

1H25 Financial Summary



Internet Initiative Japan

Internet Initiative Japan Inc. (IIJ)

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

November 7, 2025

Disclaimer

Statements made in this presentation regarding IIJ's or managements' 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, such as statements regarding revenues, operating and net profitability 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.

Ongoing High Demand for Network and System Upgrades Across Industries Driven by Structural Changes in Network Leveraging the Service Integration Model^(*) as a Key Differentiation and Entering the Next Phase of Mid- to Long-Term Growth

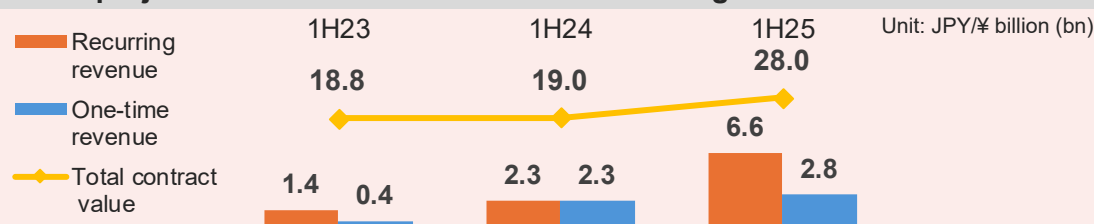
1H25 Results

Revenue	¥161.91 bn	+10.1%YoY	Solid Growth Through Strengthened NW service Sales Initiatives, Robust SI Demand Driving Continued High Orders
Operating Profit	¥15.39 bn	+30.6%YoY	High Growth by SI & NW Service Revenue expansion, ¥1.17 bn of Retirement Provision Reversal, & VMware-related Rebound
Net Profit	¥10.03 bn	+34.2%YoY	Little Effect of Exchange Rates on Non-Operating Results (FY24-end: ¥149.52/USD, 1H25-end: ¥148.88/USD)

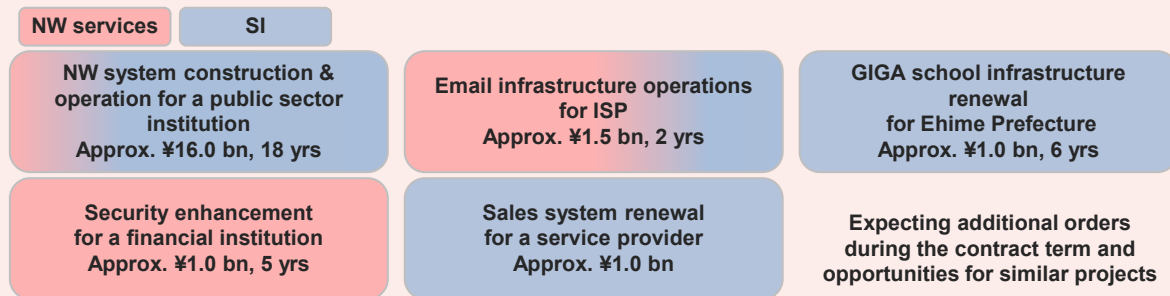
Main Action Plans for FY2025

Focus on large-scale service integration projects

Large-scale projects: semiannual trends in revenue recognition and contract value

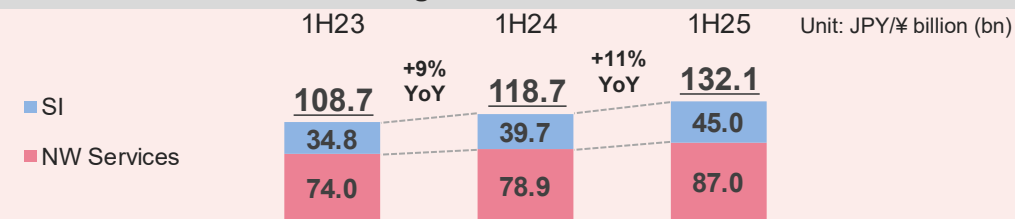


- ◆ Consistent Growth in Recurring Revenue as Large Projects Advance
- ◆ Secured 5 large-scale projects from 2Q25 onward (approx. ¥20.5 bn in total)



