

Consolidated Financial Results Summary for FY2025

(April 1, 2025 to March 31, 2026)



Internet Initiative Japan Inc. (IIJ)

The Prime Market of the Tokyo Stock Exchange (Ticker symbol: 3774)

May 14, 2026

Disclaimer

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FY25 Overview and Progress of the Current Mid-term Plan

Unit: JPY/¥ billion (bn), +%
YoY = Year over year comparison
Net Profit :

*Profit for the period attributable to owners of the parent

FY25 Overview

Large-scale Service Integration has become the norm, driving continued growth in recurring revenue. Toward accelerating medium-to-long term growth, expanding our existing business scope including the provision of NW system platforms leveraging our infrastructure and the expansion of overseas business

Revenue	¥345.4 bn	+9.0%	YoY
Operating profit	¥34.8 bn	+15.7%	YoY
Net profit	¥24.2 bn	+21.3%	YoY
Dividend per share (annual)	¥39.00	+¥4.00	YoY

NW Service	◆ Focused on accumulation through the development of new services, enhancements to existing services, and the strengthening of sales organization
	• FY25 Revenue: ¥178.7 bn +9.9% YoY, Gross profit/margin: ¥48.4 bn (+7.0% YoY), 27.1% (-0.7 points YoY)
	◆ NW services MRR continued to accumulate, yet fell shorts of expectation
	◆ Security service revenue continued to grow amid the increasingly sophisticated cyberattacks FY25: ¥40.9 bn +13.8%

SI	◆ Strong demand continued such as for large-scale NW construction projects, SI O/M revenue largely grew
	• Revenue: Construction ¥67.9 bn, -1.3% (Reactionary decline mainly due to the absence of FY24's single large project), O/M ¥95.8 bn, +16.0%
	• Order received: Construction ¥84.0 bn, +38.1%, O/M ¥123.1 bn, +26.9%
	• Order backlog: Construction ¥31.9 bn, +102.1 %, O/M ¥127.0 bn, +27.4%
	◆ Gross margin improved driven by the SI O/M accumulation and SI revenue scale expansion
	• FY25 Gross profit/margin: ¥26.3 bn (+20.9% YoY), 16.1% (+1.7points YoY)
	◆ Securing large-scale projects* has become the new norm. Acquired two projects each exceeding ¥10.0 bn
	• Number & total value of projects won in FY25: 19 projects, ¥62.0 bn, Revenues from large-scale projects* in FY25 One-time: ¥9.7 bn, MMR (including NW service): ¥14.5 bn
	• Flagship projects: NW system construction & O/M for a government agency ¥16.0 bn (2Q25), its additional order ¥2.5 bn (4Q25), overseas GPU platform construction ¥12.0 bn (4Q25), etc.

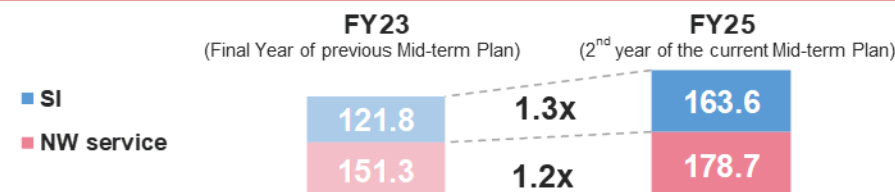
FY25 Topic	◆ Expanding DC capacity to cover services revenue expansion
	• Shiroy DC's 3 rd site construction commenced (Jun. 2025), Matsue DC system module buildings began operations (Jun. 2025)
	◆ Established "Sensiphia," a JV with Sony Semiconductor Solutions Corporations, derived from our IoT business. The company is to advance sensor offering business leveraging proprietary technologies for precise soil moisture measurement (Feb. 2026)
	◆ Steady increase in the number of employees. Maintained low turnover rate (FY25: 4.5%)
	◆ DeCurret DCP: Increasing commercialization projects by continued social adoption of tokenized deposit

