Presentation Material for Consolidated Financial Results for 1H26

(April 1, 2026 to September 30, 2026)

IIJ
Internet Initiative Japan

Internet Initiative Japan Inc. (IIJ)
The Prime Market of the Tokyo Stock Exchange (Ticker symbol: 3774)
November 6, 2026

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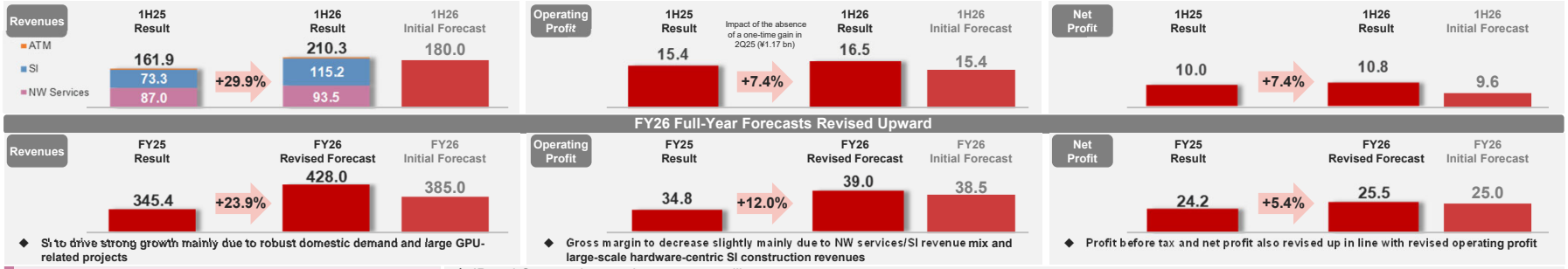
- FY26 stands for a fiscal year from Apr. 1, 2026 to Mar. 31, 2027. 1Q26 stands for 1Q of FY26, 1H26 stands for 1st half of FY26 (Apr. 1, 2026 to Sep. 30, 2026), others alike
- Abbreviation: NW for network, SI for systems integration, DC for data center, HD for holdings, PF for platform, ¥ (JPY) bn for JPY billion, O&M for systems operation and maintenance

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I - 1. 1H26 Summary

Unit: JPY billion
+%, YoY = Year-over-year change
Net income: attributable to owners of the parent

Amid Japanese Enterprises' Networks & Systems Changes, Shifting to Structural Business Growth by Leveraging Our Network Technological & Operational Expertise
1H26 Revenue Significantly Exceeded Forecast; FY26 Forecast Revised Up to ¥428.0 bn
Along with Growing Cybersecurity & AI Demand, Our Competitive Advantage to Become More Prominent



NW Services (excl. Mobile)	**¥64.11 bn**	**+6.6%**	◆ IP and Outsourcing services grew steadily ◆ Security service revenue continued to expand: 1H26 ¥22.01 bn, +11.8% YoY ✓ Growing demand across diverse industries for security consulting/assessment and secure infrastructure construction, etc. ✓ Continuously strengthening our own service platforms with behavior-based detection, multi-layered WAF defense, etc.
- IP	¥9.56 bn	+3.5%	
- Outsourcing	¥36.18 bn	+10.8%	
- WAN	¥14.25 bn	+1.7%	
Mobile & IoT	**¥29.43 bn**	**+9.4%**	◆ Number of subscriptions grew steadily, led by enterprise mobile (IoT use, etc.) Total subscriptions: 6.75 million, +0.76 million YoY ◆ Gross profit slightly down YoY mainly due to an annual change in mobile data interconnectivity charge rates and higher device procurement; gross profit improved QoQ ◆ Launched "IIJ Multi-Profile SIM 2.0," enabling access to two domestic carriers' networks with a single SIM (Aug. 2026)
- Enterprise	¥9.62 bn	+9.5%	
- MVNE	¥6.39 bn	+9.7%	
- Consumer	¥13.42 bn	+9.2%	
SI	**¥115.21 bn**	**+57.1%**	◆ Order trends in 1H26
- Construction	¥60.67 bn	+114.4%	
- O & M	¥54.54 bn	+21.1%	
SG&A, etc.	**¥22.97 bn**	**+16.4%**	◆ Other income reflected the absence of the ¥1.17 bn one-time gain in 2Q25 from the retirement benefit plan revision ◆ SG&A etc. were slightly below our expectations
Other Topics			◆ Plan price revisions for many enterprise NW services from the beginning of FY27, reflecting price revision trends among telecom service providers ◆ Selected for MIC's "Watt-Bit Collaboration" demonstration; launched a field trial to expand use cases for distributed DC operations (Sep. 2026) ◆ DCP (equity method investee): JAPAN POST BANK to issue tokenized deposits in 2H26; 43 companies joined FSA-supported interbank settlement verification (Aug. 2026)

	Orders-Received		Order-Backlog	
Construction	¥89.4 bn	+¥52.6 bn YoY	¥60.6 bn	+¥36.4 bn YoY
O&M	¥80.9 bn	+¥26.8 bn YoY	¥153.3 bn	+¥44.7 bn YoY

◆ Large-scale projects in 1H26 (total contract value exceeding ¥1.0 bn)

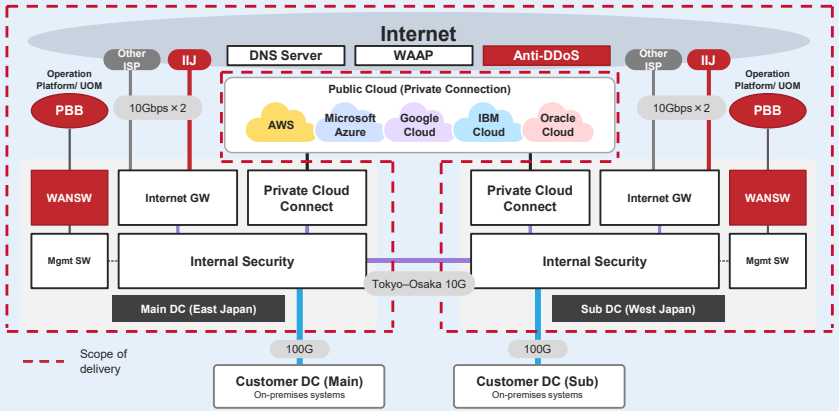
1Q	GPU infrastructure construction ¥6.0 bn	Mobile device procurement ¥1.7 bn	NW construction & O/M for a public institution ¥1.5 bn	GPU infrastructure construction & O/M ¥12.0 bn			
2Q	Server construction for a service provider ¥1.0 bn	Security enhancement for an IT service provider ¥1.5 bn	IT infrastructure renewal for a local government ¥1.0 bn	DC infrastructure reconstruction for a retail company ¥2.0 bn	GPU infrastructure construction & O/M ¥20.5 bn	4 other projects ¥14.0 bn	

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Ⅰ - 2. Examples of IT Infrastructure and Security Projects Across Industries

IIJ services

Internet Connectivity Infrastructure Consolidation for a Major Financial Group



Cybersecurity Governance Enhancement for a Major Financial Group

01 Assess & Visualize

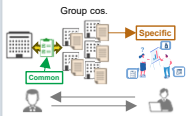
- Map structure, configurations and operations through interviews

✓ OA configuration
✓ System settings
✓ Workflows
✓ Operation structure
✓ Internal controls
✓ Operational documents/ records
✓ SaaS mgmt
✓ Device mgmt

etc.

02 Identify Gaps

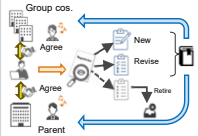
- Pinpoint gaps against risk levels suited to business scale and profile



Solutions tailored to each industry and company size

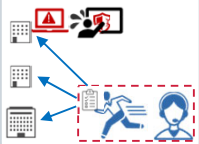
03 Plan & Improve

- Define and agree on policies for each issue
- Support rule, document and tool updates

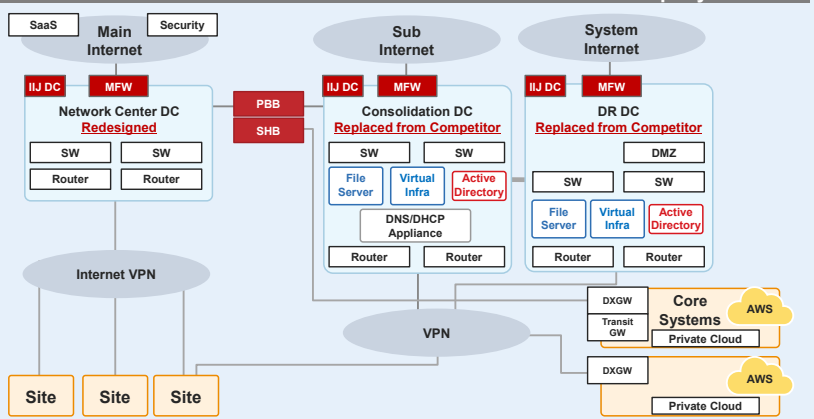


04 Incident Readiness

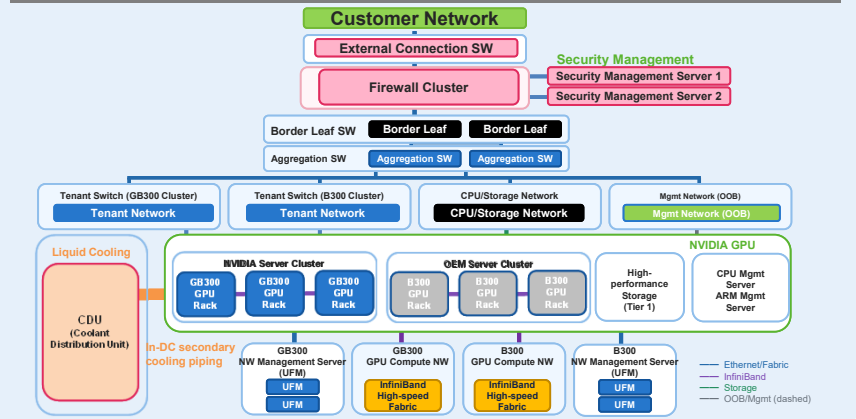
- Support from on-site investigation through recovery in the event of an incident



Data Center Infrastructure Reconstruction for a Retail Company



GPU Infrastructure Construction



※PBB：Private Backbone（IIJ Cloud-Based Network Service）, SHB：Smart HUB, WAF：Web Application Firewall

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Ⅱ - 1. Consolidated Financial Results

Unit: ¥ (JPY) billion
YoY = Year over year comparison

	% of revenue 1H26 Results Apr. 2026 - Sep. 2026	% of revenue 1H25 Results Apr. 2025 - Sep. 2025	YoY		% of revenue 1H26 Forecasts (Announced in May 2026) Apr. 2026 - Sep. 2026	YoY	% of revenue FY26 Forecasts (Revised in Nov. 2026) Apr. 2026 - Mar. 2027	YoY
Revenues	210.30	161.91	+29.9%	+48.39	180.0	+11.2%	428.0	+23.9%
Cost of Revenues	81.2% 170.80	78.3% 126.78	+34.7%	+44.02	78.3% 141.0	+11.2%	80.0% 342.2	+27.1%
Gross Profit	18.8% 39.50	21.7% 35.13	+12.5%	+4.38	21.7% 39.1	+11.2%	20.0% 85.8	+12.6%
SG&A etc.	10.9% 22.97	12.2% 19.74	+16.4%	+3.23	13.2% 23.7	+20.1%	10.9% 46.8	+13.2%
Operating Profit	7.9% 16.53	9.5% 15.39	+7.4%	+1.14	8.5% 15.4	(0.2%)	9.1% 39.0	+12.0%
Profit before tax	7.6% 16.05	9.4% 15.15	+5.9%	+0.90	7.8% 14.1	(7.3%)	8.8% 37.5	+6.4%
Net Profit	5.1% 10.77	6.2% 10.03	+7.4%	+0.74	5.3% 9.6	(4.8%)	6.0% 25.5	+5.4%
Dividend per share	¥21.50	¥19.50		+¥2.00	¥21.50	+¥2.00	¥43.00	+¥4.00

