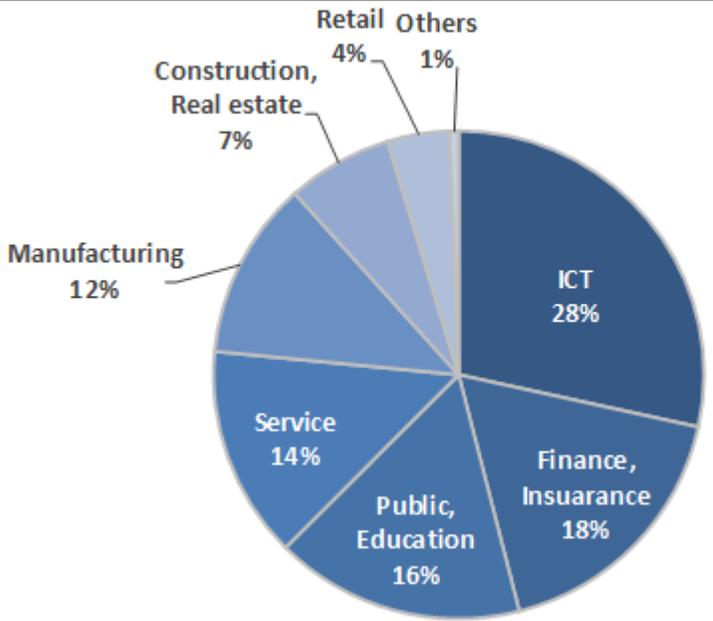
- ◆ Number of IJ Group's clients: approx. 16,000 as of March 31, 2025
- ◆ Through reliable operation, continuous use of Internet connectivity services since the inception of IJ
- ◆ Our reliable infrastructure operation and cross-sell strategy have led to low churn rate

Cover Most of Top Revenue Companies



Client Distribution by Industry

Client Distribution by Revenue Volume

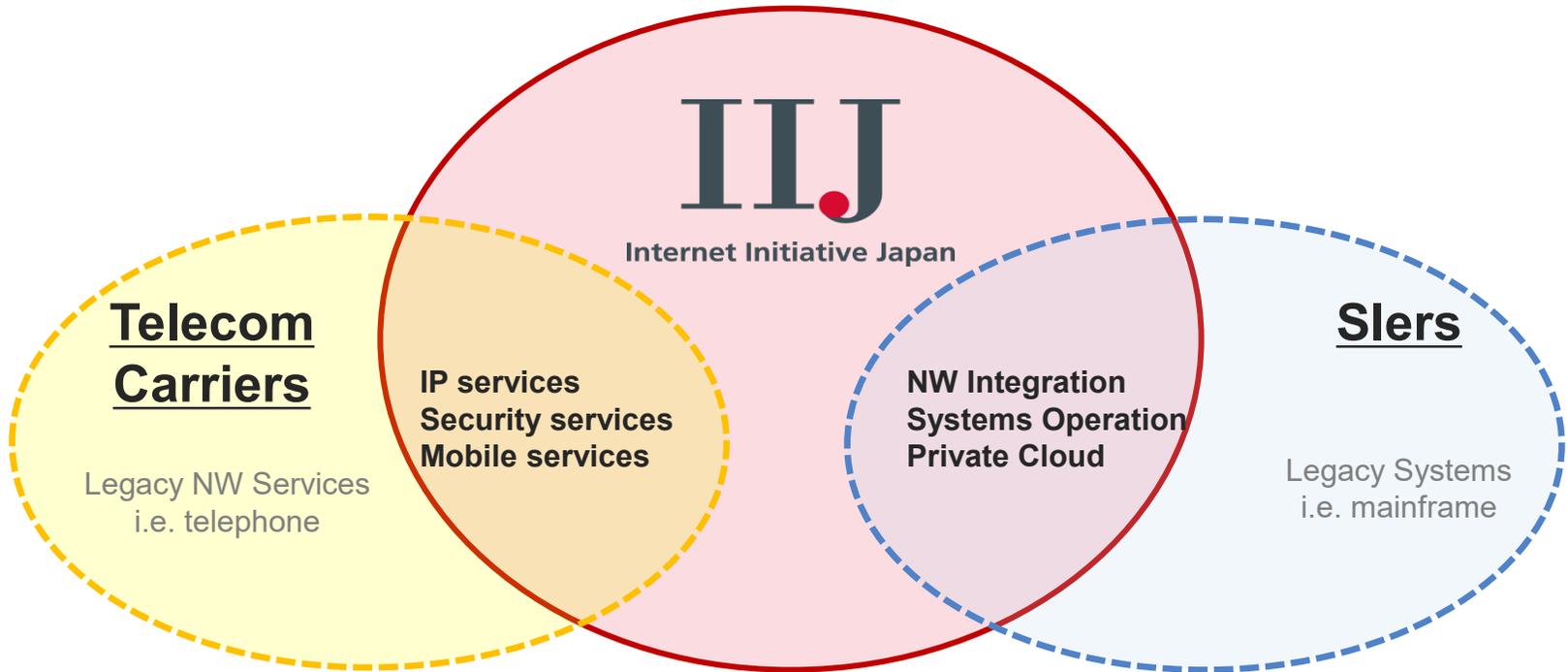


- ICT stands for Information and Communication Technology
- Top ten firms in each industry taken from annual revenues are selected by IJ based on the Yahoo! Japan Finance website (finance/sales/whole market/daily)
- The service penetration and the revenue distributions are based on IJ's FY24

Competitive Advantages

- Differentiation from telecom carriers**
- Deep expertise in IP (Internet Protocol) technologies
 - Fast and flexible operations
 - Strong focus on blue-chip clients through tailored SI

- Differentiation from systems integrators (Slers)**
- Operates one of Japan's largest Internet backbones
 - Owns and develops network service platforms
 - Specializes in open, internet-centric systems



**IIJ focuses on modern IT ~specializing in scalable, next generation systems ~
(Not involved in legacy – heavy systems)**

Management structure (As of June 30, 2025)

Ratio of female directors
and auditors
20.0%

Ratio of outside directors
46.7%

About
IIJ

Board of Directors (11 members)

Koichi Suzuki
Representative
Director,
Chairman,
Executive Officer,
Co-CEO



Yasuhiko Taniwaki
Representative
Director,
President,
Executive Officer,
Co-CEO & COO



Satoshi Murabayashi
Vice President
Executive Officer

Koichi Kitamura
Vice President
Executive Officer

Akihisa Watai
Vice President
Executive Officer
CFO

Junichi Shimagami
Vice President
Executive Officer
CTO

Outside Directors (45.5%, 5 out of 11)

Takashi Tsukamoto
(since 2017)

Former Chairman
of
Mizuho Financial
Group, Inc.
Former President
and CEO of
Mizuho Bank, Ltd.

Independent

Kazuo Tsukuda
(since 2020)

Former Chairman
and
Representative
Director of
Mitsubishi Heavy
Industries, Ltd.

Independent

Yoichiro Iwama
(since 2021)

Former President
and
Representative
Director of Tokio
Marine Asset
Management Co.,
Ltd.

Independent

Atsushi Okamoto
(since 2022)

Former President
and CEO of
Iwanami Shoten,
Publishers

Independent

Kaori Tonosu
(since 2022)

Former Board
Member of
Deloitte Touche
Tohmatsu LLC

Independent

Female

Board of Company Auditors (4 members)

Masayoshi Tobita

Masako Tanaka

Female

Takashi Michishita
Attorney at law

Outside

Kumiko Aso
CPA

Female

About President Taniwaki (Since Apr. 2025)

- ◆ Joined MIC in 1984 and led major telecom reforms including NTT's restructuring and mobile policy initiatives. Served as Vice-Minister for Policy Coordination in 2019, promoting lower mobile charges. Joined IIJ in 2022 as Executive VP, driving growth in cybersecurity and digital transformation.

Director Compensation

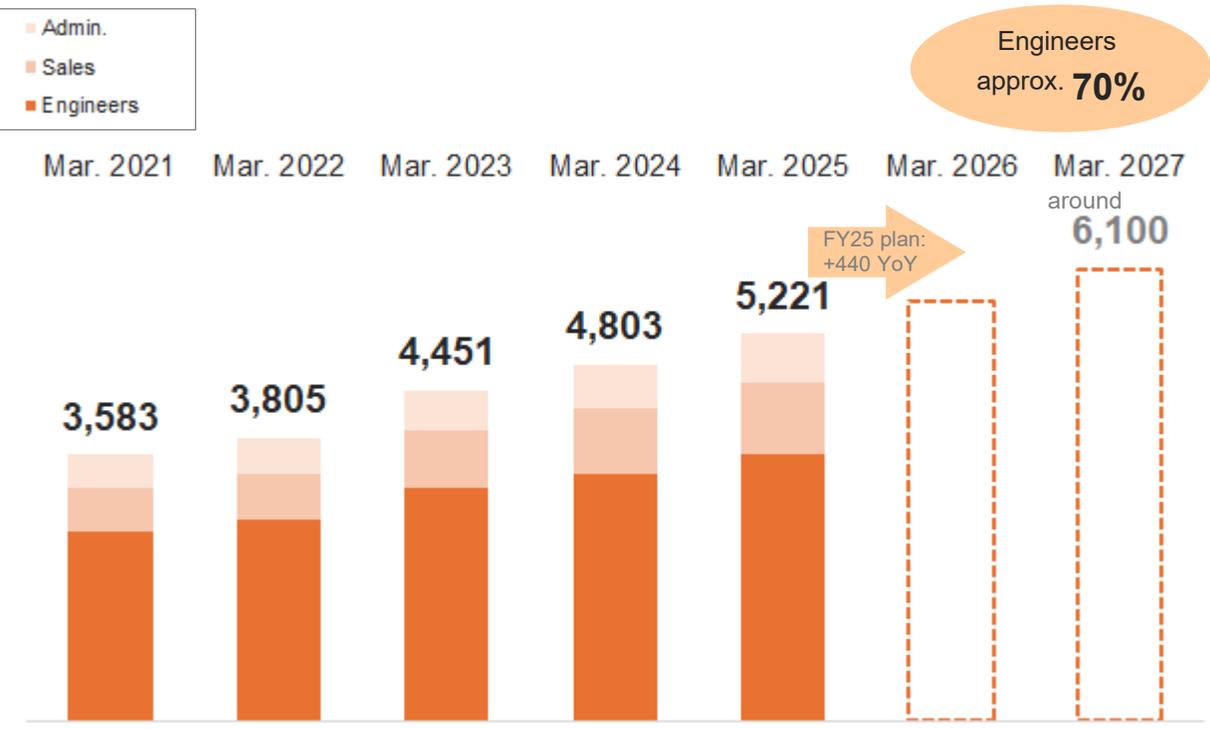
- ◆ Performance based compensation for an annual and the Mid-term Plan have been implemented since 2024. Directors are evaluated based on business performance such as revenue, operating profit, and performance of assigned business area, engagement such as employee satisfaction, ROE target of 19% in FY26, achievement/progress of sustainability and other targets

IIJ's Business Philosophy

- ◆ **To develop network infrastructure through technological innovation**
We are committed to the ongoing pursuit of initiatives in the field of Internet technology to open the future of the digital society through new value created by ever faster networks and computing.
- ◆ **To provide solutions (IT services) that supports a networked society**
We continuously develop and introduce highly reliable and value-added IT services that anticipate changes taking place around the world, to support the use of networks by society and individuals.
- ◆ **To provide meaningful opportunities for growth to our employees (a place where human resources with diversified talents and values can play an active role)**
We aim to offer meaningful working opportunities for growth through business, in which our staff can take a proactive approach to technical innovation and social contribution and actively demonstrate their abilities with pride and a sense of satisfaction. We aspire to be a company where employees are never satisfied with the status quo, and are always thinking about the future world, contributing to social development, and achieving personal growth through work that has value for society.

Human Capital

Total Number of Employees (consolidated)

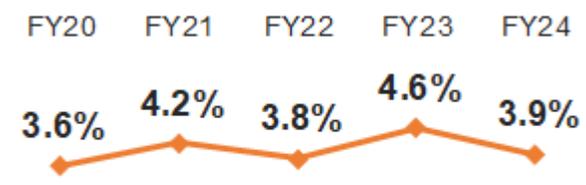


Average age
37.4

Average Yearly Salary
JPY **7,260** thousand

Ratio of female recruitment
26.5% (FY24)

Turnover Rate (IJ)



Low employee turnover driven by diverse experiences and high employee satisfaction

Number of New Graduates (consolidated)



Continuously hire and train new graduates who are drawn to IJ as Japan's first full-scale ISP

Female Managers Ratio (IJ)



Achieved FY24 and FY27 targets a year in advance
(Initial targets: FY24 over 6%, FY27 over 8%)

Employee Satisfaction (IJ)



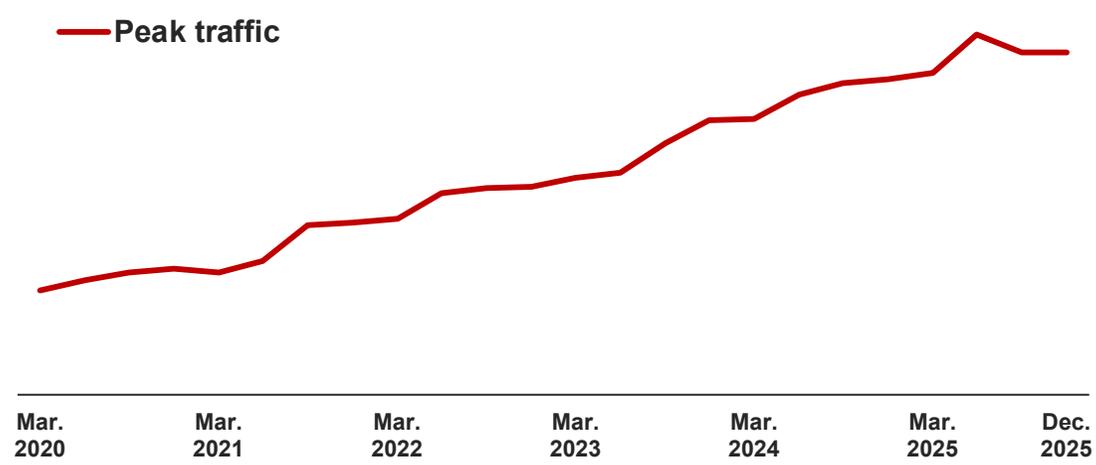
Employee survey indicates high overall satisfaction level
(out of 5)

- We added 62 personnel through PTC consolidation (Apr. 2021)
- Average age and average yearly salary are as of Mar. 31, 2025.
- Female manager ratio is IJ (non-consolidated basis)
- Turnover rate of IJ (non-consolidated basis) and calculated by dividing leavers for the fiscal year by the number of full-time employees at the beginning of that fiscal year. The industry average turnover rate of approx. 10% is announced by the Ministry of Health, Labor, and Welfare
- Employee satisfaction is according to the Employee Survey which is an annual engagement survey (approximately 50 questions), and each item is rated on a five-point scale: 1 (disagree), 2 (somewhat disagree), 3 (neutral), 4 (somewhat agree), and 5 (agree). The "Overall Satisfaction" is the result of a question, "I am satisfied overall."

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Market Environment

Historical traffic data of major domestic IX



Source: INTERNET MULTIFEED CO., IX = Internet Exchange

SIM type MVNO market share in Japan

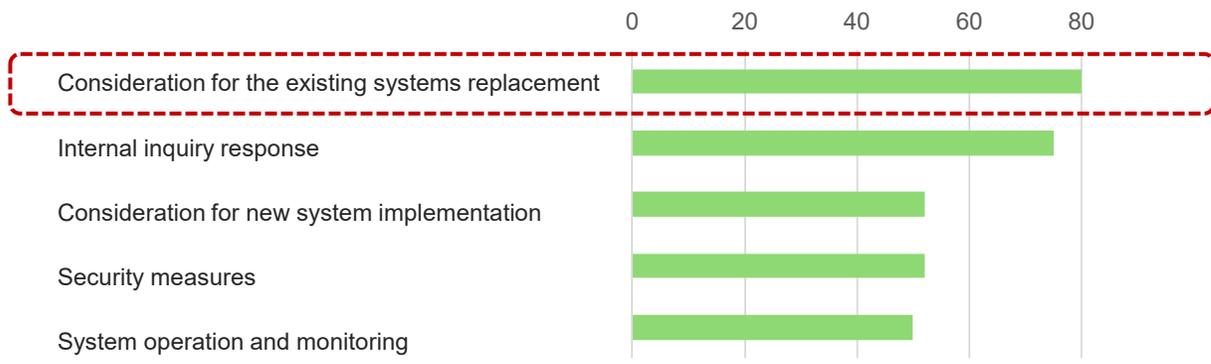
◆ Maintain top share in the domestic SIM-type MVNO market

	Mar. 31, 2024		Mar. 31, 2025		Sep. 30, 2025	
1 st	IJ	21.6%	IJ	23.3%	IJ	24.2%
2 nd	NTT DOCOMO	9.7%	Optage	8.1%	Optage	8.1%
3 rd	Optage	8.7%	NTT DOCOMO	7.1%	NTT DOCOMO	6.4%
4 th	Fujitsu	5.6%	NTT DOCOMO Business	4.9%	NTT DOCOMO Business	5.1%
5 th	Aeon Retail	4.7%	Fujitsu	4.6%	Fujitsu	4.5%

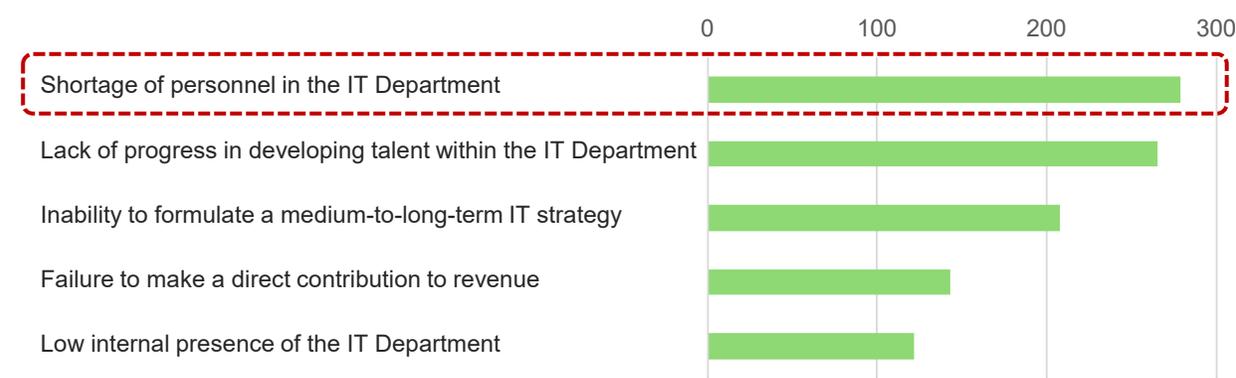
- Source: The Ministry of Internal Affairs and Communications
- NTT DOCOMO's figures as of Mar. 31, 2024 was formerly NTT Resonant's one
- NTT DOCOMO Business figures as of March 31, 2025 are based on NTT Communications prior to the name change

Nationwide survey on IT department 2025

◆ Operation where IT department spends the most time



◆ Challenges for IT department



Source: Internet Initiative Japan "Nationwide survey on IT department 2025," Questionnaire conducted by IJ since 2021 targeting IT departments of companies, etc.

Financial Information

Internet Initiative Japan Inc. (IIJ)

The Prime Market of the Tokyo Stock Exchange (Ticker symbol: 3774)

February 2026

Disclaimer

Statements made in this presentation regarding IIJ's or managements' 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, operating and net profitability 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.

Outline

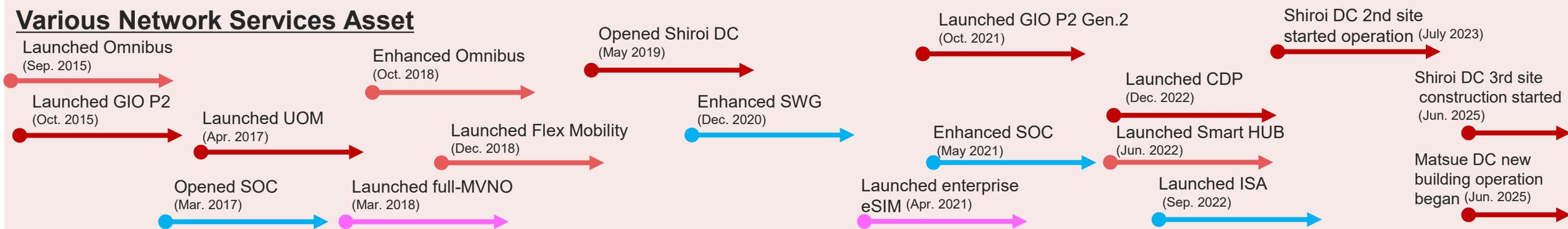
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|---|-------------------|
| 1. Business Status Updates | P. 2 – 8 |
| 2. About IIJ | P. 9 – 17 |
| 3. Financial Information | P. 18 – 42 |
| 4. Supplemental Business Information | P. 43 – 63 |

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Financial Performance

		FY20	FY21	FY22	FY23	FY24
Total Revenue		213.0	226.3	252.7	276.1	316.8
	YoY	+4.2%	+6.3%	+11.7%	+9.2%	+14.8%
NW services		126.8	128.2	138.9	151.3	162.6
	YoY	+4.0%	+1.1%	+8.4%	+8.9%	+7.4%
Enterprise NW		79.3	87.5	96.6	105.2	112.3
	YoY	+4.5%	+10.3%	+10.5%	+8.9%	+6.7%
Mobile services		47.5	40.7	42.3	46.1	50.3
	YoY	+3.1%	(14.3%)	+3.8%	+9.1%	+9.0%
SI		83.3	95.3	110.9	121.8	151.3
	YoY	+6.2%	+14.5%	+16.4%	+9.8%	+24.2%
Operating Profit		14.2	23.5	27.2	29.0	30.1
	YoY	+73.2%	+65.3%	+15.6%	+6.6%	+3.7%
Operating Margin		6.7%	10.4%	10.8%	10.5%	9.5%
Net Profit		9.7	15.7	18.8	19.8	19.9
	YoY	+142.4%	+61.4%	+20.2%	+5.2%	+0.5%
ROE		11.5%	16.2%	17.0%	16.3%	15.0%
NW service gross margin		21.4%	27.8%	27.5%	28.7%	27.8%
SI gross margin		14.5%	15.7%	16.7%	15.6%	14.4%
CAPEX		15.2	16.1	20.8	22.5	26.3
NW services, etc.		8.8	9.0	9.7	12.9	15.0
Shiroi, Matsue DCs		1.7	1.6	5.6	5.7	4.7
Cloud		2.7	2.3	2.0	1.5	2.0
SI, others		2.0	3.2	3.5	2.4	4.6