Progress of the Current Mid-term Plan (FY24-26)

Accelerating business growth through the business scope expansion

Revenue exceeds the Mid-term targets, whereas OP remains below our expectations

Aiming to enhance profitability through economies of scale over the medium-to-long term



Securing Large-scale Projects FY23 10 projects ¥33.8 bn → 1.9x → FY25 19 projects ¥62.0 bn • Growth in construction & SI O/M revenues from large-scale projects FY23: One-time ¥5.4 bn, MMR ¥3.1 bn FY25: One-time ¥9.7 bn, MMR ¥14.5 bn	MMR FY23 ¥223.3 bn → 1.2x → FY25 ¥274.5 bn • Steady growth in network services and SI O/M amid domestic DX progress, with increasing contributions from large-scale projects	Total Security Revenue (SI+NW) FY23 ¥34.8 bn → 1.4x → FY25 ¥48.4 bn • Accelerating demand amid increasingly sophisticated cyberattacks • Advancing toward comprehensive security offerings, including assessment & consulting
Overseas Business Overseas revenue (mainly booked as SI) FY23 ¥35.3 bn → 1.3x → FY25 ¥45.7 bn • Generating synergies through global network construction for Japanese enterprises • Overseas DC construction & large-scale PTC projects also contributed	Total Mobile Subscriptions Approx. FY23 4.8 million → 1.3x → Approx. FY25 6.4 million • IoT-driven growth in enterprise mobile • Steady growth in consumer mobile through direct sales and operator channels	Management Structure Ratio of outside directors FY23 43.8% → FY26 plan 50.0% • President transition (Apr.2025) and a new management structure • Ratio of female directors and auditors FY23: 18.8%, FY26 (planned): 28.6%
Human Capital FY23-end 4,803 personnel → 1.2x → FY25-end 5,533 personnel • Headcount increasing in line with business growth • Strengthening human capital, including management development • Maintaining high employee satisfaction level	Free Cash Flow FY23 ¥22.9 bn → FY25 ¥24.1 bn • Working capital increased due to large-scale multi-year projects, while gradual recoupment is progressing • Operating cash flow continues to grow with business expansion	Net Assets FY23 ¥125.8 bn → 1.3x → FY25 ¥158.0 bn • Strengthening the capital base through profit accumulation • ROE FY25: 16.2% • Investing in Shiroy DC, etc.
* Implementation of NW Service price revision: Oct. 2024 in response to VMware with broader range, in Apr. 2026, for selected services * Pursuing feasibility studies for data utilization businesses, including validation of cross-organizational data linking via "data spaces" (Apr. 2026)		

*Large-scale projects are defined as those exceeding JPY1.0 bn in total contract value

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FY26 Business Plan

Revenue			Operating profit (Margin)			Net profit (Margin)			Dividend per share				
FY24 Result	FY25 Result	FY26 Outlook	FY24 Result (9.5%)	FY25 Result (10.1%)	FY26 Outlook (10.0%)	FY24 Result (6.3%)	FY25 Result (7.0%)	FY26 Outlook (6.5%)	(Unit: JPY)				
									ROE: 15.8%				
									Payout ratio 30.5%				
									■ Year-end				
									■ Intrim				
316.8	+9.0%	345.4	+11.5%	385.0		30.1	+15.7%	34.8	+10.5%	38.5			
						19.9	+21.3%	24.2	+3.4%	25.0	35.00	39.00	43.00
											17.50	19.50	21.50
											17.50	19.50	21.50

Seize business expansion opportunities by enhancing our Service Integration strategy

- Expand business scope based on existing business by strengthening our cybersecurity business and addressing growing IT department outsourcing demand
- Expect profit growth driven by strong revenue expansion, scale merit, and stronger cross-selling

Strengthen competitiveness through NW engineering & operational excellence
Continue developing new services & enhancing our NW infrastructure

