

For Immediate Release

IIJ to Begin Offering “IIJ Mobile Access Service Type I” as a Full MVNO

-- Providing Japan’s First Full MVNO Service Using Internal 3G/LTE Network --

TOKYO—March 15, 2018—Internet Initiative Japan Inc. (IIJ, NASDAQ: IJJ, TSE1: 3774), one of Japan's leading Internet access and comprehensive network solutions providers, announced that it will offer IIJ Mobile Access Service Type I (hereafter, Type I) starting today as a full MVNO. This service will both provide a variety of plans that fit different types of usage for corporate customers and achieve more efficient communications costs for specific IoT applications.

Full MVNOs (Mobile Virtual Network Operators) are independent mobile network operators that use wireless access facilities such as bases of mobile network operator (MNOs) by owning Mobile Network Code (MNC) and International Mobile Subscriber Identity (IMSI)*.

IIJ is Japan’s first full MVNO connecting NTT DOCOMO’s 3G/LTE network by maintaining and operating its own subscriber management systems (HLR/HSS) which are part of MVNO core network infrastructure. By having IIJ’s own HLR/HSS systems, IIJ is able to manage its own SIM cards and flexibly design various services. Starting with Type I service, IIJ will be expanding service line-ups, including International roaming options and SIMs that are specialized for being built into devices (so-called “chip SIMs”) by leveraging the special characteristics that come with being a full MVNO.

* Mobile Network Code internationally defines mobile network operator and International Mobile Subscriber Identity defines communications users. By acquiring individual identification number, IIJ can mutually connect mobile network operators within and outside Japan.

Service Highlights

- “SIM Life Cycle Management” to streamline SIM’s management

“SIM Life Cycle Management” allows a more efficient way of handling SIM maintenance fees by activating and suspending SIM cards. Users can freely switch the status of SIMs from/to activated and suspended. SIM’s monthly communications fee is free before activation and when in a suspended its fee is reduced. This is extremely effective for example when customers are dealing with IoT products; when SIMs are in inventory, their status can be suspended and avoid being used in unauthorized and unnecessary ways and also limit the transmission cost component of IoT product life cycle costs.

- A variety of plan types to meet customer’s usage needs

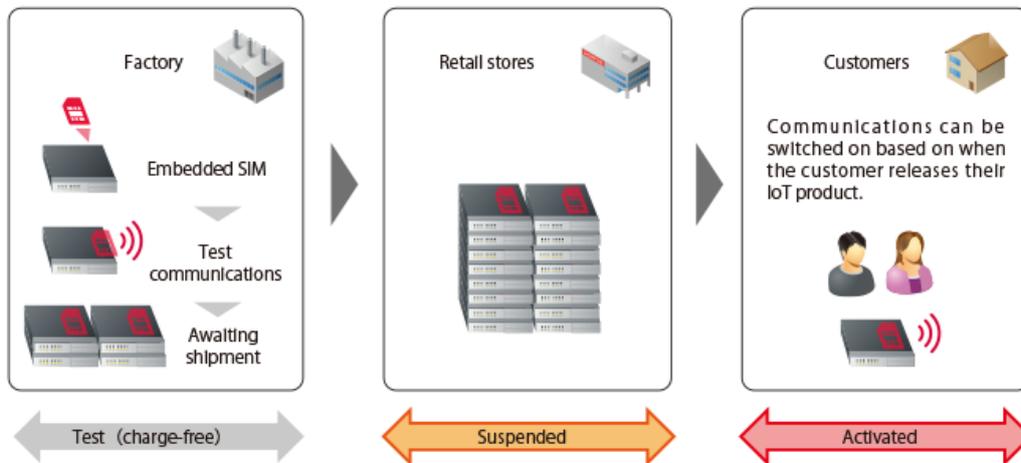
Type I offers a range of different plan types, including the packet share plan that allow customers to select data transmission volume and subscription models (change to usage based plans, switch over to low speed transmissions, or stop data transmissions) at any time through a web service online, upload priority plans that do not limit upload volumes for devices such as security cameras (transmissions from customer devices to the Internet), and even plans that allow each to have an IP address type (network type) designated by the customer.