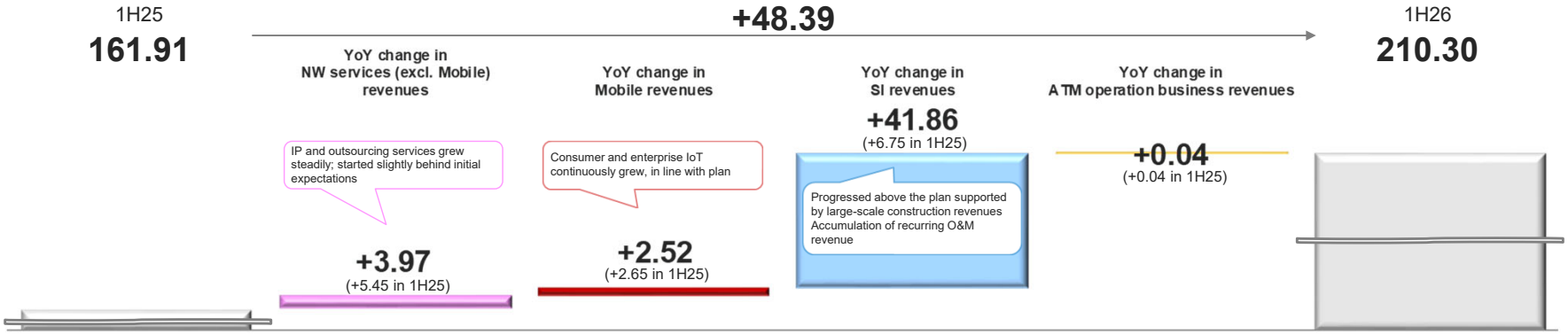
- SG&A etc. represents the sum of SG&A, which includes R&D expenses, and other income/expenses

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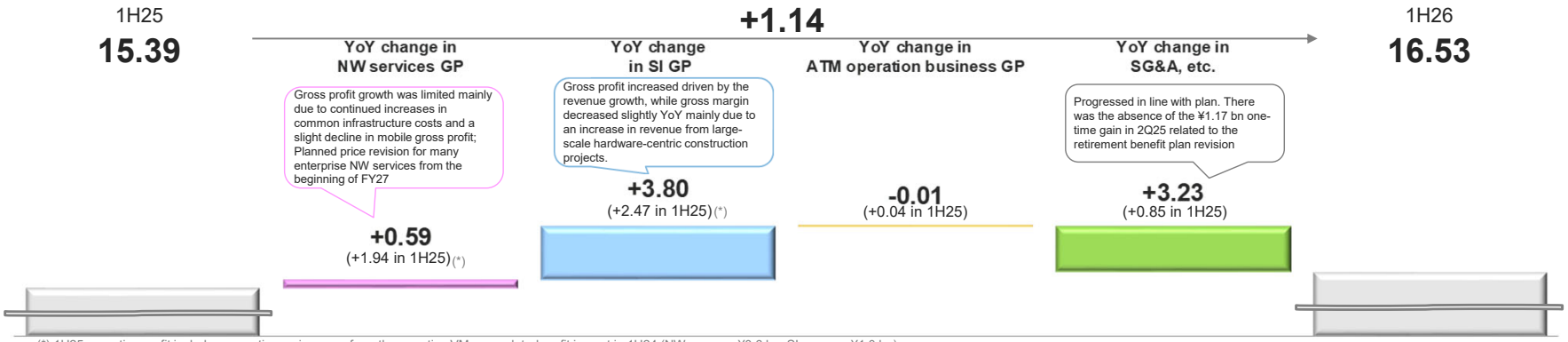
Ⅱ - 2. Year over Year Analysis

Unit: ¥ (JPY) billion (bn)
GP = Gross Profit
O/M = Operation and Maintenance
YoY = Year over year comparison

Revenues



Operating Profit



(*) 1H25 operating profit includes a reactionary increase from the negative VMware-related profit impact in 1H24 (NW: approx. ¥0.6 bn; SI: approx. ¥1.0 bn)

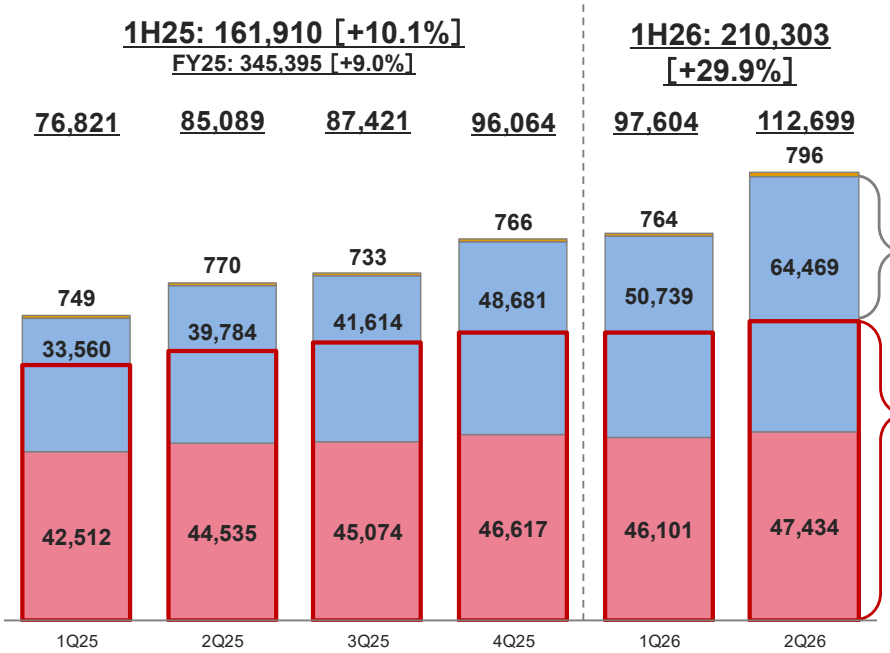
- NW services (excl. Mobile) revenues are calculated by deducting the below mentioned Mobile services revenues from total NW services revenues. The revenues include non-mobile consumer revenue which is a small amount
- NW services gross profit consists of gross profit related to NW revenues (excl. Mobile) and Mobile revenues (The two services have costs in common and cannot be broken down in accounting terms)
- SG&A, etc. in this slide represents the sum of SG&A, which includes R&D expenses, and other income/expenses

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Ⅱ - 3. Revenues

Unit: ¥ (JPY) million
[ ], YoY = Year over year comparison

- Network (NW) Services
  - Internet Connectivity Services (Enterprise)
  - Internet Connectivity Services (Consumer)
  - Outsourcing Service
  - WAN Service
- Systems Integration (SI)
  - Systems Construction (including equipment sales)
  - Systems Operation and Maintenance
- ATM Operation Business



One-time revenue
1H26: ¥60.67 bn, +114.4%YoY (+5.2%YoY in 1H25)
28.8% of 1H26 total revenue

Recurring revenue
1H26: ¥148.07 bn, +12.1%YoY (+11.3%YoY in 1H25)
70.4% of 1H26 total revenue

NW Services revenue (excluding Mobile Services)
1H26: ¥64.11 bn, +6.6%YoY (+10.0%YoY in 1H25)

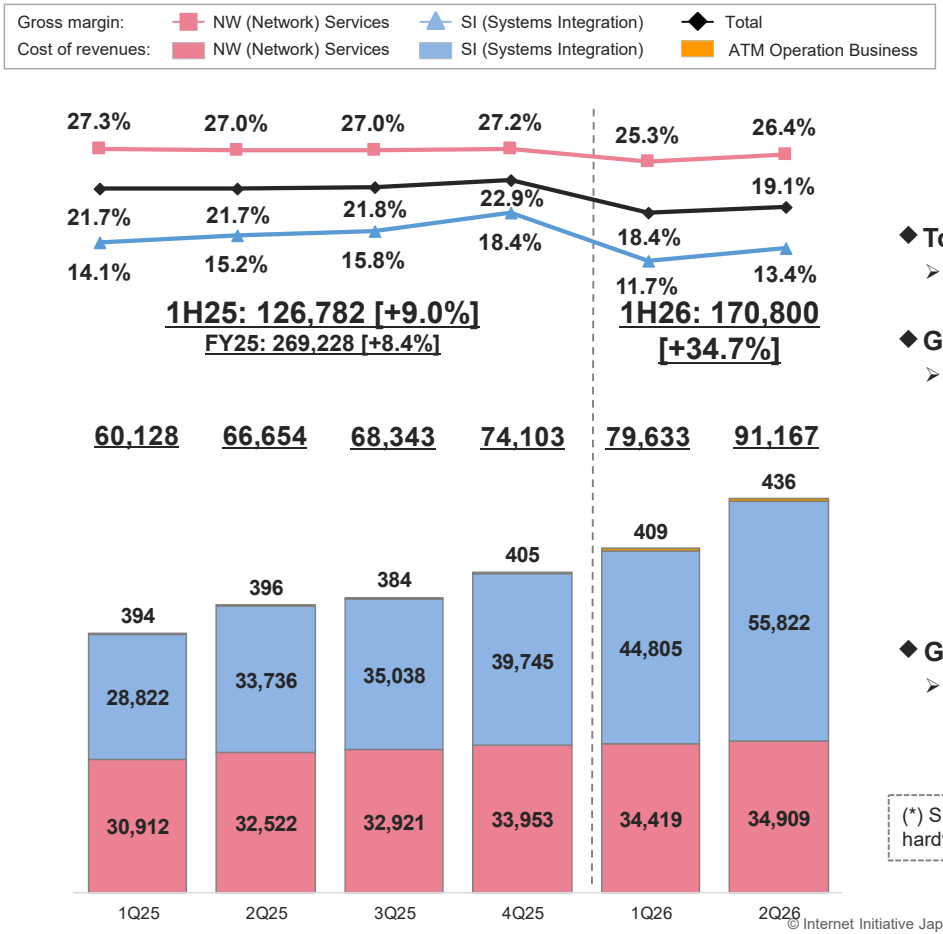
Mobile Services revenue
1H26: ¥29.43 bn, +9.4%YoY (+10.9%YoY in 1H25)

- One-time revenue, systems construction revenues which include equipment sales, is mainly recognized when systems and/or equipment are delivered and accepted by customers (Some revenues on a percentage-of-progress basis based on cost progression)
- Recurring revenue represents the following revenues: Internet Connectivity Services (Enterprise), Internet Connectivity Services (Consumer), Outsourcing Services, WAN Services, and Systems Operation and Maintenance
- Mobile services revenues include IIJ Mobile Services (including MVNE) and IIJmio (consumer mobile)

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Ⅱ - 4. Cost of Revenues & Gross Profit Ratio

Unit: ¥ (JPY) million
[ ], YoY = Year over year comparison
QoQ = Quarter over quarter comparison



◆Total gross profit

- 1H26: ¥39.50 bn, Gross Margin 18.8% +¥4.38 bn, +12.5%YoY

◆Gross profit for NW services

- 1H26: ¥24.21 bn, Gross Margin 25.9% +¥0.59 bn, +2.5%YoY
  - Fixed-type costs such as maintenance fee, outsourcing and personnel-related costs have been increasing
  - Mobile gross profit declined YoY mainly due to increased mobile device procurement and the YoY change in mobile data interconnectivity unit charge, gross margin increased QoQ mainly due to seasonal marketing spending in 1Q
  - Plan price revisions for many enterprise NW services from the beginning of FY27

◆Gross profit for SI

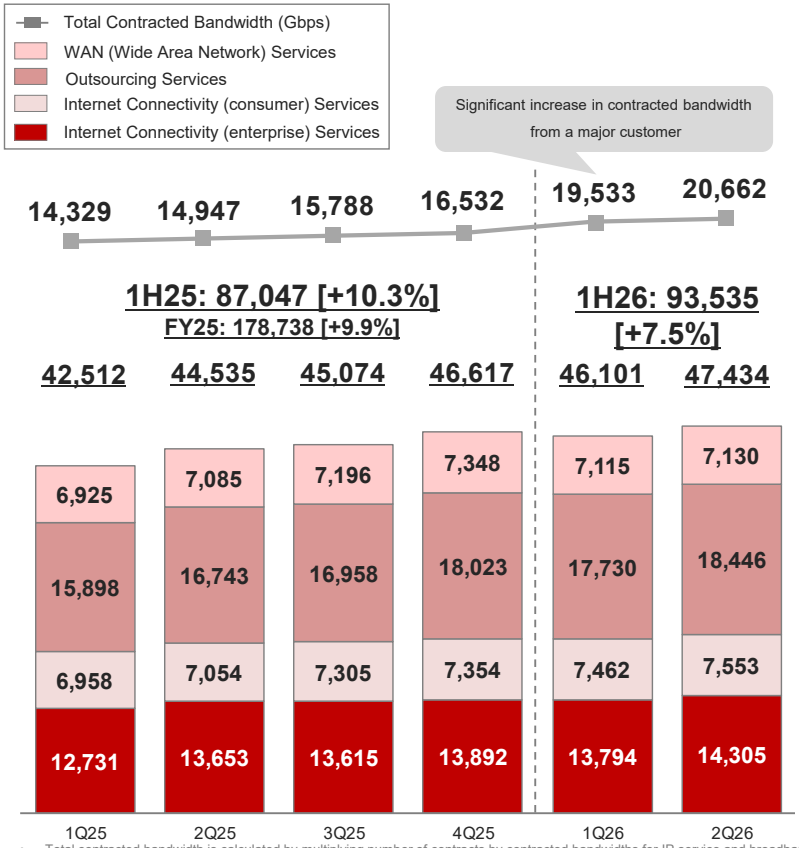
- 1H26: ¥14.58 bn, Gross Margin 12.7% +¥3.80 bn, +35.2%YoY
  - Gross margin slightly declined YoY mainly due to large-scale, hardware-centric system construction revenue.(*)

(*) SI gross profit is generated from both hardware and labor portions. The procurement-based hardware portion generally tends to have a lower margin than the labor portion.

