

For Immediate Release

IIJ to launch PrimeSeat, the world's first live streaming service in high-resolution audio

--enters the music streaming business with live, on-demand, and Internet radio streaming using DSD5.6MHz and other ultra-high-fidelity formats--

TOKYO—December 21, 2015—Internet Initiative Japan Inc. (IIJ, NASDAQ: IIJI, TSE1: 3774), one of Japan's leading Internet access and comprehensive network solutions providers, today announced that it will launch a new service called PrimeSeat, a live streaming service that delivers high-resolution audio, including music in the high-fidelity digital audio format DSD5.6MHz*¹ on December 23, 2015.

The conventional method of streaming service requires high-resolution audio to be download-based because of its massive volume of data. With IIJ's advanced technology, it now offers the world's first commercially available live streaming service that uses a DSD format*². High-resolution audio formats—including the popular DSD and PCM systems—faithfully reproduce analog sound without compression, allowing customers to enjoy the immersive, high-quality auditory experience of a concert hall right in their homes. Aiming to create a new market for music and streaming business, IIJ has formed partnership with KORG Inc., a major Japanese manufacturer and seller of electronic musical instruments. The service platform is developed with KORG. The company also offers “PrimeSeat” player, a dedicated application for customer's listening.

With the launch of PrimeSeat, IIJ has entered the music streaming business. IIJ will develop new products and services for both individual audiophiles and content providers. Through the PrimeSeat music streaming site, individual customers can listen to original programs, concerts, and a variety of other content, available live-streaming, on-demand, and as Internet radio. Additionally, corporate customers looking to distribute their label's tracks and concerts as high-resolution audio can use the service as a platform to distribute content without the need to operate equipment in-house.

*1 DSD (Direct Stream Digital): A method of converting analog audio to a digital signal. The two sampling frequencies of 2.8MHz and 5.6MHz are now common. The amount of data captured in a DSD5.6MHz recording is 128 times that of an otherwise identical music CD.

*2 As of December 21, 2015, according to information available to IIJ.

Background

IIJ has already engaged with the latest streaming technologies through the Internet-based distribution of classical performances, including the Spring Festival in Tokyo, which is one of Japan's premier musical events. Because of bandwidth constraints, Internet-distributed audio usually has its data compressed,

converted, or otherwise subject to lossy processing, making improvements to sound quality a challenge to be surmounted. In pursuit of broadband distribution of "better sound"—and in partnership with the Spring Festival in Tokyo and the Berliner Philharmoniker—this April IJ succeeded in public demonstrations of live-streaming two concerts in DSD5.6MHz format. Based on the technological insights gained from that experience, IJ has now commercialized a service that live-streams high-resolution audio. Through this service, IJ will deliver stirring, high-quality sound to more and more people.

Service Description

Customers can listen to a variety of content from the following streaming site by installing dedicated software on their PCs (Windows or Mac).

- Service name PrimeSeat
- Service site <http://primeseat.net/> (Service site in English will be opened in January, 2016.)
- Available languages Japanese and English
- Service launch date December 23, 2015
- Service Description
 - Individual customers

The service streams a variety of content that allows customers to experience, live, on demand or as Internet radio, the difference that ultra-fine-grained high-resolution audio offers—from the lift-off sounds of an H-IIA rocket to intimate salon concerts recorded in collaboration with the classical music Internet radio station OTTAVA. IJ will continue to add content to the service.

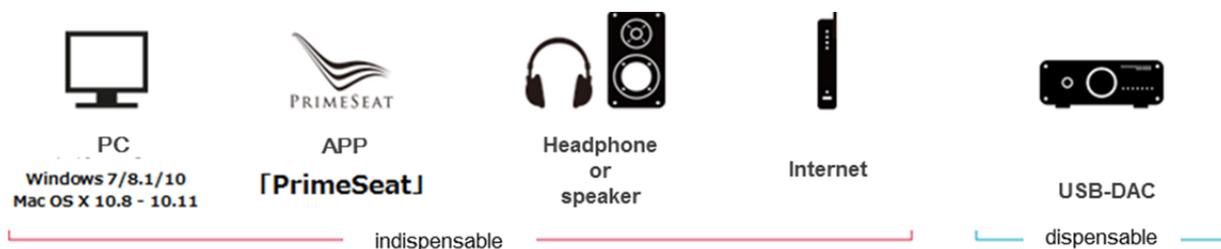
*For more detail about the program, see the service website.
 - Corporate customers

Content providers can use the service as a platform for live-streaming of high-resolution audio. Concerts performed throughout the world can be live-streamed globally using IJ's backbone network of large-capacity, high-speed digital lines interconnected throughout Japan, Europe, North America, and Asia.
- Fees
 - PrimeSeat audio player software: Available free to download.
 - Content fees: All content available as of December 21, 2015, can be listened to free of charge. As more content becomes available, some will be paid.
 - Platform usage fees: Customers considering distributing content through the platform may inquire for individual estimates.

- Listening Environment

Content can be listened to by installing the dedicated software PrimeSeat on a PC (Windows or Mac). Depending on the audio format of the content, a compatible converter (DAC)* or stereo device may be required.

*DAC equipment verified to work with service will continue to be posted on the service website.



IIJ will continue to use the content distribution technologies it has fostered over the years to expand and enhance the services available for people around the world to enjoy high-quality audio, as well as to continue to develop technologies to deliver the best audio for pairing with the high-definition video displayed on 4K/8K televisions.

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 to 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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