

Company name: Internet Initiative Japan Inc.
 Company representative: Eijiro Katsu, President and Representative Director
 (Stock Code Number: 3774, The First Section of the Tokyo Stock Exchange)
 Contact: Akihisa Watai, Managing Director and CFO
 TEL: 81-3-5205-6500

Notice Regarding Upward Revision of the Full-Year Financial Targets for the Fiscal Year ending March 31, 2021

TOKYO - February 8, 2021 - Internet Initiative Japan Inc. (“IIJ”, TSE1: 3774) announced revision of the full year financial targets for the fiscal year ending March 31, 2021 (“FY2020”, April 1, 2020 to March 31, 2021) based on IIJ’s recent business performance trends.

1. Revision for the Consolidated Financial Targets for FY2020 (From April 1, 2020 to March 31, 2021)

	Revenues	Operating Profit	Profit before Tax	Profit for the year attributable to owners of the parent	Basic earnings per share
	JPY millions	JPY millions	JPY millions	JPY millions	JPY
Previous Targets (A)	212,000	11,300	10,000	6,100	67.63
New Targets (B)	213,000	13,500	12,300	7,600	84.26
Change (B-A)	1,000	2,200	2,300	1,500	
Change (%)	0.5	19.5	23.0	24.6	
< Reference > FY2019 Results (From April 1, 2019 to March 31, 2020)	204,474	8,225	7,159	4,007	44.44 ¹

2. Reasons for Revision

In FY2020, as Japanese enterprises’ utilization of ICT² related services advances, our enterprise recurring revenue³ growth has been exceeding our expectation and gross profit of network services has largely been increasing. Based on this, we revised our full-year financial targets for FY2020 on November 9, 2020 when we announced our first half of FY2020 financial results.

In the third quarter of FY2020, the growth of our enterprise recurring revenue continued to be strong, and further profit growth can be expected. In addition, we now have better visibility about the scale of system integration revenue and its profit, which tends to be recorded largely in the fourth quarter every year. Lastly, there was also a decrease in cost of network services due to mobile unit charge revised by Mobile Network Operators (MNOs) based on their FY2019 results. As a result, we revised our full-year financial targets for FY2020 for the second time.

As for dividend forecast revision along with the financial target upward revision, it will be considered when FY2020 profit for the year attributable to owners of the parent is fixed.

¹ IIJ conducted a stock split at a ratio of two-for-one with an effective date of January 1, 2021. Accordingly, the basic earnings per share is calculated as if the stock split was conducted at the beginning of the previous consolidated fiscal year.

² ICT (Information and Communication Technology) is a general technological term for hardware, software, systems and data communication tools used for information communication by computers.

³ Enterprise recurring revenue: Enterprise recurring revenue is recurring revenue which excludes Internet connectivity services revenue for consumer and MVNE revenue. Recurring revenue is revenue that businesses can count on receiving every single month through continuous provision of services to customers.

< About Internet Initiative Japan Inc. >

Founded in 1992, IJ is one of Japan's leading Internet-access and comprehensive network solutions providers. IJ and its group companies provide total network solutions that mainly cater to high-end corporate customers. IJ's services include high-quality Internet connectivity services, mobile services, security services, cloud computing services, and systems integration. Moreover, IJ operates one of the largest Internet backbone networks in Japan that is connected to the United States, the United Kingdom and Asia. IJ listed on the First Section of the Tokyo Stock Exchange in 2006.

< IJ Investor Relations >

Tel: +81-3-5205-6500 E-mail: ir@ij.ad.jp URL: <https://www.ij.ad.jp/en/ir>

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