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Ⅱ - 5. Network (NW) Services (1) Revenues

Unit: ¥ (JPY) million
[ ], YoY = Year over year comparison
QoQ = Quarter over quarter comparison



◆**Internet Connectivity (enterprise) Services**

- 1H26: ¥28.10 bn, +6.5%YoY (+12.0%YoY in 1H25)
  - Of which, IP Service: ¥9.56 bn, +3.5%YoY (+9.9%YoY in 1H25)
  - Of which, Enterprise mobile: ¥9.62 bn, +9.5%YoY (+21.3%YoY in 1H25)
  - Of which, MVNE: ¥6.39 bn, +9.7%YoY (+4.5%YoY in 1H25)

◆**Internet Connectivity (consumer) Services**

- 1H26: ¥15.02 bn, +7.2%YoY (+6.1%YoY in 1H25)
  - Of which, consumer mobile (IIJmio): ¥13.42 bn, +9.2%YoY (+7.4%YoY in 1H25)

◆**Outsourcing Services**

- 1H26: ¥36.18 bn, +10.8%YoY (+14.8%YoY in 1H25)
  - Of which, security: ¥22.01 bn, +11.8%YoY (+13.0%YoY in 1H25)

◆**WAN Services**

- 1H26: ¥14.25 bn, +1.7%YoY (+1.9%YoY in 1H25)

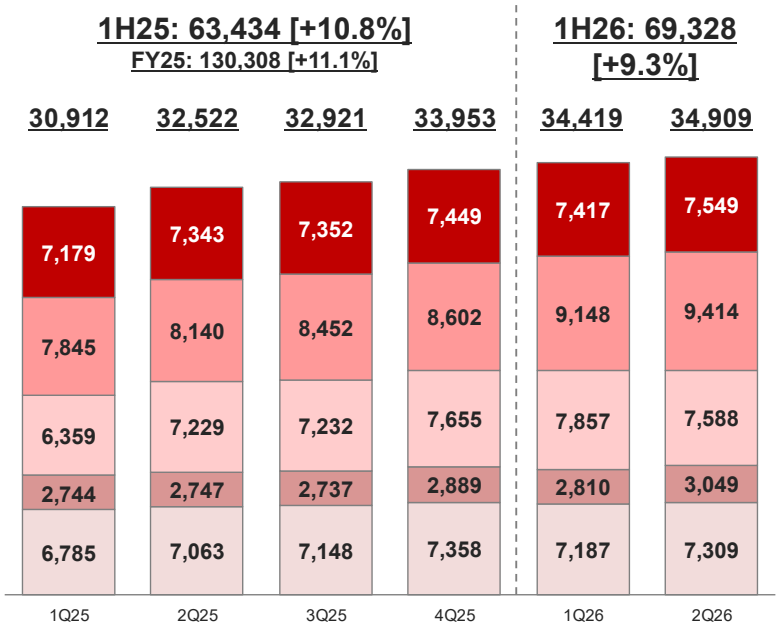
- Total contracted bandwidth is calculated by multiplying number of contracts by contracted bandwidths for IP service and broadband services respectively which are both under Internet connectivity services for enterprise
- IP (Internet Protocol) Service is bandwidth guaranteed dedicated Internet connectivity services for enterprises. Contracts are based on bandwidth and enterprises use the service for their core and main Internet connectivity
- Enterprise mobile primarily refers to direct offerings for IoT and similar usages
- MVNE (sales of service to other MVNOs) refers to IIJ Mobile MVNO Platform Service
- 2Q25 enterprise mobile revenue included a one-time contribution of approx. ¥0.4 bn from device sales

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Ⅱ - 5. Network (NW) Services (2) Cost of Revenues

Unit: ¥ (JPY) million
[ ], YoY = Year over year comparison

- Circuit-related costs (Internet backbone, WAN lines, etc.)
- Outsourcing-related costs (mobile infrastructure related costs such as interconnectivity charge and voice communication services, outsourcing personnel costs, etc.)
- Others
- Personnel-related costs (NW services related engineers' personnel cost)
- Network operation-related costs (depreciation cost for network equipment, DC leasing costs, etc.)



- 1H26 Circuit-related costs: ¥14.97 bn, +3.1%YoY (+2.1%YoY in 1H25)
  - Internet backbone circuit cost remains stable by leveraging scale merit with one of the largest Internet backbone networks
  - Fluctuates in line with WAN service revenue
- 1H26 Outsourcing-related costs: ¥18.56 bn, +16.1%YoY (+13.7%YoY in 1H25)
  - Mobile data connectivity and voice-related costs continued to rise, in line with growth in mobile subscriber acquisitions
- 1H26 Others: ¥15.45 bn, +13.7%YoY (+25.9%YoY in 1H25)
  - License fees such as SASE increased along with related revenue growth
  - Increased mobile device purchasing costs: approx. +¥0.6 bn YoY

1Q25	2Q25	3Q25	4Q25	1Q26	2Q26
+¥0.3 bn	+¥1.0 bn	+¥0.6 bn	+¥0.2 bn	+0.5 bn	+0.1 bn

- 1H26 Personnel-related costs: ¥5.86 bn, +6.7%YoY (+5.6%YoY in 1H25)
  - Increased mainly due to increased headcount and the revision of salary table at the beginning of the fiscal year
- 1H26 Network operation-related costs: ¥14.50 bn, +4.7%YoY (+6.6%YoY in 1H25)
  - Purchasing prices for servers & equipment are on an upward trend, while depreciation expenses remain relatively stable, reflecting the four- to five-year depreciation period

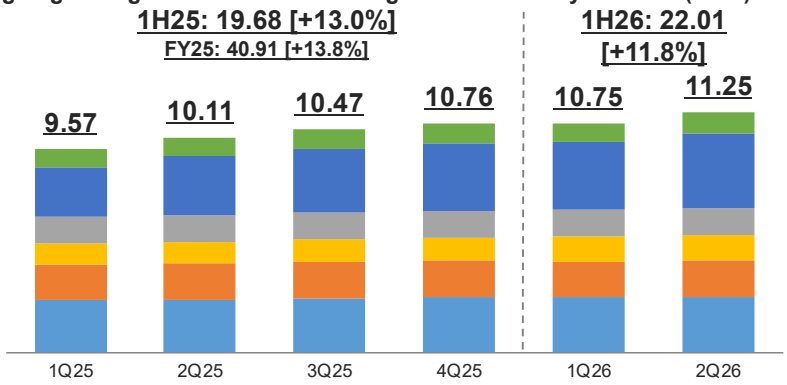
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Ⅱ - 5. Network (NW) Services (3) Security and Mobile/IoT

Unit: ¥ (JPY) billion
[ ], YoY = Year over year comparison
QoQ = Quarter over quarter comparison

Security Business

◆ **Ongoing strong demand drives stable growth in security services (MRR)**



SOC and others	(IIJ C-SOC Service, Endpoint Security, and others)
SASE	(Operation of Prisma Access, Zscaler and others)
Web GW	(IIJ Secure Web GW Service, and others)
Firewall	(IIJ Managed Firewall Service, and others)
NW	(IIJ DDoS Protection Service, IPS/IDS, WAF, and others)
Mail	(IIJ Secure MX Service, and others)

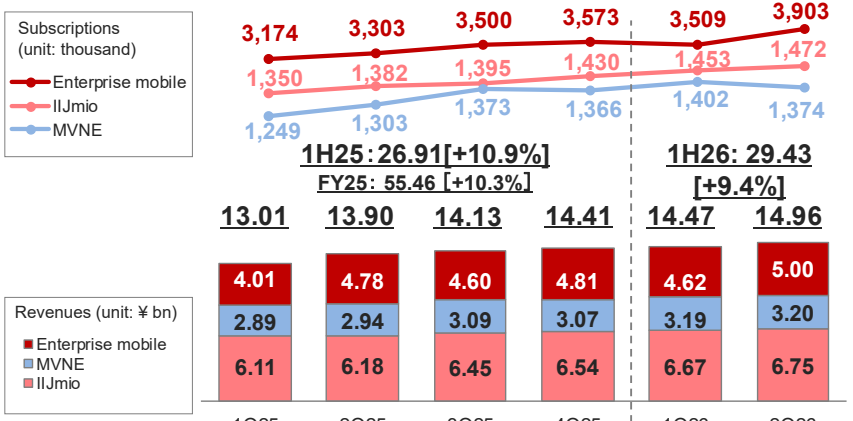
◆ **Growing Demand for Cybersecurity**

- Strong demand for “IIJ Security Doctor,” launched in Nov. 2025, which supports customers' security operations and strategy development through IIJ's cybersecurity experts; business scope is expanding into security assessments and consulting services.
- Launched “IIJ SCS Assessment Solution” to support compliance with the METI-led Supply Chain Security Assessment Program in Aug. 2026
- Development of a next-generation core integrated security service is on track for launch in 4Q26
- Continuously strengthening the security of our own service infrastructure with behavior-based detection, multilayered WAF defense, etc.

・ Security services (monthly recurring revenue) is recognized as Outsourcing services revenue

Mobile/IoT Business

Enterprise	• Continuous demand to connect devices such as IoT devices, taxi tablets, security cameras, dashboard cameras • Enhancing multi-carrier capabilities with SoftSIM and physical SIM to capture further enterprise IoT demand
Consumer	• Launched an unlimited-data prepaid SIM service for inbound tourists to Japan through Bic Camera in June 2026
MVNE	• Steady growth in new MVNO clients. Subscriptions slightly decreased in 2Q26 mainly due to a specific customer



	1Q25-end	2Q25-end	3Q25-end	4Q25-end	1Q26-end	2Q26-end
Number of MVNE clients (unit: companies)	202	205	207	212	211	217

・ Approx. ¥1.5 bn of enterprise mobile device revenue originally expected as NW Service revenue was recognized in SI construction (1Q26, ¥1.7 bn)
・ Enterprise Mobile and MVNE refer to direct service offerings for IoT and other device connectivity use cases and IIJ Mobile MVNO Platform Services provided to other MVNO operators, respectively.
・ 2Q25 enterprise mobile revenue included a contribution of approx. ¥0.4 bn from device sales

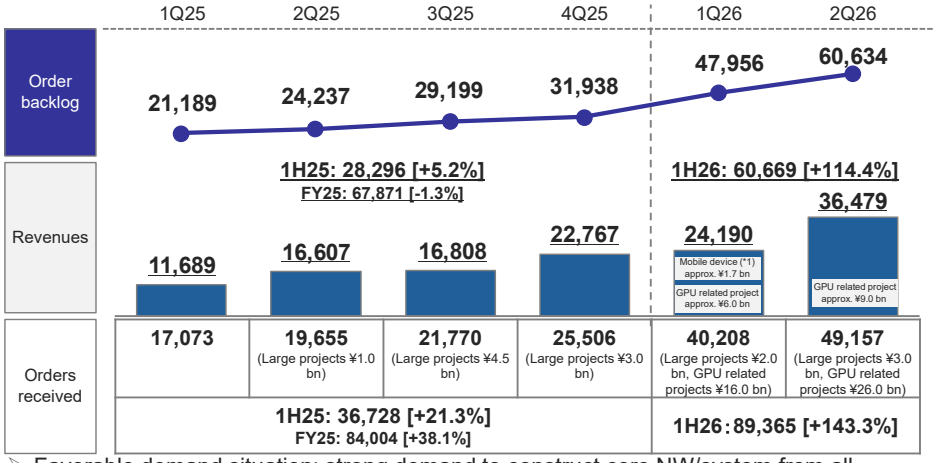
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Ⅱ - 6. Systems Integration (SI) (1) Revenues