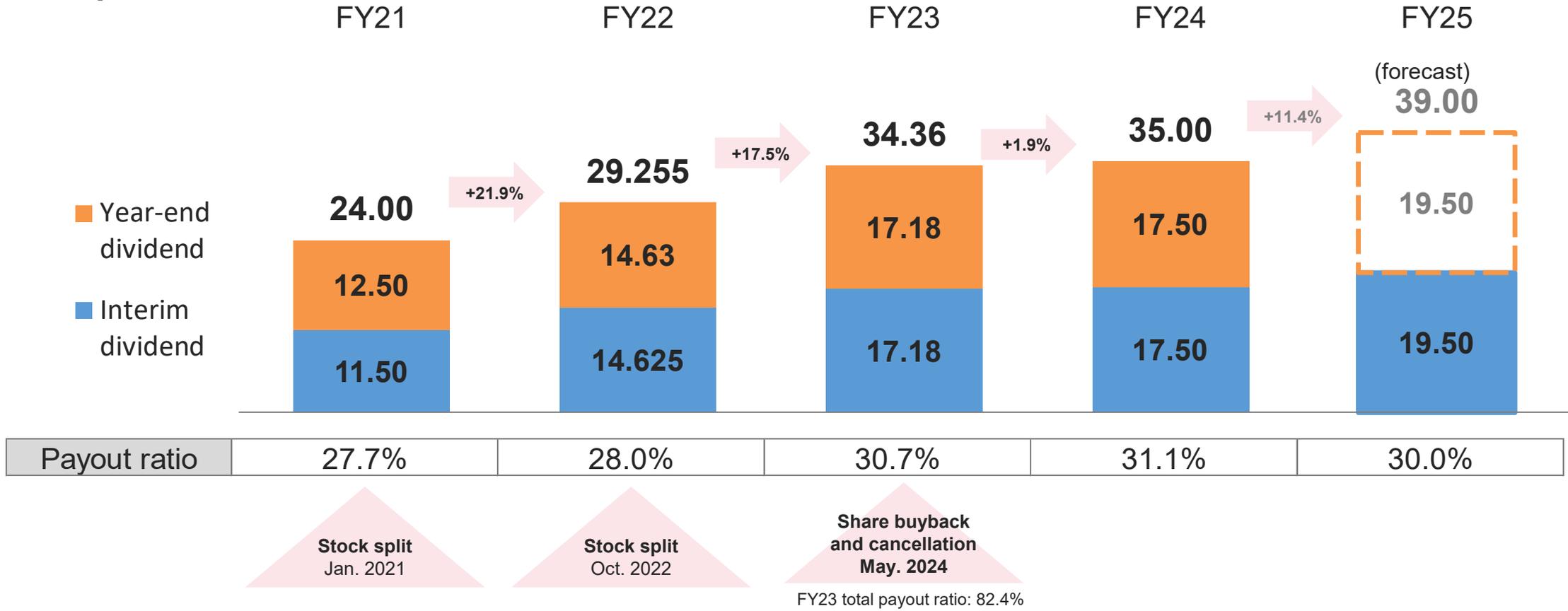


* FY24 Operating profit growth was limited due to significant increase in VMware license costs

Shareholders' Return

- ◆ **Basic shareholders' return policy**
Continuous and stable dividend payment while considering the need to have retained earnings for the enhancement of financial position, mid-to-long term business expansion and future investment

- ◆ **Dividend per share**



- Dividend per share is written on the post-stock-split basis
- FY21 payout ratio: adjusted payout ratio is around 30% which is calculated by deducting temporary and non-cash transaction such as valuation on funds and impairment loss
- FY22 payout ratio takes the retrospective application of IAS 12 "Income Taxes" into consideration
- FY23 payout ratio takes the share buyback with cancellation which took place in May 2023 into consideration

Mid-term Plan (FY24 ~ FY26)

Accelerate business scale expansion toward the Mid-to-long Term Vision by advancing the business structure transformation in FY23
Revenue growth led by integration and profit growth through economies of scale as a NW service operator

Total Revenue	Operating Profit	Net Profit	ROE	Human Capital
FY23 ¥276.1 bn → 1.4 times FY26 ¥380.0 bn	FY23 ¥29.0 bn → 1.6 times FY26 ¥46.0 bn	FY23 ¥19.8 bn → 1.5 times over FY26 ¥30.0 bn	FY23 16.3% → +2.7 pt. FY26 19%	FY23-end 4,803 → 1.3 times FY26-end around 6,100

Further enhancement of the existing core business area

<h3>SI as Revenue driver</h3> <ul style="list-style-type: none"> Accelerate revenue growth by rolling out NW construction/renewal projects to various industry, enhancing account sales & PM, expanding human resource Enhance SI project management 	<h3>NW service as Profit driver</h3> <ul style="list-style-type: none"> Accelerate NW service accumulation through Service Integration Demonstrate the strength of stable NW operation in the DX era
<h3>Promotion of large transactions & clients</h3> <ul style="list-style-type: none"> Comprehensive outsourcing of client's NW and open systems Add large volume revenue to the multi-industry recurring revenue base Stable additional profit source for the future 	<h3>Further enhancement of service development & operation</h3> <ul style="list-style-type: none"> Focus on strengthening cyber-security service development Respond to DX progress with DWP lineup Develop services that would be PF for AI, data lake, etc.
<h3>Enhancement of Service Control</h3> <ul style="list-style-type: none"> Higher efficiency for service development & operation by new technology such as AI Implement appropriate pricing in response to inflation & cost increase 	<h3>Continuous expansion of NW infrastructure Pursuit of differentiation</h3> <ul style="list-style-type: none"> Construct the third site of Shiroi DC for long-term growth Deploy full-MVNO 5G SA

Creation of new growth area

Initiatives for Data-driven society

- Operate data utilization business, generate meaningful data, data distribution mechanisms & operations, etc.
 → Study & create business models in conjunction with the existing infrastructure & services

Use of generated data for various purposes → Involvement of many stakeholders → New insights → Advancement of problem solving

Generation of data → Distribution of data → Utilization of data → Solve social issues

Achieve the spread of Digital Currency in Japan (Equity method investee: DeCurret)

- First in Japan to issue commercial digital currency as a practical case (scheduled in Jul. 2024)
 - ✓ Digitalized token of environmental value transaction
- Within FY26, anticipate loss to shrink & become profitable on a monthly basis
- Executing STO(*) of digital currency, invoice chain(*), web3/NFT(*) & other practical projects

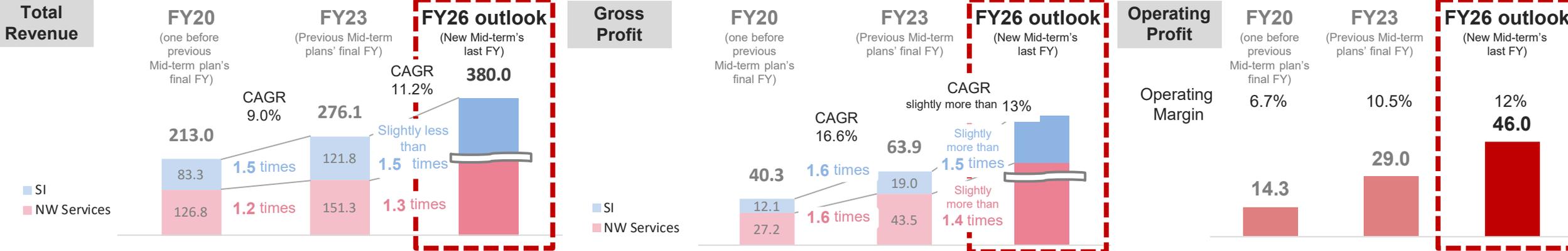
(*) STO (Security Token Offering): securities issued using electronic means such as blockchain, replacing traditional mechanism of stocks and bonds
 (*) Invoice chain: concept of industry standard systems for corporate intercompany reimbursement
 (*) NFT(Non-Fungible Token): Token issued on the blockchain that can prove uniqueness and cannot be replaced

Enhancement of business foundation

<h3>Thorough expansion of Human Capital</h3> <ul style="list-style-type: none"> Continuous expansion of human resources Develop next-generation human resources for long term growth Maintain & enhance top-tier engineering capabilities & expand that to multiple layer 	<h3>Enhancement of cash control</h3> <ul style="list-style-type: none"> Appropriate management of increasing SI-related working capital Investment allocation Shiroi DC & growth areas Increase payout ratio when the Mid-to-long Term Vision is realized
<h3>Maintain & improve Sustainability /Governance</h3> <ul style="list-style-type: none"> Strengthen governance in line with growth Contribute to the productivity of future society through continuous stable NW operation Introduce a new executive compensation scheme linked to the new Mid-term Plan 	<h3>Complement growth through M&As</h3> <ul style="list-style-type: none"> Pursuit M&A opportunities as a supplemental means of expanding domestic resources & technology Leverage residual borrowing capability (up to ¥70.0 bn is envisioned image)

Mid-term Plan's Financial Outlook

Breakdown image of financial outlook



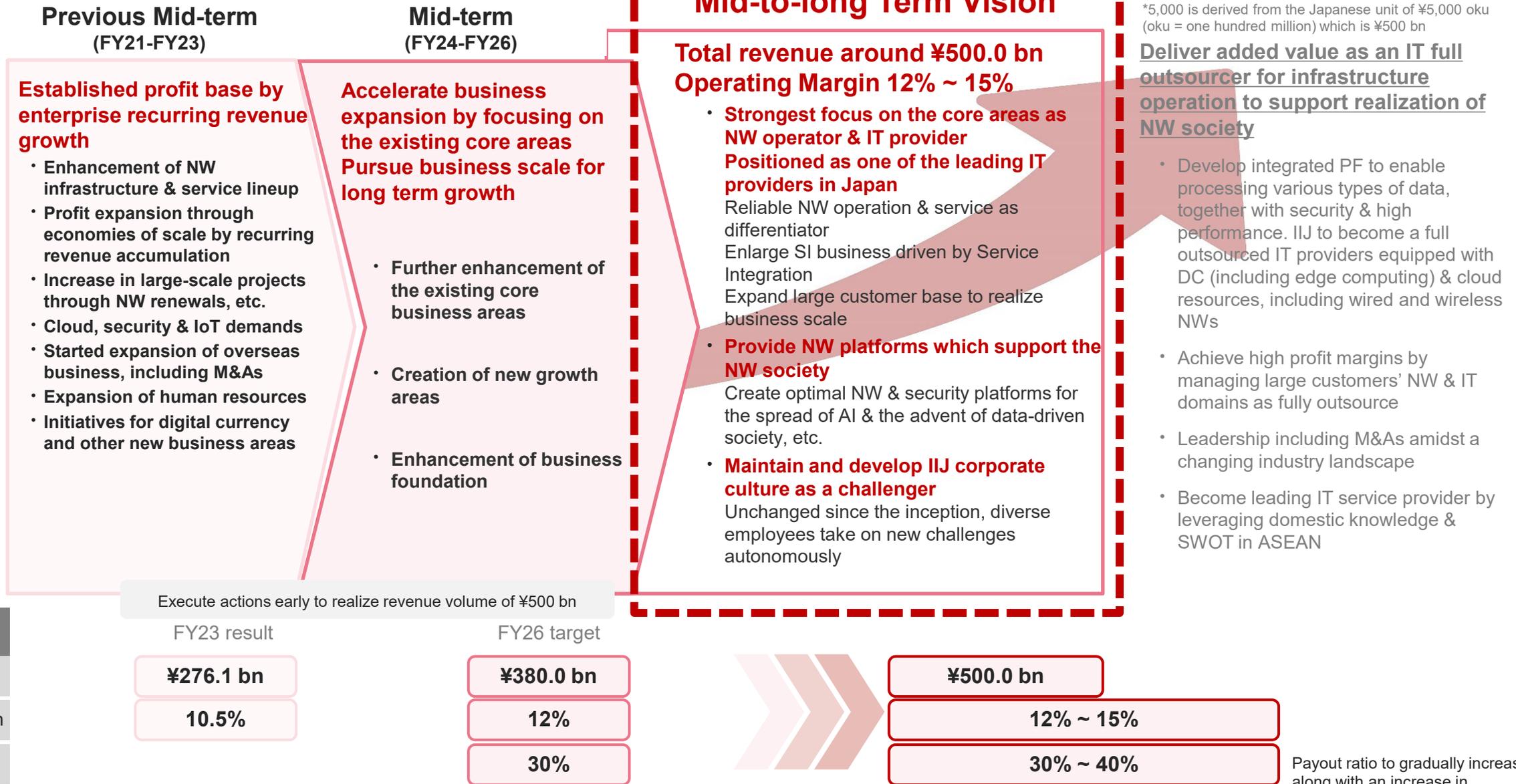
Capital allocation (FY24-FY26, 3 yrs in total)

Cash in	Cash out	Overview		
Cash generated from business approx. ¥134.0 bn(*)	Investment: approx. ¥90.0 bn	Shiroy DC 3rd site construction <ul style="list-style-type: none"> Start the construction within the new Mid-term plan period, but the schedule is undetermined First site: CAPEX approx. ¥8.3 bn, No. of racks: approx. 700, started operating from May 2019 Second site: CAPEX approx. ¥12.8 bn (plan), No. of racks: approx. 1,100, started operating from Jul. 2023 		
	Ordinal NW infrastructure, etc. approx. ¥51.0 bn Stable with economies of scale		Shiroy DC 3rd Site construction approx. ¥30.0 bn Mainly for own services	Strategic investment for new growth areas
	Increase in working capital and lease obligation		Approx. ¥13.0 bn	Strategic Investment <ul style="list-style-type: none"> Specific investment details have not fixed and will be discussed going forward
	Dividend		Approx. ¥24.0 bn	Increase in working capital & lease obligations <ul style="list-style-type: none"> Increase in work in process, prepayments, etc. due to an increase in large-scale multi-year SI projects The impact of increased working capital should gradually be reduced due to the constant revenue recognition of large-scale projects
	Scheduled repayment of long term borrowing		Approx. ¥1.5 bn	M&As <ul style="list-style-type: none"> M&As to be conducted in sequence with borrowing capacity Maintain debt/equity ratio & financial discipline, Up to ¥70.0 bn of additional debt could be implemented for M&As
M&As	up to ¥70.0 bn			

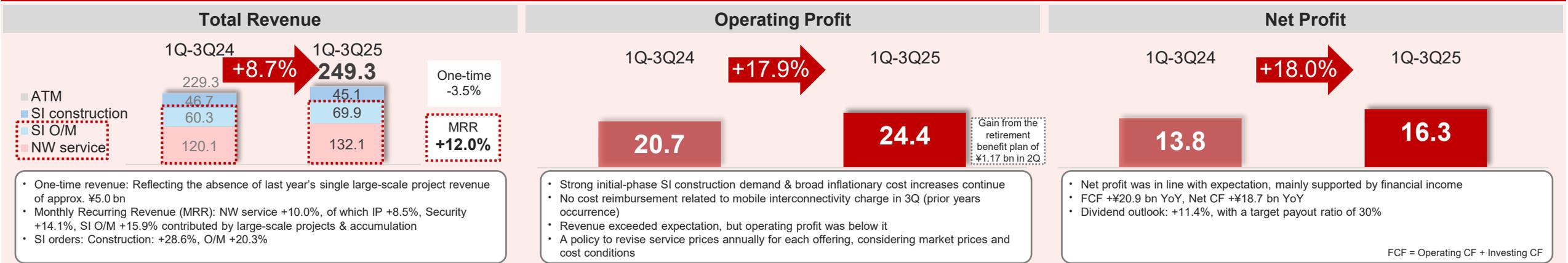
(*) post-tax, pre-depreciation

Mid-to-long Term Vision

The figures mentioned below are all assumed status and image



Accumulating demand enabled by SWOT-aligned strengths Business expanding into a high-growth phase
Steadily securing large-scale NW construction Service Integration projects, stepping into a further expansion phase to execute multiple over ¥10 bn projects



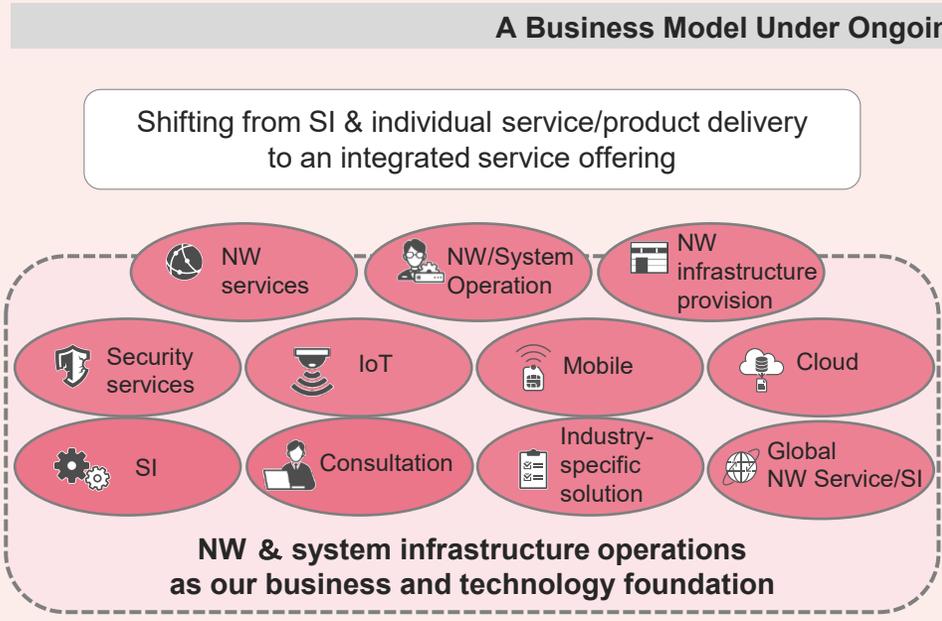
Advancement of Growth Strategy

Business Environment

- Changes & expansion of corporate NW/system
- Continuous expansion of Internet traffic
- Expansion of IT department coverage areas & the digitalization of business units
- Progress in AI utilization
- Increasing demand for DC & operation
- Expansion of data utilization
- Rising cybersecurity threats
- Growing importance of NW/system operations
- Shortage of professional NW/system engineer
- Expansion of foreign cloud & SaaS providers
- Consolidation, and shift toward service-based model among domestic SIers

IJ Group's Competitive Advantages

- Operation of Japan's one of the largest Internet backbone & NW/system, common cost model
- Internet security capability
- Construction & operation of own DCs
- Over 2,000 highly skilled Internet-related NW engineers
- Highly reliable operation capabilities
- 16,000 customers, primarily large corporations
- Stable, long-standing recurring revenue transaction
- Diverse in-house developed NW services
- Providing managed services that integrate SI & third-party solutions
- A consultative, proposal-based sales team



Capturing Business Opportunities by Service Integration

Larger MRR and Deeper Transactions

Trend in Large-Scale Deal Value

FY23	FY24	FY25
33.8	45.0	1Q-3Q 39.0

Expansion of Target Domains

IT department → Business department
 Internet (external) → Intra/Inter Enterprise NW/Systems

Areas for Further Functional Expansion

- Cybersecurity measures
- IT system outsourcing
- AI solution
- Data circulation

Service Integration: Provide in-house developed NW services with SI, Greater opportunities & proposal areas along with internal large-scale NW renewals, etc. Large-scale projects are defined as those exceeding JPY1.0 bn in total contract value

Consolidated Financial Results

Unit: ¥ (JPY) billion
YoY = Year over year comparison

Financial
Information

	<small>% of revenue</small>	<small>% of revenue</small>	YoY		<small>% of revenue</small>	YoY
	1Q-3Q25 Results <small>Apr. 2025 - Dec. 2025</small>	1Q-3Q24 Results <small>Apr. 2024 - Dec. 2024</small>			FY25 Targets <small>(Announced in May 2025) Apr. 2025 - Mar. 2026</small>	
Revenues	249.33	229.31	+8.7%	+20.02	340.0	+7.3%
Cost of Revenues	<small>78.3%</small> 195.13	<small>78.7%</small> 180.38	+8.2%	+14.74	<small>77.4%</small> 263.0	+5.9%
Gross Profit	<small>21.7%</small> 54.21	<small>21.3%</small> 48.93	+10.8%	+5.28	<small>22.6%</small> 77.0	+12.6%
SG&A etc.	<small>11.9%</small> 29.79	<small>12.3%</small> 28.22	+5.6%	+1.57	<small>11.9%</small> 40.5	+5.7%
Operating Profit	<small>9.8%</small> 24.41	<small>9.0%</small> 20.71	+17.9%	+3.71	<small>10.7%</small> 36.5	+21.2%
Profit before tax	<small>9.9%</small> 24.63	<small>9.0%</small> 20.59	+19.6%	+4.04	<small>9.9%</small> 33.7	+15.5%
Net Profit <small>Profit for the period attributable to owners of the parent</small>	<small>6.5%</small> 16.27	<small>6.0%</small> 13.79	+18.0%	+2.49	<small>6.8%</small> 23.0	+15.4%

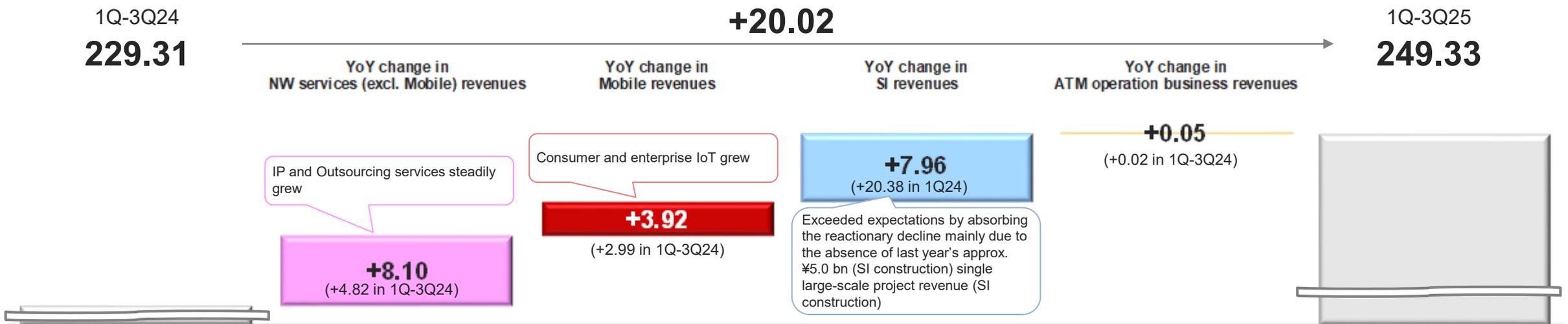
• SG&A etc. represents the sum of SG&A, which includes R&D expenses, and other income/expenses

Year over Year Analysis

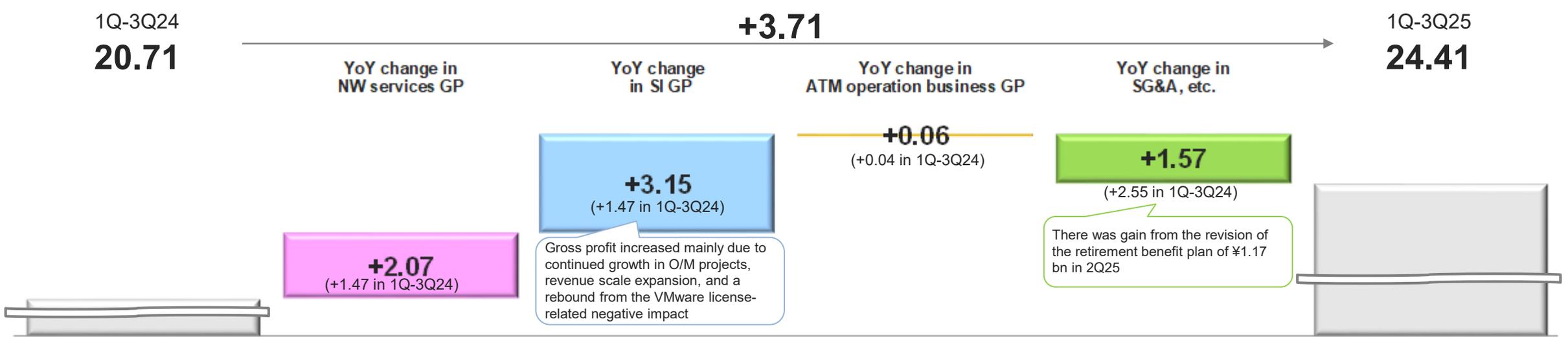
Unit: ¥ (JPY) billion (bn)
 GP = Gross Profit
 YoY = Year over year comparison

