(TRANSLATION)

Semiannual Securities Report

(The First Half of the 35th Business Term)
From April 1, 2026 to September 30, 2026 ("1H26")

Internet Initiative Japan Inc.

Note for readers of this English translation

This is an English translation of the Semiannual Securities Report (*Hanki-houkokusho*) of Internet Initiative Japan Inc. ("IIJ") filed with the Director-General of the Kanto Local Finance Bureau in Japan through EDINET (Electronic Disclosure for Investors' NETwork). This translation includes an English translation of the Independent Auditor's Report on Interim Review by KPMG AZSA LLC, IIJ's accounting auditor, of the condensed consolidated financial statements included in the Japanese original Semiannual Securities Report. KPMG AZSA LLC has not audited and makes no warranty as to the accuracy or otherwise of the translation of the condensed consolidated financial statements of other financial information included in this English translation of the Semiannual Securities Report.

This document has been translated from the Japanese original for reference purpose only. In the event of any discrepancy between this English translation and the Japanese original, the Japanese original shall prevail.

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PART 1 Information on the Company

Item 1. Overview of the Company

1 Selected Financial Data

Fiscal year		IFRS		
		Six months ended September 30, 2025	Six months ended September 30, 2026	34th business term ended March 31, 2026
Revenues	(millions of yen)	161,910	210,303	345,395
Operating profit	(millions of yen)	15,388	16,531	34,835
Profit before tax	(millions of yen)	15,149	16,045	35,242
Profit attributable to owners of the parent	(millions of yen)	10,032	10,772	24,188
Comprehensive income, attributable to owners of the parent	(millions of yen)	10,711	15,288	23,603
Comprehensive income	(millions of yen)	10,809	15,364	23,823
Equity attributable to owners of the parent	(millions of yen)	148,377	169,980	158,007
Total assets	(millions of yen)	329,260	390,036	346,933
Basic earnings per share	(yen)	56.64	60.74	136.51
Diluted earnings per share	(yen)	56.36	60.53	135.92
Ratio of owners' equity to gross assets	(%)	45.1	43.6	45.5
Cash flows from operating activities	(millions of yen)	23,378	28,746	50,460
Cash flows from investing activities	(millions of yen)	(11,443)	(15,319)	(26,329)
Cash flows from financing activities	(millions of yen)	(7,299)	(10,503)	(19,110)
Cash and cash equivalents, at the end of period	(millions of yen)	37,298	41,161	38,395

(Notes)
1. As IIJ and its subsidiaries (collectively “the Company”) prepare condensed interim consolidated financial statements reports, non-consolidated financial data etc. are not provided.
2. All figures presented above are based on the condensed interim consolidated financial statements or the consolidated financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”).

2 Description of Business

There were no material changes to the business of the Company or its equity method investees during the six months ended September 30, 2026 (“1H26”).

There were no material changes with respect to the associated companies during 1H26.

Item 2. Business Overview

1 Risk Factors

There were no newly identified matters, relating to the business description or consolidated financial results described in this semiannual securities report, which could have a material effect on the decisions of investors, and there were no material changes in the risk factors described in our Annual Securities Report for the previous fiscal year filed on June 25, 2026.

2 Management's Analysis of Consolidated Financial Position, Results of Operations and Cash Flows

This semiannual securities report contains forward-looking statements that are based on our expectations, assumptions, estimates and projections as of November 16, 2026.

(1) Analysis of Results of Operations

(i) Overview of consolidated business results for 1H26

During the six months ended September 30, 2026 ("1H26"), the Japanese domestic economy recovered moderately. Looking ahead, although the economy is expected to recover gradually, supported by improvements in employment and income conditions, as well as the effects of various government policies, it remains necessary to monitor the situation in the Middle East and the impact of natural disasters. In addition, close attention must also be paid to volatility in financial and capital markets.

Amid such economic conditions, the corporate ICT(*1) market—IIJ Group's primary area of involvement—has seen continued growth in the utilization of cloud computing services, AI(*2) and other technologies across business activities. This, along with other factors, has led to sustained increases in internet traffic(*3) and the rapidly growing importance of cybersecurity measures necessary for business continuity. With the advancement of DX(*4) and other factors, the architecture of corporate networks and systems has been evolving from traditional internal networks to more integrated infrastructures that incorporate Internet technologies. We anticipate that the importance of robust and flexible networks and systems, as well as their stable operation, will continue to increase going forward.

Under such market conditions, as for our business progress during 1H26, demand for network and system infrastructure construction remained strong across a wide range of industries, and we made further progress in securing large-scale projects(*5) both in Japan and overseas. Total revenues increased significantly by 29.9% year-over-year (YoY), exceeding our forecast by approximately JPY30.3 billion. Operating profit increased by 7.4% YoY, exceeding our forecast, as the effects of revenue growth and other factors absorbed the impact of the absence of the one-time gain of JPY1.17 billion in 2Q25 related to the revision of the retirement benefit plans, amid the recognition of systems construction revenue from large-scale hardware-centric projects and a general increase in costs mainly due to inflation. In network services (excluding mobile-related services), revenue increased by 6.6% YoY, mainly due to steady growth in security-related services and IP services. The service lineup was further expanded through functional enhancements to existing services and the launch of an assessment service to support measures in response to the supply chain security assessment scheme promoted by the Ministry of Economy, Trade and Industry(*6). In mobile-related services, revenue increased by 9.4% YoY, mainly due to steady growth in enterprise mobile services such as for IoT usage and consumer mobile services. In systems integration, revenue and orders received increased significantly by 57.1% and 87.5% YoY, respectively, reflecting continued strong demand in Japan and contributions from multiple large-scale GPU(*7) infrastructure construction projects overseas. In new business areas, our affiliate, DCP Co., Ltd.(*8), advanced plans for JAPAN POST BANK Co., Ltd. to issue the digital currency "DCJPY," while full-scale testing of interbank settlements for tokenized deposits began with the participation of 43 companies, mainly financial institutions(*9).

