

For Immediate Release

IIJ Launches Strategic IT Outsourcing Business

-- Contracting in all IT infrastructure operations and asset procurement and committing to reducing annual IT costs --

TOKYO—July 13, 2020—Internet Initiative Japan Inc. (TSE1: 3774), one of Japan's leading Internet access and comprehensive network solutions providers, today announced the launch of the new Strategic IT Outsourcing business, providing new solutions to undertake all tasks of the IT infrastructure operations and asset procurement on behalf of a company's information systems department.

Information systems departments at Japanese companies have recently been tasked with running existing systems, renovating system architecture, and cutting IT costs, while also leveraging cloud technology, engaging in digital transformation (DX) efforts, and taking on other strategic IT initiatives. However, there are few success stories in DX, and most companies struggle with issues like organizational structure, legacy systems, and an insufficient number of IT staff. The majority of the budgets and human resources in these departments are used for “defensive IT”—maintaining and optimizing existing systems and improving convenience—rather than for “offensive IT”—innovating and upgrading systems to boost competitiveness.

IIJ created the Strategic IT Outsourcing solutions to solve this issue by taking on the responsibility for strategic IT infrastructure proposals and designs, procurement, build-out, and operations. Unlike conventional IT outsourcing—which only provides IT infrastructure systems and duties in response to client requests—Strategic IT Outsourcing provides a new kind of outsourcing that is committed to achieving KPIs such as annual IT cost reduction, set forth in the service contract. Implementing this solution reduces client overhead in supporting IT infrastructure, thus making it possible to shift tech staff efforts to strategically leveraging IT while right-sizing costs.

Strategic IT Outsourcing Features

Commitment to meeting business targets and KPIs

This is not just a simple swap-in replacement for specific duties such as system maintenance and operation. It is a strategic proposal of new systems, from design to procurement, build-out, and operations—taking on the responsibilities of a whole information systems department, including the commitment to meeting the department's KPIs and business targets. This frees the client to focus instead on strengthening their core business through further digital transformation efforts and by leveraging their IT to create new business.

Stable system operations through high-quality operations technology

IIJ will take on overall IT infrastructure and service operations. IIJ capitalizes on its high-level systems

operation expertise as an IT services provider, ensuring system operations stability and availability, thus reducing client workloads.

IT infrastructure optimization and ongoing cost reductions

By standardizing the IT infrastructure environment, and by unifying and automating usage services, product selection, and procurement, IJJ can optimize system maintenance and operation costs within the scope of the service provided, and reduce annual costs at a sustainable rate as agreed upon with the customer. Customers will be able to maintain high-quality IT infrastructure while improving cost performance and releasing themselves from having to undertake everyday IT operations.

■ Strategic IT outsourcing price

Individual estimates to match the scope of client systems and the scope of services

Going forward, IJJ will improve overall business efficiency with a focus on a new IJJ initiative to automate infrastructure operations. At the same time, it will expand its service offering to accelerate the lift and shift to cloud services, and to support clients in DX training and support for their staff, thereby building out its strategic outsourcing business.

About IJJ

Founded in 1992, IJJ 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 Internet connectivity services, systems integration, cloud computing services, security services and mobile services. 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 the First Section of the Tokyo Stock Exchange in 2006. For more information about IJJ, visit the IJJ Web site at <https://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.

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