Focus on Accumulating NW Services

Recurring revenues



- ◆ High recurring revenue growth +11.3% YoY driven by strong NW service expansion and robust systems operation and maintenance
- ◆ Enhancing existing services and introducing new offerings to drive recurring revenue growth this FY

(Main achievements in 1H25)

New services	IJ Security Doctor Comprehensive security support by IJ Experts	IJ Cloud Exchange Service for Prisma Access Secure connectivity between Prisma Access and customer site via IJ Private Backbone	Multi-Profile SIM 2.0 One SIM, dual carrier access – improved IoT device communication reliability	IJ Infrastructure as Code Implementation Support Solution Automation and Streamlining of Cloud Infrastructure Deployment
Existing service enhancement	IJ IoT service Added features to enable simple remote access to devices	IJ Flex Mobility Service/ZTNA Added automatic SaaS destination information collection features to optimize traffic control	IJ Secure Endpoint Service Added features of web access control and visibility	IJ Multi Product Controller Service Added feature "NW map" to automate NW diagram creation and visualize traffic

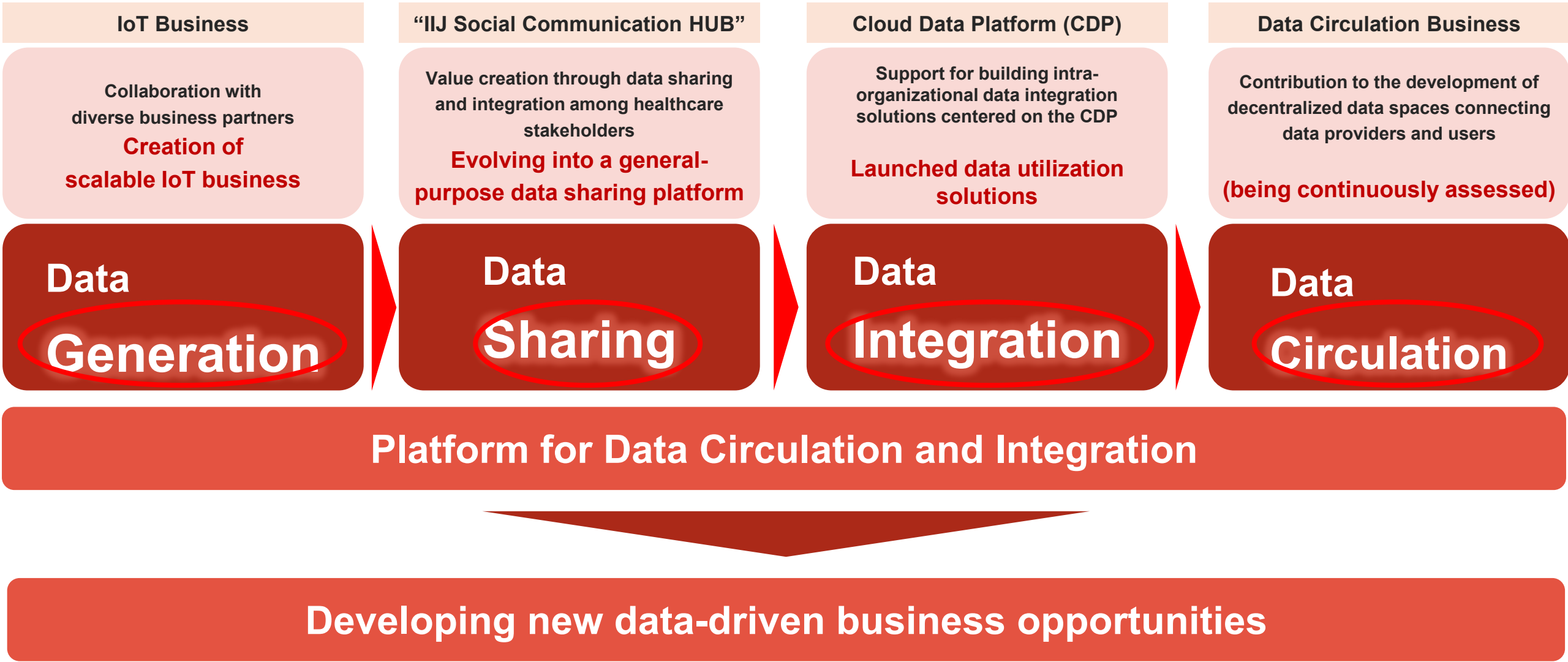
- ◆ Agreed to establish an IoT-focused JV as a new IJ subsidiary with Sony Semiconductor Solutions Corporation to launch a soil moisture sensing business (IJ ownership: up to 85%, Planned establishment date: Apr. 2026)
- ◆ DeCurret DCP: JAPAN POST BANK plans to issue tokenized bank deposit in FY26 (Sep. 2025), Agreed to initiate full-scale study on foreign exchange with SBI Shinsei Bank and Partior (Sep. 2025)

