

For Immediate Release

IIJ to Collaborate with FPT Telecom, a Major Vietnamese IT Company for Cloud Business

TOKYO—October 6, 2016—Internet Initiative Japan Inc. (IIJ, NASDAQ: IJJI, TSE1: 3774), one of Japan's leading Internet access and comprehensive network solutions providers, today announced that it has reached an agreement with FPT Telecom Joint Stock Company (FPT Telecom) to provide cloud services in Vietnam. FPT Telecom, with headquarters in Hanoi, is engaged in datacenter and ISP business, and it is an FPT Corporation group company (one of the biggest IT companies in Vietnam).

Background and objectives

Thanks to steadily increasing foreign direct investment, Vietnam has seen stable economic growth, with GDP growth in recent years of more than 5%. Many Japanese companies have been also entering into the Vietnam market. In the ICT field, the release of Decision No. 1755/QD-TTg in September 2010, approving the “Scheme to Make Vietnam Strong in ICT at an Early Stage,” set the target of having ICT account for 8%–10% of the country's GDP by 2020. In June 2015, guidelines will also be laid out to restrict the movement of data out of the country, which will lead to advances in the domestic storage and operation of data, leading to a forecast of rapid expansion in the Vietnam cloud market. To take advantage of this market opportunity, IIJ will enter the cloud market in Vietnam, which is now in the implementation stage, through a collaboration with FPT Telecom, which has a firm customer base. By leveraging IIJ's expertise in operation cloud services in Japan, it will provide highly competitive services primarily to local companies but also to Japanese- and other foreign-owned companies and aim to capture market share at an early stage. The IIJ Group is working to enhance its cloud business against the backdrop of expanding ICT diffusion in ASEAN, and Vietnam is the fourth country in the ASEAN region—following Singapore, Indonesia, and Thailand—in which IIJ has rolled out its cloud business.

Cooperation overview

In this cooperative project, IIJ will implement public cloud facilities at FPT Telecom's datacenters. It will undertake the operation and maintenance of service platforms and technical support for the service administration. FPT Telecom will handle the provision of infrastructure equipment, including datacenters and Internet connections, as well as business operations and the sale and delivery of services.

IIJ Global Solutions Vietnam Company Limited is slated to be established in November 2016 as the group's business base in Hanoi, Vietnam, and FPT Telecom is planning to offer the cloud service in January 2017.

Remarks by Mr. Nguyen Van Khoa, CEO of FPT Telecom Joint Stock Company

FPT Telecom and IIJ are very pleased to announce this cooperative business project. We are confident that

the partnership will be able to provide unparalleled high-quality public cloud services in Vietnam through the fusion of FPT Telecom's network infrastructure with IJJ's cloud technologies. We expect that both companies will be able to contribute to the expansion of the public cloud market in Vietnam through even closer cooperation going forward.

IJJ will continue to put its past successes in cloud business administration, both in Japan and abroad, to use to provide highly reliable services that customer can feel safe using in countries all over the world.

About FPT Telecom

FPT Telecom was founded in 1997 as a group company under the umbrella of FPT Corporation (headquartered in Hanoi, Chairman: Truong Gia Binh), Vietnam's largest IT industry leader. FPT Telecom, which is engaged in ISP, datacenter, optical fiber communications (FTTH), and SI business, has more than 15,000 companies as customers. FPT Telecom's ISP business boasts the second largest share* in terms of subscribers in the ISP market.

* Source: Ministry of Internal Affairs and Communications, "World Information and Communications: Vietnam"
As of August 31, 2016: www.soumu.go.jp/g-ict/country/vietnam/pdf/084.pdf (in Japanese language)

About IJJ

Founded in 1992, Internet Initiative Japan Inc. (IJJ, NASDAQ: IJJI, Tokyo Stock Exchange TSE1: 3774) is one of Japan's leading Internet-access and comprehensive network solutions providers. IJJ and its group companies provide total network solutions that mainly cater to high-end corporate customers. IJJ's services include high-quality systems integration, cloud computing/data center services, security services, and Internet access. Moreover, IJJ has built one of the largest Internet backbone networks in Japan that is connected to the United States, the United Kingdom and Asia. IJJ was listed on NASDAQ in 1999 and on the First Section of the Tokyo Stock Exchange in 2006. For more information about IJJ, visit the IJJ Web site at <http://www.ijj.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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