Consolidated financial results for 1H26 were as follows. Total revenues were JPY210,303 million (JPY161,910 million for 1H25), up 29.9% YoY. Total cost of sales was JPY170,800 million (JPY126,782 million for 1H25), up 34.7% YoY, and gross profit was JPY39,503 million (JPY35,128 million for 1H25), up 12.5% YoY. The breakdown by service was as follows. Network services revenue was JPY93,535 million (JPY87,047 million for 1H25), up 7.5% YoY, and its gross profit was JPY24,207 million (JPY23,613 million for 1H25), up 2.5% YoY. Systems integration revenue, including equipment sales, was JPY115,208 million (JPY73,344 million for 1H25), up 57.1% YoY, and its gross profit was JPY14,581 million (JPY10,786 million for 1H25), up 35.2% YoY. Within this, systems construction revenue was JPY60,669 million (JPY28,296 million for 1H25), up 114.4% YoY, and systems operation and maintenance revenue was JPY54,539 million (JPY45,048 million for 1H25),

up 21.1% YoY. Orders received for systems integration were JPY170,261 million (JPY90,816 million for 1H25), up 87.5% YoY. Within this, orders received for systems construction and equipment sales were JPY89,365 million (JPY36,728 million for 1H25), up 143.3% YoY, and orders received for systems operation and maintenance were JPY80,896 million (JPY54,088 million for 1H25), up 49.6% YoY. The order backlog for systems integration was JPY213,963 million (JPY132,915 million as of September 30, 2025), up 61.0% YoY. Within this, the order backlog for systems construction and equipment sales was JPY60,634 million (JPY24,237 million as of September 30, 2025), up 150.2% YoY, and the order backlog for systems operation and maintenance was JPY153,329 million (JPY108,678 million as of September 30, 2025), up 41.1% YoY. ATM operation business revenue was JPY1,560 million (JPY1,519 million for 1H25), up 2.7% YoY, and its gross profit was JPY715 million (JPY729 million for 1H25), down 1.9% YoY. Selling, general and administrative expenses, including other income and expenses, were JPY22,972 million (JPY19,740 million for 1H25), up 16.4% YoY. Operating profit was JPY16,531 million (JPY15,388 million for 1H25), up 7.4% YoY. Profit before tax was JPY16,045 million (JPY15,149 million for 1H25), up 5.9% YoY, mainly due to gains on financial instruments, mainly related to funds, of JPY422 million (gain of JPY431 million for 1H25), dividend income of JPY225 million (JPY179 million for 1H25), interest expenses of JPY805 million (JPY651 million for 1H25), mainly related to bank borrowings and lease transactions, and foreign exchange loss of JPY109 million (loss of JPY74 million for 1H25). Profit attributable to owners of the parent was JPY10,772 million (JPY10,032 million for 1H25), up 7.4% YoY.

Glossary:

*1. ICT: Information and Communication Technology (ICT) is a general term of technologies in relation to hardware, software, system and data communication used for information communication by computers.

*2. AI: Artificial Intelligence (AI) is technology that allows computer systems and machines to imitate human intelligence, such as reasoning, judgment, and learning.

*3. Internet traffic: The quantity or flow of data transferred across Internet.

*4. DX : Digital Transformation (DX) is the utilization of data and digital technologies to transform business models, business processes, and other areas.

*5. Large-scale projects refer to projects with a total contract value of JPY1.0 billion or more.

*6. For details, please refer to a press release titled “IIJ Launches IIJ SCS Evaluation Scheme Assessment Solution to Support Measures in Response to the Security Assessment Scheme” announced on August 25, 2026.

*7. GPU: Graphics Processing Unit (GPU) is a processor optimized for parallel processing and is used in AI training and inference, image processing, and related fields.

*8. For details, please refer to a press release titled “DeCurret Holdings to Change Corporate Name to "DCP Co., Ltd." and Refresh Brand Logo, Effective July 1, 2026” announced on June 22, 2026.

*9. For details, please refer to a press release titled “The Financial Services Agency “FinTech PoC Hub” Support Projects 43 Companies Participate in Testing “Interbank Settlements for Tokenized Deposits”” announced on August 26, 2026.

(ii) Analysis of Consolidated Results of Operations for the first six months of the 35th business term.

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

Operating Results Summary

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

(Note) Systems integration revenue includes equipment sales.

Segment Results Summary

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

i) Revenues

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

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

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

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

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

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

Network Services Revenues Breakdown

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

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

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

(Notes)

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

SI revenues, including equipment sales, were JPY115,208 million, up 57.1% YoY (JPY73,344 million for 1H25).

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

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

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

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

ii) Cost of sales

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

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

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

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

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

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

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

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

iv) Operating profit

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

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

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

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

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

vi) Profit before tax

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

vii) Profit for the period

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

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

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

viii) Comprehensive income for the period

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

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

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

(2) Financial Position

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

As of September 30, 2026, the balance of current assets was JPY171,424 million, increased by JPY19,257 million from the balance as of March 31, 2026 of JPY152,167 million. As for the major breakdown of balance and fluctuation of current assets, trade receivables increased by JPY6,422 million to JPY68,506 million, prepaid expenses increased by JPY5,177 million to JPY42,996 million mainly due to increases in project costs for customers, license fees and equipment-related costs, contract assets increased by JPY3,575 million to JPY6,920 million, and cash and cash equivalents increased by JPY2,766 million to JPY41,161 million.