(*) Service Integration: Provide in-house developed NW services with SI, Greater opportunities and proposal areas along with internal large-scale NW renewals, etc.

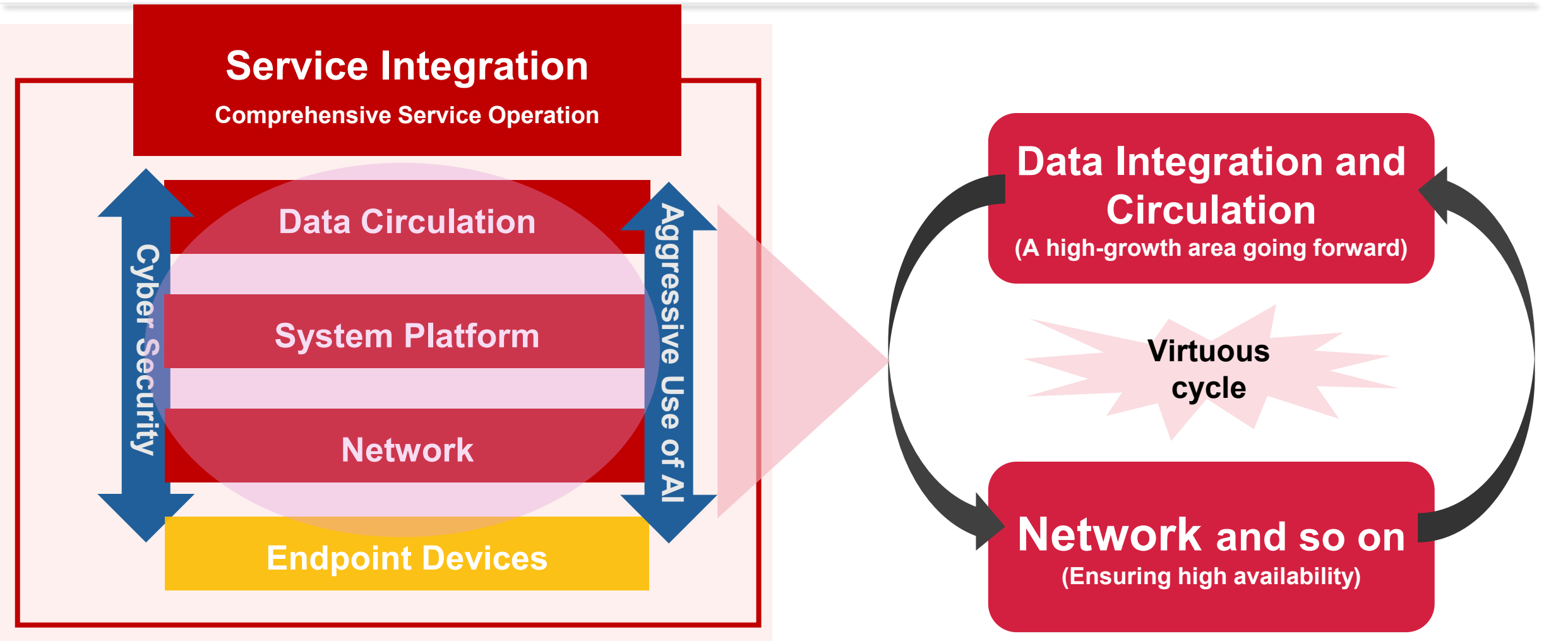
(**) Recorded revenues of acquired large-scale projects since FY22

Data Integration Platform Concept by IIJ (Conceptual Diagram)

Strategically leverage and advance existing assets to enable future growth in the Data Circulation field



Transforming Connectivity into Business Value: A Virtuous Cycle Driven by IIJ's Core Technologies



Highlights: Data Generation (1H25)

① IIJ Sensing Data Management Service

Overview

- Provided a previously custom-built sensing environment as **a standardized service**, reducing effort and cost for requirements definition and system construction. Service scheduled for release in July 2025.