Financial
 Information

Revenues



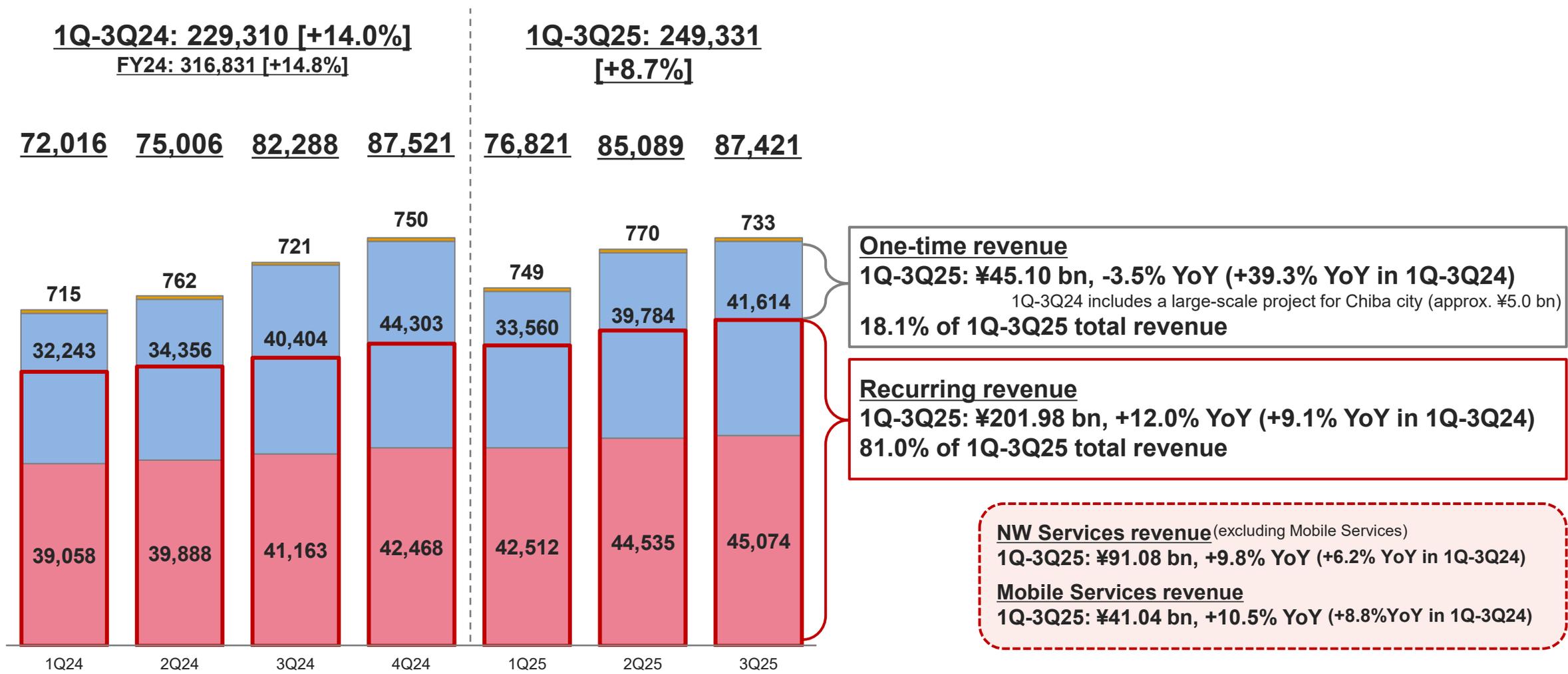
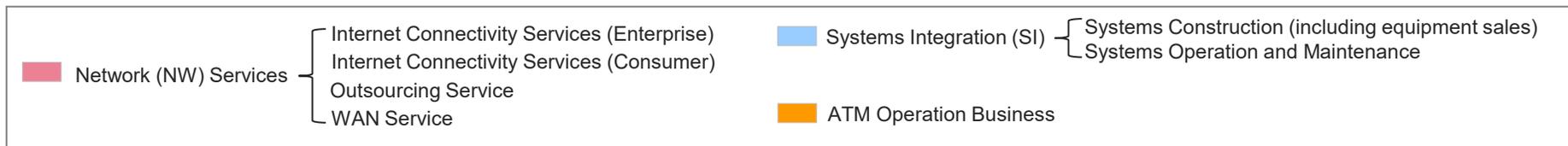
Operating Profit



- NW services (excl. Mobile) revenues are calculated by deducting the below mentioned Mobile services revenues from total NW services revenues. The revenues include non-mobile consumer revenue which is a small amount
- Mobile services revenues include IIJ Mobile Services (including MVNE) and IIJmio (consumer mobile)
- NW services gross profit consists of gross profit related to NW revenues (excl. Mobile) and Mobile revenues (The two services have costs in common and cannot be broken down in accounting terms)
- SG&A, etc. in this slide represents the sum of SG&A, which includes R&D expenses, and other income/expenses

Revenues

Unit: ¥ (JPY) million
 [], YoY = Year over year comparison
 QoQ = Quarter over quarter comparison



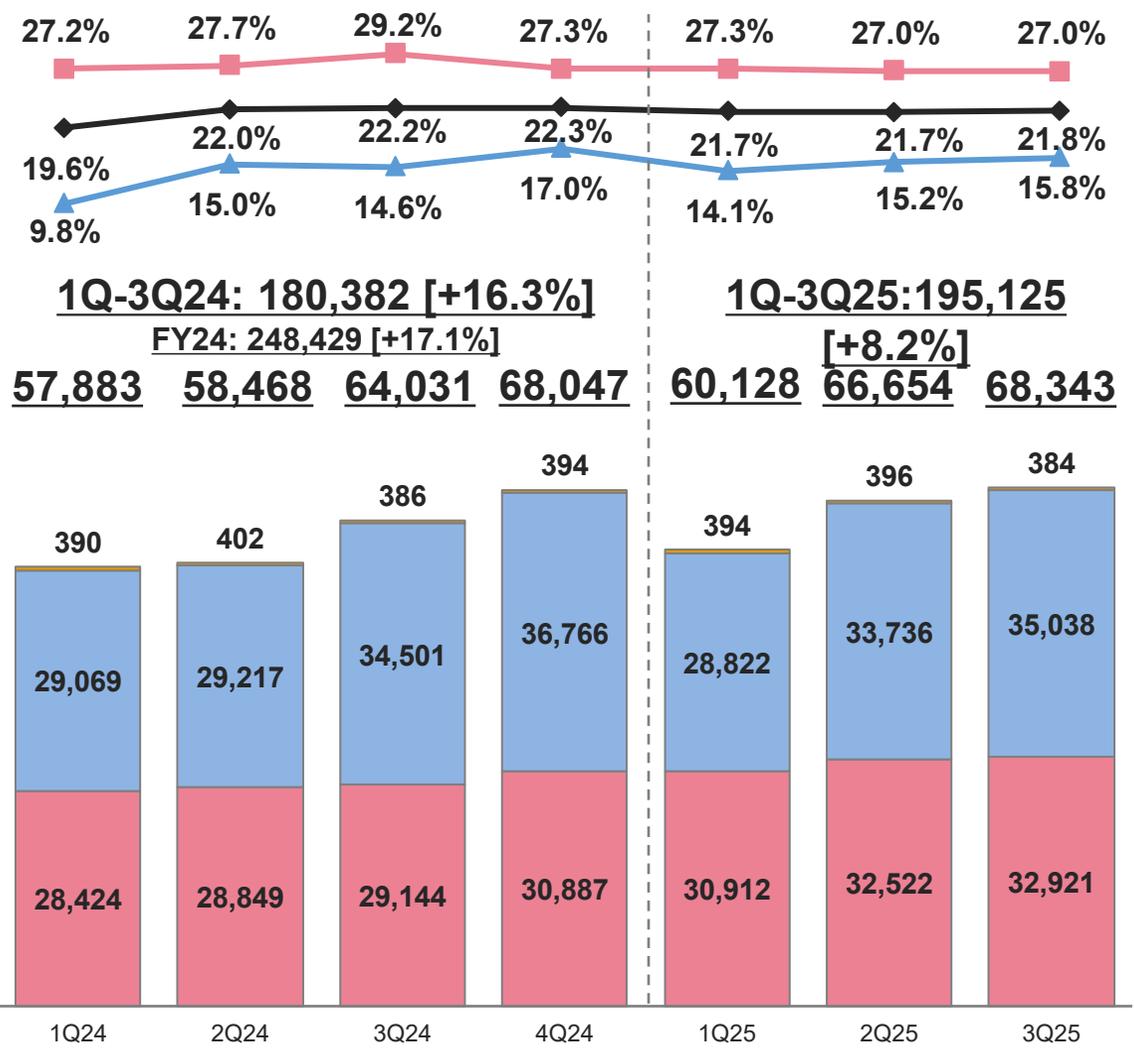
- One-time revenue, systems construction revenues which include equipment sales, is mainly recognized when systems and/or equipment are delivered and accepted by customers (Some revenues on a percentage-of-progress basis based on cost progression)
- Recurring revenue represents the following revenues: Internet Connectivity Services (Enterprise), Internet Connectivity Services (Consumer), Outsourcing Services, WAN Services, and Systems Operation and Maintenance
- Mobile services revenues include IJ Mobile Services (including MVNE) and IJmio (consumer mobile)

Cost of Revenues & Gross Margin

Unit: ¥ (JPY) million
 [], YoY = Year over year comparison
 QoQ = Quarter over quarter comparison

Financial Information

Gross margin: ■ NW (Network) Services ▲ SI (Systems Integration) ◆ Total
 Cost of revenues: ■ NW (Network) Services ■ SI (Systems Integration) ■ ATM Operation Business



◆ Total gross profit

➢ 1Q-3Q25: ¥54.21 bn, Gross margin 21.7% +¥5.28 bn, +10.8%YoY

◆ Gross profit for NW services

- 1Q-3Q25: ¥35.77 bn, Gross Margin 27.1% +¥2.07 bn, +6.2% YoY
- There was no one-time cost reimbursement in 3Q25 related to mobile interconnectivity charge that had occurred in prior years
- At the beginning of 3Q24, price revision for certain NW services was implemented. At the beginning of 1Q26, price revisions for certain NW services are scheduled to be implemented
- Fixed-type costs such as NW operation, outsourcing, and personnel-related costs have been on an upward trend

◆ Gross profit for SI

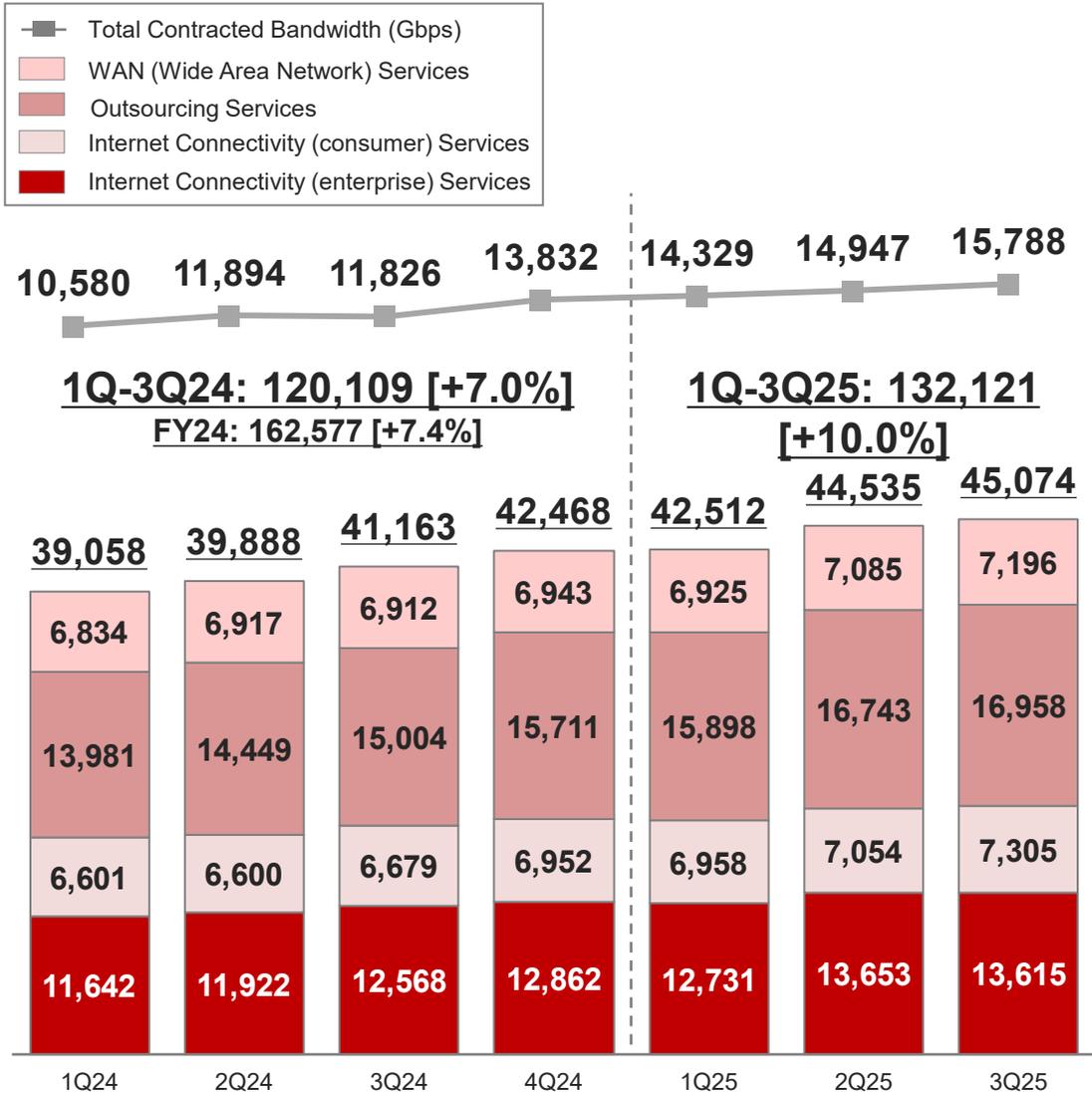
- 1Q-3Q25: ¥17.36 bn, Gross Margin 15.1% +¥3.15 bn, +22.1% YoY
- Gross margin improved YoY, mainly due to the accumulation of O/M projects and the rebound effect from the VMware license-related negative profit impact (approx. ¥1.2 billion) in 1Q-3Q24
- Excluding the rebound effect from the VMware license-related negative profit impact, the gross margin improved by 0.7 points YoY

- 3Q24 NW Services gross margin include one-time cost reimbursement related to the mobile data interconnectivity charge
- 4Q24 SI gross margin improved QoQ to seasonal revenue growth and economies of scale
- VMware license-related profit impact on NW Services: FY24 ¥-0.1 bn (1Q: approx. -¥0.3 bn, 2Q: approx. -¥0.3 bn, 3Q: approx. +¥0.2 bn, 4Q: approx. +¥0.3 bn)
- VMware license-related profit impact on SI: FY24 ¥-1.4 bn (1Q: approx. -¥0.9 bn, including approx. -¥0.7 bn of one-time cost due to provisions, 2Q: approx. -¥0.1 bn, 3Q: approx. -¥0.2 bn, 4Q: approx. -¥0.2 bn)

Network (NW) Services (1) Revenues

Unit: ¥ (JPY) million
 [], YoY = Year over year comparison
 QoQ = Quarter over quarter comparison

Financial Information



◆ Internet Connectivity (enterprise) Services

- 1Q-3Q25: ¥40.00 bn, +10.7% YoY (+8.7% YoY in 1Q-3Q24)
 - Of which, IP Service: ¥13.90 bn, +8.5% YoY (+7.3% YoY in 1Q-3Q24)
 - Of which, Enterprise mobile: ¥13.39 bn, +18.9% YoY (+12.1% YoY in 1Q-3Q24)
 - ✓ 2Q25 enterprise mobile revenue included a contribution of approx. ¥0.4 bn from device sales
 - Of which, MVNE: ¥8.91 bn, +4.9% YoY (+7.9% YoY in 1Q-3Q24)

◆ Internet Connectivity (consumer) Services

- 1Q-3Q25: ¥21.32 bn, +7.2% YoY (+6.3% YoY in 1Q-3Q24)
 - Of which, consumer mobile (IIJmio): ¥18.74 bn, +7.9% YoY (+7.1% YoY in 1Q-3Q24)

◆ Outsourcing Services

- 1Q-3Q25: ¥49.60 bn, +14.2% YoY (+11.0% YoY in 1Q-3Q24)
 - Of which, security: ¥30.15 bn, +14.1% YoY (+16.3% YoY in 1Q-3Q24)

◆ WAN Services

- 1Q-3Q25: ¥21.21 bn, +2.6% YoY (-2.6% YoY in 1Q-3Q24)

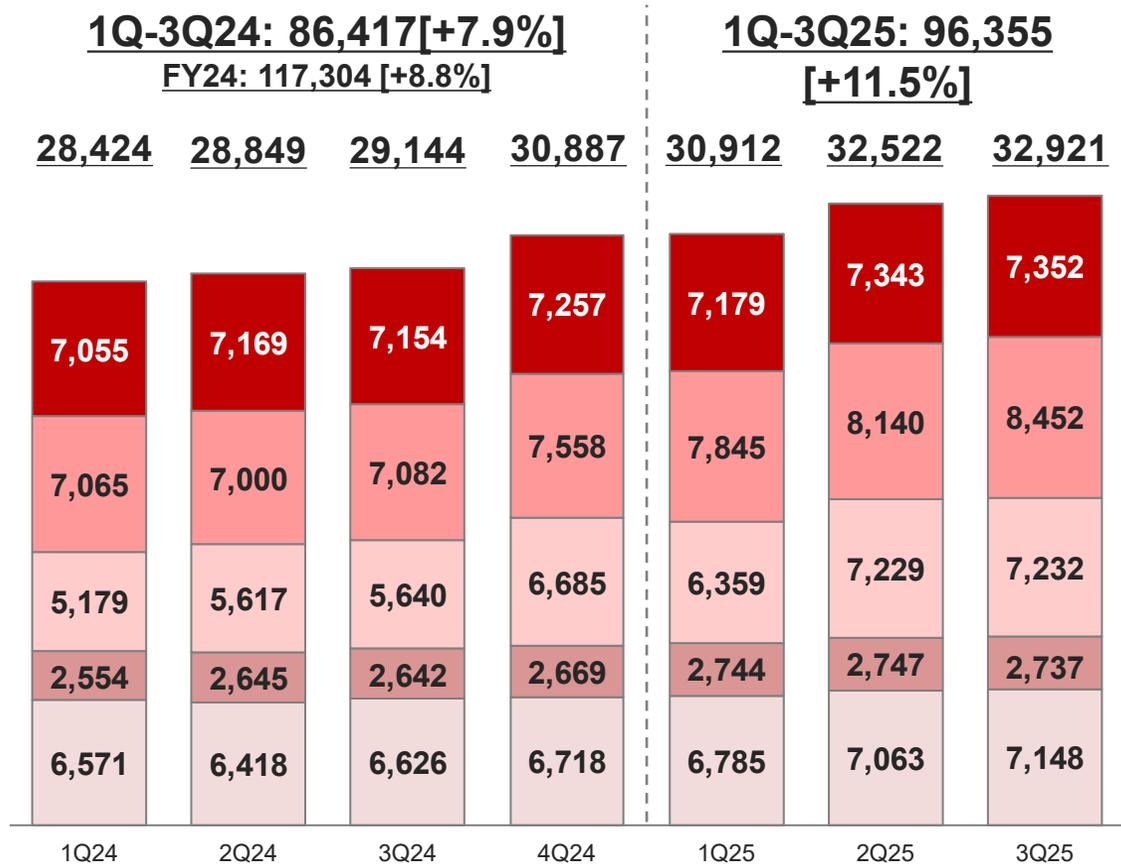
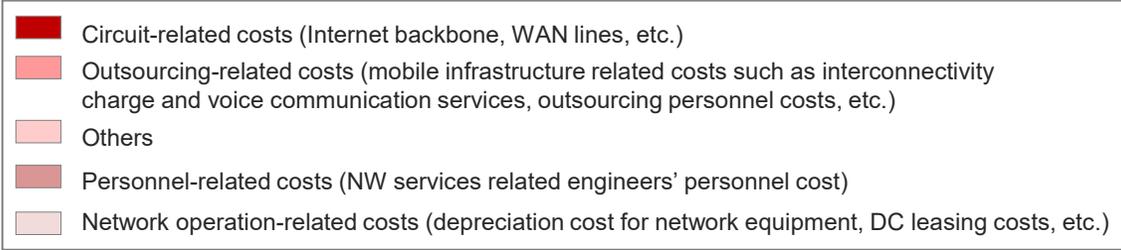
Enhancing existing services and introducing new offerings to drive NW service revenue growth this fiscal year

New: IIJ Security Doctor, IIJ Cloud Exchange Service for Prisma Access and more
 Enhancement: IIJ IoT Service, IIJ Flex Mobility Service/ZNTA, IIJ Secure End Service and more

- Total contracted bandwidth is calculated by multiplying number of contracts by contracted bandwidths for IP service and broadband services respectively which are both under Internet connectivity services for enterprise
- Total contracted bandwidth in 4Q24 significantly increased, driven by multiple customers adding or newly acquiring over 100Gbps
- IP (Internet Protocol) Service is bandwidth guaranteed dedicated Internet connectivity services for enterprises. Contracts are based on bandwidth and enterprises use the service for their core and main Internet connectivity
- Enterprise mobile primarily refer to direct offerings for IoT and similar usages
- MVNE (sales of service to other MVNOs) refers to IIJ Mobile MVNO Platform Service
- 3Q24 consumer mobile (IIJmio) include approx. ¥0.18 bn of sales netting due to campaign expenses in 3Q23 for fiber optic internet service, which was confirmed after one-year usage

Network (NW) Services (2) Cost of Revenues

Unit: ¥ (JPY) million
[], YoY = Year over year comparison



- 1Q-3Q25 Circuit-related costs remained stable
 - Internet backbone circuit cost remains stable by leveraging scale merit with one of the largest Internet backbone networks
 - QoQ increase in line with WAN service revenue
- 1Q-3Q25 Outsourcing-related costs remained stable
 - In 3Q25, there was no one-time cost reimbursement related to the finalization of FY24 mobile data interconnectivity charge
 - Outsourcing personnel cost increased at the beginning of fiscal year
- 1Q-3Q25 Others were on a continuous increasing trend
 - License fees such as SASE increased along with related revenue growth
 - Increased mobile device purchasing costs: approx. +¥1.9 bn YoY (1Q25: approx. +¥0.3 bn YoY, 2Q25: approx. +¥1.0 bn YoY, 3Q25: approx. +¥0.6 bn YoY)
- 1Q-3Q25 Personnel-related costs increased at the beginning of fiscal year due to revision of salary table and others, progressed as expected
- 1Q-3Q25 Network operation-related costs continued to increase along with facility expansions
 - Increases in depreciation costs were mainly due to MVNO infrastructure replacement and others by approx. +¥0.8 bn YoY

• Outsourcing costs: 3Q24 Outsourcing-related costs include one-time cost reimbursement based on the difference between future cost method figures and actual figures regarding FY23 usage, which was similar in volume to that recorded in 3Q23
 • FY24 Others cost was impacted by the VMware licenses (approx. +¥1.0 bn YoY) and enhancement of mobile procurement for 4Q promotional season (approx. +¥0.5 bn YoY)