As of September 30, 2026, the balance of non-current assets was JPY218,612 million, increased by JPY23,846 million from the balance as of March 31, 2026 of JPY194,766 million. As for the major breakdown of balance and fluctuation of non-current assets, tangible assets increased by JPY10,003 million to JPY55,117 million mainly due to purchases related to data centers, investment securities (equity) increased by JPY6,928 million to JPY19,034 million mainly due to an increase in the fair value of investment securities, prepaid expenses increased by JPY6,218 million to JPY40,257 million mainly due to increases in project costs for customers and license fees, intangible assets increased by JPY1,017 million to JPY23,672 million, and right-of-use assets, the rights under operating lease contracts such as office and data centers and under finance lease contracts such as data communication equipment, decreased by JPY28 million to JPY39,082 million mainly due to depreciation.

As of September 30, 2026, the balance of current liabilities was JPY151,346 million, increased by JPY21,805 million from the balance as of March 31, 2026 of JPY129,541 million. As for the major breakdown of balance and fluctuation of current liabilities, trade and other payables increased by JPY14,394 million to JPY48,872 million, contract liabilities increased by JPY3,542 million to JPY26,322 million, borrowings increased by JPY3,000 million to JPY38,570 million, and other financial liabilities increased by JPY190 million to JPY24,065 million.

As of September 30, 2026, the balance of non-current liabilities was JPY67,158 million, increased by JPY9,237 million from the balance as of March 31, 2026 of JPY57,921 million. As for the major breakdown of balance and fluctuation of non-current liabilities, contract liabilities increased by JPY5,593 million to JPY21,720 million, deferred tax liabilities increased by JPY2,233 million to JPY3,549 million mainly due to increases in the fair value of investment securities (equity securities), deferred income increased by JPY2,055 million to JPY2,236 million mainly due to a subsidy for purchases related to a data center, and other financial liabilities decreased by JPY654 million to JPY36,131 million.

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

(3) Cash Flows

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

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

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

Net cash used in financing activities for 1H26 was JPY10,503 million (net cash used in financing activities of JPY7,299 million for 1H25), mainly due to payments for other financial liabilities of JPY13,351 million (JPY11,721 million for 1H25), which included payments under operating lease contracts such as office rent and finance lease contracts such as network equipment, dividends paid of JPY3,457 million (JPY3,096 million for 1H25), proceeds from other financial liabilities of JPY3,293 million (JPY5,710 million for 1H25), and net increase in short-term borrowings of JPY3,000 million (JPY2,000 million for 1H25).

(4) Management policy, management environment and issues to be addressed, etc.

There were no material changes or newly identified matters, relating to the management policy, management environment and issues to be addressed, etc., during 1H26.

(5) Research and developments

For 1H26, research and development expenses, which were in relation to network services and systems integration business segment, were JPY350 million, up 14.0% YoY compared to JPY307 million for 1H25.

(6) Number of employees

There were no material changes in the number of employees of the Company or IIJ during 1H26.

(i) Consolidated basis

As of September 30, 2026

Number of Employees	5,823 (115)

(Note) The number of employees indicates the total number of full-time and contract workers. It does not include third-party employees working at the Company. The average number of part-time employees for the reporting period is shown in brackets.

(ii) IIJ (non-consolidated basis)

As of September 30, 2026

Number of Employees	3,397 (53)

(Note) The number of employees indicates the total number of full-time and contract workers. It does not include third-party employees working at IIJ. The average number of part-time employees for the reporting period is shown in brackets.

(7) Production, Orders Received and Sales

(i) Production

Type of Services	1H26 (Six months ended September 30, 2026)	
	Production (millions of yen)	Year-over-year comparison (%)
Systems Integration, including Equipment Sales	100,752	57.7
Total	100,752	57.7

(Note) Since the Company does not engage in production activities in network services and ATM operation business, we do not present production results for network services and ATM operation business.

(ii) Orders Received

Type of Services	1H26 (Six months ended September 30, 2026)			
	Orders Received (millions of yen)	Year-over-year comparison (%)	Order Backlog (millions of yen)	Year-over-year comparison (%)
Systems Construction and Equipment Sales	89,365	143.3	60,634	150.2
Systems Operation and Maintenance	80,896	49.6	153,329	41.1
Total	170,261	87.5	213,963	61.0

(Note) Since the Company does not engage in make-to-order production in network services and ATM operation business, we do not present orders received and order backlog for network services and ATM operation business.

(iii) Sales

Type of services	1H26 (Six months ended September 30, 2026)	
	Revenue (millions of yen)	Year-over-year comparison (%)
Network services	93,535	7.5
Internet connectivity services (enterprise)	28,099	6.5
Internet connectivity services (consumer)	15,015	7.2
Outsourcing services	36,176	10.8
WAN services	14,245	1.7
Systems integration	115,208	57.1
Systems construction and equipment sales	60,669	114.4
Systems operation and maintenance	54,539	21.1
ATM operation business	1,560	2.7
Total revenues	210,303	29.9

(Note) Percentages of year-over-year comparison indicate year-over-year rate of change.

(8) Major property and equipment

There were no material changes in major property and equipment or in our plan in relation to property and equipment during 1H26.

3 Material Contracts, etc.

Not applicable.

Item 3. Information on IIJ

1 Information on IIJ's Shares

(1) Total Number of Shares

(i) 【Total Number of Shares】

Class	Total number of shares authorized to be issued (shares)
Common stock	302,080,000
Total	302,080,000

(ii) 【Number of shares issued】

Class	Number of shares issued as of the end of period (shares) (September 30, 2026)	Number of shares issued as of the filing date (shares) (November 16, 2026)	Stock exchange on which IIJ is listed or authorized financial instruments firms association	Description
Common stock	183,478,668	183,478,668	Tokyo Stock Exchange (the Prime market)	The number of shares constituting a unit is 100.
Total	183,478,668	183,478,668	—	—

(2) Information on Stock Acquisition Rights

(i) Description of Stock Option Plan

Not applicable.