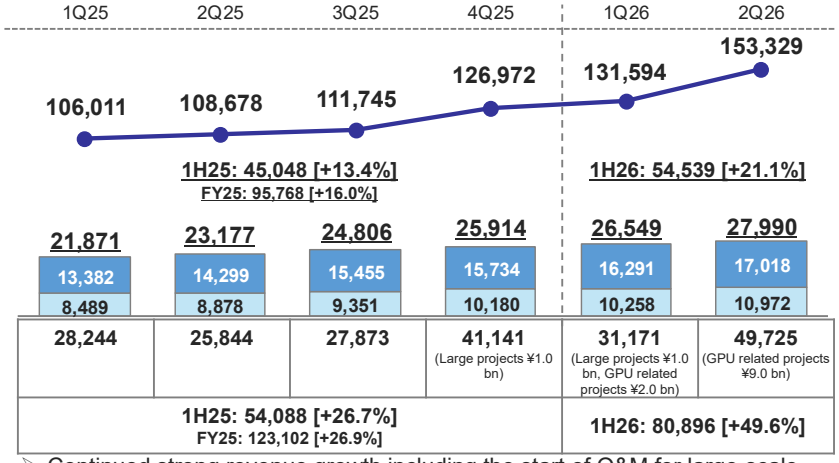
Unit: ¥ (JPY) million
[ ], YoY = Year over year comparison
QoQ = Quarter over quarter comparison

Systems Construction revenues (including equipment sales)
Systems operation & maintenance revenues for on-premise system
Cloud revenues such as private cloud which are recognized as systems operation & maintenance revenues

Systems Construction (one-time)



Systems Operation & Maintenance (recurring)



- Favorable demand situation: strong demand to construct core NW/system from all industries
- Large-scale projects(*2) acquired from 2Q26 onward
  - Server construction for a service provider (¥1.0 bn)
  - Security enhancement for an IT service provider (¥1.5 bn, 5yrs)
  - IT infrastructure renewal for a local government (¥1.0 bn)
  - DC infrastructure reconstruction for a retail company (¥2.0 bn, 2yrs)
  - Strong demand for GPU and system infrastructure in the Singapore and Malaysia markets
    - ✓ GPU related construction & O/M project, approx. ¥20.5 bn (most of construction revenue to be recognized in FY27) 5yrs. 4 other projects, totaling approx. ¥14.0 bn
- FY27 revenue also expected to remain high, supported by the 1H26-end order backlog

- Continued strong revenue growth including the start of O&M for large-scale projects

Cloud Service Revenue (recurring) Unit: JPY bn

	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26
Private Cloud Own service, multi-cloud, etc.	6.9	7.3	7.8	8.2	8.6	9.1
Raptor FX system services for financial institutions	1.3	1.4	1.4	1.8	1.5	1.7
Others Own public cloud, overseas cloud, etc.	0.8	0.8	0.8	0.8	0.8	0.7
Total	**9.1**	**9.4**	**9.9**	**10.7**	**10.8**	**11.5**

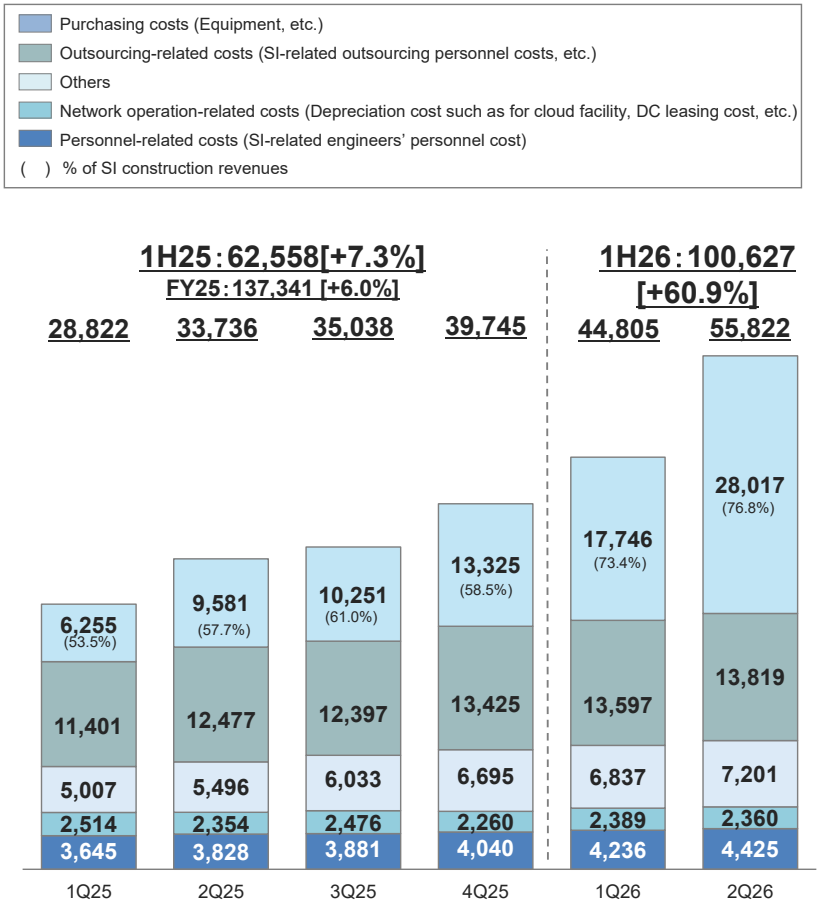
- Breakdown of 2Q26 cloud revenue: 95.4% O&M, 4.6% Outsourcing services

*1: Approx. ¥1.5 bn of enterprise mobile device revenue which was originally expected as NW Service revenue was recognized in SI construction (1Q26, ¥1.7 bn)
*2: Large-scale projects are defined as those exceeding ¥1.0 bn in total contract value. The value includes NW services revenue

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Ⅱ - 6. Systems Integration (SI) (2) Cost of Revenues

Unit: ¥ (JPY) million
[ ], YoY = Year over year comparison



- 1H26 Purchasing costs: ¥45.76 bn, +189.0%YoY (+1.1%YoY in 1H25)
  - Higher purchasing cost ratio in 1H26 due to growth in hardware-centric systems construction projects
- 1H26 Outsourcing-related costs: ¥27.42 bn, +14.8%YoY (+19.7%YoY in 1H25)
  - Linked to the size of project and revenue to a certain degree
- 1H26 Others: ¥14.04 bn, +33.7%YoY (+1.2%YoY in 1H25)
  - Include license purchasing costs and others
- 1H26 Network operation-related costs: ¥4.75 bn, -2.4%YoY (-5.4%YoY in 1H25)
  - No significant change on a quarterly basis
- 1H26 Personnel-related costs: ¥8.66 bn, +15.9%YoY (+4.4%YoY in 1H25)
  - Increased mainly due to increased headcount and the revision of salary table at the beginning of the fiscal year

Number of SI-related outsourcing personnel (unit: personnel)

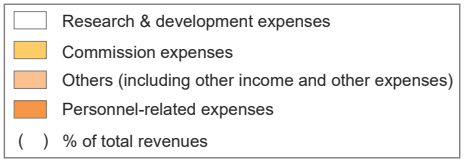
1Q25-end	2Q25-end	3Q25-end	4Q25-end	1Q26-end	2Q26-end
1,578	1,603	1,607	1,633	1,557	1,598

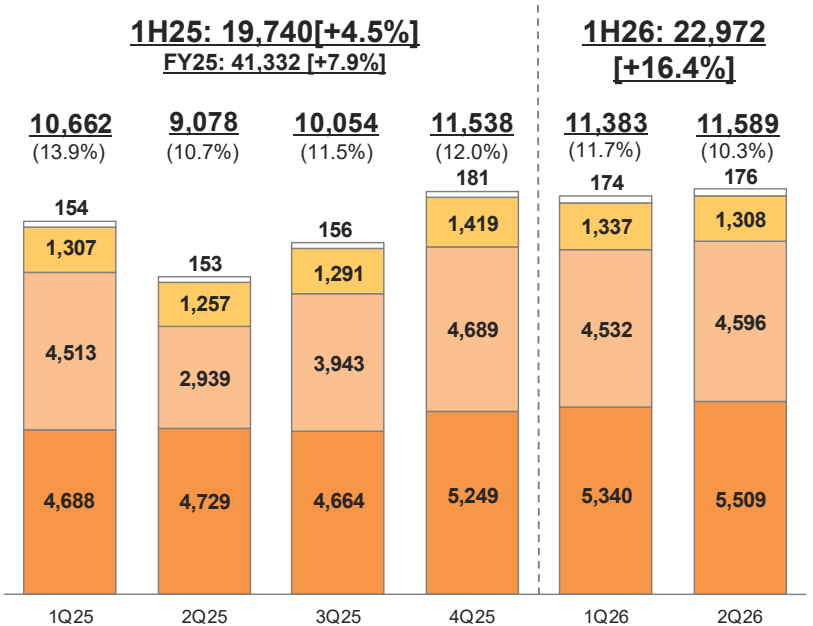
- Due to many ongoing projects including ones before order-received, the number of outsourcing personnel has been at a high level

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Ⅱ - 7. SG&A, etc.

Unit: ¥ (JPY) million
[ ], YoY = Year over year comparison
QoQ = Quarter over quarter comparison





- Above figures are SG&A expenses plus other income and other expenses
- 1Q personnel-related and other expenses increase mainly due to an increase in training and human capital development expenses along with the entry of new graduates.
- 4Q25 personnel-related expenses increased QoQ mainly due to year-end bonuses

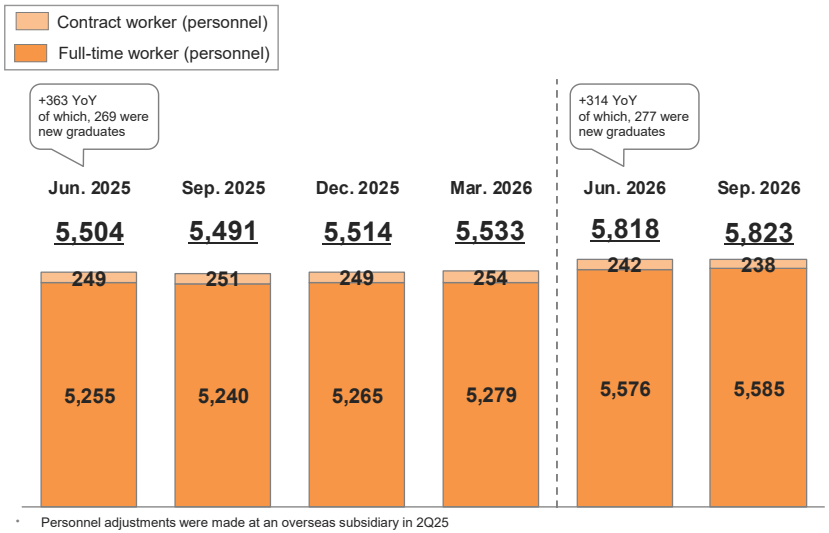
- 1H26 Research & development expenses: ¥0.35 bn,+14.0%YoY (+0.3%YoY in 1H25)
  - Mainly personnel expenses of research institute division.
- 1H26 Commission expenses: ¥2.65 bn, +3.2%YoY (+8.1%YoY in 1H25)
  - Mainly recruitment expenses and credit card fees for consumers
- 1H26 Others: ¥9.13 bn,+22.5%YoY (-1.5%YoY in 1H25)
  - Other income declined YoY, reflecting the absence of the ¥1.17 billion one-time gain related to the retirement benefit plan revision in 2Q25
- 1H26 Personnel-related expenses (salary, employee benefits, etc.) : ¥10.85 bn,+15.2%YoY (+8.9%YoY in 1H25)
  - Upward trend, mainly due to the salary table revision and hiring of new graduate at the beginning of new fiscal year
  - Increased in 2Q26 mainly due to additional bonus provisions

1H26 SG&A etc. were slightly below our expectations

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Ⅱ - 8. Human Capital Disclosure

Number of Employees (consolidated basis)



- Personnel adjustments were made at an overseas subsidiary in 2Q25

Personnel-related Costs & Expenses (consolidated basis)

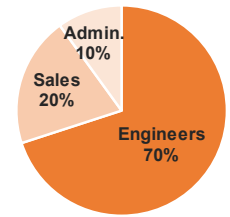
Unit: ¥ (JPY) million

	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26
Consolidated personnel-related costs & expenses (YoY)	11,049 (+6.9%)	11,305(*) (+6.0%)	11,278 (+9.5%)	12,133 (+17.3%)	12,354 (+11.8%)	13,100 (+15.9%)
	1H25: 22,354 (+6.5%) FY25: 45,765 (+9.9%)				1H26: 25,454 (+13.9%)	
% of revenue	14.4%	13.3%	12.9%	12.6%	12.7%	11.6%

(*) Gain on the revision of the retirement benefit plan was not included

- FY26
  - Number of employees to increase by approx. 400 personnel, including 277 new graduates
  - Average annual salary increased by approx. 6%, including the salary table revision, in Apr. 2026 (IIJ)
- FY27
  - Number of new graduates in Apr. 2027 (scheduled): 301 (consolidated)

