

---

## IIJ answers questions from investors related to the 2<sup>nd</sup> quarter results

---

TOKYO, November 16, 2000 - Internet Initiative Japan Inc. ("IIJ") (NASDAQ : IIJI), answered questions from investors related to the 2Q00 results released on November 14. Please find below IIJ's responses to certain of the questions asked.

- Q1. In 2Q00 results, IIJ includes revenue from Data Center Services in Value Added Service revenues. Could you please tell me how much revenue from Data Center Services accounts for of the total Value Added Services revenue?

In this second quarter, approximately 60% of Value Added Services revenue is from Data Center Services.

- Q2. Demand for higher bandwidth appears to continue to be strong. Could you please provide the details of how much of the IP Access Service revenue is from higher bandwidth customers?

In this second quarter, about 60% of IP Service revenue is from customers with contracts for service at 3Mbps and above.

- Q3. Could you please provide the comparison of local access costs both on a quarter-over-quarter and year-over-year basis?

In this second quarter, local access costs increased about 20% from 1Q00 and about 60% from 2Q99. The increase was mainly a result of a large increase both in the number of contracts as well as in the amount of contracted bandwidth for Dedicated Access Services. However, please note that these local access costs are passed on to customers as billed from local access carriers, and therefore it does not affect our profitability.

**A replay of the conference call is available from 11:00 a.m. ET on Wednesday, Nov. 15<sup>th</sup> until 6:00 p.m. ET on Wednesday, Nov. 22<sup>nd</sup>, 2000. To access the replay: (800) 858-5309 in the**

**U.S. [International (334) 260-0890] Replay Access Code: 40057 Replay Pass Code: 78436. To request a faxed copy of the 2<sup>nd</sup> Quarter Earnings Release, please call: (877) 860-3374 in the U.S. or visit website at <http://www.ij.ad.jp/> .**

### **About the Company**

Internet Initiative Japan Inc. is Japan's leading Internet-access and comprehensive Internet solution provider mainly targeting high-end corporate customers. Founded in 1992, IIJ has built one of the largest Internet backbone networks in Japan and between Japan and the United States. IIJ and its group of companies provide total solutions ranging from new generation network services over optical-fiber infrastructure optimized for data communications to construction of Asia-wide IP backbone networks, high-quality Internet access, security system services, hosting/housing, content design and systems integration.

*Statements made in this press release that state IIJ's or management's intentions, beliefs, expectations, or predictions for the future are forward-looking statements that are based on IIJ's and managements' current expectations, assumptions, estimates and projections about its business and the industry. These forward-looking statements are subject to various risks, uncertainties and other factors that could cause IIJ's actual results to differ materially from those contained in any forward-looking statement. These risks, uncertainties and other factors include : IIJ's ability to continue to increase subscribers to its connectivity services, particularly at higher bandwidths; IIJ's ability to generate significant revenues from its other services such as systems integration; the success of IIJ's investments in Crosswave; the ability to compete in a rapidly evolving and competitive marketplace; the impact of technological changes in its industry; and other risks referred from time to time in IIJ's filings with the Securities and Exchange Commission.*

---