(ii) Other Stock Acquisition Rights

Not applicable.

(3) Information on Moving Strike Convertible Bonds

Not applicable.

(4) Changes in the Total Number of Issued Shares and Capital

Date	Changes in the total number of issued shares (shares)	Balance of the total number of issued shares (shares)	Changes in capital (millions of yen)	Balance of capital (millions of yen)	Changes in capital reserve (millions of yen)	Balance of capital reserve (millions of yen)
From April 1, 2026 to September 30, 2026	29,816	183,478,668	16	23,139	15	9,859

(Note) Increased by exercise of stock acquisition rights.

(5) Major Shareholders

As of September 30, 2026

Name	Address	Number of shares held (shares)	Ownership percentage of the total number of issued shares other than treasury stock (%) (Note 1)
KDDI CORPORATION	3-2, Nishishinjuku 2-chome, Shinjuku-ku, Tokyo	20,387,000	11.49
NTT, Inc.	5-1 Otemachi 1-chome, Chiyoda-ku, Tokyo	12,227,000	6.89
The Master Trust Bank of Japan, Ltd. (Other trust accounts) (Note 2)	8-1 Akasaka 1-chome, Minato-ku, Tokyo	8,742,400	4.93
NTT DOCOMO BUSINESS, Inc.	3-1 Otemachi 2-chome, Chiyoda-ku, Tokyo	8,160,000	4.60
ITOCHU Techno-Solutions Corporation	1-1 Toranomon 4-chome, Minato-ku, Tokyo	7,808,000	4.40
Koichi Suzuki (Note 3)	Chiyoda-ku, Tokyo	7,437,125	4.19
The Master Trust Bank of Japan, Ltd. (Investment trust accounts) (Note 2)	8-1 Akasaka 1-chome, Minato-ku, Tokyo	7,184,400	4.05
The Dai-ichi Life Insurance Company, Limited (Standing proxy: Custody Bank of Japan, Ltd.)	13-1 Yurakucho 1-chome, Chiyoda-ku, Tokyo (8-12 Harumi 1-chome, Chuo-ku, Tokyo)	5,092,000	2.87
Custody Bank of Japan, Ltd. (Investment trust accounts) (Note 4)	8-12 Harumi 1-chome, Chuo-ku, Tokyo	4,044,100	2.28
STATE STREET BANK AND TRUST COMPANY 505103 (Standing proxy: Mizuho Bank, Ltd. Settlement & Clearing Services Department)	ONE CONGRESS STREET, SUITE 1, BOSTON, MASSACHUSETTS, U.S.A (15-1 Konan 2-chome, Minato-ku, Tokyo)	3,250,879	1.83
Total	—	84,332,904	47.54

(Notes)
1. The percentages are rounded to two decimal places.
2. Of the 16,554,600 shares held by The Master Trust Bank of Japan, Ltd. (Trust Account), 7,184,400 shares are held under investment trust accounts, 540,200 shares are held in pension trust accounts, and 8,742,400 shares are held in other trust accounts.
3. KS Holdings Inc., which is wholly owned and controlled (indirect) by Mr. Koichi Suzuki, Representative Director, Chairman and Executive Officer of IIJ, is a joint holder with Mr. Koichi Suzuki and holds 3,240,000 shares of common stock of IIJ, representing 1.83% of the total number of issued shares other than treasury stock as of September 30, 2026.
4. Of the 6,492,600 shares held by Custody Bank of Japan, Ltd. (Trust Account), 4,044,100 shares are held in investment trust accounts, 156,300 shares are held under pension trust accounts, and 2,233,800 shares are held in other trust accounts.
5. Oasis Management Company Ltd. (“Oasis”) filed a report of substantial shareholding with the Director General of the Kanto Bureau of the Ministry of Finance on July 1, 2026. According to the filing, Oasis held 16,647,794 shares of common stock of IIJ as of June 24, 2026, representing 9.07% of the total number of issued shares as of that date. As of November 11, 2026, we have not confirmed any filings by Oasis since then. Based on the contents of the filing, we have confirmed that Oasis held shares of IIJ as of September 30, 2026; however, we were unable to verify the number of shares beneficially held from the shareholder record as of that date, and therefore, Oasis and their holdings are not included in the above list.
6. There are 6,090,172 shares of treasury stock (3.32% of the total number of issued shares), which are not included in the above list.

(6) Information on Voting Rights

(i) Issued shares

As of September 30, 2026

Classification	Number of Shares (shares)	Number of Voting Rights	Description
Shares without Voting Rights	—	—	—
Shares with Restricted Voting Rights (treasury stock, etc.)	—	—	—
Shares with Restricted Voting Rights (others)	—	—	—
Shares with Full Voting Rights (treasury stock, etc.)	Treasury Stock: 6,090,100 shares of common stock	—	—
Shares with Full Voting Rights (others)	177,347,800 shares of common stock	1,773,478	—
Shares Representing Less than One Unit (Note)	40,768 shares of common stock	—	—
Number of Issued Shares	183,478,668 shares of common stock	—	—
Total Number of Voting Rights	—	1,773,478	—

(Note) 72 shares of treasury stock held by IIJ are included in “Shares Representing Less than One Unit.”

