For Immediate Release

IIJ, NIJI, and Windy in Joint Proof of Concept Trials for Pharmaceutical Issues
--Establishing a Consortium & Preventing Polypharmacy in Kitakyushu
with Proven Results in Optimizing Medical Care--

TOKYO—December 18, 2017—Internet Initiative Japan Inc. (IIJ, NASDAQ: IIJI, TSE1: 3774); Japan Medical Affairs Insurance (NIJI); and Windy today announced that they begin a joint proof of concept trials for preventing polypharmacy and redundant medications in Kitakyushu through their ICT-based consortium that aims to curb health hazards and provide appropriate leadership on medical expenses.

1. Background and objectives
In 2016, the elderly population in Japan made up 26.7% (*1) of the overall population, meaning that it is confronting issues related to having the quickest aging population in the developed world. In line with an aging population, increasing medical expenses are becoming a social issue. Total medical expenses for the past 10 years have grown by 27%, of which expenses for prescription medicines have risen by 71%. In response, the Japanese government is promoting a shift from central pharmacies to primary care pharmacies, the use of generic drugs, and other measures for preventing polypharmacy and redundant medications. However, Japanese society has yet to see an established, effective method for preventing these drug-related issues.

In using ICT to prevent polypharmacy (*2) and redundant medications and to reduce their harm, this consortium will aim to develop prescription medication solutions that will lead to more economical medical spending. These solutions will be available in Kitakyushu, the northernmost city of Kyusyu with the fastest aging population. Currently, the consortium expects medical insurance providers (*3) to be the target market for these solutions.

2. Proof of concept trials
The consortium will first perform a cloud-based analysis of anonymized "prescription receipt data (*4)"—used when pharmacies make claims to medical insurance providers—to select patients who have multiple medical prescriptions or who are being prescribed different types of medications that have equivalent effects. By cooperating with medical professionals that provide care for the ICT-generated matches found on this list of patients, the consortium will provide reminders and medication compliance instructions to patients. This project is made possible with support from the Human Media Creation Center/KYUSHU.

·   Receipt data analysis
    After anonymizing the prescription receipt data which medical insurance providers manage, they will be analyzed on IIJ's cloud service "IIJ GIO". The trials will perform a simulation that determines expected optimizations of medical expenses and avoids drug harm by revealing and evaluating the risks of redundant and multiple prescriptions.

- Instruction of medication

  With a list of cases of confirmed risk based on the analysis results, NIJI will draft patient instruction schedules that will be available either through its health guidance service or the patients' family pharmacists. Thus, target patients will receive reminders about redundant and multiple prescriptions, as well as medication administration instructions and confirmations of remaining medications. NIJI will also work with physicians to adjust their prescriptions and to send notifications about these adjustments to the patients' families.

- Promoting communication

  To smoothly provide medication administration instruction, medical institutions, pharmacies, medical insurance providers, and all other parties related to the patients need a system for communicating with each other. IIJ's comprehensive community care system, IIJ Electronic Contact/Communication Note Service—a service with a proven track record in the Aichi prefectural government—allows these parties to share patients' pharmaceutical status in a secure environment.

- Preventing missed doses and managing remaining medication

  The system includes Windy's "Medicine Calendar" for affixing printed stickers with the date medicine should be taken, the time it should be taken, and other required information on trays. The trays and stickers have notches on them, so that patients can easily remove the stickers by hand when they take their required doses. The Medicine Calendar allows patients to visualize the medicine they have taken, leading to the prevention of missed doses.

3. Schedule

1) Analyze the receipt data, verify the effects of optimizing medical expenses, and evaluate patients at risk for redundant or multiple prescriptions. (January 2018)
2) Optimize prescriptions by providing instructions to patients, based on the results of the analysis. (February–June 2018)
3) Promote better health for patients by helping them to visualize their use of pharmaceuticals. (July–December 2018)

4. Implementation system

Consortium members: Internet Initiative Japan Inc., Japan Medical Affairs Insurance, and Windy
Supporting member: Human Media Creation Center

(*1) This is the percentage of Japan's population aged 65 and older. This data is from the Cabinet Office's Annual Report on the Aging Society: 2016.

(*2) This refers to the simultaneous use of multiple medications, leading to situations in which patients are prescribed unnecessary medications or more medications than necessary.

(*3) These are the organizations that collect insurance premiums and pay insurance claims through the course of operating medical insurance businesses.

(*4) This is comprehensive patient pharmaceutical usage data that is needed for processing insurance claims.

About Japan Medical Affairs Insurance

As the environment surrounding medical insurance undergoes dramatic changes, the market demands more substantial medical services and nursing care. Meanwhile, optimizing continually increasing medical expenses is also becoming a major issue, creating powerful demand for the reasonable administration of medical-related public finance. Since 1972, Japan Medical Affairs Insurance has been helping insurance providers with claim confirmations in a wide variety of ways, including by verifying the information on pharmacy receipts provided with insurance claims. Currently, the company is engaged in businesses across a wide range of fields, including providing specific health guidance, health guidance for preventing severe diabetes, and other forms of medical advice. For more information, visit https://nihoniji.com/. (Japanese text only)

About Windy

Established in 2002, Windy specializes in the medical field with employees who are pharmacists, registered sellers, and programmers. All its software is created in-house to accurately and quickly meet its clients' real-world demands. This structure allows the company to offer new software and tools through proposal-based selling and to open the way to new markets. In 2017, at the Fourth Healthcare Industry Contribution Grand Prix, the company received the Kyushu Economic Federation chairman's award for its comprehensive community care system using the Medical Calendar. For more information on windy, see http://www.e-windy.co.jp/.(Japanese text only)

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.iij.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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