

For Immediate Release

IIJ Launches IIJ GIO Cloud Transcode Package

--Providing a cloud solution for transcode technology used in video distribution, with plans to distribute this year's high-school baseball summer championship--

TOKYO—July 30, 2013—Internet Initiative Japan Inc. (IIJ, NASDAQ: IJJI, TSE1: 3774), one of Japan's leading Internet access and comprehensive network solutions providers, today announced the immediate release of IIJ GIO Cloud Transcode Package, a cloud solution for easily changing the format of large video files.

Transcoding is the direct digital conversion of movie or audio data file formats to the necessary format for the target device, such as a PC or smartphone. Transcoding for commercial use requires engineers with specialized expertise and high-performance servers that can handle high volumes of data. The demand for transcoding is increasing in the content distribution market due to the proliferation of a variety of devices.

This package answers that demand by providing IIJ's years of experience in operating transcoding systems for broadcast stations and others, all in one package. Conventional transcoding systems have been delivered as software, but this package provides the software and server in the cloud for a monthly fee. This will allow video distributors to drastically reduce their equipment costs associated with transcoding processes, as well as outsourcing fees.

IIJ plans to provide this package to Asahi Broadcasting Corporation for use in broadcasting the Special 95th Japan High School Baseball Championship starting on August 8, 2013.

The Package boasts the following features:

Uses high-performance software ideal for commercial use

This package uses Cambria FTC software, developed by U.S.-based Capella Systems, on IIJ GIO Service. Cambria FTC has been highly praised by video distribution specialists for transcoding use. The software will take post-edited Apple ProRes, Canopus HQ, and other formats, and convert them into Flash Video, HLS, MPEG2-TS, acTVila Video, and other formats. It will also handle H.265 and other new formats.

Scales system resources in response to data volumes

As part of this package, we will consult with the client to discuss the formats and numbers of videos to be processed, and propose the optimum system configuration to be created by IIJ engineers. The client does not have the burden of acquiring servers or other equipment, but can secure the necessary resources when they

are needed for transcoding.

Automates the process from video file conversion to distribution

The client only needs to upload the video files to be converted through a web-based user interface connected to the package, where the transcoding process happens automatically. When combined with a content delivery network service, such as the IIJ Contents Delivery Service, the entire process can be handled all at once, automatically.

IIJ will continue to develop video quality measurement solutions, format checking, online video editing sites, and other video distribution solutions that meet our clients' needs.

About IIJ

Founded in 1992, Internet Initiative Japan Inc. (IIJ, NASDAQ: IJJI, Tokyo Stock Exchange TSE1: 3774) 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 systems integration, cloud computing/data center services, security services, and Internet access. Moreover, IIJ has built one of the largest Internet backbone networks in Japan that is connected to the United States and the United Kingdom. IIJ was listed on NASDAQ 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 <http://www.ij.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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