(ii) Treasury Stock

As of September 30, 2026

Name	Address	Number of shares held under own name (shares)	Number of shares held under the name of others (shares)	Total number of shares held (shares)	Ownership percentage of total number of shares outstanding (%)
(Treasury Stock) Internet Initiative Japan Inc.	2-10-2 Fujimi, Chiyoda-ku, Tokyo	6,090,100	—	6,090,100	3.32
Total	—	6,090,100	—	6,090,100	3.32

2 Changes in Directors and Company Auditors

There were no changes in directors and company auditors during the period from the filing date of the Annual Securities Report for the fiscal year ended March 31, 2026 (filed on June 25, 2026) to September 30, 2026 (the last day of 1H26).

Item 4. Financial Information
1. Condensed Interim Consolidated Financial Statements
(1) Condensed Interim Consolidated Statements of Financial Position

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

	Note	March 31, 2026	September 30, 2026
		Millions of yen	Millions of yen
Liabilities and Equity			
Liabilities			
Current liabilities			
Trade and other payables		34,478	48,872
Borrowings	12	35,570	38,570
Income taxes payable		5,119	5,359
Provisions		480	13
Contract liabilities		22,780	26,322
Deferred income		32	298
Other financial liabilities	7,12	23,875	24,065
Other current liabilities		7,207	7,847
Total current liabilities		129,541	151,346
Non-current liabilities			
Retirement benefit liabilities		1,013	1,020
Provisions		1,255	1,351
Contract liabilities		16,127	21,720
Deferred income		181	2,236
Deferred tax liabilities		1,316	3,549
Other financial liabilities	7,12	36,785	36,131
Other non-current liabilities		1,244	1,151
Total non-current liabilities		57,921	67,158
Total liabilities		187,462	218,504
Equity			
Share capital		25,663	25,678
Share premium		35,930	35,877
Retained earnings	8	98,163	105,478
Other components of equity		10,006	14,518
Treasury shares		(11,755)	(11,571)
Total equity attributable to owners of the parent		158,007	169,980
Non-controlling interests		1,464	1,552
Total equity		159,471	171,532
Total liabilities and equity		346,933	390,036

(2) Condensed Interim Consolidated Statements of Profit or Loss

	Note	Six Months Ended September 30, 2025	Six Months Ended September 30, 2026
		Millions of yen	Millions of yen
Revenues			
Network services		87,047	93,535
Systems integration		73,344	115,208
ATM operation business		1,519	1,560
Total revenues	5,9	161,910	210,303
Cost of sales			
Cost of network services		(63,434)	(69,328)
Cost of systems integration		(62,558)	(100,627)
Cost of ATM operation business		(790)	(845)
Total cost of sales		(126,782)	(170,800)
Gross Profit		35,128	39,503
Selling, general and administrative expenses		(20,853)	(22,925)
Other operating income	10	1,219	89
Other operating expenses		(106)	(136)
Operating Profit	5	15,388	16,531
Finance income	12	743	889
Finance expenses	12	(756)	(914)
Share of profit (loss) of investments accounted for using equity method		(226)	(461)
Profit (loss) before tax		15,149	16,045
Income tax expense		(5,019)	(5,197)
Profit (loss) for the period		10,130	10,848
Profit (loss) for the period attributable to:			
Owners of the parent		10,032	10,772
Non-controlling interests		98	76
Total		10,130	10,848
Earnings per share	11		
Basic earnings per share (yen)		56.64	60.74
Diluted earnings per share (yen)		56.36	60.53

(3) Condensed Interim Consolidated Statements of Comprehensive Income

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

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

Six months ended September 30, 2025

	Note	Owners of the parent's shareholders' equity						Non-controlling interests	Total equity
		Share capital	Share premium	Retained earnings	Other components of equity	Treasury shares	Total		
		Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance, April 1, 2025		25,577	35,865	79,885	11,266	(11,910)	140,683	1,403	142,086
Comprehensive income									
Profit (loss)		-	-	10,032	-	-	10,032	98	10,130
Other comprehensive income		-	-	-	679	-	679	-	679
Total comprehensive income		-	-	10,032	679	-	10,711	98	10,809
Transactions with owners									
Issuance of common stock		86	(85)	-	-	-	1	-	1
Disposal of treasury shares		-	(3)	-	-	155	152	-	152
Dividends paid	8	-	-	(3,096)	-	-	(3,096)	(63)	(3,159)
Stock-based compensation		-	(48)	-	-	-	(48)	-	(48)
Transfer from other components of equity to retained earnings		-	-	472	(472)	-	-	-	-
Transfer to non-financial assets		-	-	-	(25)	-	(25)	-	(25)
Changes in ownership interest in subsidiaries		-	(1)	-	-	-	(1)	(96)	(97)
Total transactions with owners		86	(137)	(2,624)	(497)	155	(3,017)	(159)	(3,176)
Balance, September 30, 2025		25,663	35,728	87,293	11,448	(11,755)	148,377	1,342	149,719

Six months ended September 30, 2026

	Note	Owners of the parent's shareholders' equity						Non-controlling interests	Total equity
		Share capital	Share premium	Retained earnings	Other components of equity	Treasury shares	Total		
		Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance, April 1, 2026		25,663	35,930	98,163	10,006	(11,755)	158,007	1,464	159,471
Comprehensive income									
Profit (loss)		-	-	10,772	-	-	10,772	76	10,848
Other comprehensive income		-	-	-	4,516	-	4,516	-	4,516
Total comprehensive income		-	-	10,772	4,516	-	15,288	76	15,364
Transactions with owners									
Issuance of common stock		15	(15)	-	-	-	-	-	-
Disposal of treasury shares		-	(118)	-	-	184	66	-	66
Dividends paid	8	-	-	(3,457)	-	-	(3,457)	(72)	(3,529)
Stock-based compensation		-	80	-	-	-	80	-	80
Transfer to non-financial assets		-	-	-	(4)	-	(4)	-	(4)
Changes in ownership interest in subsidiaries		-	-	-	-	-	-	84	84
Total transactions with owners		15	(53)	(3,457)	(4)	184	(3,315)	12	(3,303)
Balance, September 30, 2026		25,678	35,877	105,478	14,518	(11,571)	169,980	1,552	171,532