- SIM management functions via service online and API

Users are able to use SIM Life Cycle Management, acquire SIM information, and order additional SIMs through web service online and by cooperating API. This let monthly communications fee to be reduced by controlling the status of SIM by activating SIM upon when the product is sold. Moreover these functions are very efficient in managing inventory and operation of SIM.

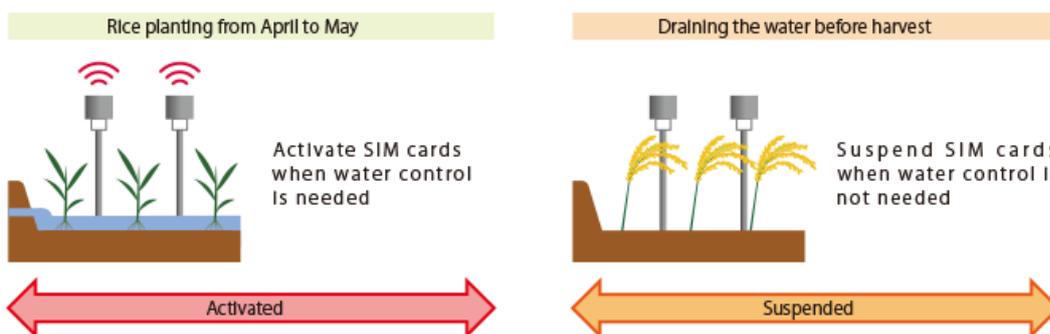
-- Usage Scenarios A for SIM Life Cycle Management --

In cases in which users are manufacturing and distributing IoT products that include SIMs, users can set the SIMs to a suspended status during the period from which the IoT product is shipped until it is sold. End users can activate the SIM when they launch these devices and start transmitting data.



-- Usage Scenarios B for SIM Life Cycle Management --

In cases in which users apply IoT to the agriculture industry (e.g., when automatically managing water levels in rice paddies), users can limit their transmission maintenance administration fees by setting the transmission state to “suspended” during seasons in which water management is not necessary.



Service Details

1) Plans

Users may choose either a fixed plan or a packet sharing plan.

- Fixed plan

This plan provides a fixed data transmission capacity per line. If this fixed transmission capacity is exceeded, the line switches to 256 kbps. Unused transmission capacity can be carried over into the following month.

- Packet sharing plan

This plan allows users to share a set data transmission capacity among multiple lines. If the

contracted transmission capacity is exceeded, users may choose from the following three options for handling the line:

- Packet Pack A: When the contracted capacity is exceeded, data transmissions cease.
- Packet Pack B: When the contracted capacity is exceeded, transmissions speeds slow to 256 kbps.
*Packet Pack B is available starting at 50 GB.
- Packet Pack C: When the contracted capacity is exceeded, extra fees are charged for the excess transmissions.
*The excess data transmission capacity costs JPY700 per 1 GB.

2) Network Types

Users may choose how IP addresses are allocated for each line.

< Internet Connections >

- NAT* Allocation using dynamic private IPv4 and dynamic global IPv6
- Global IPv4 Allocation using dynamic global IPv4 and dynamic global IPv6
- Fixed IPv4 Allocation using fixed global IPv4

< Closed Network Connections >

Closed networks use fixed and dynamic private IPv4 allocation.

*Network Address Translation (NAT): This technology allows users to access both private IP addresses allocated by corporate intranets and global IP addresses used by the Internet.

3) “Upload Priority Option”

This option does not limit upload (from devices to the Internet) transmissions. When the contracted transmission capacity is exceeded, only download transmission rates are limited to 256 kbps, while upload transmissions are not limited.

Transmission Speeds: The fastest LTE speeds available, depending on network conditions.

*The available data capacity is estimated at 100 GB per month.

Fee Schedule

		Fixed Plan	Packet Sharing Plan
Features		A plan with fixed data transmission volume per line	A plan that shares data transmission volume across all contracted lines
Initial Fees		JPY3,000 per line *Separate fees will be charged for performing test transmissions.	
Monthly Fees	Basic SIM Fees*1	- Active lines: JPY200 per line - Suspended lines: JPY30 per line	
	Data Transfer Fees	JPY3,200 for 10 GB JPY3,900 for 15 GB JPY4,400 for 20 GB JPY6,600 for 30 GB JPY10,500 for 50 GB	Packet pack A: JPY500/1 GB Packet pack B: JPY550/1 GB Packet pack C: JPY500/1 GB *Use conditions apply to each package.