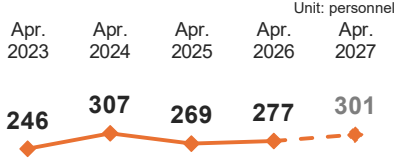
Breakdown of Employees



Number of New Graduates

(consolidated basis)

Unit: personnel



Ratio of Female Managers (IIJ)

- Achieved FY24 and FY27 targets a year in advance
  - Initial targets: FY24 over 6%, FY27 over 8%

Apr. 2023	Apr. 2024	Apr. 2025	Apr. 2026
6.3%	7.5%	8.4%	8.8%

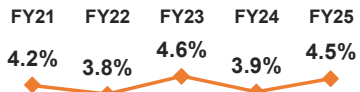
Employee Survey (IIJ)

- FY25 employee survey indicates high overall satisfaction level: 3.8 (out of 5)



Turnover Rates (IIJ)

- Lower than the industry average turnover(*)

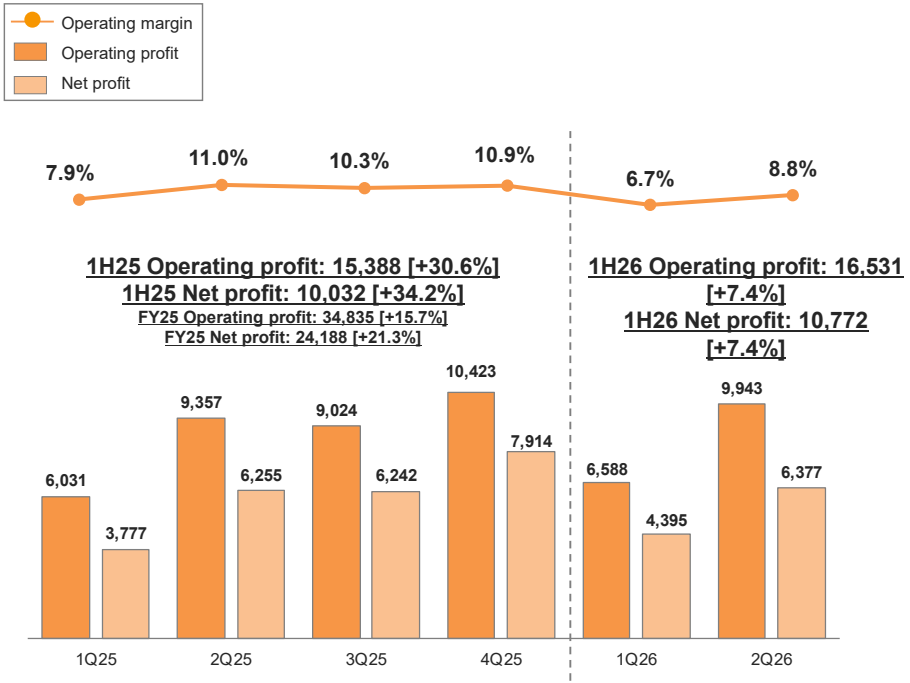


- The Employee Survey(IIJ) is an annual engagement survey (approx. 50 questions), and each item is rated on a five-point scale: 1 (disagree), 2 (somewhat disagree), 3 (neutral), 4 (somewhat agree), and 5 (agree). The "Overall Satisfaction" is the result of a question, "I am satisfied overall."
- The turnover rate of IIJ is calculated by dividing leavers for the fiscal year by the number of full-time employees at the beginning of that fiscal year. The industry average turnover rate of approx. 10% is announced by the Ministry of Health, Labor, and Welfare

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Ⅱ - 9. Profit

Unit: ¥ (JPY) million
[ ], YoY = Year over year comparison



◆ **1H26 Operating profit: ¥16.53 bn, +7.4%YoY**

- Operating profit increased YoY despite the absence of the ¥1.17 billion one-time gain related to the retirement benefit plan revision in 2Q25.

◆ **1H26 Profit before tax: ¥16.05 bn, +5.9%YoY**

- Interest expense: ¥805 million (1H25: ¥651 million)
- Foreign exchange gain(loss) and valuation gain(loss) on funds
  - Quarterly gain(loss) are affected by foreign exchange fluctuations (Assumed exchange rate for the forecast : ¥155/USD)

	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26
Exchange rate at the end of Q (per USD)	144.81	148.88	156.56	159.88	162.39	157.35
Foreign exchange gain(loss)	(67)	(7)	+24	+95	(82)(*1)	(27)
Valuation gain(loss) on funds, etc.(*2)	(14)	+446	+883	+445	+426	(5)

*1:Temporary foreign exchange loss associated with SI trade payables
*2: Foreign exchange impacts were also included as lots of assets are denominated in USD

  - Gains/losses on fund valuation, etc. expected to be neutral for the full year
- Share of gain(loss) of investments accounted for using equity method: -¥461 million (1H25: -¥226 million) FY26 forecast: approx. -¥1.3 bn
  - DCP*-related loss (IIJ ownership: 34.8%)

1Q25	2Q25	3Q25	4Q25	1Q26	2Q26
(174)	(182)	(205)	(255)	(282)	(312)

◆ **1H26 Net profit: ¥10.77 bn, +7.4%YoY**

1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	
(186)	173	615	279	333	(358)	Finance income (expense), net
(108)	(118)	(157)	(91)	(209)	(252)	Share of profit (loss) of investments accounted for using equity method
(1,928)	(3,091)	(3,173)	(2,642)	(2,266)	(2,931)	Income tax expense
32	66	67	55	51	25	Profit (loss) for the period attributable to non-controlling interests

- Net profit shows “Profit for the period attributable to owners of the parent”
- Under IFRS, equity securities are measured at fair value through OCI (Other Comprehensive Income) while funds are measured through profit or loss
- Equity-method affiliate DeCurret Holdings, Inc. changed its trade name to DCP Co., Ltd. on July 1, 2026

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Ⅱ - 10. Consolidated Statements of Financial Position (Summary)

Unit: ¥ (JPY) million

	Mar. 31, 2026	Sep. 30, 2026	Changes		Mar. 31, 2026	Sep. 30, 2026	Changes
Cash & cash equivalents	38,395	**41,161**	+2,766	**Trade & other payables**	34,478	**48,872**	+14,394
Trade receivables	62,084	**68,506**	+6,422	**Borrowings (current & non-current)**	35,570	**38,570**	+3,000
Inventories	7,132	**7,643**	+511	**Contract liabilities & Deferred income (current & non-current)**	39,120	**50,576**	+11,456
Prepaid expenses (current & non-current)	71,858	**83,253**	+11,395	**Income taxes payable**	5,119	**5,359**	+240
Tangible assets	45,114	**55,117**	+10,003	**Retirement benefit liabilities**	1,013	**1,020**	+7
Right-of-use assets	39,110	**39,082**	(28)	**Other financial liabilities (current & non-current)**	60,660	**60,196**	(464)
Of which, operating leases (rent of office, data center etc.)	22,367	**23,895**	+1,528	Of which, operating leases (rent of office, data center etc.)	23,122	24,700	+1,578
Of which, finance leases (network equipment etc.)	16,743	**15,187**	(1,556)	Of which, finance leases (network equipment etc.)	19,896	18,112	(1,784)
Goodwill & intangible assets	33,428	**34,419**	+991	**Others**	11,502	**13,911**	+2,409
Investments accounted for using the equity method	6,293	**5,559**	(734)	**Total liabilities:**	**187,462**	**218,504**	+31,042
Investment securities (Equity)	12,106	**19,034**	+6,928	**Share capital**	25,663	**25,678**	+15
Other investments	12,691	**13,495**	+804	**Share premium**	35,930	**35,877**	(53)
Others	18,722	**22,767**	+4,045	**Retained earnings**	98,163	**105,478**	+7,315
				Other components of equity	10,006	**14,518**	+4,512
				Treasury shares	(11,755)	**(11,571)**	+184
				Total equity attributable to owners of the parent:	**158,007**	**169,980**	+11,973
				Non-controlling interests	**1,464**	**1,552**	+88
Total assets:	**346,933**	**390,036**	+43,103	**Total liabilities and equity:**	**346,933**	**390,036**	+43,103

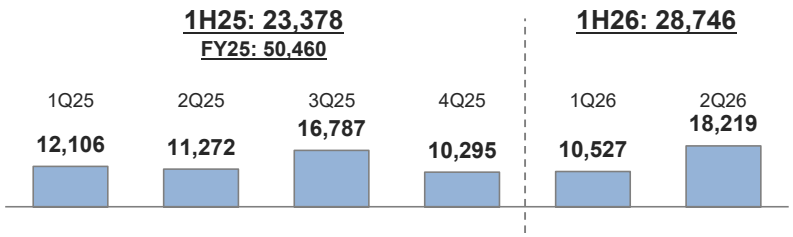
- Increase in prepaid expenses, mainly related to customer projects, licenses, and maintenance contracts; costs to be recovered over multiple years
- Increase in property, plant and equipment, primarily driven by data center investments
- Equity attributable to owners of the parent ratio: 45.5% (Mar. 31, 2026), 43.6% (Sep. 30, 2026)

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Ⅱ - 11. Consolidated Cash Flows

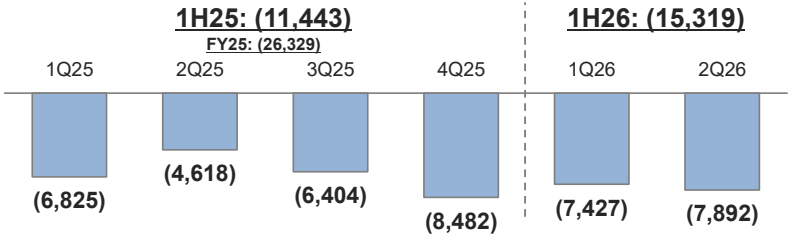
Unit: ¥ (JPY) million
YoY = Year over year comparison

Operating Activities



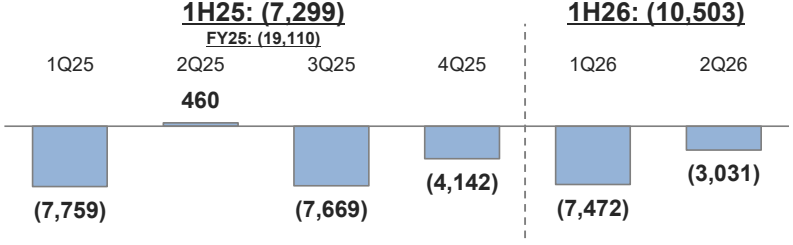
	1H26 Major Breakdown	YoY Change
Profit before tax	16,045	+896
Depreciation and amortization	16,826	+754
Changes in operating assets & liabilities	215	+3,776
Of which, decrease (increase) in prepaid expenses	(11,606)	(4,076)
Income taxes paid	(4,953)	+253

Investing Activities



	1H26 Major Breakdown	YoY Change
Purchase of tangible assets	(14,725)	(6,382)
Of which, data center-related	(7,446)	(3,364)
Purchase of intangible assets such as software	(3,958)	(58)

Financing Activities



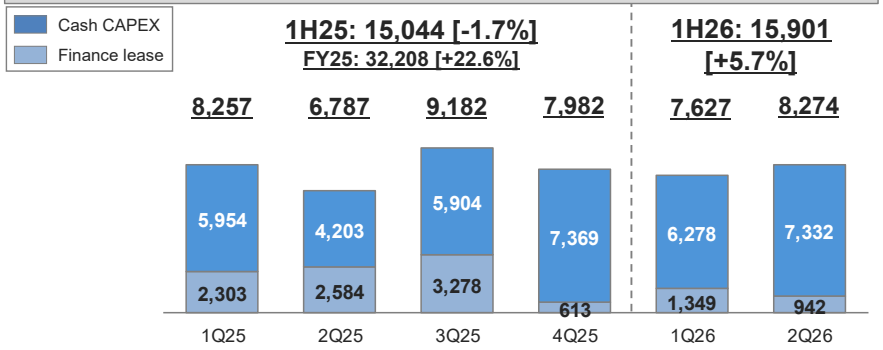
	1H26 Major Breakdown	YoY Change
Proceeds from other financial liabilities	3,293	(2,417)
Payment of operating/finance leases and other financial liabilities	(13,351)	(1,630)
Dividends paid	(3,457)	(361)

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Ⅱ - 12. Other Financial Data

Unit: ¥ (JPY) million
[ ], YoY = Year over year comparison

CAPEX



➢ Major breakdown of CAPEX (Unit: ¥ bn)