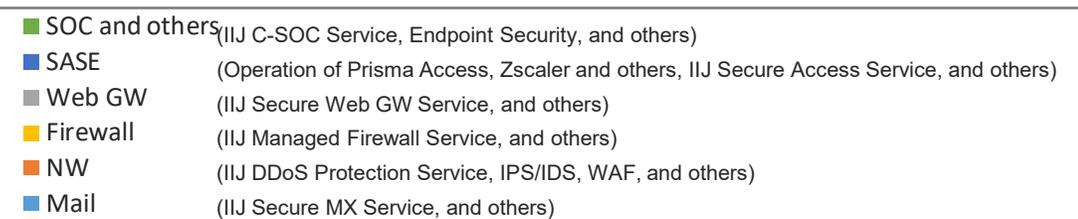
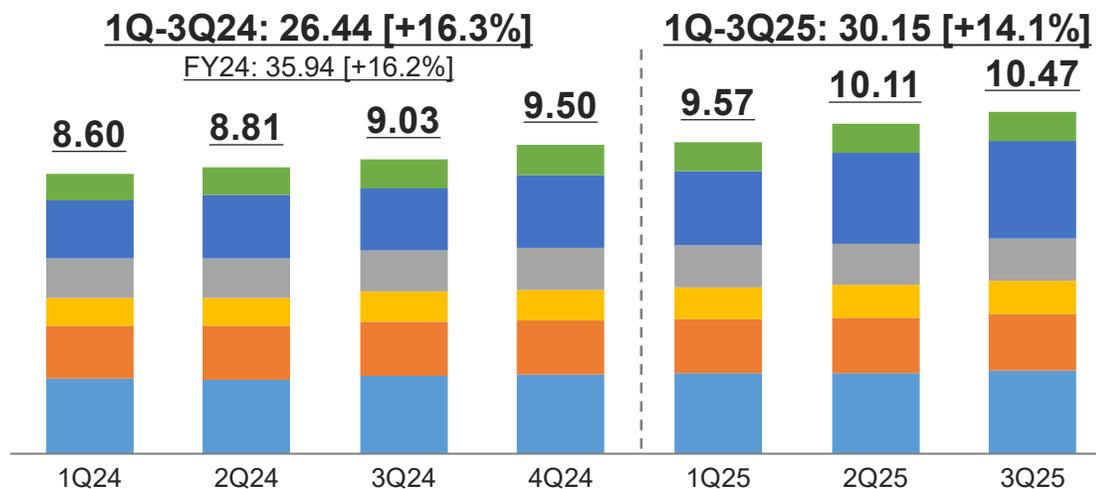
Network (NW) Services (3) Security and Mobile/IoT

Unit: ¥ (JPY) billion
 [] , YoY = Year over year comparison
 QoQ = Quarter over quarter comparison

Financial Information

Security Business

◆ Ongoing strong demand drives stable growth in security services (MRR)



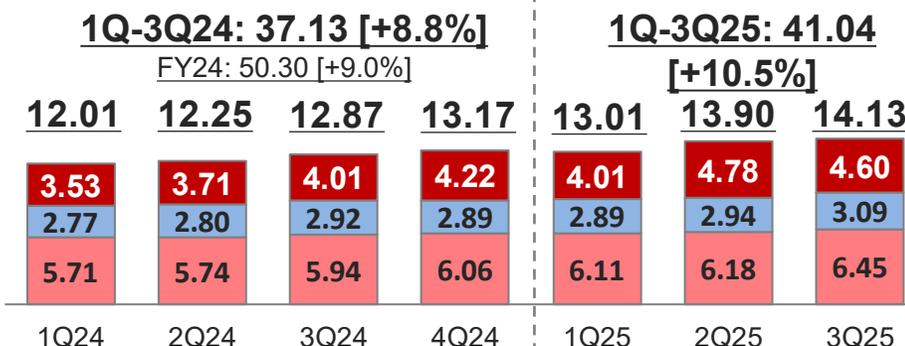
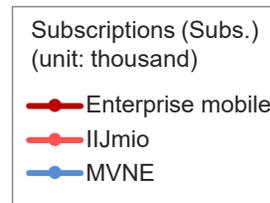
◆ Strong corporate interest in cybersecurity measures

- The number of companies participating in security-related service workshops increased 1.5 times YoY
- “IIJ Security Doctor” (launched in Nov. 2025), in which IIJ security experts provide comprehensive support for customers’ security measures and operations, is seeing growing demand and is expected to expand into the security assessment and consulting business
- Security services (monthly recurring revenue) is recognized as Outsourcing services revenue

Mobile/IoT Business

◆ Steady growth in both revenue and subscription across all segments

Enterprise	Continuous demand to connect devices such as IoT devices, taxi cab tablets, security cameras, dashboard cameras
Consumer	<ul style="list-style-type: none"> • Subscription continued to increase, supported by plan revisions in Mar. 2025 and JAL Mobile launched in Apr. 2025 • eSIM subscriptions increased strongly to over 200,000 (3Q25-end) • Awarded No.1 overall satisfaction for two consecutive years (Oricon customer satisfaction survey in the “low-cost smartphone” category)
MVNE	Steady growth in new MVNO clients is driving an increase in customers and subscriptions



	1Q24-end	2Q24-end	3Q24-end	4Q24-end	1Q25-end	2Q25-end	3Q25-end
Number of MVNE clients (unit: companies)	195	197	200	201	202	205	207
IIJmio GigaPlans Subs. (unit: thousand)	1,069	1,084	1,085	1,124	1,175	1,216	1,238

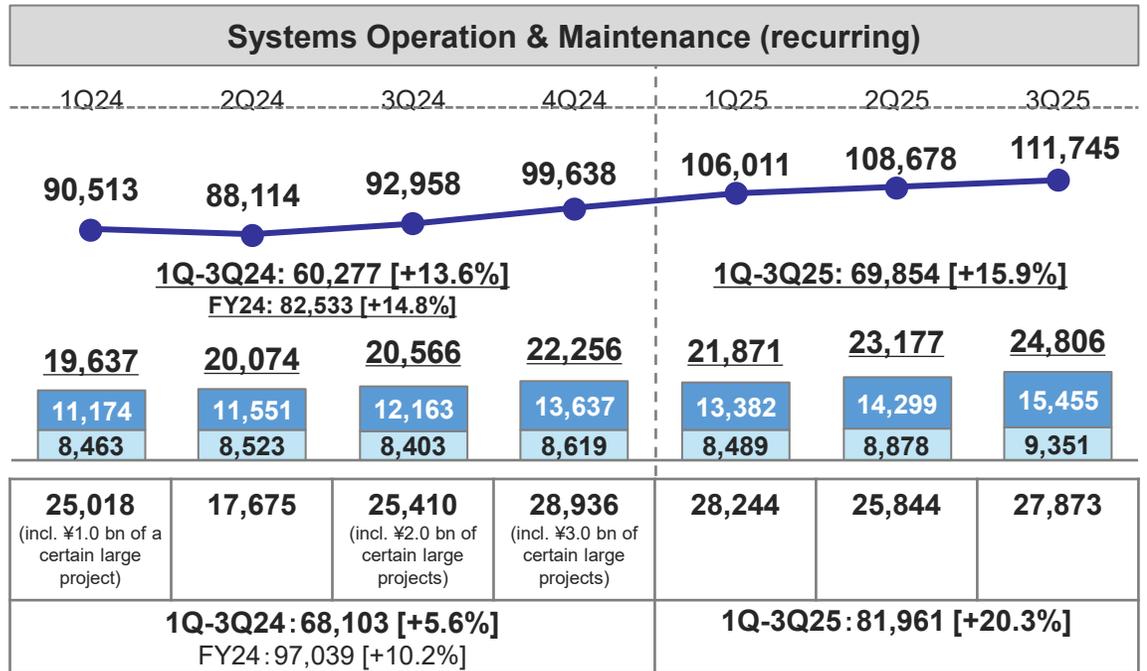
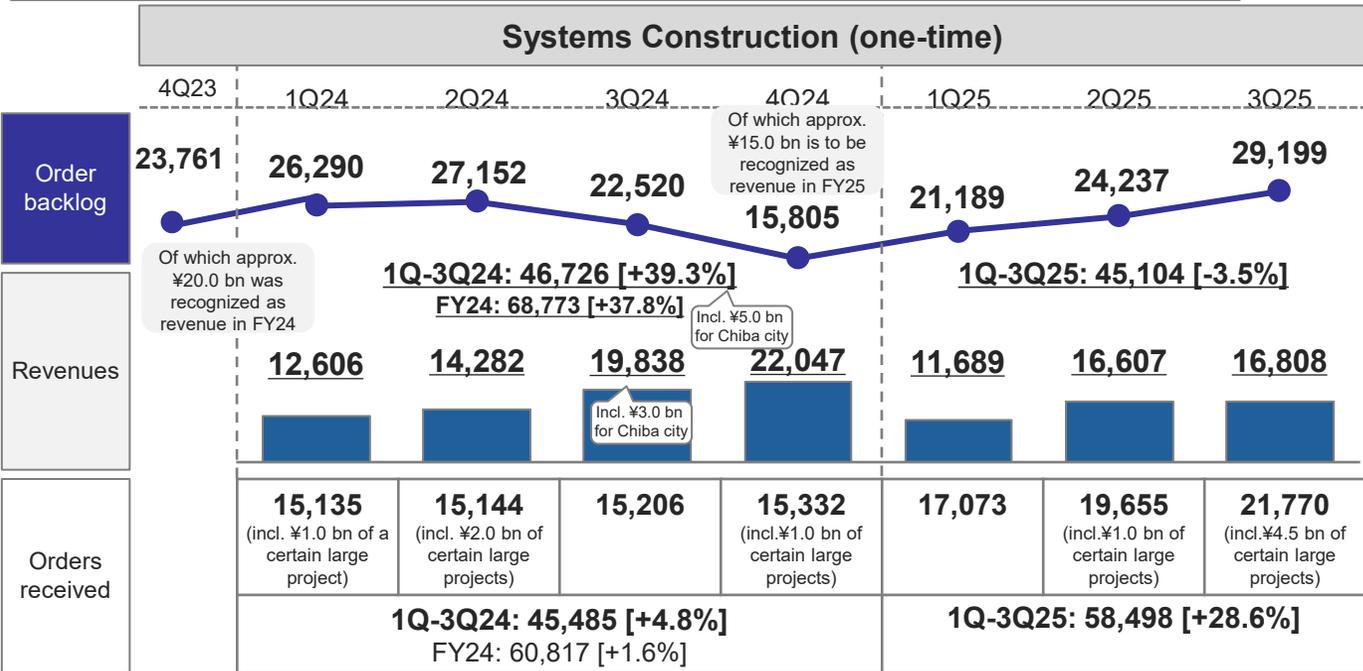
- Enterprise Mobile and MVNE refer to direct service offerings for IoT and other device connectivity use cases and IIJ Mobile MVNO Platform Services provided to other MVNO operators, respectively.
- 2Q25 enterprise mobile revenue included a contribution of approx. ¥0.4 bn from device sales

Systems Integration (SI) (1) Revenues

Unit: ¥ (JPY) million
 [], YoY = Year over year comparison
 QoQ = Quarter over quarter comparison

Financial Information

- Systems Construction revenues (including equipment sales)
- Systems operation & maintenance revenues for on-premise system
- Cloud revenues such as private cloud which are recognized as systems operation & maintenance revenues



- Favorable demand situation: strong demand to construct core NW/system from all industries
- Consistently secured large-scale Service Integration projects from 3Q25 onward
 - *The project volume includes both SI and network services
 - Core system replacement for a security company (Approx. ¥1.0 bn, 2 yrs)
 - IT infrastructure renewal for a life insurance company (Approx. ¥2.0 bn, 2 yrs)
 - Office IT platform implementation for a construction company (Over ¥6.0 bn, 3 yrs) expect all of the revenue to be recognized as NW services
 - Security enhancement for a manufacturing company (Approx. ¥2.0 bn, 5 yrs)

Continued strong revenue growth including the start of SI O/M for large-scale projects. YoY growth rates rising each quarter

Cloud Service Revenue (recurring)

Unit: JPY bn

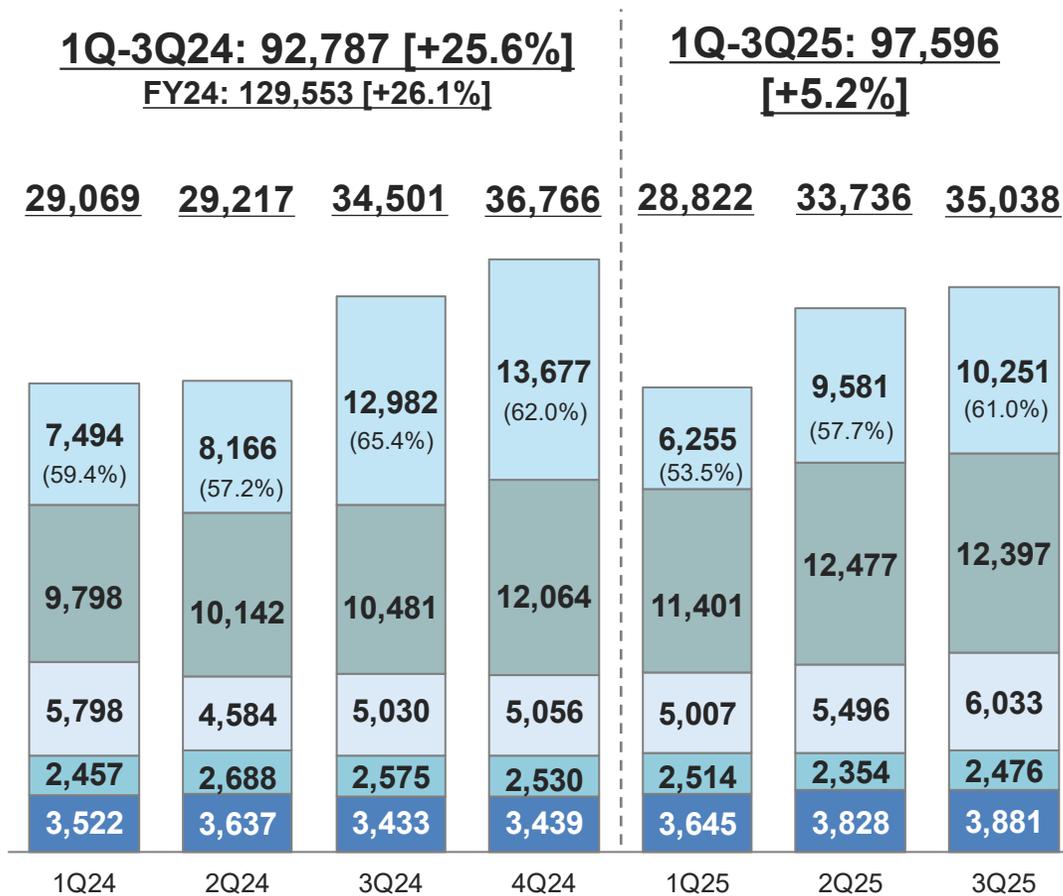
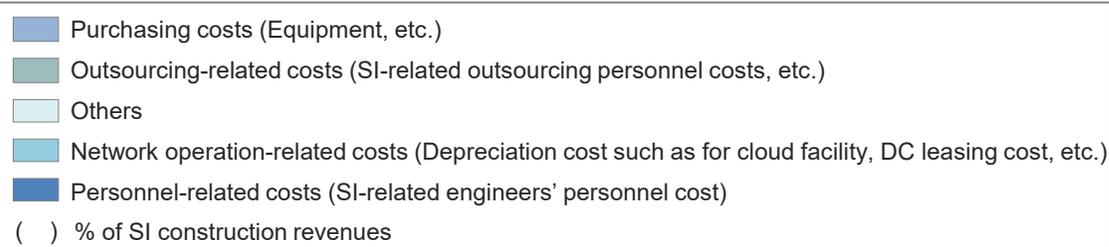
	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25
Private Cloud Own service, multi-cloud, etc.	7.1	6.9	6.9	7.0	6.9	7.3	7.8
Raptor FX system services for financial institutions	1.1	1.5	1.3	1.4	1.3	1.4	1.4
Others Own public cloud, overseas cloud, etc.	0.9	0.8	0.8	0.8	0.8	0.8	0.8
Total	9.1	9.1	9.0	9.2	9.1	9.4	9.9

- Breakdown of 1Q-3Q25 cloud revenue
 - ✓ 94.0% Systems O/M
 - ✓ 6.0% Outsourcing service
- FY24 cloud service revenue was impacted by a certain multi-cloud project: 1Q24 revenue included +¥0.3 bn of one-time due to the termination of the transaction, 2Q, 3Q, and 4Q24 MRR decreased by approx. -¥0.6 bn/Q

Systems Integration (SI) (2) Cost of Revenues

Unit: ¥ (JPY) million
[], YoY = Year over year comparison

Financial Information



- 1Q-3Q25 Purchasing & outsourcing-related costs are linked to the size of project and revenue to a certain degree in principle
- 1Q-3Q25 Others include license purchasing costs and others
- No significant change in 1Q-3Q25 Network operation-related costs on a quarterly basis
- 1Q-3Q25 Personnel-related costs increased at the beginning of fiscal year due to revision of salary table and others, progressed as expected

Number of SI-related outsourcing personnel (unit: personnel)

1Q24-end	2Q24-end	3Q24-end	4Q24-end	1Q25-end	2Q25-end	3Q25-end
1,513	1,525	1,510	1,596	1,578	1,603	1,607

- Due to many ongoing projects including ones before order-received, the number of outsourcing personnel has been at a high level

Regarding Others, the revenue-linked multi-cloud license cost decreased as expected along with the termination of a large client's transaction at the end of 1Q24. FY24 cost impact related to VMware license was approx. +¥2.6 bn YoY (including a one-time cost due to provisions of approx. ¥0.7 bn in 1Q24, resulting in a YoY increase of ¥1.2 bn for the quarter)

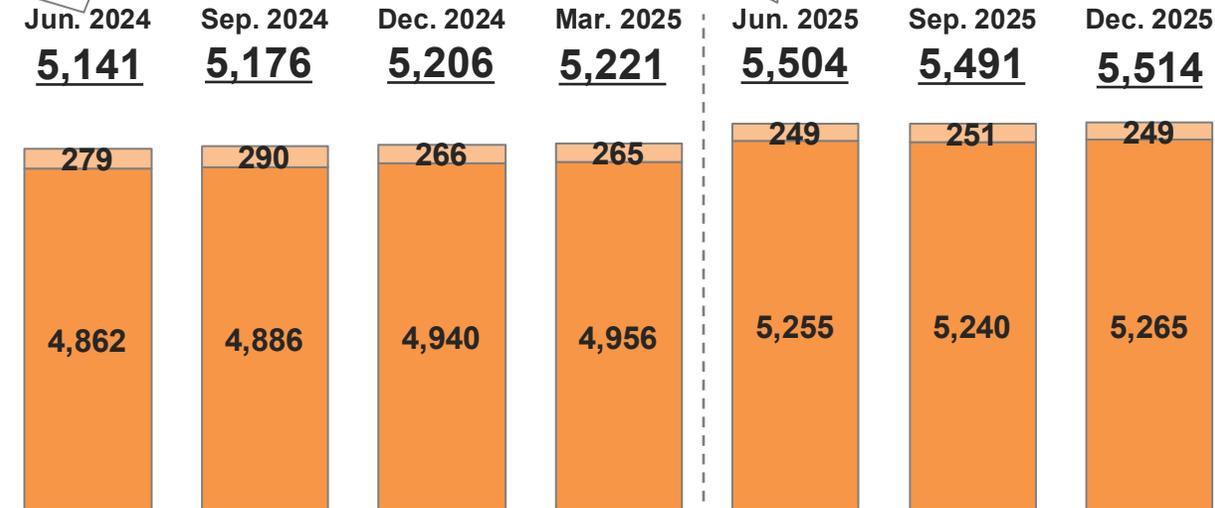
Human Capital Disclosure

Number of Employees (consolidated basis)

- Contract worker (personnel)
- Full-time worker (personnel)

+394 YoY of which, 307 were new graduates

+363 YoY of which, 269 were new graduates



* Personnel adjustments were made at an overseas subsidiary in 2Q25

Personnel-related Costs & Expenses (consolidated basis)

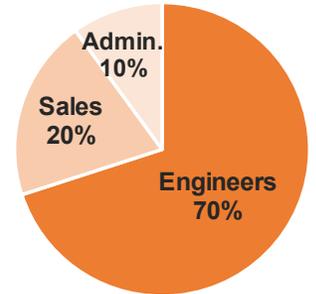
Unit: ¥ (JPY) million

	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25
Consolidated personnel-related costs & expenses (YoY)	10,333 (+10.4%)	10,665 (+15.3%)	10,299 (+9.4%)	10,341 (+7.5%)	11,049 (+6.9%)	11,305 ² (+6.0%)	11,278 (+9.5%)
	1Q-3Q24: 31,296 (+11.7%) ¹				1Q-3Q25: 33,632 (+7.5%)		
	FY24: 41,638 (+10.6%)						
% of revenue	14.3%	14.2%	12.5%	11.8%	14.4%	13.3%	12.9%

(¹) In 1H24, there was a one-time payment to address inflation. As a result, the YoY growth rate of personnel-related expenses in 1Q-3Q25 slightly declined

(²) Gain on the revision of the retirement benefit plan was not included

Breakdown of Employees



➤ FY25

- Number of employees to increase by approx. 440 personnel, including 269 new graduates
- Average annual salary increased by approx. 6.0%, including the compensation revision, in Apr. 2025 (IIJ)
 - ✓ Compensation revisions in the past: Apr. 2019, Apr. 2023
 - ✓ The same level of revision (IIJ) is planned for Apr. 2026

Number of New Graduates

(consolidated basis)
Unit: personnel



Ratio of Female Managers (IIJ)

➤ Achieved FY24 and FY27 targets a year in advance

- Initial targets: FY24 over 6%, FY27 over 8%

Period	Ratio of Female Managers
Apr. 2022	5.7%
Apr. 2023	6.3%
Apr. 2024	7.5%
Apr. 2025	8.4%

Employee Survey (IIJ)

➤ FY25 employee survey indicates high overall satisfaction level: 3.8 (out of 5)

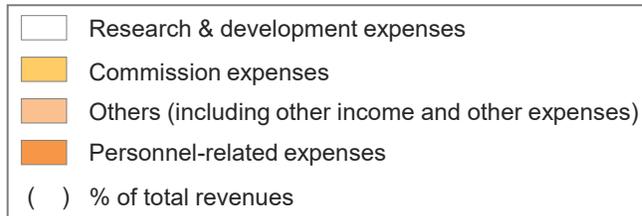


Turnover Rates (IIJ)

➤ Lower than the industry average turnover



* The Employee Survey(IIJ) is an annual engagement survey (approx. 50 questions), and each item is rated on a five-point scale: 1 (disagree), 2 (somewhat disagree), 3 (neutral), 4 (somewhat agree), and 5 (agree). The "Overall Satisfaction" is the result of a question, "I am satisfied overall."
 * The turnover rate of IIJ is calculated by dividing leavers for the fiscal year by the number of full-time employees at the beginning of that fiscal year. The industry average turnover rate of approx. 10% is announced by the Ministry of Health, Labor, and Welfare

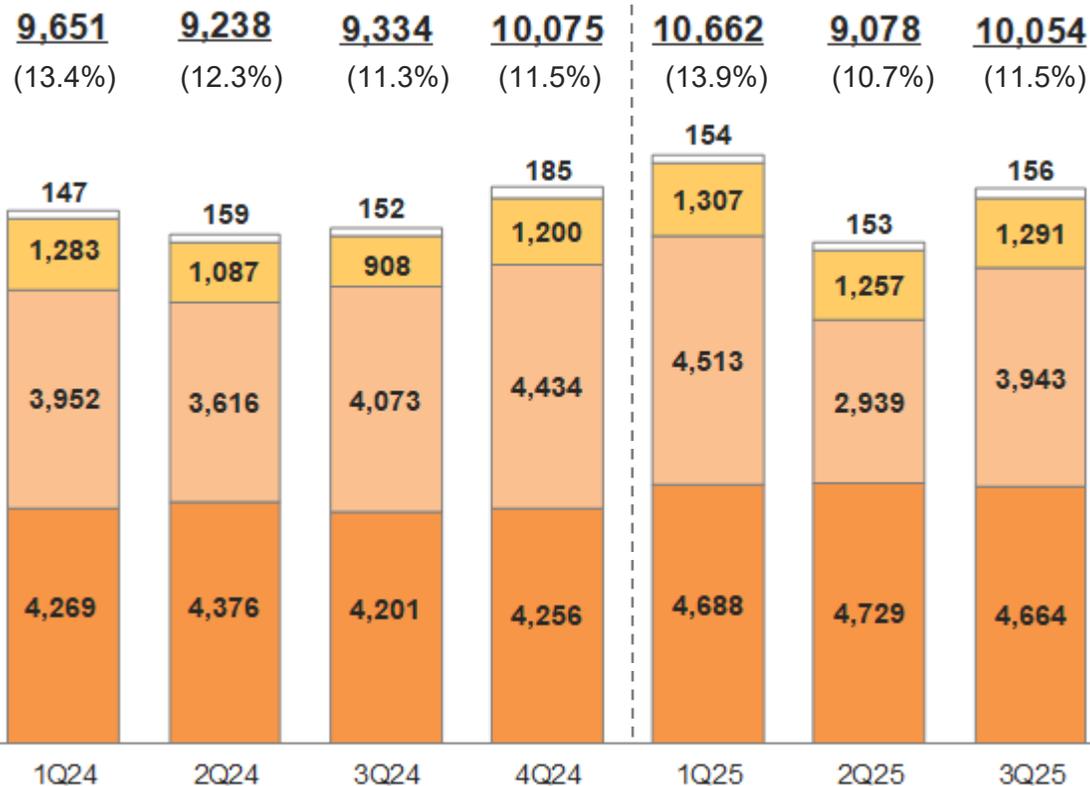


1Q-3Q24: 28,223 [+9.9%]