(5) Condensed Interim Consolidated Statements of Cash Flows

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

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

Notes to Condensed Interim Consolidated Financial Statements

1. REPORTING ENTITY

Internet Initiative Japan Inc. (“IIJ”) is a company incorporated in Japan. The registered addresses of its headquarters and primary business offices are disclosed on IIJ’s website－URL https://www.iij.ad.jp/en/－. The condensed interim consolidated financial statements of IIJ for the period ended September 30, 2026 comprise the financial statements of IIJ and its subsidiaries (collectively “the Company”), and the interests in associated companies.

The details of principal business and activities of the Company are stated in Note 5. SEGMENTS.

2. BASIS OF PREPARATION

(1) Compliance with IFRS

The condensed interim consolidated financial statements of the Company have been prepared in accordance with IAS 34 pursuant to the provision of Article 312 of Regulations for Consolidated Financial Statements, as the Company meets the criteria of a “Designated IFRS Specified Company” defined under Article 1-2, Item 2 of the regulations.

The condensed interim consolidated financial statements, which do not contain all the information required in annual consolidated financial statements, should be read in conjunction with the annual consolidated financial statements for the previous fiscal year ended March 31, 2026.

(2) Basis of Measurement

The Company's condensed interim consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments measured at fair value.

(3) Functional Currency and Presentation Currency

The Company's condensed interim consolidated financial statements are presented in Japanese yen, which is also IIJ’s functional currency, and figures are rounded to the nearest million yen.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies applied to the condensed interim consolidated financial statements for the six months ended September 30, 2026 are the same as those applied to the consolidated financial statements for the fiscal year ended March 31, 2026. Meanwhile, income taxes for the six months ended September 30, 2026 are calculated based on the estimated annual effective tax rate.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS INVOLVING ESTIMATES

The Company’s condensed interim consolidated financial statements include management’s estimates and assumptions, which should affect the measurements of revenues and expenses, assets and liabilities and the disclosure of contingent assets and liabilities at the end of the reporting period.

The estimates and assumptions are based on the best judgement by management considering factors deemed to be reasonable as of the end date of the reporting period according to factors regarding available past and present information, etc. However, amounts based on the estimates and assumptions may, due to the nature, differ from actual results.

Estimates and assumptions on which estimates are based are reviewed on an ongoing basis. The effects arising from revision of estimates are recognized during the period when the estimates are revised and in future periods.

Estimates and judgements with significant effects on the condensed interim consolidated financial statements for the six months ended September 30, 2026 are same as those on the consolidated financial statements for the year ended March 31, 2026.

5. SEGMENTS

(1) Overview of reportable segments

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

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

(2) Revenue and results of reportable segments

Segment information for the Company is as follows:

For the six months ended September 30, 2025

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

(Note) Intersegment transactions are based on market price. Operating income is used as segment operating profit.

For the six months ended September 30, 2026

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

(Note) Intersegment transactions are based on market price. Operating income is used as segment operating profit.

6. OTHER FINANCIAL ASSETS

The components of other financial assets are as follows:

	March 31, 2026	September 30, 2026
	Millions of yen	Millions of yen
Financial assets measured at amortized cost		
Other receivable	942	591
Guarantee deposit	4,650	4,838
Loans receivable	7	7
Other	855	808
Lease receivable	5,599	5,284
Total	12,053	11,528
Current assets	3,183	2,817
Non-current assets	8,870	8,711
Total	12,053	11,528

7. OTHER FINANCIAL LIABILITIES

The components of other financial liabilities are as follows:

	March 31, 2026	September 30, 2026
	Millions of yen	Millions of yen
Financial liabilities measured at amortized cost		
Account payable－non-current (including current portion)	15,301	15,600
Deposit payable	340	354
Others	2,001	1,430
Lease obligations (Note)	43,018	42,812
Total	60,660	60,196
Current liabilities	23,875	24,065
Non-current liabilities	36,785	36,131
Total	60,660	60,196

(Note) The Company classified lease arrangements as financial leases when the lessor transfers substantially all the risks and rewards incidental to ownership of an asset to the Company. In this case, the breakdown of lease obligations are as follows:

	March 31, 2026	September 30, 2026
	Millions of yen	Millions of yen
Financial leases	19,896	18,112
Other leases	23,122	24,700

8. DIVIDENDS PAID

Cash dividends paid are as follows:

For the six months ended September 30, 2025

(1) Cash dividends paid.

Resolution date	Total dividends	Dividends per share	Record date	Effective date
	Millions of yen	Yen		
June 26, 2025 Ordinary General Meeting of Shareholders	3,096	17.50	March 31, 2025	June 27, 2025

(2) Cash dividends of which effective date belongs to next half.

Resolution date	Total dividends	Dividends per share	Record date	Effective date
	Millions of yen	Yen		
November 7, 2025 Board of Directors meeting	3,457	19.50	September 30, 2025	December 5, 2025

For the six months ended September 30, 2026

(1) Cash dividends paid.

Resolution date	Total dividends	Dividends per share	Record date	Effective date
	Millions of yen	Yen		
June 26, 2026 Ordinary General Meeting of Shareholders	3,457	19.50	March 31, 2026	June 29, 2026

(2) Cash dividends of which effective date belongs to next half.

