

For Immediate Release

IIJ Makes Investment in Appiaries Corporation

TOKYO—March 17, 2014—Internet Initiative Japan Inc. (IIJ, NASDAQ: IIJI, TSE1: 3774) and PCPhase Corporation (PCP) announced that IIJ acquired shares in Appiaries Corporation (Appiaries), a PCP subsidiary engaged in the Backend as a Service (BaaS) business. IIJ and PCP will manage Appiaries as a joint venture, aiming to use the strengths of both partners to best advantage.

Fast growth of mobile applications on smartphones is driving the demand for BaaS which is a form of cloud computing service offering the common server functions required to manage a mobile application service. PCP has been expanding its BaaS business, and spun it off as Appiaries on February 17, 2014. With IIJ's equity investment, Appiaries will be able to merge IIJ's technical expertise in network services and cloud service infrastructure and operations with PCP's marketing and technology development expertise in the mobile sphere. Going forward, it plans to further strengthen its development systems, acting as a leader in the BaaS market.

Company profile of Appiaries Corporation

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|---------------------|---|---|
| Company name | Appiaries Corporation | |
| Logo |  | |
| Established | February 17, 2014 | |
| Capital | JPY 198,160,000 | |
| Shareholders | PCP 51.0%, IIJ 49.0% | |
| Main Business | BaaS business | |
| Number of employees | 9 | |
| Executives | Chief Executive Officer | Kazuhiro Yoshida (Chief Executive Officer, PCP) |
| | Director, Chief Operating Officer | Hiroataka Kamata (Global Business Division, IIJ) |
| | Director | Tsukasa Nihei (Executive Officer, Director, Business Development, PCP) |
| | Director (Part-time) | Makoto Ajisaka (Executive Officer, Division Director, Enterprise Business Division 3, IIJ) |

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| | Company Auditor | Masaaki Sekino (Outside Director, PCP) |
| | Company Auditor | Daisuke Noguchi (Deputy General Manager, Administrative Division Corporate Planning Department, IIJ) |
| Location | 4-11-6 Jingumae, Shibuya-ku, Tokyo 150-0001, Japan | |

About IIJ

Founded in 1992, Internet Initiative Japan Inc. (IIJ, NASDAQ: IIJI, 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/>.

About PCPhase

Established in October 1998, PCPhase has been perennially engaged in realizing the latest in mobile technology development and services. Amid the diversification of device needs, PCPhase has also provided corporations with digital marketing strategy services, particularly for mobile devices. Since March 2012, PCPhase has provided BaaS through its subsidiary Appiaries, offering cloud-based systems that undergird smartphone applications. For more information on PCP, see <http://www.pcp.co.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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