	Network Type Fees	-- Internet connection - NAT: JPY0 - Global dynamic IPv4: JPY200 per line - Global fixed IPv4: JPY800 per line -- Closed network connections: JPY0	
	Upload Priority Option	JPY2,700	—
Minimum Contract		One month	

*The SIM card is a multicut SIM (compatible with standard, micro, and nano SIM devices).

*This SIM card is for data transmissions only. SMS and voice functionality are unavailable for these SIM cards.

➤ Visit the service website for more details.

<https://www.iij.ad.jp/biz/iijmobile/> (only in Japanese language)

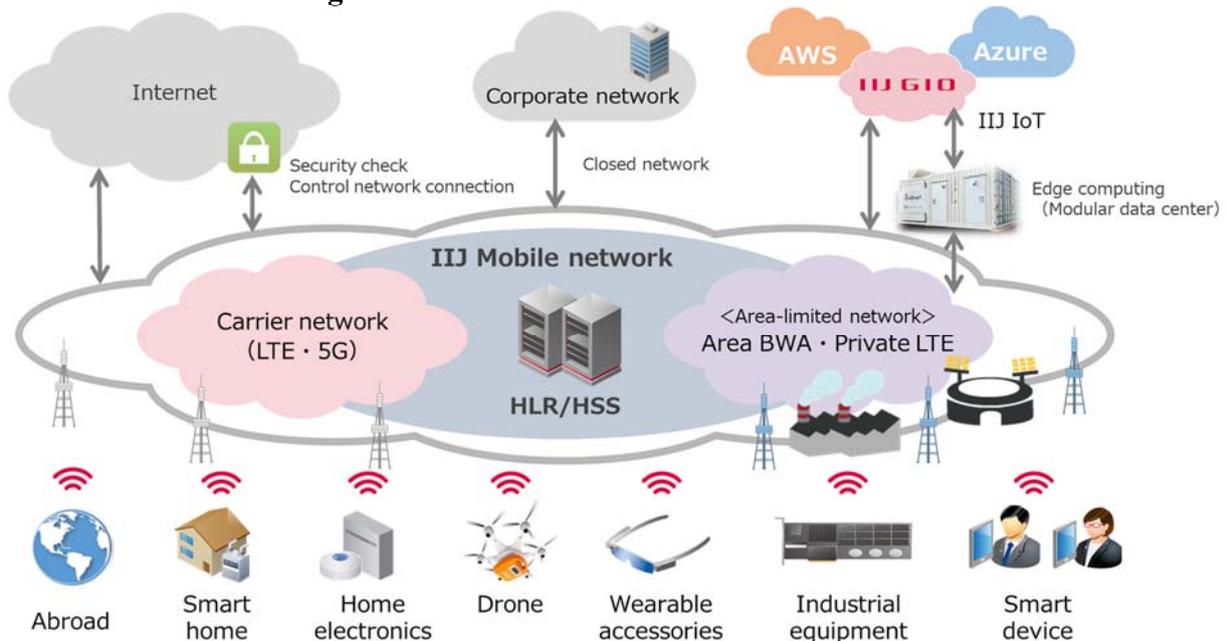
Monthly Fees Scenarios

The monthly fees for one line with a fixed 10 GB plan and a dynamic global IP address are as follows: If the line is switched from “active” to “suspended” during a month, the basic SIM fees are calculated per diem.

	Activated	Suspended
Basic SIM Fees	JPY200	JPY30
Plan Fees (for Fixed 10 GB Plan)	JPY3,200	JPY0
Network Type Fees	JPY200	JPY0
Total	JPY3,600	JPY30

By providing services that take advantage of its being a full MVNO, IIJ can design mobile transmission services with a rapidly increasing degree of freedom for all types of sectors worldwide. IIJ intends to continue expanding its service lineup to boost the IoT era from its infancy to its growth period.

Full MVNO Service Diagram



About IIJ

Founded in 1992, IIJ 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 Internet connectivity services, systems integration, cloud computing services, security services and mobile services. 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 listed on the U.S. NASDAQ Stock Market 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 <https://www.ij.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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*All prices listed in this press release are before tax.