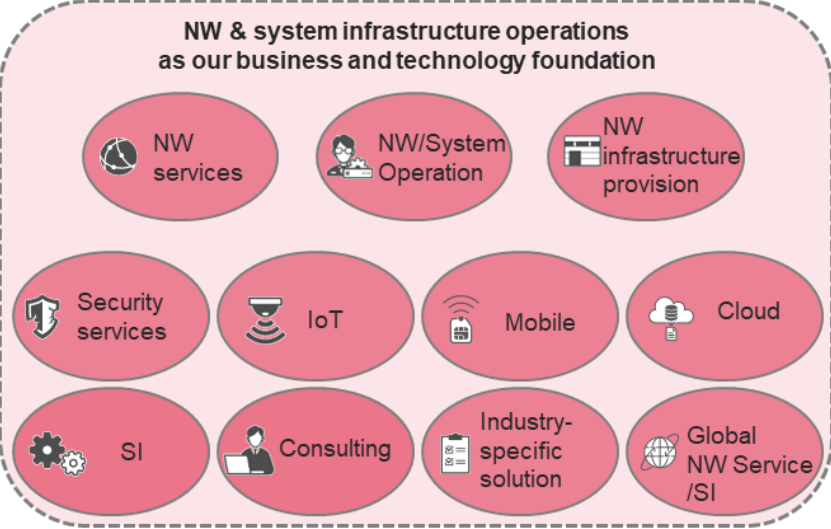
- Leverage our own network infrastructure to deliver industry-optimized platforms and differentiate through operational excellence
- Ongoing development of new NW services as mid-to-long-term growth drivers
- Continuous capacity expansion of the NW system infrastructure and optimization including reconstruction

Accelerate our strategy with AI
Capture maximum benefits as a network services provider

- Apply AI to our NW system platform and create added value for our customers over the medium-to-long term
- Improve productivity through company-wide AI adoption to ease human-capital bottlenecks
- Provide AI platform solutions for customers through SI implementation and operations

FY26 Key Initiatives

Shifting from SI & individual service/product delivery to an integrated services offering