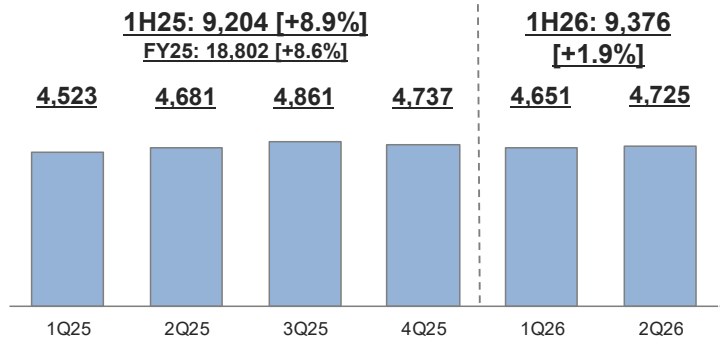
	1H25	1H26	Notes
Ordinal CAPEX (NW equipment & server, etc.)	7.6	6.5	Sustained investment
Shiroi data center-related (Of which 3rd site)	2.2	9.3	Individual investment for anticipated demand
Matsue data center-related	1.8	(1.8)*	
Customer-related	1.6	0.6	Investment for each project
Renewal of Full-MVNO 5G infrastructure	1.7	1.1	Ad-hoc investment
Renewal of FX SaaS service facility	0.1	0.2	Ad-hoc investment

*Approx. ¥2.6 bn of subsidy income for Matsue DC

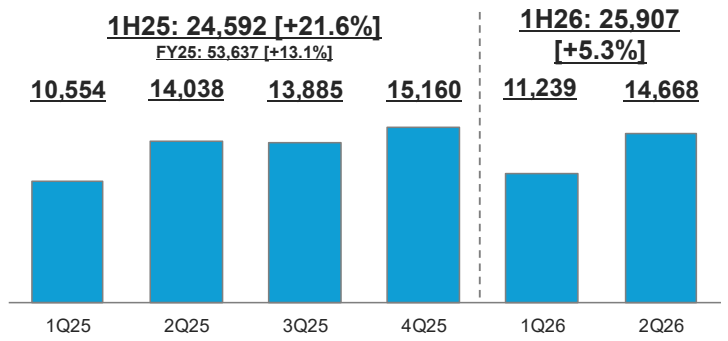
➢ FY26 CAPEX plan: approx. ¥38.0 bn

- Of which, approx. ¥18.0 bn is for Shiroi data center 3rd site construction. Cumulative total CAPEX for Shiroi DC 3rd site of approx. ¥27.0 bn expected, progressing within the Mid-term Plan assumptions
  - ✓ Progressing as planned toward commencement of operations by FY26-end with our own service infrastructure to be accommodated
- Procurement prices for servers and other equipment are on an upward trend but remain within budget

CAPEX-related depreciation and amortization



Adjusted EBITDA



- Total amount of capital expenditure is the amounts of acquisition of tangible and intangible assets by cash and entering into finance leases for the fiscal year, excluding duplication due to sale and leaseback transactions and acquisition of assets that do not have the nature of investment, such as purchase of small-amount equipment
- CAPEX-related depreciation and amortization is calculated by excluding depreciation and amortization of assets that do not have the nature of capital investment, such as right-of-use assets related to operating leases, small-amount equipment and customer relationship
- Adjusted EBITDA is calculated by adding operating profit and CAPEX-related depreciation and amortization

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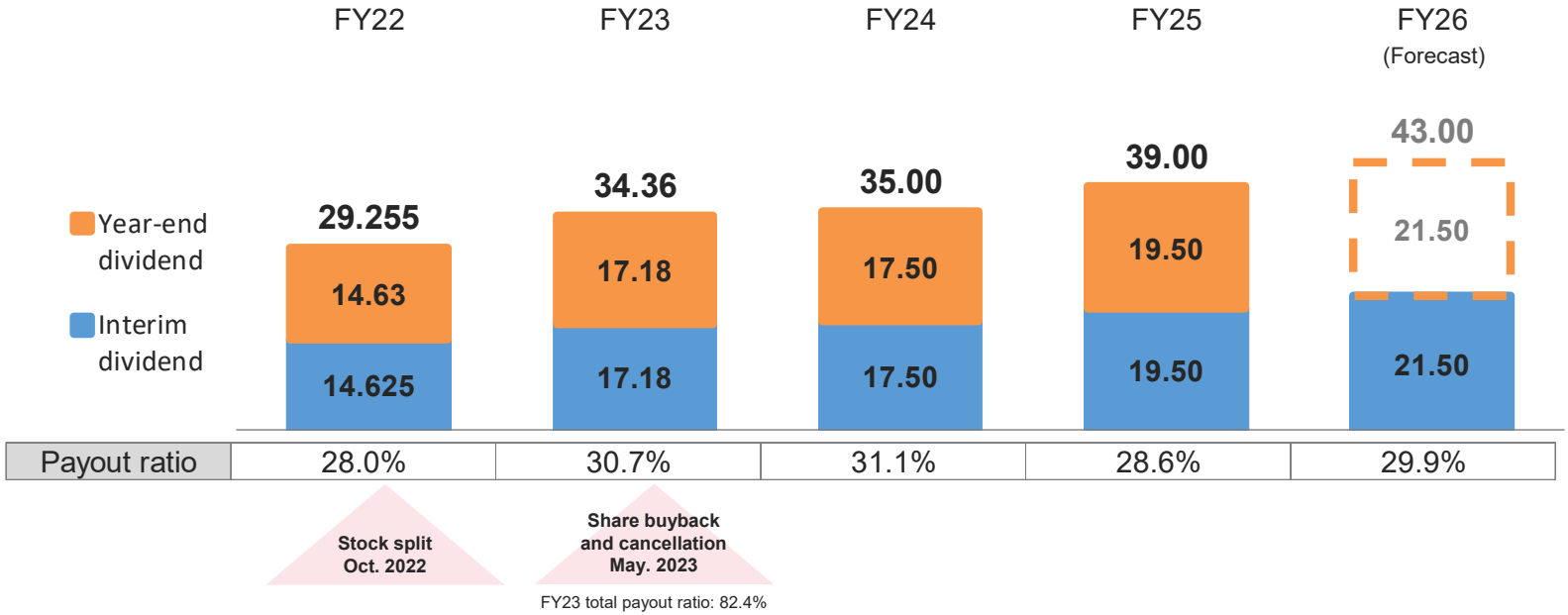
Appendix

FY26 Dividend Forecast

Unit: JPY (¥)

- **Basic shareholders' return policy:**
  Continuous and stable dividend payment while considering the need to have retained earnings for the enhancement of financial position, mid-to-long term business expansion and future investment

- **Dividend per share:**



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Appendix

Business Progress

Advancing Final-year Execution of the Current Mid-term Plan while Shaping the Next Three-year Growth Plan

(Announcement planned in May 2027)

Business Direction

- Core strengths and business structure remain unchanged. Growth to accelerate through business area expansion and service value enhancement
- Targeting consolidated revenue of over ¥500.0 bn in FY29, with greater operating leverage and profit scalability
- Expanding business model and strengthening operating foundations in each area to support long-term growth

Further Enhancing the Value through our Offering Approach(*1)

NW Service/Solution

- Ongoing development of next-generation core integrated security services. As the core DXP(*2) strategy solution, launch planned in 4Q26
- Security services expanding to become comprehensive cyber security business by including assessment and consulting-based security solutions
- Expanding vertical platforms and solutions, such as financial authentication by leveraging NW Infrastructure
- Strengthening IoT competitiveness through DOCOMO/KDDI multi-carrier. Expanding bandwidth in line with growing subscriptions
- Sustained growth in monthly recurring revenue through our in-house developed NW service model, enabling timely feature enhancements and value-added offerings to meet evolving customer needs
- NW service price revision scheduled for the beginning of FY2027

Integration

- Differentiating through Service Integration strategy amid strong demand for internal and external NW infrastructure renewal and operations, leading to larger customer engagements
- Advancing SIO(*3) for enterprise IT infrastructure operations outsourcing that is becoming complicated and advanced. Focusing on securing flagship projects
- SI demand for zero-trust and AI/GPU system infrastructure is increasing on top of existing demand
- Strategically partnering for new technologies. As one example, investing in and partnering with the U.S. video analytics AI developer AGI7. Promoting Physical AI solutions in Japan

NW/System Infrastructure

- Expanding Internet backbone and system infrastructure to meet growing demand
- Shiroi DC 3rd site on track for FY26-end completion. Developing both centralized and edge DC infrastructure
- Advancing an internal project to modernize our service delivery platforms
- Optimizing procurement through advance hardware purchasing and price pass-through
- Moving Watt-Bit collaboration(*4) from proof-of-concept to practical deployment

Strengthening Capabilities through Practical Use of AI

- Further enhancing existing business areas by providing AI operations capabilities and services, including management and governance
- Addressing human capital bottlenecks through AI-driven development and operations. Targeting approx. 30% of company-wide operations to be AI-enabled by the end of FY29

Strengthening the Corporate Foundation

Bringing Together Group Companies' Capabilities

IIJ Engineering	Improving productivity by consolidating back-office functions and leveraging AI
IIJ Protech	Providing IT outsourcing operations engineers
DCP(*5)	Advancing next-generation settlement services using tokenized deposits DCJPY. Collaboration with financial institutions and general enterprises

Reinforcing our corporate foundation through next-generation talent development, operational resilience, and SSBJ readiness, etc.

New Business Initiatives

Healthcare	Expanding a multi-professional collaboration platform for healthcare and local governments
Security Governance	Promoting "STRIGHT" (*7), a website cookie consent management tool, with the goal of becoming an industry standard

*1: Offering approach: An approach that starts with solving customer issues by combining NW, security, cloud, operations, AI and other capabilities into reproducible solutions, then channels the resulting know-how into enhancing the features and competitiveness of our own in-house developed services *2: DXP: Abbreviation for DX Platform. Integrates network, security, multi-cloud and other capabilities to support enterprise DX initiatives *3: SIO: Abbreviation for Strategic IT Outsourcing. It's a service through which IIJ manages customers' IT infrastructure operations so that clients' IT teams can shift their resources to strategic priorities *4: Watt-Bit: An initiative aimed at enabling efficient AI processing through distributed DCs by optimizing the integration of power and telecommunications infrastructure *5: Equity-method affiliate DeCurret Holdings, Inc. changed its trade name to DCP Co., Ltd. on July 1, 2026 *6: SSBJ: Japan's sustainability disclosure standards based on ISSB standards *7: STRIGHT: Helps organizations obtain and manage user consent while balancing privacy compliance and website user experience

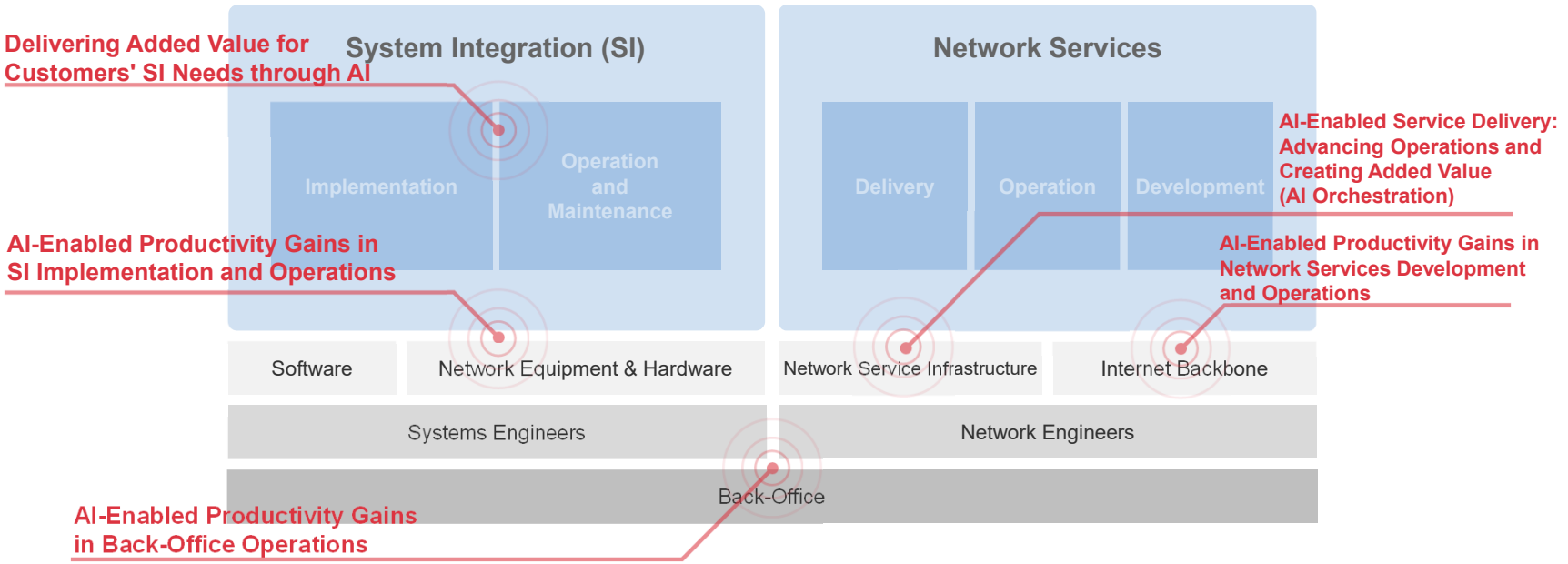
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AI strategy (Announced in May 2026)

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.