Resolution date	Total dividends	Dividends per share	Record date	Effective date
	Millions of yen	Yen		
November 6, 2026 Board of Directors meeting	3,814	21.50	September 30, 2026	December 4, 2026

9. REVENUE

The Company classifies the revenues into “Network services”, “Systems integration” and “ATM operation business” and breaks them down according to the contents of each service. The components of revenues recognized in the contracts with customers are as follows. The revenue provided to the customers based on the lease contract is included below due to the immateriality.

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
	Millions of yen	Millions of yen
Network services	87,047	93,535
Internet connectivity services (enterprise)	26,384	28,099
WAN services	14,010	14,245
Outsourcing services	32,641	36,176
Internet connectivity services (consumer)	14,012	15,015
Systems integration	73,344	115,208
Systems construction	28,296	60,669
Systems operation and maintenance	45,048	54,539
ATM operation business	1,519	1,560
Total	161,910	210,303

On the reportable segment, Network services and Systems integration are included in “Network service and Systems integration business” and ATM operation business is included in “ATM operation business.”

Revenues by reportable segment is stated in Note 5. SEGMENTS.

10. OTHER OPERATING INCOME

A gain arising from the revision of the post-retirement benefit plans recognized in condensed interim consolidated statements of profit or loss for the six months ended September 30, 2025 was 1,169 million yen.

11. EARNINGS PER SHARE

Basic earnings per share attributable to owners of the parent and diluted earnings per share attributable to owners of the parent were as follows:

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Numerator：		
Basic earnings attributable to owners of the parent (millions of yen)	10,032	10,772
Earnings adjustment (millions of yen)	—	—
Earnings used to calculate earnings per share — diluted (millions of yen)	10,032	10,772
Denominator：		
Weighted average number of shares — basic（shares）	177,103,669	177,340,484
Dilution arising from stock options (shares)	892,446	623,829
Weighted average number of shares — diluted（shares）	177,996,115	177,964,313
Earnings per share attributable to owners of the parent		
Basic (yen)	56.64	60.74
Diluted (yen)	56.36	60.53

12. FINANCIAL INSTRUMENTS

Fair value of financial instruments

(1) Classification of fair value hierarchy by level

IFRS regulates the three levels of fair value hierarchy and inputs used for the fair value measurement are prioritized according to the observable availability. The contents of each input are as follows:

- Level 1: quoted prices in active markets
- Level 2: inputs other than quoted prices included in Level 1 that are observable either directly or indirectly
- Level 3: unobservable inputs

(2) Financial instruments measured at fair value

Measurement methods for major financial instruments measured at fair value are as follows:

Equity securities

Fair values of financial instruments traded in active markets are evaluated at quoted market prices and these instruments are classified as Level 1. If market prices do not exist, the Company evaluates fair value by using equity interest in net asset which is added appropriate adjustments based on recent available information, and these financial assets are classified as Level 3.

Investment trust and other securities

Financial instruments which do not have observable market data, the Company evaluates fair value by using equity interest in net asset which is added appropriate adjustments based on recent available information, and these financial assets are classified as Level 3.

The Company's assets measured at fair value consistent with the fair value hierarchy were as follows:

March 31, 2026

	Level 1	Level 2	Level 3	Total
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Assets：				
Equity-based financial assets measured at FVTOCI				
Equity securities	10,406	—	1,700	12,106
Financial assets measured at FVTPL				
Investment trust and other securities	—	—	10,476	10,476
Other financial assets	—	215	—	215

September 30, 2026

	Level 1	Level 2	Level 3	Total
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Assets：				
Equity-based financial assets measured at FVTOCI				
Equity securities	17,600	—	1,434	19,034
Financial assets measured at FVTPL				
Investment trust and other securities	—	—	11,254	11,254
Other financial assets	—	241	—	241

Financial instruments classified as Level 3 are mainly composed of non-marketable securities and investment trusts. The valuations of these financial instruments are measured using valuation method with appropriate adjustment to our equity in net assets. The result of the valuations is reviewed and authorized by the appropriate authorized person.

For financial instruments classified as Level 3, significant changes in fair value are not expected if the Company changes the unobservable input to an alternative assumption that can reasonably be considered.

The existence or non-existence of the important transfer between the levels of fair value hierarchy are recognized, assuming that the transfers occurred at the end of each reporting period.

(3) Changes in financial assets classified as Level 3

Changes in financial assets classified as Level 3 during the six months ended September 30, 2025 and 2026 were as follows:

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
	Millions of yen	Millions of yen
Equity securities		
Balance at the beginning of the period	1,899	1,700
Other comprehensive income (Note 1)	(302)	(266)
Sale	(138)	—
Balance at the end of period	1,459	1,434

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
	Millions of yen	Millions of yen
Investment trust and other securities		
Balance at the beginning of the period	8,509	10,476
Profit or loss (Note 2)	239	266
Purchase	441	512
Balance at the end of period	9,189	11,254

(Notes)

1. Gain or loss included in other comprehensive income is related to financial assets that are measured at FVTOCI. This gain or loss is included in “Changes in fair value of financial assets measured at FVTOCI.”
2. Gain or loss included in profit or loss are related to financial assets that are measured at FVTPL as of the end of each reporting period. This gain or loss is included in finance income or finance expenses. Gain or loss included in profit or loss are due to changes in unrealized gain or loss on financial assets held at the end of each reporting period.

(4) Financial instruments not measured at fair value

Primary methods of measuring financial instruments not measured at fair value are as follows:

(i) Debt securities

Fair values of debt securities are calculated by present value discounted by the expected rates if the Company made borrowings on equal terms for the remaining period.

Since financial assets and financial liabilities classified as current items are settled in a short period of time, the carrying amount is a reasonable approximation of fair value. Regarding non-current items, the fair value of financial assets and financial liabilities other than above is close to their carrying amount.