FY24: 38,298 [+9.9%]

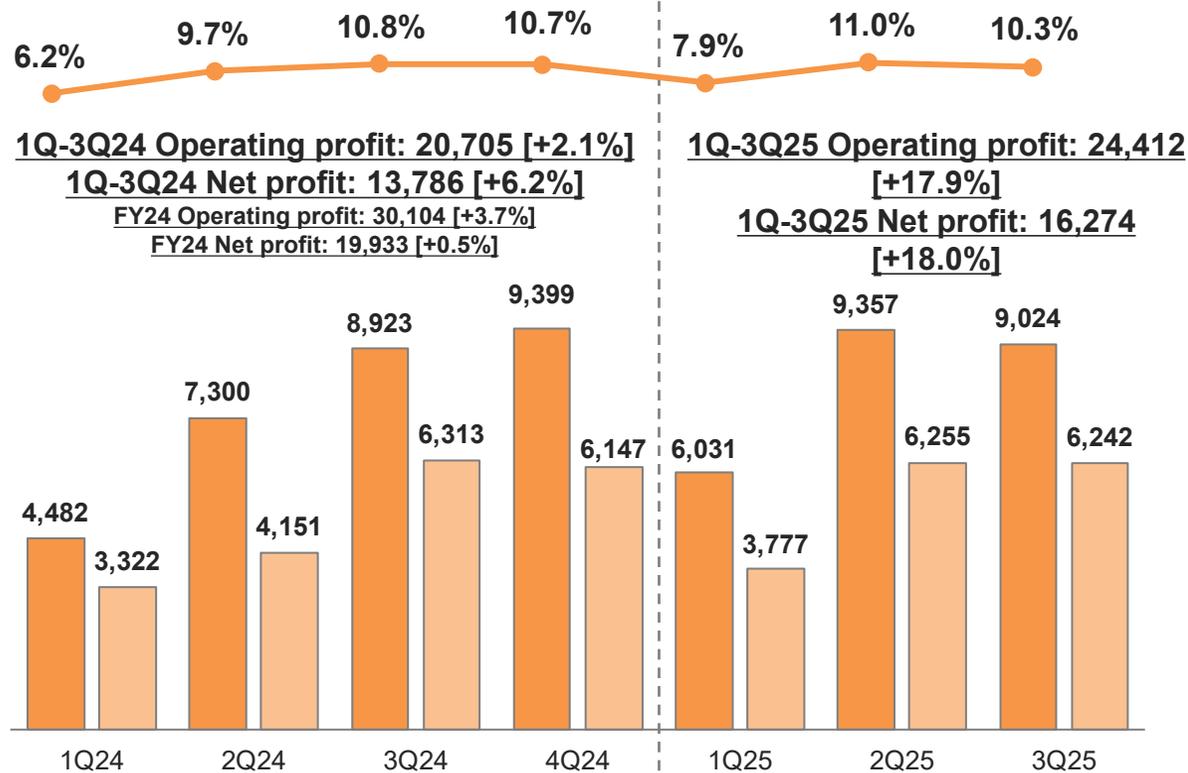
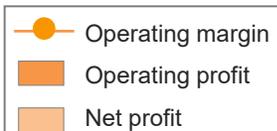
1Q-3Q25: 29,794

[+5.6%]



- SG&As progressed as expected
- 1Q-3Q25 Research & development expenses are mainly personnel expenses of research institute division. No major changes
- 1Q-3Q25 Commission expenses are mainly recruitment expenses and credit card fees for consumers
- 1Q-3Q25 Others are increasing mainly because of increases in advertisement and activity-related expenses such as travel expenses. 1Q training expenses also increased temporarily due to new graduate hire
 - 2Q25 Other income included a one-time gain of ¥1.17 bn from the revision of retirement benefit plans (IIJ)
- 1Q-3Q25 Personnel-related expenses (salary, employee benefits, etc.) increased as expected, mainly due to the compensation revision and hiring of new graduate at the beginning of FY25

- Above figures are SG&A expenses plus other income and other expenses
- 1Q personnel-related and others expenses increase mainly due to an increase in training and human capital development expenses along with the entry of new graduates. Such expenses decrease in 2Q QoQ as expenses for new graduate engineers are recorded as cost of revenues from 2Q



1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	
719	(1,294)	722	(653)	(186)	173	615	Finance income (expense), net
(162)	71	(173)	(150)	(108)	(118)	(157)	Share of profit (loss) of investments accounted for using equity method
(1,654)	(1,915)	(3,092)	(2,419)	(1,928)	(3,091)	(3,173)	Income tax expense
63	11	67	30	32	66	67	Profit (loss) for the period attributable to non-controlling interests

- Under IFRS, equity securities are measured at fair value through OCI (Other Comprehensive Income) while funds are measured through profit or loss
- Net profit shows "Profit for the period attributable to owners of the parent"

◆ **1Q-3Q25 Operating profit : ¥24.41 bn, +17.9% YoY**

- Operating profit was below expectations as strong SI demand and broad inflationary cost increases continue
- There was a one-time gain from the revision of retirement benefit plan of ¥1.17 bn in 2Q25

◆ **1Q-3Q25 Profit before tax: ¥24.63 bn, +19.6% YoY**

- Interest expense: ¥1,002 million (1Q-3Q24: ¥738 million)
- Foreign exchange gain(loss) and valuation gain(loss) on funds
Due to foreign exchange rate, profit or loss quarterly fluctuate, 1Q-3Q25 was within our expectations

	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25
Exchange rate at the end of Q (per USD)	161.07	142.73	158.18	149.52	144.81	148.88	156.56
Foreign exchange gain(loss)	+196	(249)	+196	(97)	(67)	(7)	+24
Valuation gain(loss) on funds, etc.*	+585	(863)	+790	(311)	(14)	+446	+883

*Foreign exchange impacts were also included as lots of assets are dominated in USD

- Share of gain(loss) of investments accounted for using equity method:
-¥383 million (1Q-3Q24: -¥264 million)

✓ DeCurret-related gain(loss) : IJ ownership from Sep. 2024: 34.8%

1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	FY25 plan
(182)	+25	(177)	(219)	(174)	(182)	(205)	(700)

2Q24 included gain of ¥209 million on change in equity interest due to DeCurret HD's capital increase in Sep. 2024

- ✓ Please refer to page 25 of this presentation for the recent business developments of DeCurret DCJPY*
*DCJPY: A digital currency that tokenizes bank deposit on the blockchain. Also called tokenized deposits, they can be minted, transferred, and burned on the DCJPY Network
- ✓ Considering the social adoption timeline for tokenized deposits, the expected timing for monthly profitability has been pushed back to from the second half of FY26 and is under review

◆ **1Q-3Q25 Net profit: ¥16.27 bn, +18.0% YoY**

- Net profit was in line with expectations, mainly supported by financial income

Consolidated Statements of Financial Position (Summary)

Financial
Information

Unit: ¥ (JPY) million

	Mar. 31, 2025	Dec. 31, 2025	Changes		Mar. 31, 2025	Dec. 31, 2025	Changes
Cash & cash equivalents	32,534	40,603	+8,069	Trade & other payables	30,238	29,557	(681)
Trade receivables	56,361	50,928	(5,433)	Borrowings (current & non-current)	33,616	35,570	+1,954
Inventories	4,681	5,471	+790	Contract liabilities & Deferred income (current & non-current)	26,043	37,791	+11,748
Prepaid expenses (current & non-current)	56,930	69,047	+12,117	Income taxes payable	5,205	3,926	(1,279)
Tangible assets	33,771	40,092	+6,321	Retirement benefit liabilities	4,849	1,002	(3,847)
Right-of-use assets	45,756	41,366	(4,390)	Other financial liabilities (current & non-current)	58,578	63,627	+5,049
Of which, operating leases (rent of office, data center etc.)	28,958	23,188	(5,770)	Of which, operating leases (rent of office, data center etc.)	29,714	23,927	(5,787)
Of which, finance leases (network equipment etc.)	16,798	18,178	+1,380	Of which, finance leases (network equipment etc.)	19,172	21,259	+2,087
Goodwill & intangible assets	31,328	33,004	+1,676	Others	11,820	11,374	(446)
Investments accounted for using the equity method	6,639	6,192	(447)	Total liabilities:	170,349	182,847	+12,498
Investment securities (Equity)	15,823	15,193	(630)	Share capital	25,577	25,663	+86
Other investments	10,711	12,175	+1,464	Share premium	35,865	35,749	(116)
Others	17,901	21,992	+4,091	Retained earnings	79,885	90,174	+10,289
				Other components of equity	11,266	11,976	+710
				Treasury shares	(11,910)	(11,755)	+155
				Total equity attributable to owners of the parent:	140,683	151,807	+11,124
				Non-controlling interests	1,403	1,409	+6
Total assets:	312,435	336,063	+23,628	Total liabilities and equity:	312,435	336,063	+23,628

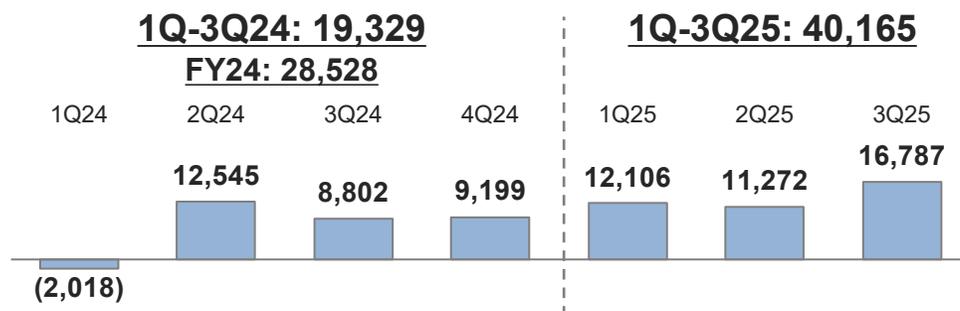
- Prepaid expenses increased mainly due to increases in projects for clients, license fee and maintenance for facility, etc., Expected to be recovered gradually over multiple years
- Tangible assets increased mainly due to investment in data centers
- Ratio of total equity attributable to owners of the parent: 45.0% as of Mar. 31, 2025, 45.2% as of Dec. 31, 2025

Consolidated Cash Flows

Unit: ¥ (JPY) million
YoY = Year over year comparison

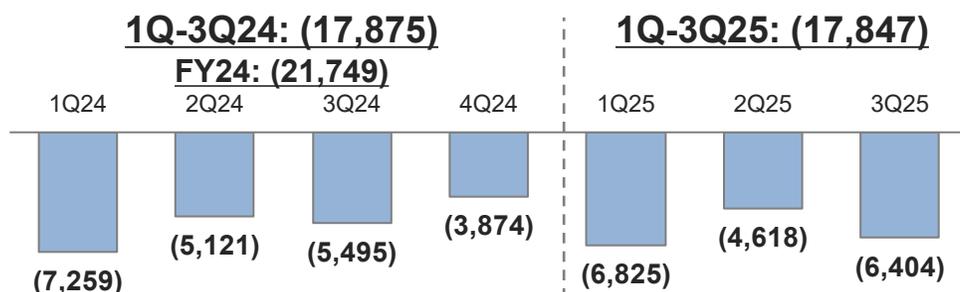
Financial
Information

Operating Activities



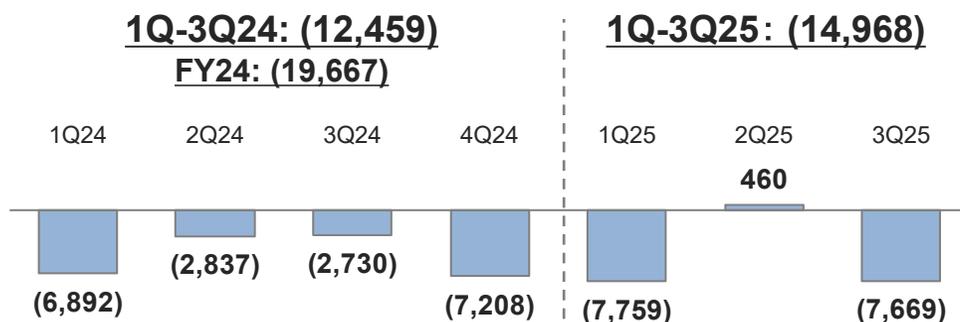
	1Q-3Q25 Major Breakdown	YoY Change
Profit before tax	24,631	+4,043
Depreciation and amortization	24,417	+1,137
Changes in operating assets & liabilities	181	+17,303
Of which, decrease (increase) in prepaid expenses (recovering prepaid expenses)	(11,582)	+5,826
Income taxes paid	(9,591)	(191)

Investing Activities



	1Q-3Q25 Major Breakdown	YoY Change
Purchase of tangible assets	(14,422)	(4,711)
Of which, data center-related	(7,274)	(3,008)
Purchase of intangible assets such as software	(5,958)	+309

Financing Activities



	1Q-3Q25 Major Breakdown	YoY Change
Proceeds from other financial liabilities	8,273	+503
Payment of operating/finance leases and other financial liabilities	(18,508)	(1,006)
Short-term borrowings	2,000	(5,000)
Dividends paid	(6,553)	(419)

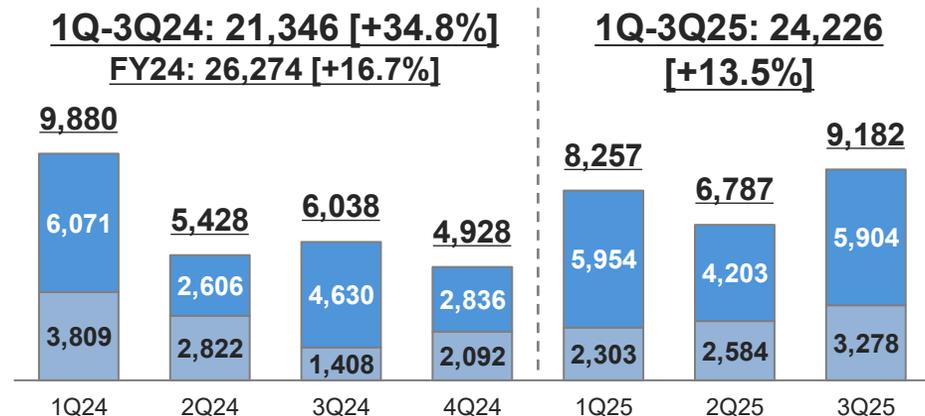
Other Financial Data

Unit: ¥ (JPY) million
[], YoY = Year over year comparison

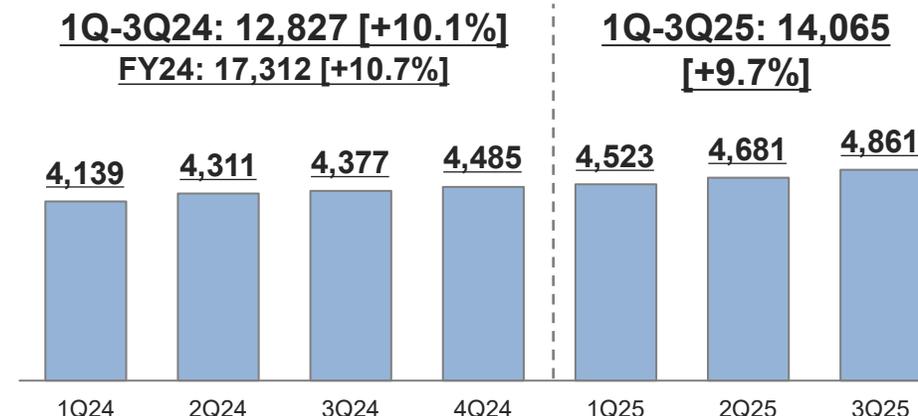
Financial Information

CAPEX

Cash CAPEX
Finance lease



CAPEX-related depreciation and amortization



Major breakdown of CAPEX (Unit: ¥ bn)

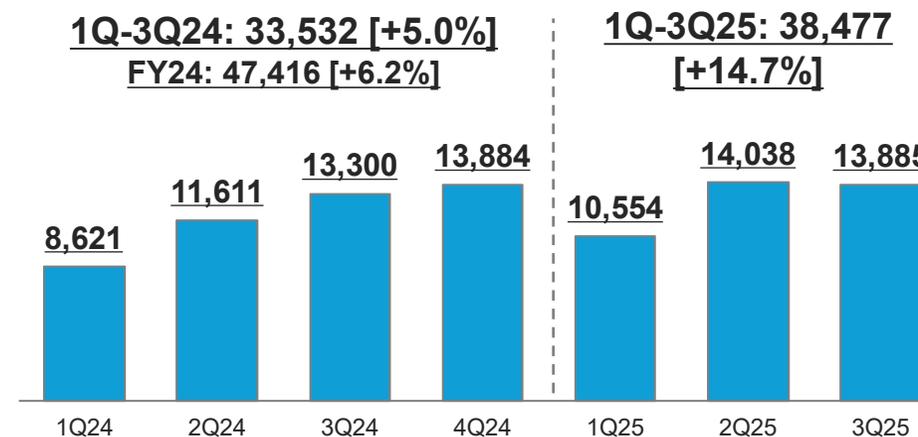
	1Q-3Q24	1Q-3Q25	Notes
Ordinal CAPEX (NW equipment & server, etc.)	9.3	11.2	Sustained investment
Shiroi data center-related	0.7	6.1	Individual investment for anticipated demand
Matsue data center-related	3.7	2.0	
Customer-related	4.5	2.4	Investment for each project
Renewal of Full-MVNO 5G infrastructure	2.3	2.3	Ad-hoc investment
Renewal of FX SaaS service facility	0.5	0.2	Ad-hoc investment

FY25 CAPEX plan: approx. ¥30.0 bn

- Of which, approx. ¥8.5 bn is for Shiroi data center's 3rd site construction
- Progressing within expectation

- Total amount of capital expenditure is the amounts of acquisition of tangible and intangible assets by cash and entering into finance leases for the fiscal year, excluding duplication due to sale and leaseback transactions and acquisition of assets that do not have the nature of investment, such as purchase of small-amount equipment.
- CAPEX-related depreciation and amortization is calculated by excluding depreciation and amortization of assets that do not have the nature of capital investment, such as right-of-use assets related to operating leases, small-amount equipment and customer relationship.
- Adjusted EBITDA is calculated by adding operating profit and CAPEX-related depreciation and amortization.

Adjusted EBITDA

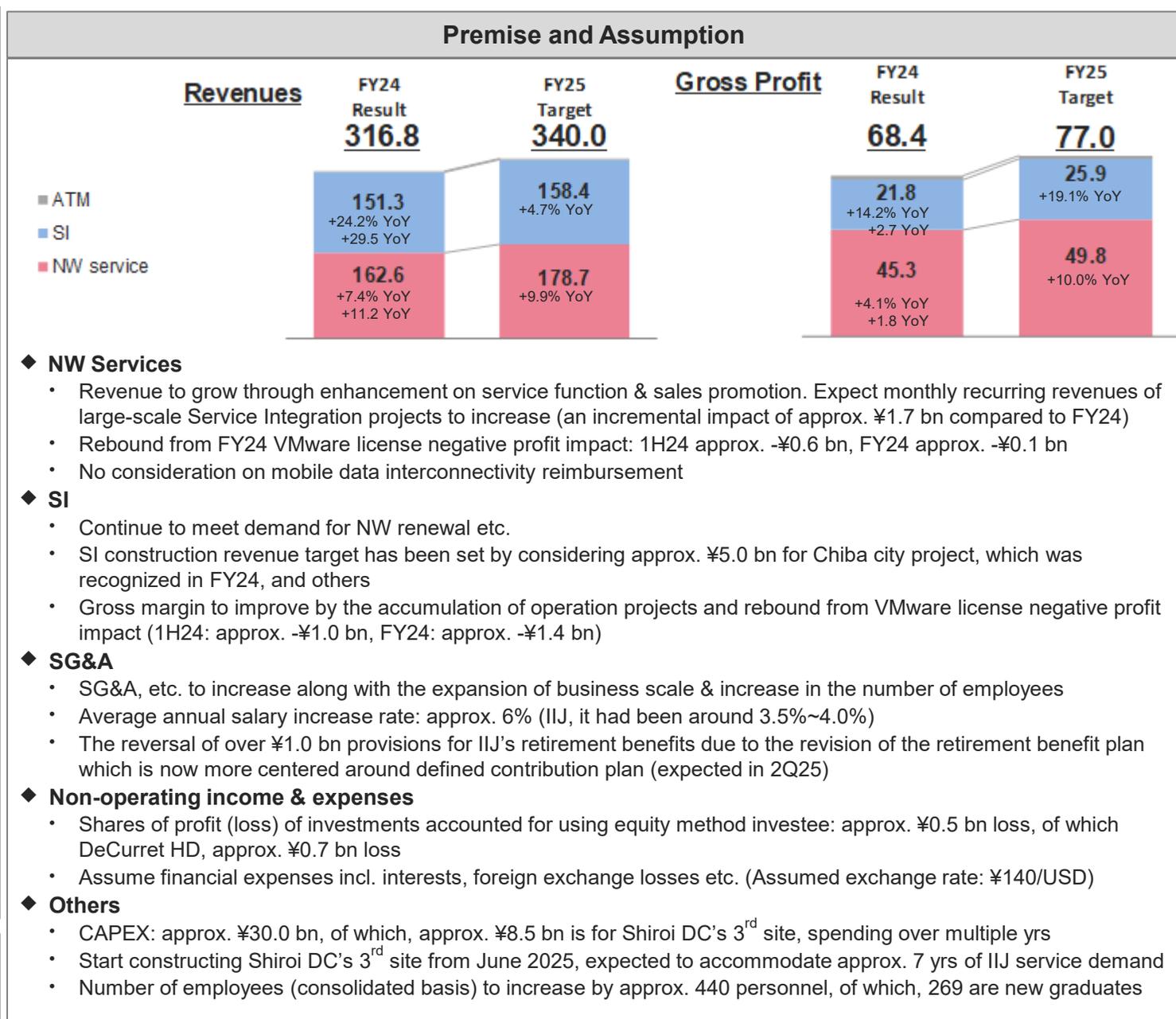


FY25 Financial Targets (Unchanged from May 2025)