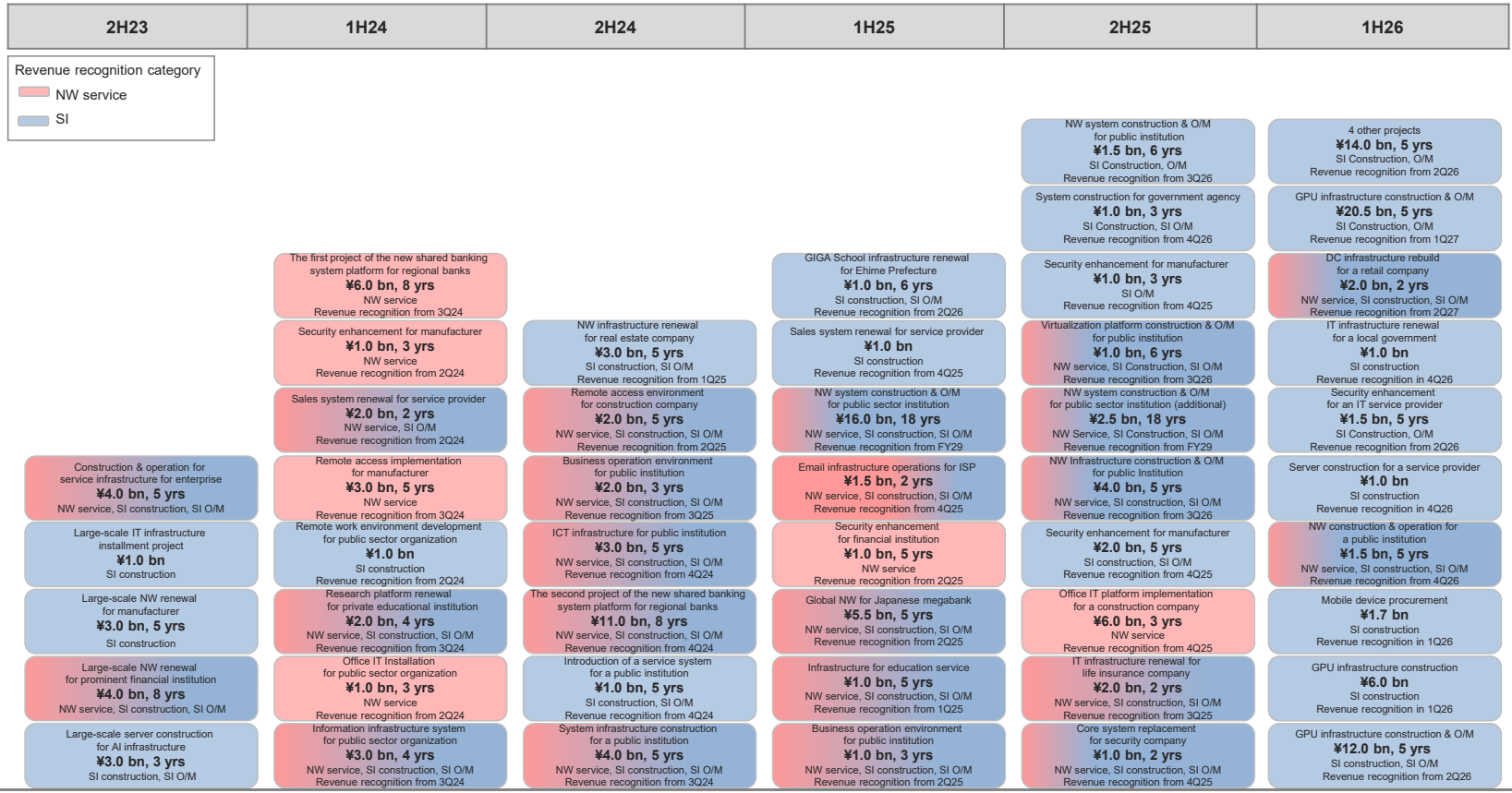
Targeting approx. 30% of company-wide operations to be AI-enabled by the end of FY29



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Appendix

Large-Scale Projects Becoming the New Norm



- Service Integration: System integration incorporating our in-house developed network service portfolio. With large-scale network renewals within customers' organizations, business opportunities and proposal scope have expanded significantly. For details, please refer to "Timing of revenue recognition for large-scale complex flagship projects" in the past financial results presentation materials
- Recorded revenues of winning large-scale projects amount over ¥1.0 bn

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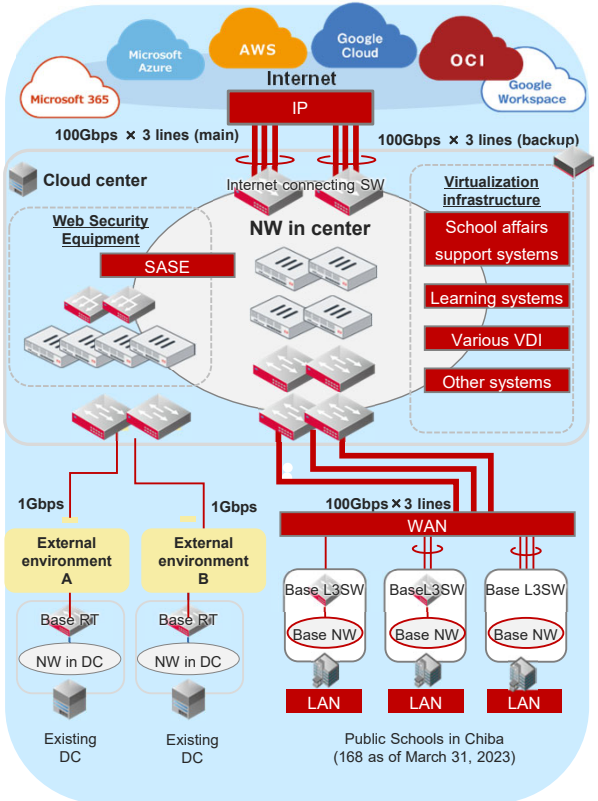
Appendix

Typical Transitions of Service Integration Projects

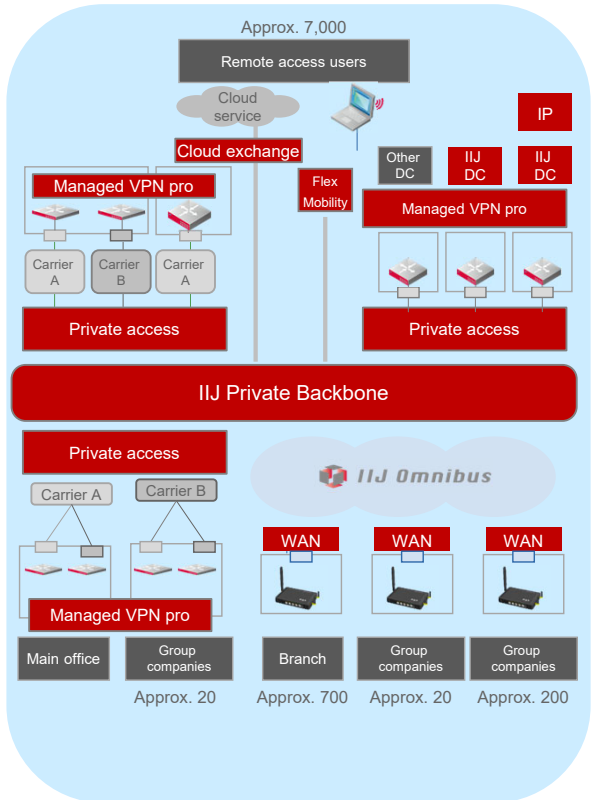
Other IIJ-original offerings

Network Services　System Integration

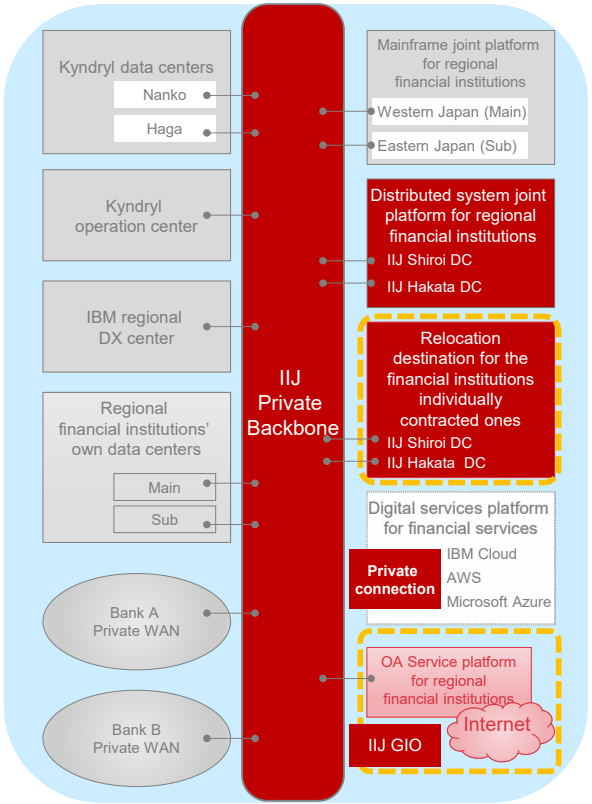
Educational Information NW for Chiba city



Total NW project for a prominent company group



Shared Banking System Platform



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Appendix

NTT Docomo's Mobile data interconnectivity charge (Mbps Unit charge, monthly)

Fiscal Year	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28
New						Announced in Mar. 2026 ¥10,931 +0.5% YoY	¥10,104 -7.6% YoY	¥9,488 -6.1% YoY
Fixed	¥27,024 -27.5% YoY	¥19,979 -26.1% YoY	¥15,042 -24.7% YoY	Future cost method No one-time cost reimbursement ¥12,862 -14.5% YoY	To be fixed in Dec. 2026			
Old					Announced in Mar. 2025 ¥10,874 -15.5% YoY	¥10,383 -4.5% YoY	¥9,052 -12.8% YoY	
				Announced in Mar. 2024 ¥12,862 -14.5% YoY	¥10,874 -15.5% YoY	¥10,708 -1.5% YoY		
			Announced in Mar. 2023 ¥15,644 -21.7% YoY	¥13,084 -16.4% YoY	¥11,255 -14.0% YoY			
		Announced in Apr. 2022 ¥20,327 -24.8% YoY	¥15,697 -22.8% YoY	¥13,207 -15.9% YoY				
	Announced in Mar. 2021 ¥28,385 -23.9% YoY	¥22,190 -21.8% YoY	¥18,014 -18.8% YoY					

- Under the future cost method, MNOs are to disclose the charges for next three yrs based on their prediction about cost etc. Its calculation is (Data communication cost + profit) /demand. The charge disclosed based on the future cost method is to be finalized based on MNOs actual cost results etc.
- The YoY (Year over Year) increase and decrease percentage written under each charge is compared with the previous year charge
- The charge is public information disclosed in NTT Docomo's service terms and conditions document uploaded on NTT Docomo's website (only available in Japanese) https://www.docomo.ne.jp/binary/pdf/corporate/disclosure/mvno/business/oroshi.pdf

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Appendix

Mobile service for consumers “IIJmio GigaPlans”

Tax included

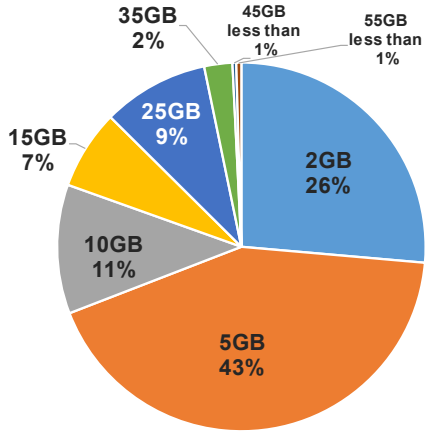
Price list for “IIJmio GigaPlans”

- The price list was updated in Mar. 2025. The 15GB plan was revised in Mar. 2026.