Strengthen our Core Businesses and Accelerate Revenue Growth in Priority Areas

Accelerate our core business through an integrated security business, enhanced with assessment and consulting	Differentiate our business through industry- and domain-optimized NW & system platforms, built on our own NW infrastructure	Accelerate MRR accumulation through continued large-scale Service Integration wins, driven by major NW renewals & IT operations outsourcing demand	Continuously enhance NW service specifications & expand our service lineup in response to market conditions & customer needs
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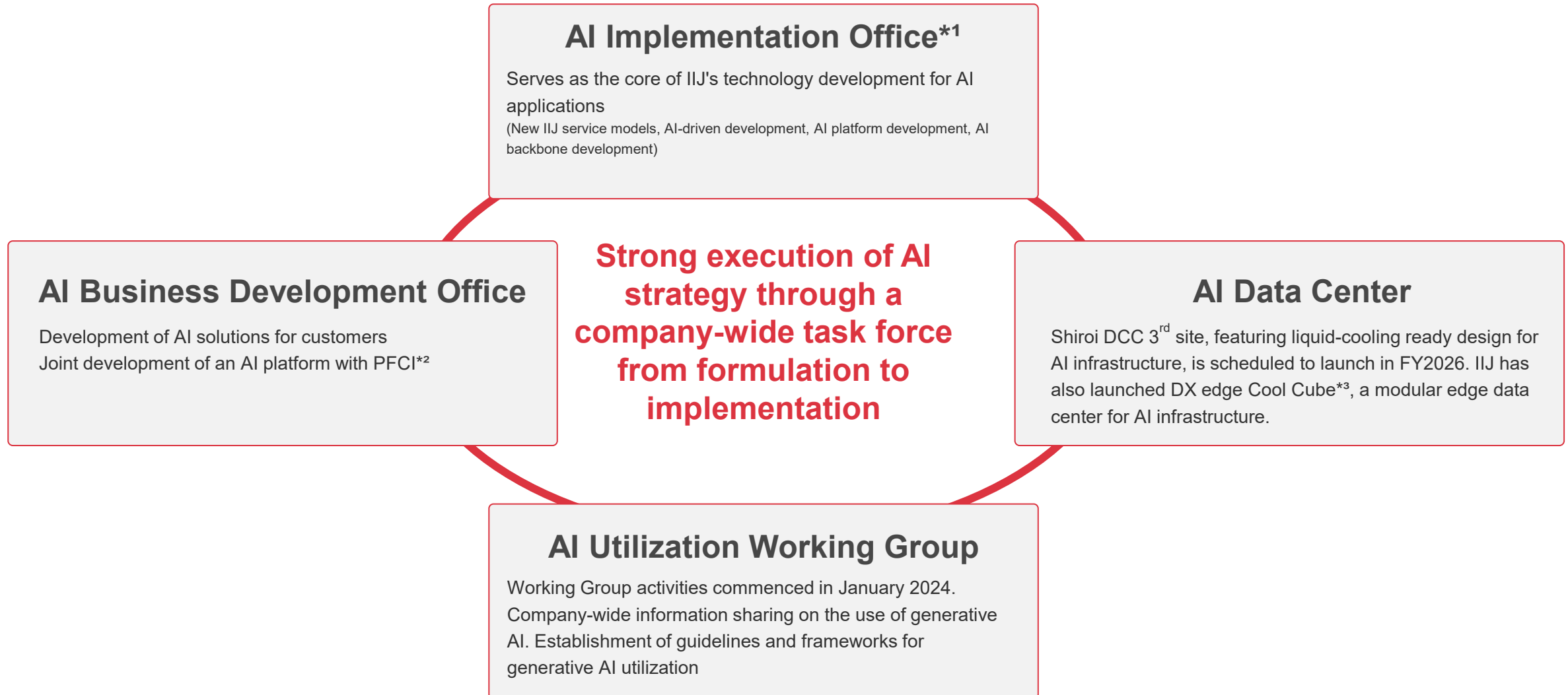
Key Enablers for Future Growth

Implement AI enablement by enhancing efficiency and delivering AI-based solutions Replace about 30% of company-wide work with AI by the end of FY29	Reinforcement of sustainable operations through human capital development and TCFD/SSBJ readiness	Continue inflation counter measures, including appropriate pricing actions, and sustain human-capital investment such as wage increases	AI-enabled service operations platforms Gradually implement an optimized business operating foundation toward the next Mid-term Plan
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Accelerating IIJ's Business Strategy with AI

Internet Initiative Japan Inc.

AI-Related Initiatives to Date



*¹ Established in November 2024 as the AI Implementation Lab (renamed in April 2026)

*² PFCI: Preferred Computing Infrastructure, Inc. — a joint venture established in January 2025 by IIJ, Preferred Networks, Inc. (PFN), and Mitsubishi Corporation to provide cloud services for AI, with service launch in April 2026.

*³ Jointly developed with Kawamura Electric Inc. (sales commenced in March 2026)

Fundamental Approach to AI Strategy

For IIJ, AI is not merely a tool for operational efficiency or an add-on feature to selected services — it is being embedded as a foundational technology underpinning our entire business operations.



From Individual Tacit Knowledge to Corporate Assets

The advanced technical and operational capabilities that IIJ has cultivated over many years have been underpinned by the hands-on experience and judgment of our people on the front lines. We are leveraging AI to transform this "individual tacit knowledge" into "corporate assets."

Maximizing Employee Potential

Unlike the workforce reduction approach commonly taken by Western companies pursuing AI-driven efficiency, our objective is to deliver greater value, more advanced and at greater speed, with the same workforce.

Driving Efficiency and Creating Added Value across Diversifying Network Services

IIJ offers a portfolio of over 100 network services. By leveraging AI not only to streamline development and operations, but also to restructure these services on an AI-driven foundation, we aim to deliver the flexibility to respond agilely to evolving customer needs.