Unit: ¥ (JPY) billion (bn)
GP = Gross Profit

Financial
Information

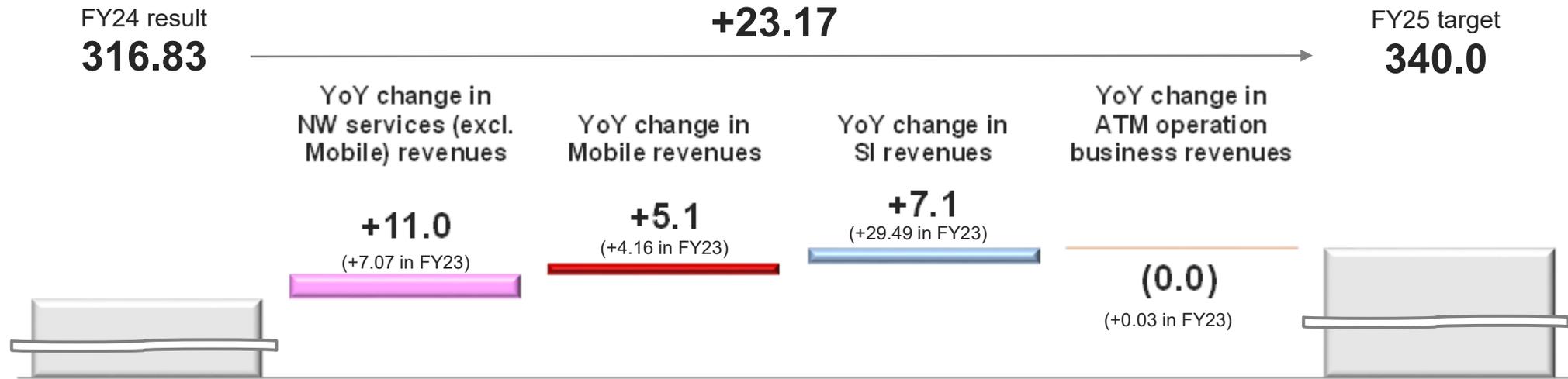
	FY25 Targets			
	% of total revenue 1H25 (Apr. 1, 2025 - Sep. 30, 2025)	YoY	% of total revenue FY25 (Apr. 1, 2025 - Mar. 31, 2026)	YoY
Total Revenue	158.0	+7.5%	340.0	+7.3%
Gross Profit	22.1% 34.9	+13.8%	22.6% 77.0	+12.6%
SG&A etc.	12.3% 19.4	+2.7%	11.9% 40.5	+5.7%
Operating Profit	9.8% 15.5	+31.6%	10.7% 36.5	+21.2%
Shares of profit(loss) of investments accounted for using equity method investee	(0.2)	-	(0.5)	-
Profit before tax	8.8% 13.9	+25.0%	9.9% 33.7	+15.5%
Net Profit (Profit for the period attributable to owners of the parent)	5.9% 9.4	+25.8%	6.8% 23.0	+15.4%
Dividend per share	¥19.50	+¥2.00	¥39.00	+¥4.00



Year over Year Analysis (Unchanged from May 2025)

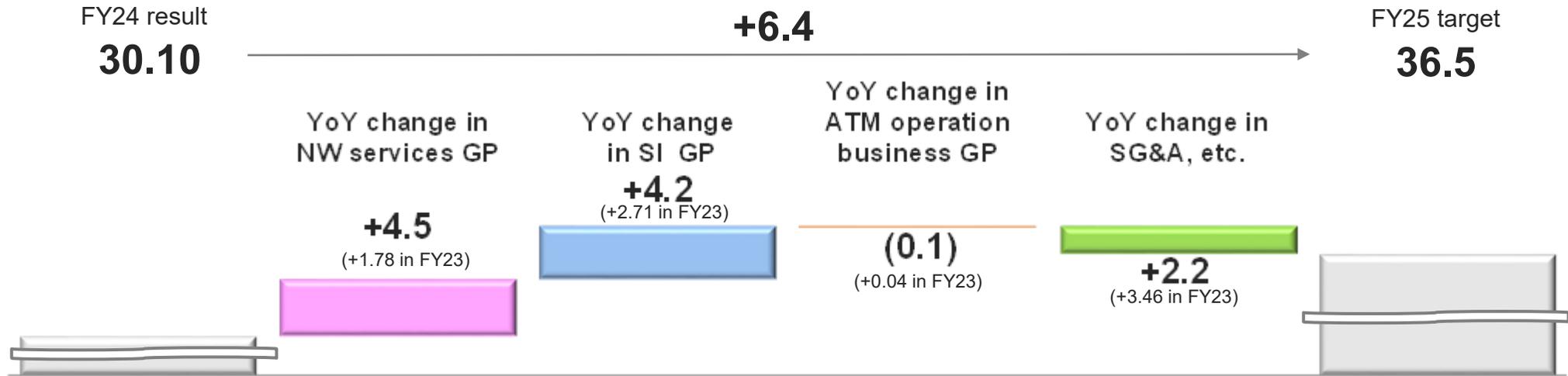
Unit: ¥ (JPY) billion (bn)
GP = Gross Profit

Revenues



- NW services (excl. Mobile) revenues are calculated by deducting the below mentioned Mobile services revenues from total NW services revenues. The revenues include non-mobile consumer revenue which is a small amount
- Mobile services revenues include IJ Mobile Services (including MVNE) and IJmio (consumer mobile)

Operating Profit



- NW services gross profit consists of gross profit related to NW revenues (excl. Mobile) and Mobile revenues (The two services have costs in common and cannot be broken down in accounting terms)
- SG&A, etc. in this slide represents the sum of SG&A, which includes R&D expenses, and other income/expenses

Supplemental Business Information

Detailed Business Overview

Internet Initiative Japan Inc. (IIJ)

The Prime Market of the Tokyo Stock Exchange (Ticker symbol: 3774)

February 2026

Disclaimer

Statements made in this presentation regarding IIJ's or managements' 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, operating and net profitability 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.

Outline

- | | |
|---|-------------------|
| 1. Business Status Updates | P. 2 – 8 |
| 2. About IIJ | P. 9 – 17 |
| 3. Financial Information | P. 18 – 42 |
| 4. Supplemental Business Information | P. 43 – 63 |

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Enterprise Network Services

IIJ's enterprise network services' business model: Cost doesn't have to increase at the same pace as the revenue: economies of scale

IP service (Internet Protocol)

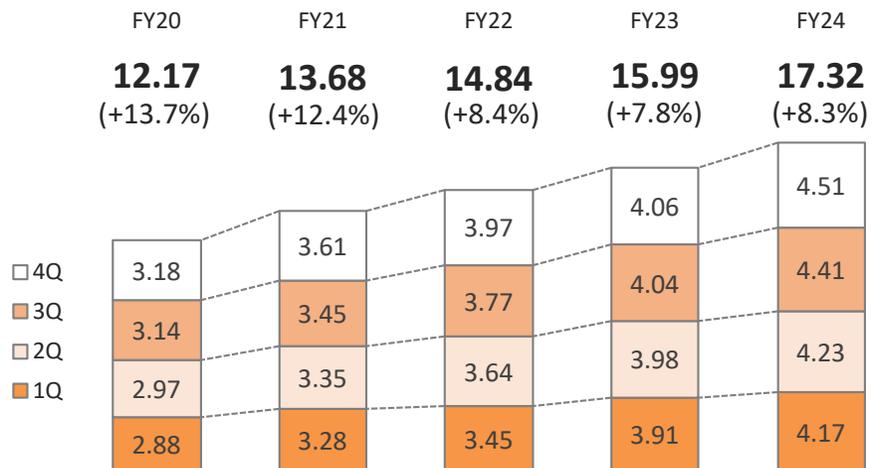
- ◆ IP Service is a bandwidth guaranteed dedicated Internet connectivity service for enterprises
- ◆ Service contracts are based on bandwidth. Minimum contract period is 1 year
- ◆ The revenue is 100% recognized in Internet connectivity services (Enterprise)
- ◆ Very low churn rate. Contracts are renewed every year, generally speaking
- ◆ IIJ has very high and stable market share among Japanese blue-chip
 - Difficult to newly enter the market because one will need customer base and engineers to operate Internet
 - IIJ's IP services clients include general Japanese enterprise as well as NW operators such as consumer ISPs and cable TV operators

Business model

Cost

- ◆ IIJ purchases fiber from carriers
 - As one of the largest independent ISPs, IIJ has strong bargaining power
 - IIJ expands its Internet backbone continuously
- ◆ IIJ owns NW equipment that are needed for Internet backbone and NW service facility
 - NW operation cost which is many depreciation amortization costs for NW equipment is stable due to the technological innovation of servers and other NW equipment
 - In other words, ¥1 million server today is higher spec compared to the ¥1 million server a year ago

IP Service Revenue (unit: ¥ billion)

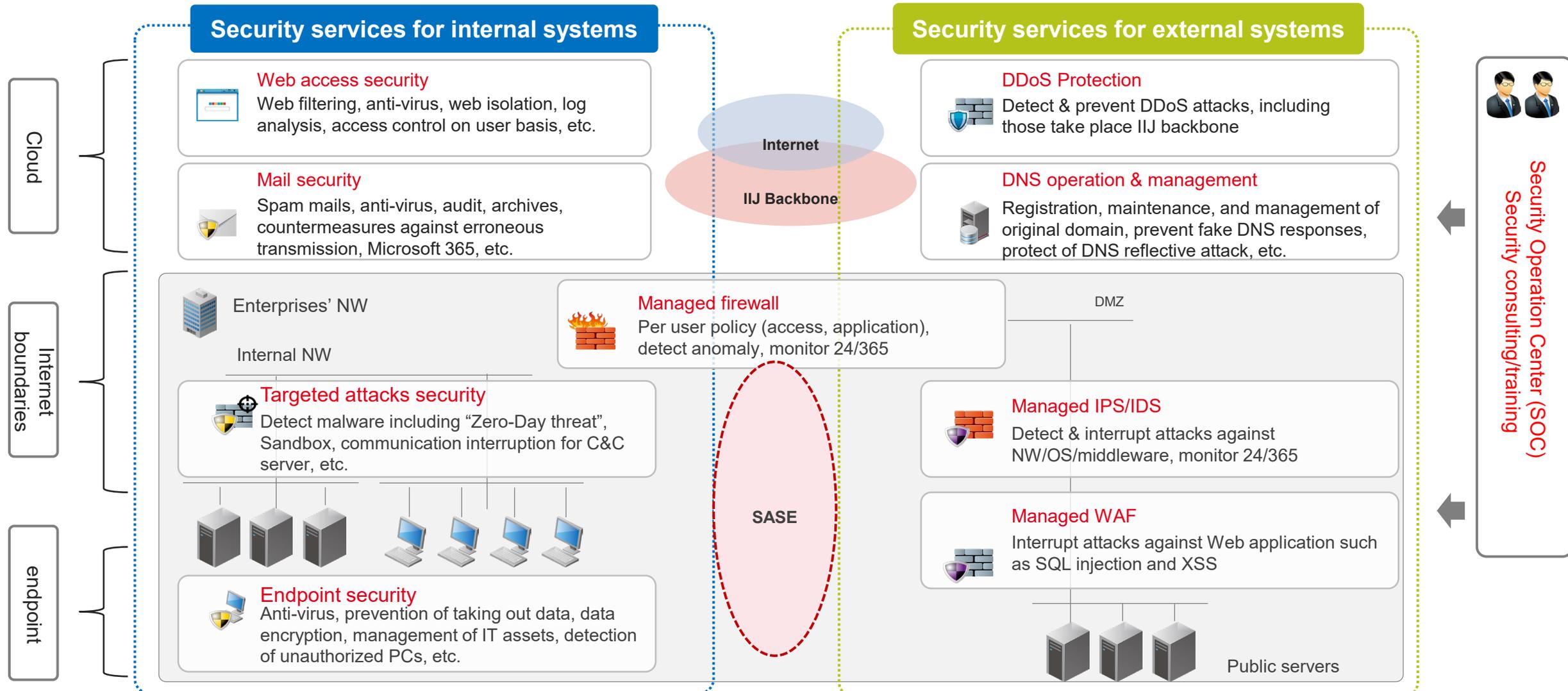


Revenue

- ◆ Enterprise NW service revenues such as IP services and Outsourcing services are to continuously increase while their costs remain relatively stable
- ◆ By that, IIJ can enjoy an economy of scale with strong revenue accumulation which leads to gross profit expansion
- ◆ In other words, the costs for enterprise NW services do not have to increase at the same pace the revenue growth

Security Business (1)

- Provide a wide range of security services over network
- Information analysis platform utilizing information and expertise only available to ISPs



• SASE (Secure Access Service Edge) is a concept to shift controls of NW and security on the route to Cloud services to enable secure access from any points, instead of the conventional centralized management through headquarters or data centers.

Security Business (2)

➤ Many initiatives taken by IIJ for security

- 1994 Started providing firewall services (first in Japan)
- 1999 Started providing fully-managed firewall services (first in Japan)
- 2004 Started providing spam mail filtering (first in Japan)
- 2005 Added sender domain authorization technology/spam mail protection (first in Japan), Started providing IIJ DDoS Protection Services
- 2006 Started providing IIJ Managed IPS Service and **IIJ Secure MX Service (SMX)**
- 2009 **Started providing IIJ Secure Web Gateway Service (SWG)**
- 2015 Added sandbox option (function to detect behaviors as a countermeasure against targeted attacks)
- 2016 Constructed information analysis platform (constructed platform to analyze log data within our backbone to realize early detection and countermeasures against increasingly sophisticated threats)
- 2017 Started providing DDoS Protection Service (terabit-compatible), Opened new Security Operation Center (SOC) and started providing C-SOC Service**
- 2018 IIJ Security engineers provided trainings at an international security conference “Black Hat USA 2018” (first as Japanese)**
- 2018 Started providing IIJ Secure Endpoint Security Service
- 2019 Started providing IIJ Managed WAF Security Service (public web system vulnerability countermeasures)
- 2021 Started providing IIJ CSPM Solution (Cloud Security Posture Management which means cloud security management)
- 2021 Opened IIJ Security Training School (launched business for IT division personnel assigned for security to become specialists)**
- 2022 Started providing IIJ Secure Access Service (in-house developed SASE service)**
- 2023 IIJ Security Business division director was appointed as Kanto Regional Police Bureau’s cyber security advisor

Certification of multiple international standards

Feb. 2020 Mail, Web Security Services

Apr. 2020 IIJ Managed IPS/IDS Services

Mar. 2021 DDoS Protection Service, IIJ Managed WAF

Continued afterwards

Security Business (3)

IIJ Secure MX Service (SMX)

- ◆ Cloud-based integrated mail security service (launched in Sep. 2006)
- ◆ Differentiating by in-house developed filtering, providing support in Japanese, update, etc.
 - Minimize mail threats with multi filtering, able to store unlimited mail data in DCs located in Japan, prevent accidental transmission/information leak with the system
- ◆ Competitors withdrawing from the market



Cloud based mail security market
Share No.1
<Source> ITR "ITR Market View: Cyber Security counter market 2023"

SMX contracted accounts (Sep. 2024)
2.9 million
E-mail services' accounts including OEM for enterprise exceeded 10 million in Jul. 2024

IIJ Secure Web Gateway Service (SWG)

- ◆ Cloud-based integrated web security service (launched in Mar. 2009)
- ◆ Differentiating by in-housed developed engines, etc. to block and isolate web functions, etc.
- ◆ SWG clients include Sumitomo Life Insurance, Fuji TV, Mitsubishi Chemical, Meiji Gakuin University, and Morinaga



<Source> ITR "ITR Market View: Cyber Security counter market 2023"

SWG contracted accounts (Sep. 2024)
1.2 million

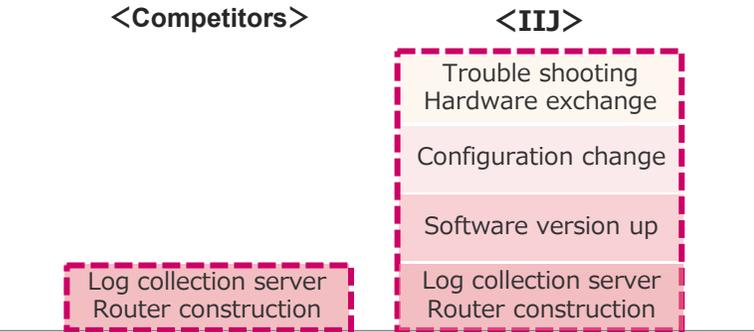
IIJ DDoS (Distributed Denial of Service) Protection Service

- ◆ Comprehensive service to protect enterprise NW system from DDoS attacks (launched in Oct. 2005)
- ◆ Service model requires NW backbone to offer
 - Realize reliable web services by avoiding overloaded NW and server triggered by huge traffic
 - 24/365 operation by security engineers who have expertise obtained through ISP business
 - Automatically detect and prevent DDoS attacks
 - Internet access line are also within service coverage
 - Global coverage to prevent terabit level large-scale attack (Jan. 2017)
- ◆ High penetration rate toward large financial institutions

IIJ C-SOC (Security Operation Center) Service

- ◆ Comprehensive security incident response service provided by IIJ security engineers
- ◆ Operational SOC service unique to ISPs: visualize invisible threats by applying IIJ's unique intelligence, execute initial response, etc.
- ◆ Individual service operation and monitoring including other managed services
- ◆ Relatively expensive service

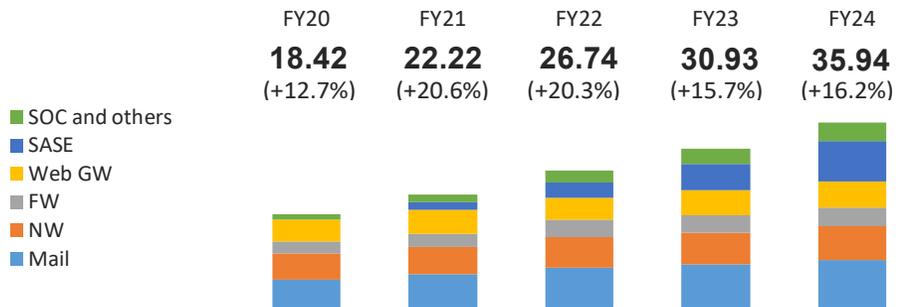
Coverage comparison



Security Business (4)

Security Service (monthly recurring revenue)

◆ Revenue strongly increasing along with continuous strong demands



◆ Total security business volume also growing

- Security projects outside the scope of IJ security services are handled through SI

Total security business volume (Service+SI)	FY20	FY21	FY22	FY23	FY24
	21.47	25.44	31.25	34.81	41.58

◆ Strong demand for “IJ C-SOC Service”

Greater opportunity to integrate it as part of large NW renewal projects

- IJ’s competitive advantages:
 - Collaborate with various in-house devolved managed type gateway security services
 - Wide monitoring scope including EDR & SASE
 - Apply abundant traffic log data to develop IJ’s unique intelligence as well as detect threats

◆ Collaborate with Uzbektelecom on security service development

- Uzbektelecom plans to launch its own NW security service in Uzbekistan and Central Asia, collaborating with “IJ Safous Service”

◆ Continued to enhance service line-ups and functions

- “IJ Safous Service” was awarded “Global InfoSec Awards” and “Cybersecurity Excellence Awards” at RSA Conference 2024 in May 2024 (7 awards in total)
- First in the Asia-Pacific to be certified as Palo Alto Networks Partner for SP Interconnect, providing Internet connection between Prisma Access and IJ Backbone (Apr. 2024)

- Security Service Revenue (recurring) is 100% recognized in Outsourcing
- SASE (Secure Access Service Edge) is a concept to shift controls of NW and security on the route to Cloud services to enable secure access from any points, instead of the conventional centralized management through headquarters or data centers. This concept is gaining popularity along with Cloud migration of enterprise operation systems, prevalence of flexible workstyle including teleworking.
- SOC (Security Operation Center): organization providing advices and actions regarding cyber attacks by constantly monitoring log data such as NW and device to detect and analyze cyber attacks

Mail Security

- Full outsource of mail system, countermeasures for spam mail, etc.
 - Number of e-mail services’ accounts for enterprise exceeded 10 million in Jul. 2024
- IJ Secure MX Service (SMX)
 - Cloud-based integrated mail security service (launched in Sep. 2006)
 - Differentiating by in-house developed multi-filtering, providing support in Japanese and upgrades
 - Minimize mail threats with multi-filtering, able to store unlimited mail date in DCs located in Japan, prevent accidental transmission/information leak with the system

NW Security

- IJ DDoS Protection Service
 - Comprehensive service to protect enterprise network system from DDoS attacks (launched in Oct. 2005)
 - Service model unique to NW operators
 - Realize reliable web services by avoiding overloaded network and server triggered by huge traffic, global coverage to prevent terabit level large-scale attack (launched in Jan. 2017)
- IPS/IDS, WAF, etc.

FW (Firewall)

- Outsource of firewall operation, detection system for anomaly, etc. (launched in Oct. 2006)

Web GW

- Full outsource of web security, URL filtering,
- IJ Secure Web GW Service (SWG)
 - Cloud-based integrated web security service (launched in Mar. 2009)
 - Differentiating by in-housed developed engines etc. to block and isolate web functions, etc.

SASE

- Operation of Prisma Access, Zscaler etc.
 - Highly regarded as a top-class SASE implementation & operation vendor
 - From a vendor neutral position, provide all-in-one support ranging from solution selection, design, construction, implementation to operation
- IJ Secure Access Service “ISA”
 - In-house developed SASE service (launched in Sep. 2022)
 - Differentiating by high compatibility with other IJ security services, small start & low-price range
 - Continue to enhance the service, in the middle of setting up

SOC and others

- IJ C-SOC Service
 - Launched in Oct. 2018
 - Operational SOC service unique to ISPs: visualize invisible threats by applying IJ’s unique intelligence, execute initial response as well as notification etc.
 - Continuously expanding functions including recently launched “Premium” in May 2021 which offers primary responses against attacks
- Endpoint Security, etc.

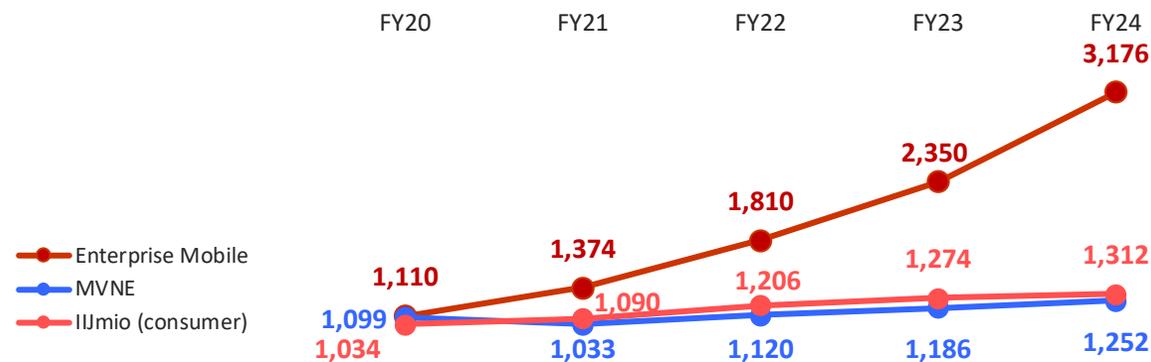
Mobile Business (1)

Unit: ¥ (JPY) billion (bn)
%, YoY = Year over year comparison
QoQ = Quarter over quarter comparison

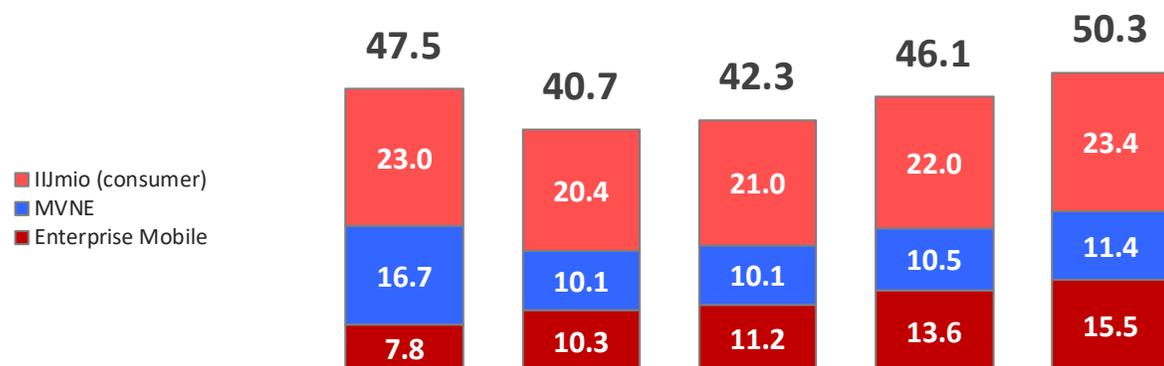
Supplemental
Business
Information

- Accumulate enterprise IoT traffic by leveraging the blue-chip client base, various NW services & SI function - higher utilization of the mobile infrastructure
- Consumer subscription contributing to expand the infrastructure

Mobile Subscription



Mobile Revenue



Number of MVNE clients	FY20	FY21	FY22	FY23	FY24
	159	170	181	192	201

- Enterprise mobile primarily refer to direct offerings for IoT and similar usages such as connecting security cameras and other devices.
- MVNE (sales of service to other MVNOs) refers to IJ Mobile MVNO Platform Service. The clients include Aeon retail and Mercari
- FY21 IJmio revenue decreased YoY due to the launch of significantly lower-priced GigaPlans

IJ's mobile business model

◆ Revenue

- Consumer mobile revenue is calculated as the number of subscriptions multiplied by ARPU.
- Sales of headsets are also recognized as consumer revenue. IJ is recognized as an MVNO with a strong lineup of smart phones.
- Enterprise mobile revenue is expected to grow with IoT/M2M traffic. Since IoT devices typically require minimal data, per-device revenue tends to be low.

