

## IIJ to Offer Japanese Yen Convertible Notes

March 17, 2000

Tokyo, March 17, 2000 - Internet Initiative Japan Inc. (NASDAQ: IIJI) ("IIJ") today announced that it proposes to make an offering of yen denominated convertible notes (the "Notes") commencing today. The offering will not be registered under the Securities Act of 1933 and will be made only to certain persons outside of the United States pursuant to Regulation S under the Securities Act and to qualified institutional buyers in the United States pursuant to Rule 144A under the Securities Act.

The outline of the proposed terms of the issue is as follows:

1. Aggregate principal amount:	Approximately JPY13 billion
2. Issue price:	100%
3. Maturity:	March 31, 2005
4. Conversion terms:	Convertible into Shares of IIJ. Terms of conversion to be determined.
5. Use of proceeds:	The net proceeds from the sale of the Notes will be used to further develop IIJ's network, for further investments in IIJ's subsidiaries and affiliates and for general corporate purposes.
6. Over-allotment option:	There will be approximately JPY2 billion additional principal amount of Notes made available to cover over-allotments.

*The Convertible Notes will not be registered under the Securities Act and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This news release does not constitute an offer to sell*

*or the solicitation of an offer to buy the securities. Any offer of the securities will be made only by means of a private offering memorandum.*

---