



For Immediate Release

JCTA and IIJ to Offer Industry-wide MVNO Platform to Cable Television Enterprises

TOKYO—October 14, 2014—The Japan Cable and Telecommunications Association (JCTA) and Internet Initiative Japan Inc. (IIJ, NASDAQ: IIJI, TSE1: 3774) today announced they will cooperate in the MVNO business. The two organizations will provide an industry-wide MVNO platform for Japanese cable television enterprises and support the development of inexpensive smartphone services for cable television consumers.

This partnership will establish an environment in which the entire cable television industry can enter the MVNO business. JCTA will promote utilization of MVNO services within the industry. IIJ will support JCTA in providing an industry-wide MVNO platform that meets the needs of the cable television enterprises that JCTA represents. Furthermore JCTA should also allow for the procurement of portable devices such as smartphones and tablets at a lower cost. Utilizing JCTA's industry-wide MVNO platform will allow cable television operators to curb service administration costs in comparison to building their own MVNO business. More than 80 enterprises have already committed to using the platform. JCTA and IIJ will support cable television enterprises in launching their MVNO services at an early stage.

Cable television enterprises currently distribute video over their own networks to approximately 28 million households (*1) (over 50% of all households). They visit their customers door to door and offer courteous support in the home. They also work with local governments to create regional content and transmit regional information. Their services have developed into regional ICT infrastructures that support local community life. However, with the expansion of high-speed wireless services such as LTE and the popularization of smartphones and tablets, consumers increasingly like to enjoy video on their portable devices in addition to their televisions. With more and more providers entering the video distribution service market, the question of how to strengthen competitiveness is becoming a crucial issue for cable television enterprises.

In recent years, JCTA has taken the initiative in developing their Cable Platform, which will act as a wide-platform for the cable television industry. Aggregating collaborative business on an industry-wide platform will allow enterprises to efficiently and quickly develop services to meet the advanced needs of their customers, and is expected to increase competitiveness throughout the entire industry. During “Study Group on Upgrading of Broadcasting Services” (*2) the Ministry of Internal Affairs and Communications established the Cable Platform WG (*3) in December 2012. As a result of discussions held during the Cable Platform WG, decisions were made to build a comprehensive ICT infrastructure that includes not only traditional cable television and wired Internet access but wireless technologies as well, and to provide

services in the Cable Platform. In June 2014 JCTA established the Wireless Use WG to work toward this end, and continues its investigation of MVNO, regional BWA, and Wi-Fi as the three main pillars supporting its objective.

This latest MVNO business initiative forms one part of the Cable Platform concept. The goal is to build a framework that allows Japanese cable television enterprises to offer their customers MVNO services for low cost smartphones and the like which are seeing growing demand. The smartphone and tablet consumer base is expected to expand as cable television operators with close regional ties participate in the MVNO business and provide courteous service especially to the elderly who may have trouble exchanging SIM cards.

(*1) As of March, 2014

(*2) "Study Group on Upgrading of Broadcasting Services" was established by the Ministry of Internal Affairs and Communications (MIC) in November 2012. It was held in order to respond to changes of environment surrounding communication and broadcasting services and strive to disseminate advanced broadcasting services at an early stage, with a view to deliberating on necessary matters for materializing the dissemination in three fields: "4K/8K (Super Hi-Vision)," "smart TV," and "cable platform."

(*3) A working group formed to investigate basic functions required by cable television industry-shared platforms as well as rules and the like that must be followed by organizations responsible for such platforms.

About the Japan Cable and Telecommunications Association (<http://www.catv-jcta.jp/>)

An industry group formed in 1980 with the goals of promoting cable television ethics through mutual enlightenment and cooperation among cable television enterprises, promoting sound development and popularization of cable television and contributing to the promotion of public welfare.

* Member companies as of September 17, 2014: 522

(Regular member operators: 372, regular member suppliers: 67, supporting members: 83)

About IIJ

Founded in 1992, Internet Initiative Japan Inc. (IIJ, NASDAQ: IJJI, Tokyo Stock Exchange TSE1: 3774) 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. IIJ's services include high-quality systems integration, cloud computing/data center services, security services, and Internet access. Moreover, IIJ has built one of the largest Internet backbone networks in Japan that is connected the United States, the United Kingdom and Asia. IIJ was 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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