Unlocking Unlimited Potential of IIJ's Technological Capabilities with AI. Toward New Value Creation

IIJ will be reborn as an AI-native provider of social infrastructure and services.

Turning Expertise into Assets

Transforming IIJ's tacit, individual-held expertise into AI-powered assets that scale and leverage



AI-First Continuous Evolution

Through the harmony of AI and people, service development, operations, and business processes evolve continuously.

Four Core Elements Driving the Execution of Company-Wide AI Strategy

AI-Native Service Architecture

Built on a microservices foundation, services are redesigned with AI embedded across all phases — design, development, operations, and improvement — enabling flexible response to changing customer requirements and service reconfiguration. **AIOps* is positioned not as a means of "efficiency," but as a source of service differentiation.**

*AIOps: An approach that leverages AI to advance operational capabilities.

AI-Driven Development & AI-Driven Operations (Internal First)

IIJ itself becomes the foremost user and proving ground of AI, redesigning and implementing development, operations, sales, and administrative functions on an AI-first basis. **By codifying business knowledge and operational know-how into reusable assets through AI,** we maximize employee leverage.

Mutual
Integration

Company-Wide Common AI Platform

Provide a standardized AI environment across the entire company to prevent fragmented, department-by-department AI deployments. **A common foundation with built-in authentication, authorization, monitoring, logging, and governance.** It features a dynamic AI agent execution environment, AI security capabilities to prevent sensitive data leakage, and integration with internal systems.