◆ Cost

- All IJ mobile services are provided through a unified mobile infrastructure.
- IJ purchases mobile bandwidth primarily from Docomo and, to a lesser extent, KDDI. These costs are recorded as "outsourcing" under network service expenses.
- Voice services are purchased on a per-usage basis, so there is no economy of scale benefit for voice.
- Sales commissions (SG&A) are paid to sales partners such as BICCAMERA INC.

◆ Profit

- Profitability is expected to improve by increasing infrastructure utilization through the aggregation of consumer and enterprise traffic.
- Consumer and enterprise traffic patterns differ:
 - Consumers: Peak usage occurs during commuting hours and lunch breaks. Outside these times, most access the Internet via home or office Wi-Fi.
 - Enterprise: No clear peak usage; traffic is generated by mobile dongles and IoT devices operating 24/7

Mobile Business (2)

Sales Channel of Consumer Mobile

- Direct sales** through IIJ's website
- Sales partners** include BICCAMERA INC. one of the largest retailers in Japan, and Japan Airlines
 - IIJ pays sales commission expenses to sales partners
- MVNE** "IIJ Mobile Platform Service" IIJ provides mobile services to other MVNOs
 - Most of the MVNE clients are Japanese cable TV operators who already have direct relationship with consumers
 - Largest MVNE client is one of the largest Japanese retailers

Revenues (unit: ¥ billion)

- Enterprise mobile (IoT)
- MVNE (providing mobile services to other MVNOs)
- IIJmio (consumer)

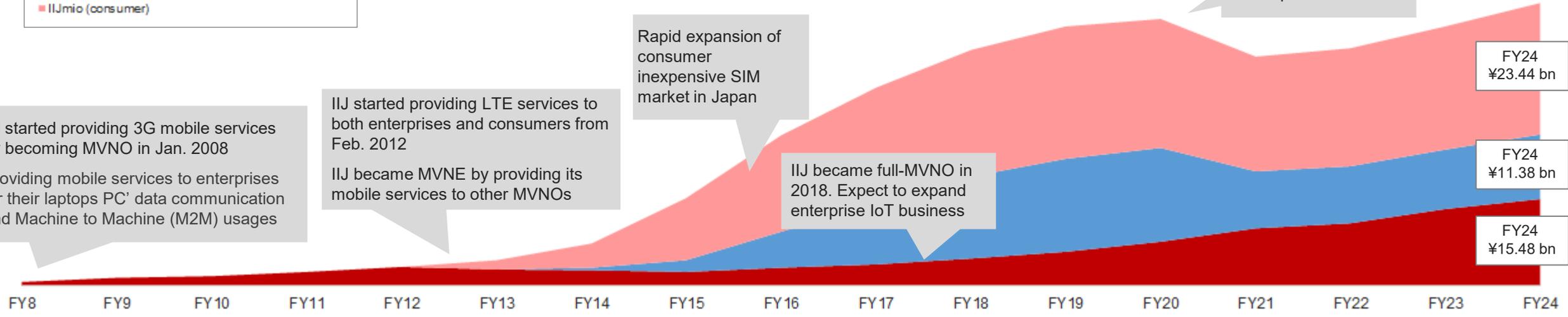
IIJ started providing 3G mobile services by becoming MVNO in Jan. 2008
 Providing mobile services to enterprises for their laptops PC' data communication and Machine to Machine (M2M) usages

IIJ started providing LTE services to both enterprises and consumers from Feb. 2012
 IIJ became MVNE by providing its mobile services to other MVNOs

Rapid expansion of consumer inexpensive SIM market in Japan

IIJ became full-MVNO in 2018. Expect to expand enterprise IoT business

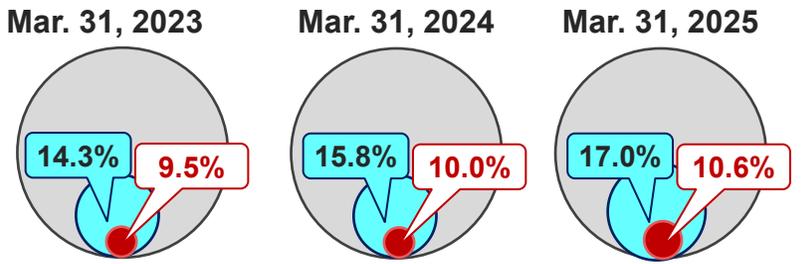
IIJ launched GigaPlans from Apr. 2021.



Consumer inexpensive SIM market in Japan

SIM type MVNO market share in Japan

Total mobile subscription
 MVNO subscription
 SIM subscription



	Sep. 30, 2024		Mar. 31, 2025	
1 st	IIJ	29.0%	IIJ	31.5%
2 nd	NTT Docomo	11.0%	Optage (mineo)	9.9%
3 rd	Optage (mineo)	10.0%	NTT Docomo	8.7%
4 th	JCOM	5.7%	JCOM	5.8%
5 th	AEON Retail	5.7%	AEON Retail	5.6%

Source: the Ministry of Internal Affairs and Communications (MIC)

Source: MM Research Institute <https://www.itmedia.co.jp/mobile/articles/2507/03/news095.html>
 • Aeon Mobile (AEON Retail) is using IIJ's MVNE platform service

Mobile Business (3)

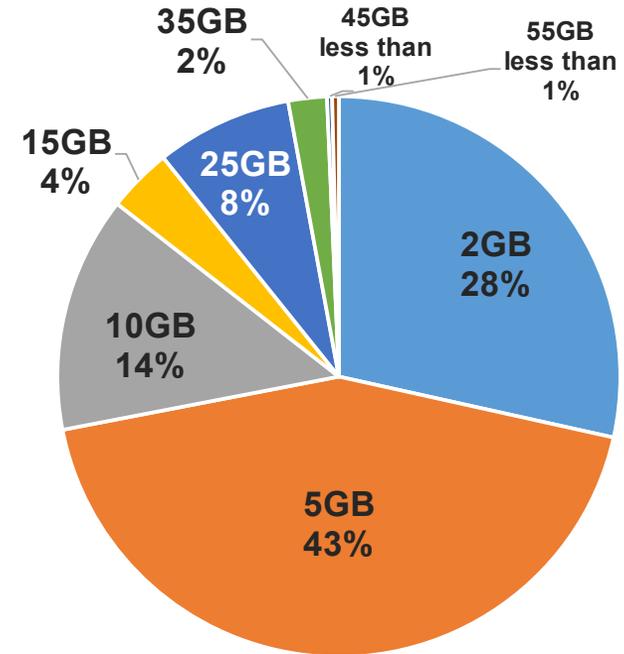
Price list for “IIJmio GigaPlans”

- The price list was updated in Mar. 2025. The 15GB plan is going to revised in Mar. 2026.

2GB	With voice	¥850
	Data-only	¥740
5GB	With voice	From ¥990 to ¥950
	Data-only	From ¥900 to ¥860
10GB	With voice	From ¥1,500 to ¥1,400
	Data-only	From ¥1,400 to ¥1,300
15GB	With voice	From ¥1,800 to ¥1,600 *applicable from Mar. 2026
	Data-only	From ¥1,730 to ¥1,530 *applicable from Mar. 2026
From 20GB to 25GB	With voice	¥2,000
	Data-only	¥1,950
From 30GB to 35GB	With voice	From ¥2,700 to ¥2,400
	Data-only	From ¥2,640 to ¥2,340
From 40GB to 45GB	With voice	¥3,300
	Data-only	¥3,240
From 50GB to 55GB	With voice	¥3,900
	Data-only	¥3,840

GigaPlans: by data plans

As of Dec. 31, 2025



- Shift from low bundled to mid-to high bundled plans

	Mar. 31, 2025	Jun. 30, 2025	Sep. 30, 2025	Dec. 31, 2025
2GB	33%	30%	29%	28%
5GB	44%	44%	44%	43%
10GB	11%	13%	13%	14%
15GB	4%	3%	3%	4%
25GB	7%	8%	8%	8%

- As of Dec. 31, 2025, 83% of IIJmio GigaPlans were with voice plan

Mobile Business (4)

◆ NTT Docomo's Mobile data interconnectivity charge (Mbps unit charge・monthly)

	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28
New							To be announced in Mar. 2026		
						Announced in Mar. 2025	¥10,874 -15.5% YoY	¥10,383 -4.5% YoY	¥9,052 -12.8% YoY
Fixed	¥37,280 -12.7% YoY	¥27,024 -27.5% YoY	¥19,979 -26.1% YoY	¥15,042 -24.7% YoY	Fixed in Dec. 2025 Fixed as previously proposed by the future cost method. No one-time cost reimbursement ¥12,862 -14.5% YoY	To be fixed in Dec. 2026			
Old					Announced in Mar. 2024	¥12,862 -14.5% YoY	¥10,874 -15.5% YoY	¥10,708 -1.5% YoY	
				Announced in Mar. 2023	¥15,644 -21.7% YoY	¥13,084 -16.4% YoY	¥11,255 -14.0% YoY		
			Announced in Mar. 2022	¥20,327 -24.8% YoY	¥15,697 -22.8% YoY	¥13,207 -15.9% YoY			
		Announced in Apr. 2021	¥28,385 -23.9% YoY	¥22,190 -21.8% YoY	¥18,014 -18.8% YoY				
	Announced in Mar. 2020	¥41,436 -3.0% YoY	¥33,211 -19.8% YoY	¥27,924 -15.9% YoY					

• Under the future cost method, MNOs are to disclose the charges for next three yrs based on their prediction about cost etc. Its calculation is (Data communication cost + profit) /demand

• The charge disclosed based on the future cost method is to be finalized based on MNOs actual cost results etc.

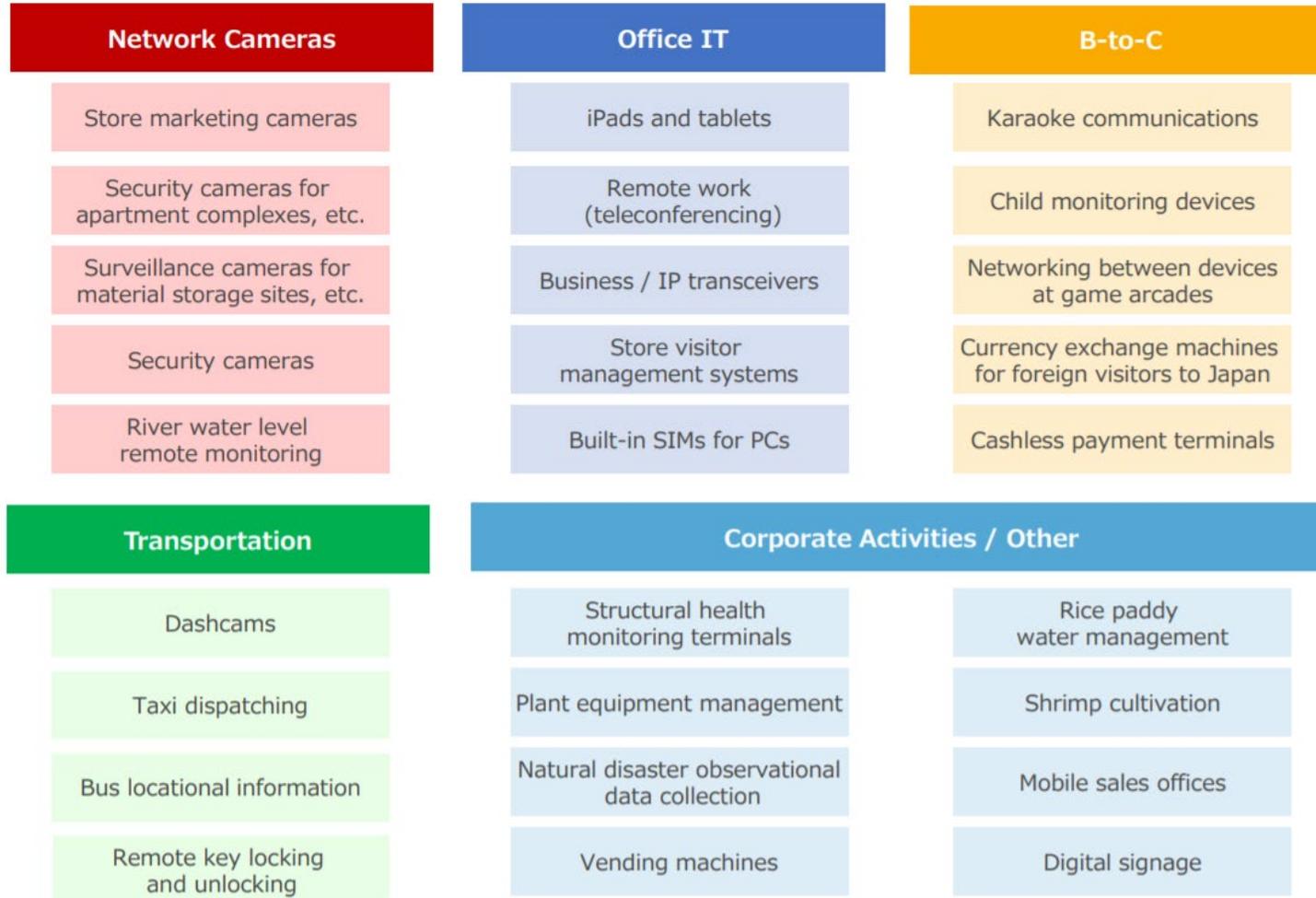
• The YoY (Year over Year) decrease percentage written under each charge is compared with the previous year charge

• The charge is public information disclosed in NTT Docomo's service terms and conditions document uploaded on NTT Docomo's website (only available in Japanese) <https://www.docomo.ne.jp/binary/pdf/corporate/disclosure/mvno/business/oroshi.pdf>

Mobile Business (5)

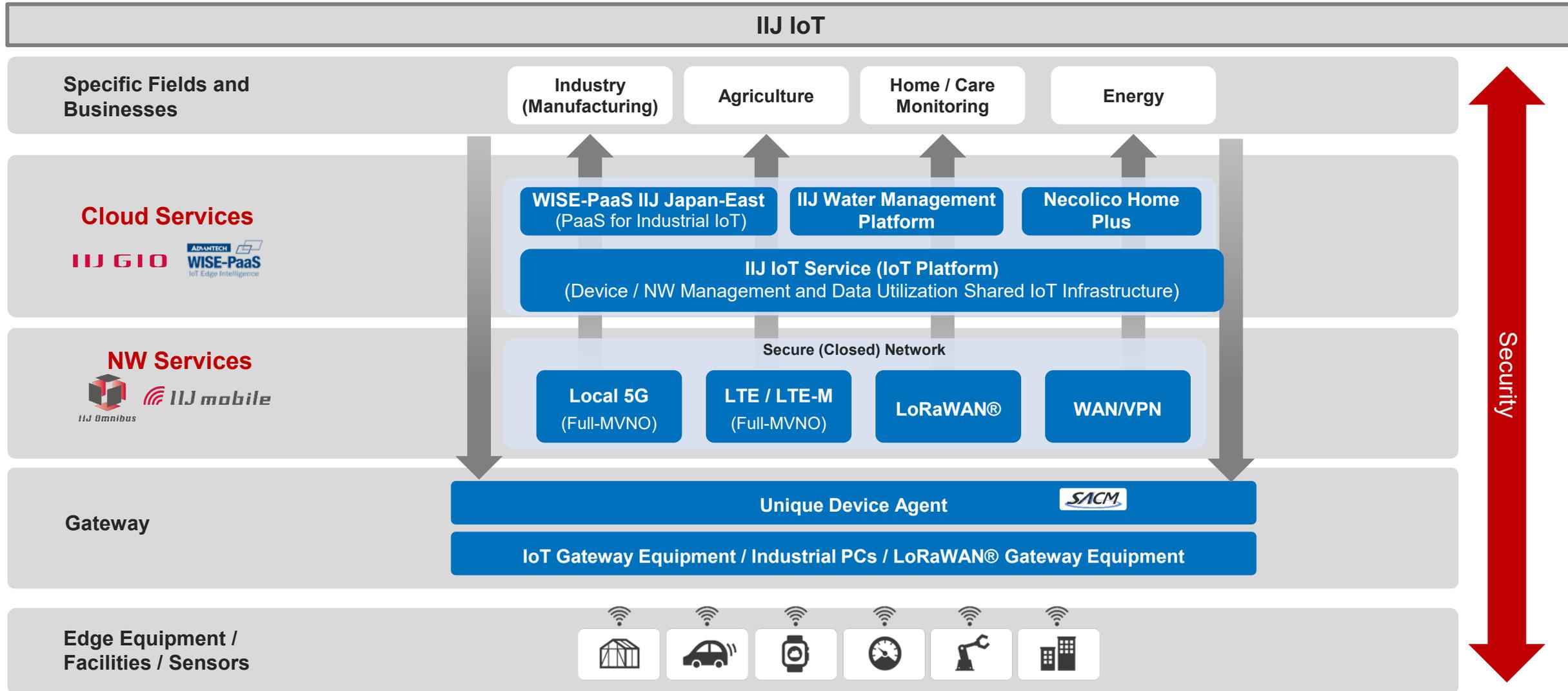
➤ Most of current enterprise mobile solution are simple usage such as connecting NW and surveillance cameras, etc.

Accumulating various enterprise mobile solutions



IoT Business (1)

Combining IIJ's existing service lineups and SI to build IoT systems



IoT Business (2)

IIJ's IoT projects

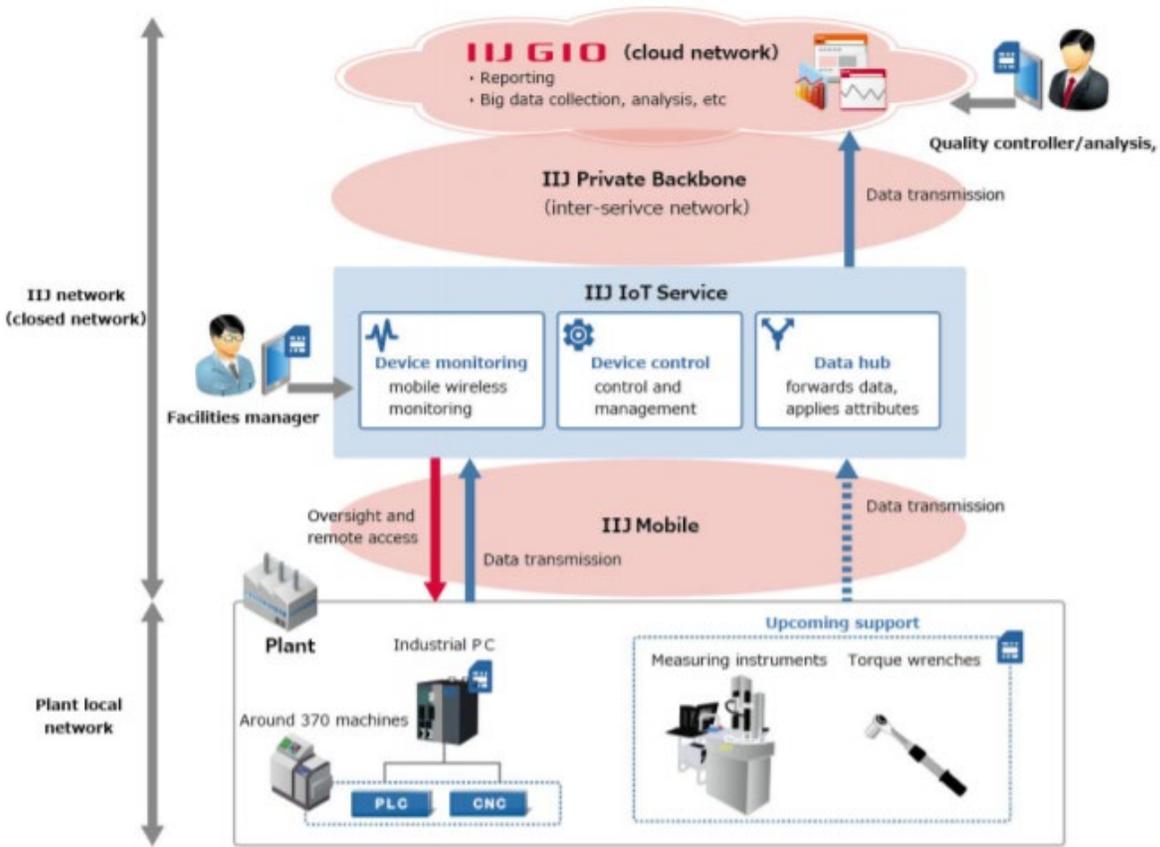
Industrial machinery manufacturers	Shift from reactive post-sales maintenance model to proactive field services (making predictions based on data)
Car accessory manufacturers	Expansion of service businesses by acquiring data through the networking of products and establishing software technology development organizations to develop services that use that data
Measuring instrument manufacturers	Expansion of services to streamline & improve the accuracy of recording tasks by going beyond just "measuring" things & providing linking data customers measure with their business systems
Automotive manufacturers	Improved efficiency of equipment management to cover personnel shortages, analyzing the expertise of skilled workers in maintaining operating capacity and implementing traceability to ensure quality
Trading companies (agriculture)	Shift from the sales of pesticides & chemical fertilizers to the provision of pesticide spraying technologies that reduce the amount used, & the development of cutting-edge agricultural technologies

Advanced IoT usage: factory IoT

◆ IIJ provides IoT system for Toyota Motor Hokkaido

- Providing a one-stop solution by offering mobile and Cloud services from data collection via closed mobile network to creation of a cloud platform for visualizing and analyzing the collected data.