Status / Topic

Demand remains robust, with strong traction among major manufacturers and retailers. Service adoption is progressing steadily, and we will continue to drive expansion in sectors with high strategic alignment.

③ Collaboration with Business Partners

Overview

- Jointly developed **“Energy-Saving IoT Package”** with Mitsubishi HC Capital Corporation (launched Apr. 2025). The package provides all-in-one IoT sensors, networks, and a visualization platform required for initiatives aimed at achieving carbon neutrality in the manufacturing sector.

Status / Topic

② Development of Ditto Sales Framework

Overview

- Mutual collaboration for domestic sales of **“Ditto,”** an internet-independent data synchronization technology. IIJ will lead license sales, implementation support, and marketing activities in Japan.

Status / Topic

At “Interop Tokyo 2025,” IIJ’s exhibited solution “Ditto” won the Grand Prix in the IoT/Edge Computing category of the Best of Show Award. Multiple proof-of-concept projects are underway, with plans to expand orders in the next fiscal year and beyond.

④ Collaboration with Sony Semiconductor Solutions

Overview

- Sony Semiconductor Solutions (SSS) and IIJ will establish joint venture to **support agriculture with soil moisture sensing technology**. By accurately visualizing soil conditions, we aim to leverage data to realize sustainable agriculture.

Status / Topic

We will launch a new business by leveraging SSS’s high-precision soil moisture sensors together with IIJ’s communication technology, cloud services, and expertise in smart agriculture. In addition, we plan to utilize the data obtained from these sensors to enhance our own services, promoting data-driven solutions.

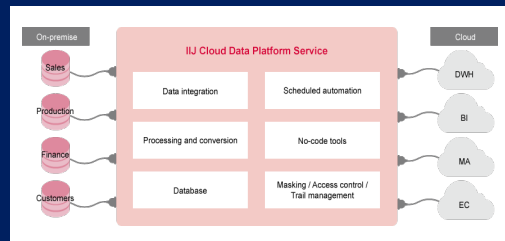
Highlights: Data Sharing and Integration (1H25)

① IIJ Cloud Data Platform Service (CDP)

Overview

- Cloud-based data integration service powered by domestic iPaaS technology (**ASTERIA Warp**). Supports secure and flexible connectivity across diverse data sources.

Status / Topic



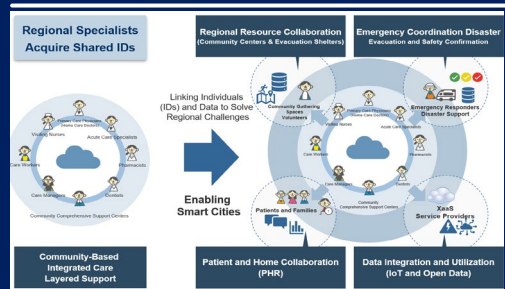
Strengthening cross-selling by combining IIJ services. Expanding various use cases to meet demands that could not be addressed by standalone services.

③ IIJ Social Communication HUB

Overview

- A **multi-professional collaboration platform** that connects healthcare, welfare, nursing care, and government professionals, enabling the secure sharing of resident information for individuals requiring support, from children to the elderly.

Status / Topic



Adoption by local governments continues to grow,* with new public cases in Eniwa City (Hokkaido) and Katori City (Chiba). Expanding use cases into areas such as disaster prevention, emergency response, and education.