The Company's financial instruments not measured at fair value consistent with the fair value hierarchy were as follows:

March 31, 2026

	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Assets :					
Other financial assets					
Financial assets measured at amortized cost					
Debt securities	2,000	—	1,732	—	1,732

September 30, 2026

	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Assets :					
Other financial assets					
Financial assets measured at amortized cost					
Debt securities	2,000	—	1,715	—	1,715

13. CONTINGENT LIABILITIES

The Company is involved in litigation and claims arising in the ordinary course of business. In evaluating matters on an ongoing basis, the Company takes into account estimated amounts accrued on the condensed interim consolidated balance sheet. The Company believes that exposure to loss does not exist in excess of the amount accrued and the negative adverse outcome of such litigation and claims would not have a significant impact on the consolidated financial position or results of operations. On September 1, 2010, IIJ Global Solutions Inc.("IIJ-Global") entered into a Solutions Engagement Agreement with IBM Japan Ltd., IIJ-Global's largest sales partner. This agreement, which establishes the basis for a procurement relationship between IIJ-Global and IBM Japan, contains indemnification for IIJ-Global to perform services, functions, responsibilities and others that were being performed by AT&T Japan. This agreement renews automatically every year. IIJ-Global had no obligation for the indemnification as of September 30, 2026. Through the split-up of IBM Japan Ltd. on September 1, 2021, the part of the agreement has been succeeded by Kyndryl Japan KK.

14. SUBSEQUENT EVENTS

Not applicable.

15. AUTHORIZATION OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The condensed interim consolidated financial statements were authorized by Yasuhiko Taniwaki, Representative Director, President and Executive Officer, and Akihisa Watai, Member of the Board, Executive Vice President and CFO on November 16, 2026.

2. Other Information

At the Board of Directors meeting on November 6, 2026, an interim dividend of 21.50 yen per share with a record date of September 30, 2026 was resolved (Total interim dividend is ¥3,814 million yen. Scheduled date for interim dividend payment: December 4, 2026).

PART 2 Information about Guarantors of the Company

Not applicable.

Independent Auditor's Report on Review of Condensed Interim Consolidated Financial Statements

To the Board of Directors of Internet Initiative Japan Inc.

KPMG AZSA LLC

Tokyo Office, Japan

Takemitsu Nemoto

Designated Limited Liability Partner

Engagement Partner

Certified Public Accountant

Shinichiro Tozuka

Designated Limited Liability Partner

Engagement Partner

Certified Public Accountant

Conclusion

We have reviewed the accompanying condensed interim consolidated financial statements of Internet Initiative Japan Inc. ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group") provided in the "Financial Information" section in the Semiannual Securities Report, which comprise the condensed interim consolidated statements of financial position as at September 30, 2026, the condensed interim consolidated statements of profit or loss, the condensed interim consolidated statement of comprehensive income, the condensed interim consolidated statement of changes in shareholders' equity, the condensed interim consolidated statement of cash flows for the six-month periods then ended, and notes to the condensed interim consolidated financial statements, in accordance with Article 193-2(1) of the Financial Instruments and Exchange Act of Japan.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at September 30, 2026, and its consolidated financial performance and its consolidated cash flows for the six-month periods then ended in accordance with IAS 34, 'Interim Financial Reporting' pursuant to the Article 312 of the Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statements.

Basis for Conclusion

We conducted our review in accordance with interim review standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Review of the Condensed Interim Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements in Japan (including those that are relevant to audits of the financial statements of public interest entities), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Responsibilities of Management, Company Auditors and the Board of Company Auditors for the Condensed Interim Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the condensed interim consolidated financial statements in accordance with IAS 34, 'Interim Financial Reporting', and for such internal control

as management determines is necessary to enable the preparation of the condensed interim consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the condensed interim consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with paragraph 4 of IAS 1, 'Presentation of Financial Statements'.

Company auditors and the board of company auditors are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Review of the Condensed Interim Consolidated Financial Statements

Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review in our report on the review of condensed interim consolidated financial statements. As part of our review in accordance with interim review standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the review. We also:

- Make inquiries, primarily of management and persons responsible for financial and accounting matters, and apply analytical and other review procedures. An interim review is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in Japan.
- Conclude, based on the evidence obtained, that nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements do not present fairly in accordance with paragraph 4 of IAS 1, 'Presentation of Financial Statements', if a material uncertainty relating to events or conditions comes to our attention that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report on the review of condensed interim consolidated financial statements to the related disclosures in the condensed interim consolidated financial statements or, if such disclosures are inadequate, to express a qualified conclusion or an adverse conclusion. Our conclusions are based on the evidence obtained up to the date of our report on the review of condensed interim consolidated financial statements; however, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate that nothing has come to our attention that causes us to believe that the presentation and disclosures in the condensed interim consolidated financial statements are not in accordance with IAS 34 'Interim Financial Reporting', the overall presentation, structure and content of the condensed interim consolidated financial statements, including the disclosures, and that nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements do not represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the Group as a basis for forming a conclusion on the condensed interim consolidated financial statements. We are responsible for the direction, supervision and review of the interim review on the condensed interim consolidated financial statements. We remain solely responsible for our review conclusion.

We communicate with company auditors and the board of company auditors regarding, the planned scope and timing of the review, significant review findings that we identify during our review.

We also provide company auditors and the board of company auditors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Reader of Independent Auditor's Report on Review of Condensed Interim Consolidated Financial Statements:

The Independent Auditor's Report on Review of Condensed Interim Consolidated Financial Statements herein is the English translation of the Independent Auditor's Report on Review of Condensed Interim Consolidated Financial Statements as required by the Financial Instruments and Exchange Act of Japan.