System image



System Integration (SI)

SI Revenue

■ Construction (one-time)
■ Operation and Maintenance (recurring)
*excluding cloud service revenue

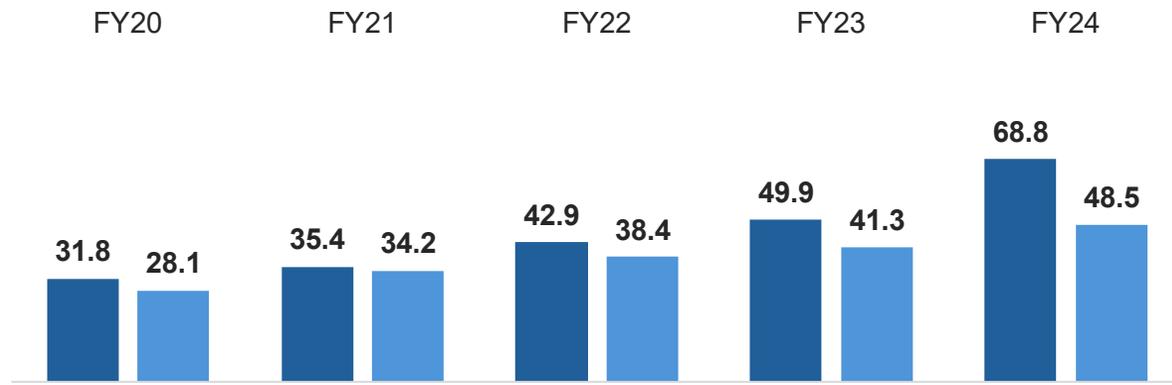
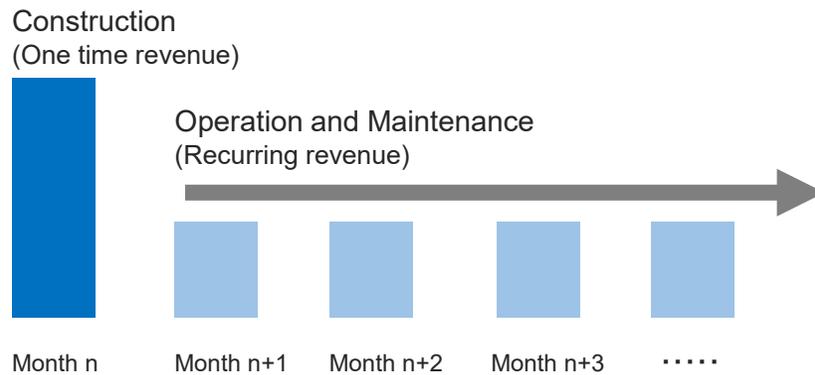


Image of revenue recognition



Overview of IIJ's SI Projects

Typical projects

Small-to-medium server construction projects
(building Internet gateway, etc.)
main cost: hardware

Network renewal projects

(upgrading corporate and/or municipal network infrastructure, etc.)

Short lead-time

Typically 1-6 months from order received to revenue recognition

Small revenue size

Revenue volume between few million to tens of millions (JPY)

New Trends

Replacement of conventional closed internal systems to Internet/cloud-related architecture
(details in page 3~5 of this presentation)

Complete enterprise network replacement projects

Involving large number of system engineers and outsourcing personnel

Recurring Revenue Included

Once construction is complete, recurring revenue opportunities arise from NW services and O/M

Longer lead-time and multi-year contract

1 year from order received to revenue recognition. Large-scale projects usually span 3 to 5 years under multi-year contracts

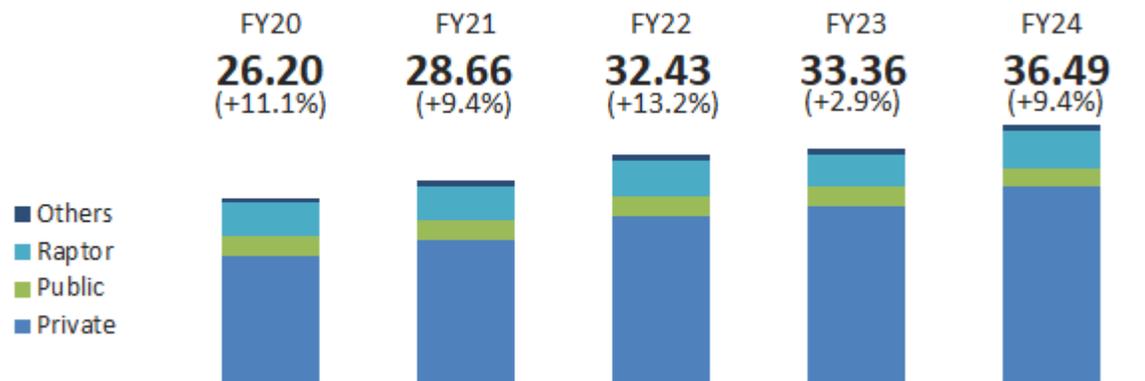
Large revenue size

We define large-scale projects as revenue volume over JPY1 billion

Cloud Services

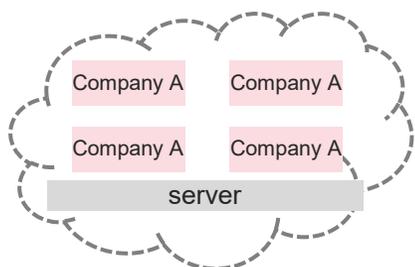
- ◆ Cloud service as one of the cross-selling elements
- ◆ Promoting cloud shift of the current blue-chip Japanese clients

Cloud Service Revenue

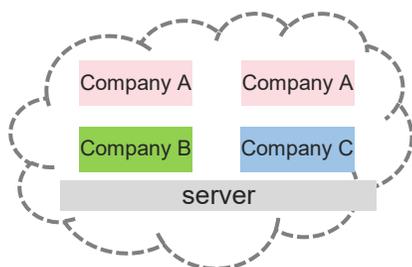


- Private cloud includes the followings: IIJ GIO Infrastructure P2 Gen.2 (launched in Oct. 2021) which is a next generation IaaS enabling easy Cloud migration from on-premise. It is highly transitional VMware base hosted private cloud. IIJ Unified Operation Management Service (UOM) (launched in Apr. 2017) which is management and operation cover wide range from cloud to on-premise, Improve efficiency with automated incident management etc. Multi-cloud, etc.
- Raptor is an in-house SaaS-based FX platform for online brokers, used by firms like Nomura, Sony Bank, and LINE Securities. The latest version, launched in Sep. 2023, offers a cloud-native design with enhanced scalability, performance, and security.
- Others include overseas cloud services provided by IIJ's global subsidiaries.

Private cloud (dedicated to one company)



Public cloud (multi-tenant cloud)



Cloud Market in Japan

Slow cloud shift

The majority of corporate systems in Japan remain on-premise

Multi-cloud strategies

Avoid vendor lock-in while optimizing performance, cost, and resilience

Some advanced cases

Companies with strong CTO or CIO leadership tends to adopt a cloud-first approach

IIJ's Competitive Advantages

Established blue-chip client base

IIJ already has good relationship with IT departments of Japanese blue-chip corporations

Cloud as a new opportunity

Japanese blue-chip corporations' internal systems have long been operated by legacy Slers

Flexible Network Solutions

Enabling multiple ways to connect to the cloud

Hands-on salesforce

An experienced, client-focused sales team guide clients through every step of the cloud journey

Multi-cloud strategy

◆ Japanese enterprises avoid relying on single cloud service vendor and prefer multi-cloud systems

- Multi-cloud demands are generating demands for "IIJ Cloud Exchange Services" (revenue recognized in NW Services) which provide private connectivity to third vendor Cloud services such as AWS (Amazon), Microsoft, and Google
- IIJ provides operation and management services to effectively monitor an entire IT systems through IIJ UOM Service which covers IIJ's cloud services, other cloud vendors' cloud services and on-premise systems
- "IIJ GIO Infrastructure P2 Gen.2," was launched in Oct. 2021 to promote full-scale cloud shift of enterprise systems

Data Centers (DCs)

◆ IJJ operates 13 DCs in Japan, 2 of which are owned by IJJ (as of Feb. 2026), the remaining facilities are leased from DC owners on floor-by-floor basis

➢ IJJ is expanding its owned DC capacity in response to growing demands for its services

➢ By gradually migrating from leased spaced to owned DCs, IJJ expects to achieve higher operational efficiency



2 DCs owned by IJJ		
	Matsue DCP (opened in Apr. 2011)	Shiroi DCC (opened in May 2019)
Objective	Main: IJJ's own service facility such as Cloud, Network, and Security Place clients' dedicated containers	
Features	<ul style="list-style-type: none"> First in Japan to deploy outside-air cooling container units developed by IJJ Scalable container-based design enables flexible capacity expansion based on demand On-site solar panels utilized to generate renewable energy Employ container-type DC modules and system modules developed by IJJ Contribute to carbon neutrality through the use of renewable energy 	<ul style="list-style-type: none"> Adopt latest energy-saving method including outside-air cooling method More flexible and cheaper capacity expansion through system module method Shifting peak of air conditioning power by utilizing lithium-ion storage batteries Utilize on-site solar power panels Direct procurement of non-fossil fuel certificates toward the supply of electricity with environmental values
Land	Approx. 16,000m ²	Approx. 40,000m ²
Capacity	Approx. 700 racks	Approx. 1,800 racks
Number of installed racks	<ul style="list-style-type: none"> 1st site: IT Module approx. 100 racks (opened in Apr. 2011) System Module approx. 300 racks (opened in Jun. 2025) 2nd site: approx. 300 racks (opened in Nov. 2013) 	<ul style="list-style-type: none"> 1st site: approx. 700 racks (opened in May 2019) 2nd site: approx. 1,100 racks (opened in Jul. 2023)
Plan	<ul style="list-style-type: none"> Construction of new system module <ul style="list-style-type: none"> ✓ Construction from Jun. 2024 ✓ Started operation from Jun. 2025 ✓ Construction area: approx. 2,000m² ✓ Approx. 300 racks ✓ Expected CAPEX: over ¥5.0 bn (to be partially covered with subsidy) 	<ul style="list-style-type: none"> 2nd site is to be fully occupied around FY26 by IJJ's own service facility and collocation 3rd site construction <ul style="list-style-type: none"> ✓ Expected CAPEX: approx. ¥30.0 bn ✓ Started constructing from Jun. 2025 ✓ Scheduled operation from FY2026 ✓ Construction area: approx. 5,400m² ✓ Approx. 1,000 racks

Initiatives for Environment

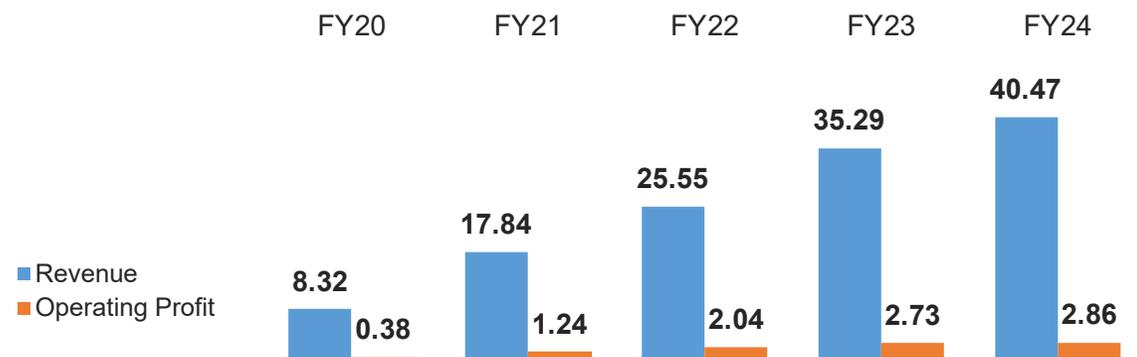
Measures	TCFD Targets			
Usage of renewable energy	To increase the renewable energy usage rate of DCs (Scope 1 and 2) to 85% in FY2030			
	Results	FY22: 46.1%	FY23: 50%	FY24: 55%
Improvement of energy conservation	To keep the PUE of the DC at or below the industry's highest level (1.4) until FY2030 through continuous technological innovation			
	Results	FY22	FY23	FY24
	Matsue DC	1.33	1.33	1.34
	Shiroi DC	1.31	1.36	1.32

- PUE(Power Usage Effectiveness) is a metric that shows how efficiently electricity is used at a data center. The closer to 1.0 is considered to be good
- TCFD: Task Force on Climate-related Financial Disclosures
- Scope 1 and 2 (Greenhouse gas emissions by a company): Direct emissions from the use of fuels and industrial processes at the company and indirect emissions from the use of electricity and heat purchased by the company (as defined by the GHG Protocol)

Overseas Business

◆ IJ started expanding overseas business around FY11 to strengthen relationship with Japanese clients

Financial Performance



- Overseas business is mostly recognized as SI revenue
- PTC, a Singaporean system integrator, became a wholly owned subsidiary of IJ on April 1, 2021.

Overseas Projects

- ◆ IJ has exported its container-type data centers to the Republic of Laos, Uzbekistan and other emerging countries to support the development of IT infrastructures
- ◆ Through “Crossborder Co-DataBiz Platform,” IJ and Murata Manufacturing provide end-to-end IoT services for Japanese companies expanding into Southeast Asia, including traffic counter systems, vehicle type classification, and AI-based road damage detection
- ◆ IJ has conducted an IoT-based shrimp farming project in Thailand to optimize water quality and improve aquaculture productivity

Overseas Offices



Initiatives in ASEAN

- ◆ While the IT markets in the U.S. and Europe are relatively matured, those in show strong growth potential. IJ has established joint ventures with local carriers in ASEAN regions, primarily to provide cloud services:
 - with Biznet Networks in Indonesia (Mar. 2015)
 - with T.C.C. Technology Co., Ltd, in Thailand (Feb. 2016)
 - with FTP Telecom Partner in Vietnam (Nov. 2016)
- ◆ IJ acquired Singapore-based Sler PTC in April 2021. PTC serves blue-chip clients with high-quality server and storage solutions. PTC was named NVIDIA’s first DGX-Ready Managed Services partner in Asia Pacific, supporting AI infrastructure deployment across Southeast Asia including Thailand and Singapore



DeCurret and Digital Currency Business

Company Profile

DeCurret Holdings
(IIJ's equity method investee)

Shareholders (43 companies)

- IIJ (shareholding ratio: 34.8%), financial institutions (banks, securities, and insurance), telecom carriers, IT service providers, logistics and transportation companies, retailers, real estate firms, energy and infrastructure providers, advertising agencies, security service companies, and general trading companies, etc.

Management

- President and Representative Director: Mr. Murabayashi (IIJ's VP)
- Outside directors: from IIJ, SBI Holdings, JAPAN POST BANK, KDDI, MUFG Bank, NTT

Impact on IIJ's financials

- DeCurret-related shares of loss of investments accounted for using equity method investee: FY24 JPY553 million, FY25 plan: approx. JPY0.7 billion

100% ownership

DeCurret DCP

Business

- Digital currency business (Electronic Payment Services Operators)

Digital Currency Forum

- DeCurret DCP serves as the secretariat and examines use cases for digital currencies
- Number of members: 128 including enterprises and local governments (Jan. 2026)
- Observers: Financial Services Agency (FSA), Ministry of Internal Affairs and Communications (MIC), Ministry of Finance (MOF), Ministry of Economy, Trade and Industry (METI), Bank of Japan (BOJ)
- Senior advisor: Mr. Endo (former Commissioner of FSA)

Use Cases of DCJPY

Partners	Overview
GMO Aozora Net Bank, IIJ	Started digitalizing environmental value and DCJPY settlements
Japan Post Bank	Planning to launch tokenized deposits in FY26
SBI Shinsei Bank, Partior	Agreed to study FX transactions using tokenized deposits
Shinoken Group, Japan Post Bank	Started PoC to automate rent payments and realize higher efficiency using Japan Post Bank's DCJPY
Transaction Media Networks	Started collaboration to develop DCJPY-based services for distributors
Mirai, Futurism, Artemis Hokkaido, GovTech Bibai	Advancing a DCJPY PoC for a regional creator economy
SBI Security, Daiwa Securities, SBI Shinksei Bank, BOOSTRY, Osaka Digital Exchange	Began joint study on real-time settlement for security tokens using DCJPY
Kyushu FG, Higo Bank, Kagoshima Bank	The first among regional banks to start joint study of DCJPY adoption

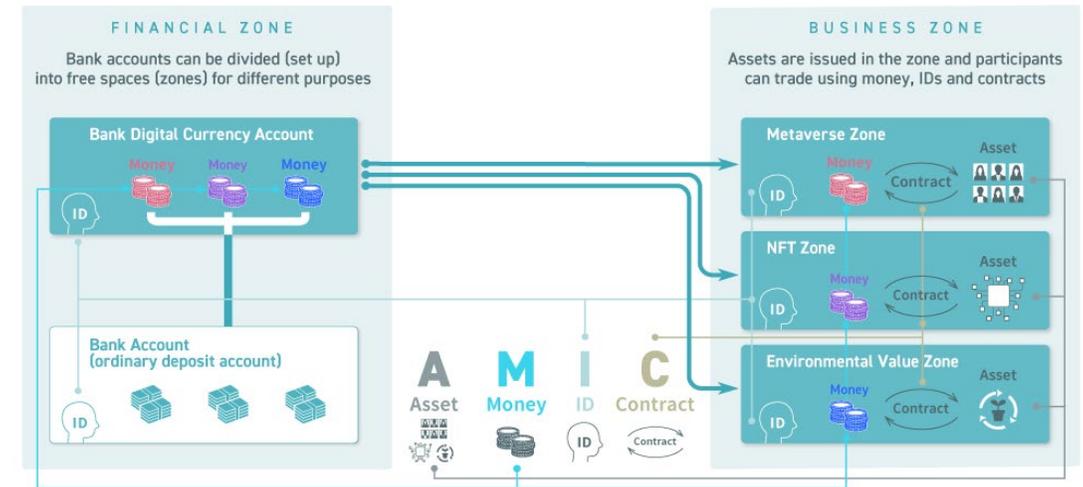
DCJPY Network

Financial Zone (FZ)

Banks:
Minting & transferring digital currency, etc.

Business Zone (BZ)

Enterprises & government agencies, etc.:
Implementing the use case



	Tokenized Bank Deposits	Electronic payment instrument (Stable Coins)	
	DCJPY	Type I	Type III: specific trust beneficiary right (money trust)
Legal framework	Banking Act	Payment Services Act	
Underlying asset	Bank deposits	Preservation through deposit, etc.	Trust assets (deposits, etc.)
Issuers	Banks	Type II funds transfer service providers	Trust banks & trust companies
Features	<ul style="list-style-type: none"> There is no upper limit on transfer amounts Treatment equivalent to bank deposits (covered by the deposit insurance system, etc.) Along with the expansion of BZ, use cases for digital currency are to also expand 	<ul style="list-style-type: none"> There is an upper limit on transfer amounts (Type II funds transfer service providers: JPY1 million maximum per transaction) 	<ul style="list-style-type: none"> Trust banks have no upper limit on transfer amounts, while trust companies have some restrictions

CDN Business through JOCDN

◆ IIJ established a CDN (Content Delivery Network) company with major Japanese broadcasters to meet growing demand for Internet content distribution, entering a market long dominated by Akamai Technologies

Company Profile

Name	JOCDN Inc. (IIJ's equity method investee)
Business	<ul style="list-style-type: none"> • Provide video streaming platform services domestically • Construct and operate broadcasting systems
Established	December 1, 2016
Shareholders	IIJ (largest shareholder with 16.8%), Nippon TV, TV Asahi, TBS, TV Tokyo, Fuji TV, WOWOW (Prominent satellite broadcaster in Japan), NHK (Japan's only public broadcaster) and non-Tokyo local broadcasters
Directors	Chairman: Koichi Suzuki (IIJ CEO) President: Naoshi Yoneyama (IIJ CIO)
Service Achievements	<ul style="list-style-type: none"> • Video streaming services for broadcasters • Video streaming services for broadcasters' affiliates • Live streaming for major sports events • Live game streaming • Website distribution via CDN

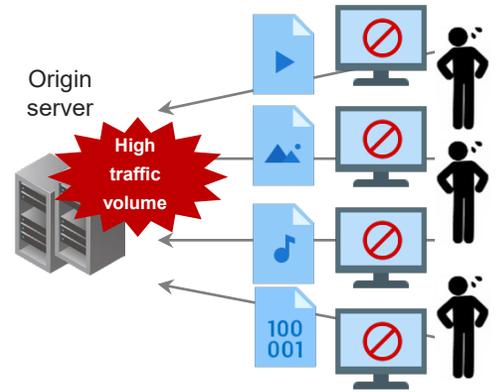
CDN Services

CDN allows for an optimized content delivery via cache servers between users and origin systems

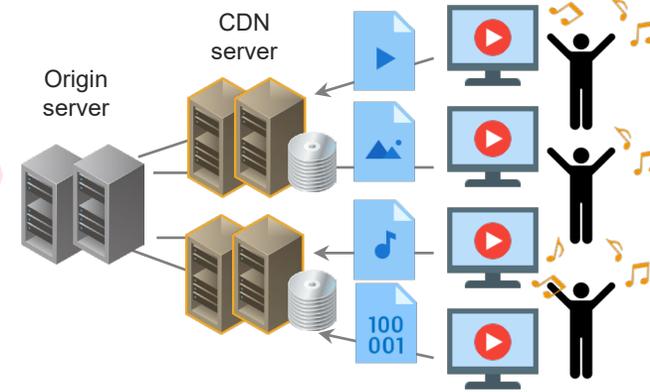
Benefits of CDN:

- For users: faster network response and quicker downloads
- For enterprises: prevents excessive traffic from concentrating on the origin server

Without CDN



With CDN



JOCDN's Strengths

Ensuring broadcast-level quality through fully in-house infrastructure

Advanced network architecture leveraging ISP expertise

Flexible and fast service support powered by Japan-based engineers

Infrastructure setup optimized for the nature of the content being delivered

ATM Operation Business

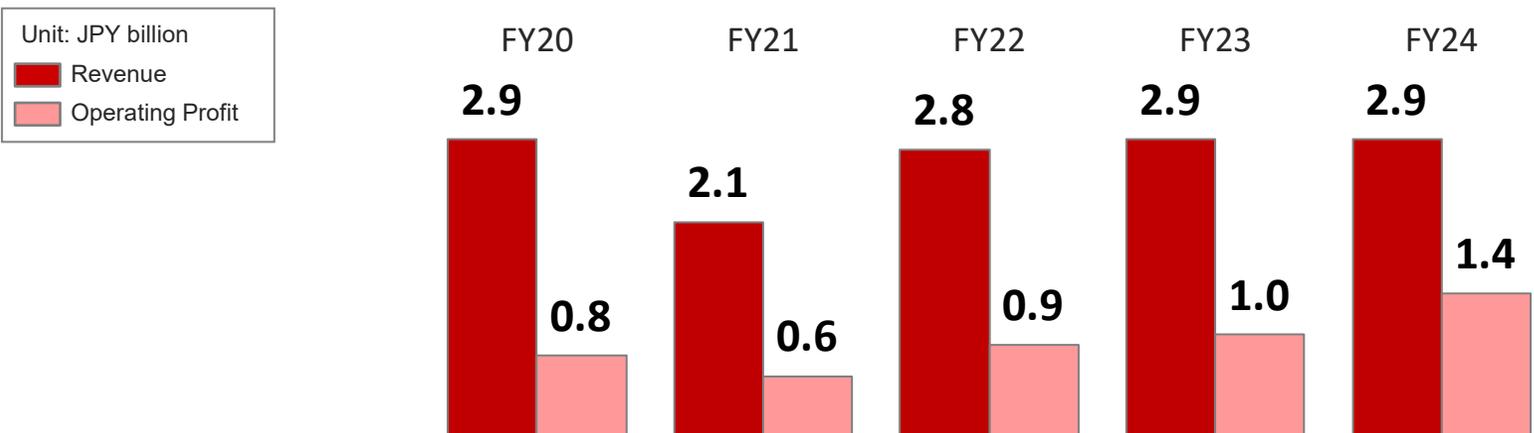
Business Model

- Similar to “Seven Bank” model
- Placing ATMs in pachinko parlors in Japan
 - After long discussion, started to place in Kanto, Kansai, Kyushu and Tokai areas
 - 7,665 pachinko parlors in Japan as of Dec. 31, 2022 (Source: National Police Agency)
- Receive commission for each withdrawal transaction

Trust Networks Inc.

- In charge of ATM operation business
- IIJ’s ownership: 80.6%
- Established in 2007
- Number of employees: about 10 personnel

Revenue and Operating Profit



• FY20 revenue significantly decreased from FY19 as the stores we had placed ATMs were closed temporarily and fewer customers visited due to the COVID-19 pandemic and stay-at-home-order/request



• ATM (Automated Teller Machine)



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 always starts with the future.