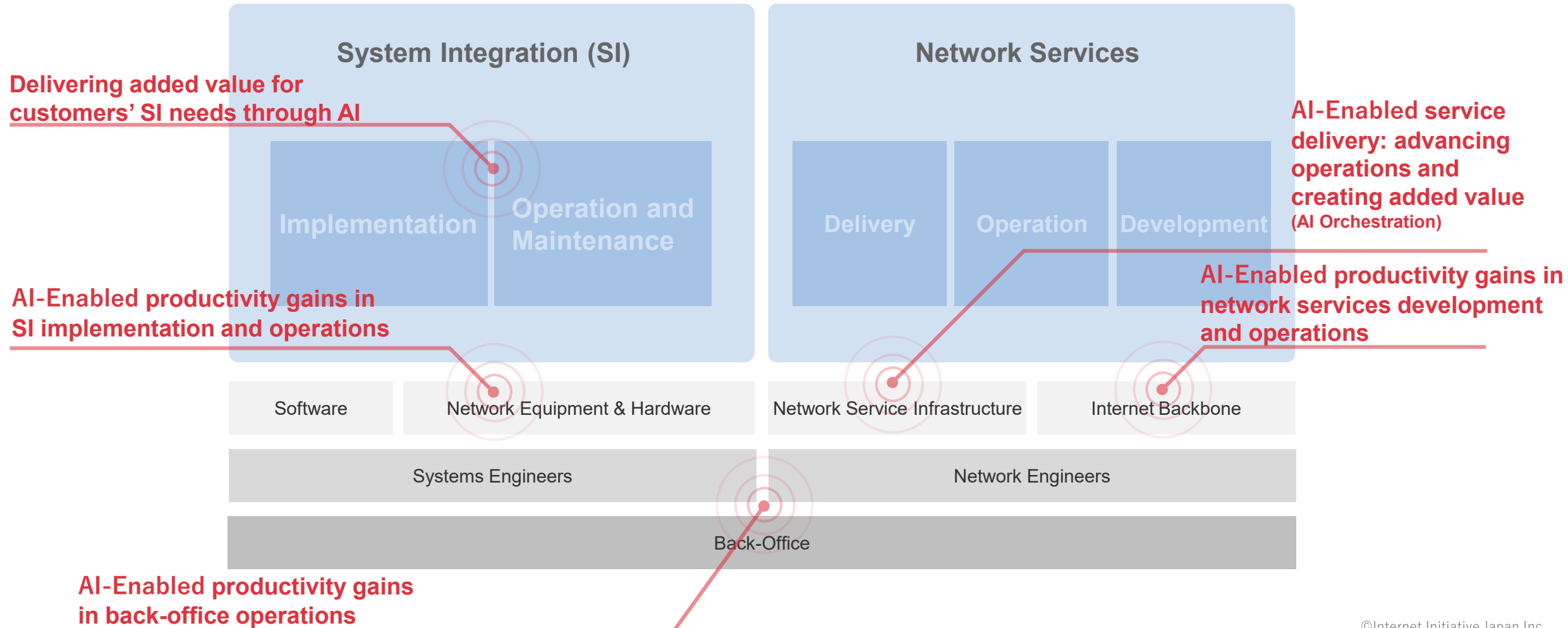
AI-Ready Data Infrastructure

Standardize data collection, processing, masking, and identity management. **IIJ is to develop and deploy company-wide new data preparation process that serves as the foundation for AI utilization.** By aggregating and structuring business data scattered across cloud and internal systems, IIJ continuously supplies AI-ready data that can be used across the organization.

Advancing IIJ's Offering Model with AI

As a network services provider, IIJ aims to create added value through AI-native service offerings and capture the transformative benefits of AI

Target about 30% of the company-wide works to be replaced by AI by the end of FY2029



Strategic Focus Areas



Security

AI-Native Cybersecurity

Technological adaptation & security service enhancement

AI technology is evolving at an extraordinary pace, advancing far beyond the speed and scale of human capacity — surpassing the limits of human judgment and traditional rule-based security operations.

The emergence of new AI is fundamentally reshaping how vulnerabilities are addressed, and similar transformation is now required at every stage of the security lifecycle.

IIJ recognizes the evolution of AI as a fundamental premise of today's environment, and as a social infrastructure provider, we are committed to delivering safe and sustainable services on an ongoing basis.

- ✓ Technological adaptation and analysis for emerging threats
- ✓ In addition, by integrating into AI the insights, technical information, and decision-making criteria accumulated through years of security operations, we aim to realize autonomous security operations capable of responding to emerging threats.
- ✓ Furthermore, we will leverage these capabilities to advance our consulting and security services, providing customers with countermeasures against emerging threats to their systems.



Backbone

AI Backbone

Focusing on providing infrastructure that enables safe and continuous operation of AI

Rather than competing in the development of AI models, **IIJ will focus on providing the infrastructure that enables AI to operate safely and continuously, positioning itself as a provider of social infrastructure for the AI era.**

- ✓ **Network**: High-capacity and low-latency network for AI
- ✓ **Cloud**: Sovereign cloud for AI and services integrated with PFCI*
(AI Semiconductors and AI Platform Developed by PFN)
- ✓ **Data Center**: Data centers capable of handling the high heat output of AI infrastructure servers
- ✓ **Edge Data Center**: “DX edge Cool Cube,” an edge processing infrastructure facility for low-latency on-site inference and front-end data collection, jointly developed with Kawamura Electric Inc. Business collaboration with EXEO Group in the edge data center domain.

* PFCI: Preferred Computing Infrastructure, Inc. — a joint venture established by IIJ, Preferred Networks, Inc. (PFN), and Mitsubishi Corporation to provide cloud services for AI.



Integration

SI Solutions Leveraging Our Own Proven Track Record

Transforming IIJ's Living AI Expertise into SI Solutions

Going beyond mere AI adoption support, IIJ delivers value through SI solutions built on proven, real-world expertise.

- ✓ Driving operational efficiency and advancing customer business processes with AI, particularly in IT departments.
- ✓ Providing offerings and implementation consulting based on IIJ's proven track record and use cases.
- ✓ Supporting company-wide AI platforms deployment and delivering IIJ Knowledge AI.



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