For Immediate Release

IIJ Launches the IIJ SmartKey Management Service to Strengthen User <u>Authentication on Web Sites</u>

--offers two-factor authentication for stronger security and swipe authentication for users' convenience--

TOKYO—March 29, 2016—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 has launched the IIJ SmartKey Management Service, a cloud-based two-factor authentication service that effectively blocks unauthorized logins to web sites on March 29, 2016.

Two-factor authentication is a mechanism for providing more secure logins. It involves performing a secondary authentication step using a one-time password or other method in addition to an ordinary ID and password-based authentication step when confirming that people logging in to a web site are really who they say they are. Two-factor authentication is recommended as a measure for strengthening security by preventing unauthorized logins through spoofing. However, the cost of managing the token devices for generating one-time passwords and the time and effort spent on entering the generated passwords have become issues. To resolve these issues, IIJ has developed a service that employs the free one-time password application for individual users' smartphones IIJ SmartKey and provides two-factor authentication functionality via the cloud. Enterprise and web service provider customers considering strengthening the security of their user authentication can use the service to deploy two-factor authentication easily and at low cost. The service improves both user convenience and security.

Service highlights:

• Supports swipe authentication, just by swiping the icon on the smartphone

The service supports swipe authentication for easier-to-use two-factor authentication. When authenticating for the second time and thereafter, users can log in just by simply sliding over the icon displayed on their smartphone.

• Centralizes account management

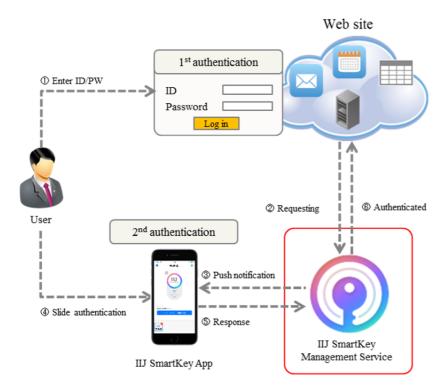
Accounts can be deactivated from a management portal site. When, for example, users lose their smartphones, administrators can deactivate their accounts in order to temporarily refuse authorization attempts purportedly made by the affected users. Authentication logs can also be viewed on, and exported from, the management portal site.

• Customizable to match the customer's brand

The icon displayed in the IIJ SmartKey application, the service name, notification messages, and other aspects of the service can be customized, allowing customers to unify the branding of their own web sites.

* Users must sign up for the IIJ ID Service to use this service. There are no initial or base charges for the IIJ ID Service.

Outline of the authentication process



For more details about the service, see http://www.iij.ad.jp/biz/smartkey-m/. (Only in Japanese Language)

Pricing

IIJ offers both the Enterprise Plan, in which customers are charged based on the number of accounts used, and the Service Provider Plan, in which users are charged based on the number of successful authentication attempts. Customers can choose the plan that matches their needs—be they corporate customers accessing external web services, or be they service provider customers implementing two-factor authentication for their own web services.

Pricing (before tax)

Enterprise Plan	Initial fee: Free
	Monthly fee:
	Basic monthly fee: JPY5,000
	• Account usage fee: JPY100 per account (*1)
Service Provider Plan	Initial fee: Free
	Monthly fee:
	Basic monthly fee: Individual estimate
	• Authentication API usage fee: Individual estimate (*2)

 $^{(*1) \} Account \ usage \ is \ calculated \ based \ on \ the \ number \ of \ accounts \ registered \ with \ the \ IIJ \ Smart Key \ Management \ Service.$

^(*2) Authentication usage is calculated as the number of successful authentication attempts, regardless of the authentication method.

With the launch of the service, IIJ is also offering a Six Months Free Deal as follows.

Dates: March 29, 2016 to June 30, 2016

Eligibility: Customers signing contracts for the IIJ SmartKey Management Service during the designated

Details: The monthly usage fees will be waived for up to six months, starting from the first month of service.

IIJ will continue to offer more secure, user-friendly, and highly convenient cloud services.

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 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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