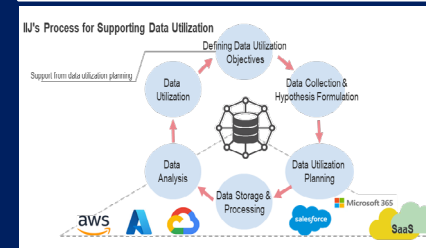
*76 local governments across 13 prefectures

② IIJ Data Utilization Solutions

Overview

- Providing **one-stop support for leveraging internal data**—from the initial planning stage to concrete implementation. Proposes an environment that securely collects scattered data and enables optimal utilization. Scheduled for release in August 2025.

Status / Topic



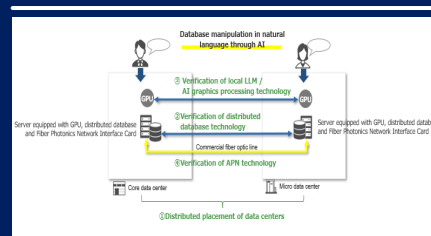
Individual services have been integrated into packaged offerings, enhancing value through synergy with IIJ's existing portfolio. Strong market response; accelerating reference and case development.

④ Initiatives for Watt-Bit Collaboration

Overview

- A proof-of-concept to build decentralized digital infrastructure, connecting regional DCs powered by Kyushu's renewable energy under the government's **"Watt-Bit Collaboration"** concept to optimize power and IT processing.

Status / Topic



Deploying small-scale DCs across Kyushu, directly interconnected via optical technologies (APN and optical NIC) to enhance energy efficiency and performance. By leveraging distributed database technology and GPU servers, we aim to realize a Kyushu-specific "Watt-Bit Collaboration" in harmony with local renewable energy.

Conceptual diagram of verification implementation

Core Data Centers: Green & Digital

① Expansion for Shiroi DCC Third Site Begins

Overview

- Construction of the Phase 3 building commenced in June 2025, aiming to begin operations in FY2026. As a **carbon-neutral DC**, it incorporates advanced and efficient cooling technologies, including the use of outside air and a system that delivers cool air directly through the walls.

Status / Topic



The enhancement of the third site is to meet the growing demand for our services driven by DX initiatives and increasing adoption of AI solutions.


Phase 3 building (illustration)

③ Ultra-High-Efficiency AI Accelerator System – Trial Operation Begins

Overview

- Undertaking R&D on an ultra-high-efficiency AI computing infrastructure adopted for a public project by the METI and NEDO. Trial operation of AI servers (MN-Core 2) with a direct-liquid-cooling system has begun in July 2025 at IJJ's Matsue DCP and other sites.

Status / Topic



Addressing challenges unique to liquid cooling and validating cooling efficiency, while introducing hybrid cooling technology (AALC) that combines air and liquid cooling. From fiscal 2026, research will focus on resource optimization using AI workloads, aiming to realize an ultra-high-efficiency AI computing platform.

30 nodes of MN-Core 2 server with a direct liquid cooling system in Matsue DCP

② Matsue DCP System Module Begins its Operation

Overview

- The system module building at IJJ's DC in Matsue, Shimane Prefecture, which had been under construction since last year, started operation in **June 2025**.

Status / Topic



Participating as a co-proposer in Matsue City's decarbonization leading area plan promoted by the Ministry of the Environment, providing DC storage batteries as an emergency power supply infrastructure for the community during disasters.

System Module Building – Exterior Photo

④ Offering Micro Data Center Services in Ukraine

Overview

- As part of a JICA demonstration project to promote private-sector participation in Ukraine's reconstruction, IJJ will provide a total of four micro data centers to two major Ukrainian infrastructure operators within FY2025.

Status / Topic



Compact DCs (approx. 1–2m high) equipped with servers, power, cooling, and all essential functions for indoor or outdoor use. Highly portable, quick to deploy, and remotely operable, enabling management even in environments with limited human access.

Outdoor model "DX edge Hut" Indoor model "DX edge Pro"



The internet started in Japan in 1992, along with IIJ. Since that time, the IIJ Group has been building the infrastructure for a networked society, and with our technical expertise, we have continued to support its development. We have also continued to evolve our vision for the future and innovate to make it a reality. As an internet pioneer, IIJ has blazed the trail so that others could realize the full potential of a networked society, and that will never change. The middle "I" in "IIJ" stands for "initiative," and IIJ always starts with the future.