

For Immediate Release

Notice Regarding the Terms and Conditions Concerning the Issuance of Stock-Compensation-Type Stock Options (Stock Acquisition Rights)

TOKYO—July 11, 2016 - Internet Initiative Japan Inc. ("IIJ", the "Company", NASDAQ: IIJ, TSE1: 3774) hereby announces that it has determined the remaining terms and conditions concerning the issuance of stock-compensation-type stock options ("Stock Acquisition Rights"), resolved by the IIJ's Board of Directors on June 24, 2016, to be allotted to Directors (excluding Part-time and Outside Directors) and Executive Officers of IIJ, as follows.

1. Total number of Stock Acquisition Rights
162 rights
2. Class and total number of shares underlying the Stock Acquisition Rights
32,400 shares of the Company's common stock (the number of shares to be issued or transferred for each Stock Acquisition Rights shall be 200 shares)
3. Amount to be paid in exchange for the Stock Acquisition Rights
JPY360,000 per Stock Acquisition Rights (JPY1,800 per share of common stock)

The Stock Acquisition Rights are allotted to Directors (excluding Part-time and Outside Directors) and Executive Officers of IIJ by offsetting their monetary remuneration claims against the Company and their obligations to pay for the allotment of the Stock Acquisition Rights.

4. Persons to be allotted the stock acquisition rights, number of persons, and number of stock acquisition rights to be allotted:

Directors (excluding Part-time and Outside Directors) of IIJ	7 Directors	105 rights
Executive Officers of IIJ	12 Executive Officers	57 rights

About IIJ

Founded in 1992, Internet Initiative Japan Inc. is one of Japan's leading Internet-access and comprehensive network solutions providers. IIJ and its group companies provide total network solutions that mainly cater to high-end corporate customers. The company's services include high-quality systems integration and security services, Internet access services, and cloud computing services. Moreover, the company has built one of the largest Internet backbone networks in Japan that is connected to the United States, the United Kingdom, Singapore and Hong Kong. IIJ listed on NASDAQ in 1999 and on the First Section of the Tokyo Stock Exchange in 2006. For more information about IIJ, visit the IIJ Web site at <http://www.iij.ad.jp/en/>.

The statements within this release contain forward-looking statements about our future plans that involve risk and uncertainty. These statements may differ materially from actual future events or results. Readers are referred to the documents furnished by Internet Initiative Japan Inc. with the SEC, specifically the most recent reports on Forms 20-F and 6-K, which identify important risk factors that could cause actual results to differ from those contained in the forward-looking statements.

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