2GB	With voice	¥850
	Data-only	¥740
5GB	With voice	From ¥990 to ¥950
	Data-only	From ¥900 to ¥860
10GB	With voice	From ¥1,500 to ¥1,400
	Data-only	From ¥1,400 to ¥1,300
15GB	With voice	From ¥1,800 to **¥1,600** *from Mar. 2026
	Data-only	From ¥1,730 to **¥1,530** *from Mar. 2026
From 20GB to 25GB	With voice	¥2,000
	Data-only	¥1,950
From 30GB to 35GB	With voice	From ¥2,700 to ¥2,400
	Data-only	From ¥2,640 to ¥2,340
From 40GB to 45GB	With voice	¥3,300
	Data-only	¥3,240
From 50GB to 55GB	With voice	¥3,900
	Data-only	¥3,840

GigaPlans: by data plans

As of Sep. 30, 2026



Shift from low bundled to mid-to high bundled plans

	Jun. 30, 2025	Sep. 30, 2025	Dec. 31, 2025	Mar. 31, 2026	Jun. 30, 2026	Sep. 30, 2026
2GB	30%	29%	28%	28%	27%	26%
5GB	44%	44%	43%	43%	43%	43%
10GB	13%	13%	14%	13%	12%	11%
15GB	3%	3%	4%	6%	8%	7%
25GB	8%	8%	8%	8%	8%	9%

- As of Sep. 30, 2026, 83% of IIJmio GigaPlans were with voice plan

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Appendix

Digital Currency Business

DCJPY: A digital currency that tokenizes bank deposit on the blockchain. Also called tokenized deposits, they can be minted, transferred, and burned on the DCJPY Network

Company Profile

DCP Co., Ltd. (DeCurret Holdings changed its trade name to DCP Co., Ltd. on July 1, 2026)

DCP Connecting Values

Business

- Digital currency business (Electronic Payment Services Operators)
- Growing number of commercialization projects driven by continued market adoption of tokenized deposit concepts
- FY26 costs are expected to increase, mainly due to higher development expenses associated with the expansion of the Financial Zone, including increased development headcount
- DCP related shares of loss of investments accounted for using equity method investee: FY25 ¥0.8 bn, FY26 estimated: approx. ¥1.5 bn

Digital Currency Forum

- DCP serves as the secretariat and examines use cases for digital currencies
- Number of members: over 100 including enterprises and local governments
- Observers: Financial Services Agency (FSA), Ministry of Internal Affairs and Communications (MIC), Ministry of Finance (MOF), Ministry of Economy, Trade and Industry (METI), Bank of Japan (BOJ)
- Chairperson: Mr. Yamaoka (former Director-General, Payment and Settlement Systems Dept., BOJ)
- Senior advisor: Mr. Endo (former Commissioner of FSA)

Shareholders (42 companies)

- IIJ (shareholding ratio: 34.8%), financial institutions (banks, securities, and insurance), telecom carriers, IT service providers, logistics and transportation companies, retailers, real estate firms, energy and infrastructure providers, advertising agencies, security service companies, and general trading companies, etc.

Use Cases of DCJPY

Partners	Overview
GMO Aozora Net Bank, IIJ	Started digitalizing environmental value and DCJPY settlements
Japan Post Bank	Planning to launch tokenized deposits in FY26
SBI Shinsei Bank, Partior	Agreed to study FX transactions using tokenized deposits
Kyushu FG, Higo Bank, Kagoshima Bank	The first among regional banks to start joint study of DCJPY adoption
Fast Accounting, GMO Aozora Net Bank, IIJ	Conducted a PoC for automating corporate invoice payments.
SBI Security, Daiwa Securities, SBI Shinsei Bank, BOOSTRY, Osaka Digital Exchange	Completion of the First Field Test for Security Token Payments Using Tokenized Deposits in Japan
Hokuriku Bank	Basic agreement signed for commercialization of DCJPY-based payment business
GMO Aozora Net Bank, Abeam Consulting	The Financial Services Agency “FinTech PoC Hub” Support Projects 43 Companies Participate in Testing “Interbank Settlements for Tokenized Deposits”
Pacific Meta	Form Partnership to Commercialize and Expand the Use of Tokenized Deposits

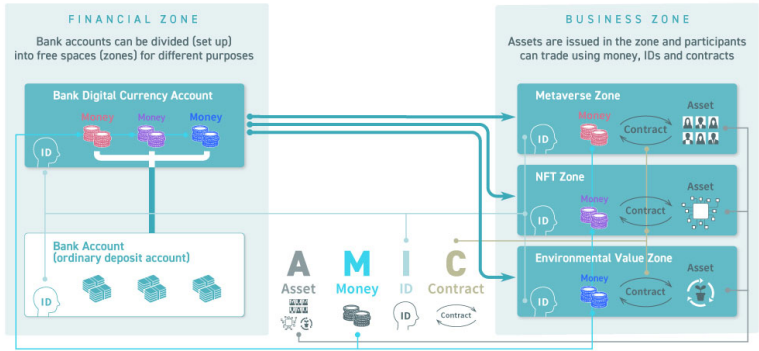
DCJPY Network

Financial Zone (FZ)

Banks:
Minting & transferring digital currency, etc.

Business Zone (BZ)

Enterprises & government agencies, etc.:
Implementing the use case



	Tokenized Bank Deposits	Electronic payment instrument (Stable Coins)	
	DCJPY	Type I	Type III: specific trust beneficiary right (money trust)
Legal framework	Banking Act, Deposit Insurance Act, etc.	Payment Services Act	
Legal nature	Deposit claims	Trust beneficiary interests, etc.	
Underlying asset	Bank deposits themselves (not underlying asset)	Preservation through deposit, etc.	Trust assets (deposits, etc.)
Issuers	Banks	Type II funds transfer service providers	Trust banks & trust companies
Features	• There is no upper limit on transfer amounts • Treatment equivalent to bank deposits (covered by the deposit insurance system, etc.) • Along with the expansion of BZ, use cases for digital currency are to also expand	• There is an upper limit on transfer amounts (Type II funds transfer service providers: JPY1 million maximum per transaction)	• Trust banks have no upper limit on transfer amounts, while trust companies have some restrictions

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Appendix

Established a JV for soil moisture sensing business with Sony Semiconductor Solutions Corporation

Company Overview

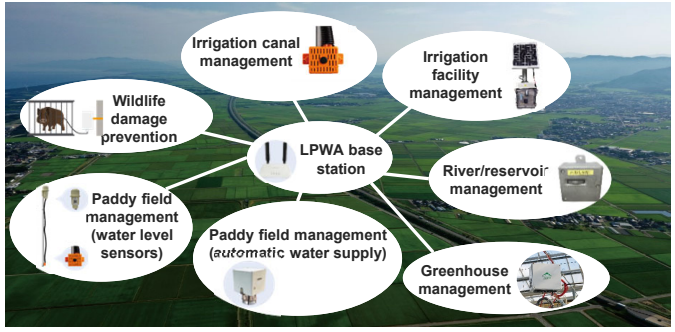
Company Name	Sensiphia, Inc.
Shareholders	IIJ: 85%, Sony Semiconductor Solutions Corporation (“Sony”) : 11%, Other: 4%
Capital, etc.	¥559 million
Establishment	February 20, 2026
Representative	Representative Director, President & CEO: Toru Saito (Former Deputy Division Director, IoT Business Division, Network Services Business Unit, IIJ)
Business Overview	Development, sales, and support of moisture sensors and agricultural support services using soil moisture sensing technology

Background of Establishment / Business Development

- IIJ provides smart agriculture solutions that integrate communication infrastructure, sensor devices, and data management as part of its IoT business since 2019. By combining these with Sony’s technological expertise in sensor development, Sensiphia is to develop and offer products and services that enhance operational quality and efficiency in agricultural field
- As a data-driven agricultural support service leveraging sensor data, Sensiphia is to provide comprehensive support for irrigation optimization, efficient water usage, and yield improvement
- Sensiphia will initially focus on the domestic facility cultivation market, with medium- to long-term expansion plan into overseas facility cultivation and open-field agriculture

IIJ’s Strengths

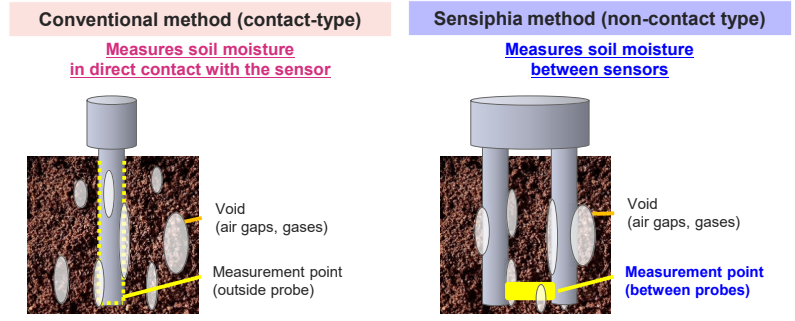
- Extensive know-how in developing IoT businesses in the agriculture sector, built through collaboration with local governments nationwide in deploying communication infrastructure for agricultural areas
- Capability to build and operate wide-area communication infrastructure, including support for regions with poor mobile network coverage



*LPWA (Low Power, Wide Area): A wireless communication technology optimized for IoT/M2M applications, characterized by low power consumption and long-range connectivity.

Sony’s Strengths

- Unique sensor technology that is less affected by soil conditions
- Conventional methods measure soil moisture in direct contact with the sensor and are therefore affected by soil voids, whereas the Sensiphia method measures soil moisture between sensors using RF signals, enabling stable soil moisture measurement.



*RF (Radio Frequency) signals: A high-frequency electromagnetic wave (radio wave) or electrical signal used for wireless communication and data transmission.

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【Reference】
Presentation material for company profile
P. 28 ~ P. 44

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Company Profile

IIJ has been taking initiatives in Internet Infrastructure field in Japan

Established	December 1992 (The first established full-scale ISP in Japan)
Number of Employees	5,823 (approx. 70% engineers)
Large Shareholders	NTT Group, KDDI, Oasis Management Company, ITOCHU Techno-Solutions (CTC), Koichi Suzuki (Founder)

- **The first established full-scale ISP (Internet Service Provider) in Japan**
  - ✓ Introduce many in-house developed Internet-related network services
  - ✓ Highly skilled IP (Internet Protocol) engineers from the inception
  - ✓ Operate one of the largest Internet backbone networks in Japan
- **Well recognized "IIJ" brand among Japanese blue-chip companies' IT division**
  - ✓ Differentiate by reliability and quality of network and systems operation
  - ✓ Long-term (over 30 yrs) client relationship since the establishment of IIJ
- **Development of innovative Internet-related services**
  - ✓ Differentiate by continuous network service developments and business investments
  - ✓ Focus on Cloud, mobile, security, solutions related to Big Data, IoT and data governance
  - ✓ Always ahead of telecom carriers and systems integrators (SIers) with regards to services development and operation

Approx. 80% recurring revenue
Stable and Scalable Business Foundation

- Number of employees (consolidated basis) is as of Sep. 30, 2026
- Large shareholders are as of Sep. 30, 2026. Based on filings by Oasis Management Company, its ownership is 9.07% as of June 24, 2026.

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Management structure (As of June 26, 2026)

Board of Directors (10 members)

Koichi Suzuki
Representative Director, Chairman, Executive Officer, Co-CEO



Yasuhiko Taniwaki
Representative Director, President, Executive Officer, Co-CEO & COO



Koichi Kitamura
Vice President
Executive Officer

Akihisa Watai
Vice President
Executive Officer
CFO

Junichi Shimagami
Vice President
Executive Officer
CTO

Outside Directors (50.0%, 5 out of 10)

Takashi Tsukamoto (since 2017)
Former Chairman of Mizuho Financial Group, Inc.
Former President and CEO of Mizuho Bank, Ltd.
Independent

Kazuo Tsukuda (since 2020)
Former Chairman and Representative Director of Mitsubishi Heavy Industries, Ltd.
Independent

Yoichiro Iwama (since 2021)
Former President and Representative Director of Tokio Marine Asset Management Co., Ltd.
Independent

Atsushi Okamoto (since 2022)
Former President and CEO of Iwanami Shoten, Publishers
Independent

Kaori Tonosu (since 2022)
Former Board Member of Deloitte Touche Tohmatsu LLC
Independent
Female

Board of Company Auditors (4 members)

Masayoshi Tobita

Masako Tanaka
Female

Outside Auditors

Shio Harada
Attorney at law
Female

Kumiko Aso
CPA
Female

About President Taniwaki (Since Apr. 2025)

- Joined MIC in 1984 and led major telecom reforms including NTT's restructuring and mobile policy initiatives. Served as Vice-Minister for Policy Coordination in 2019, promoting lower mobile charges. Joined IIJ in 2022 as Executive VP, driving growth in cybersecurity and digital transformation.

Director Compensation

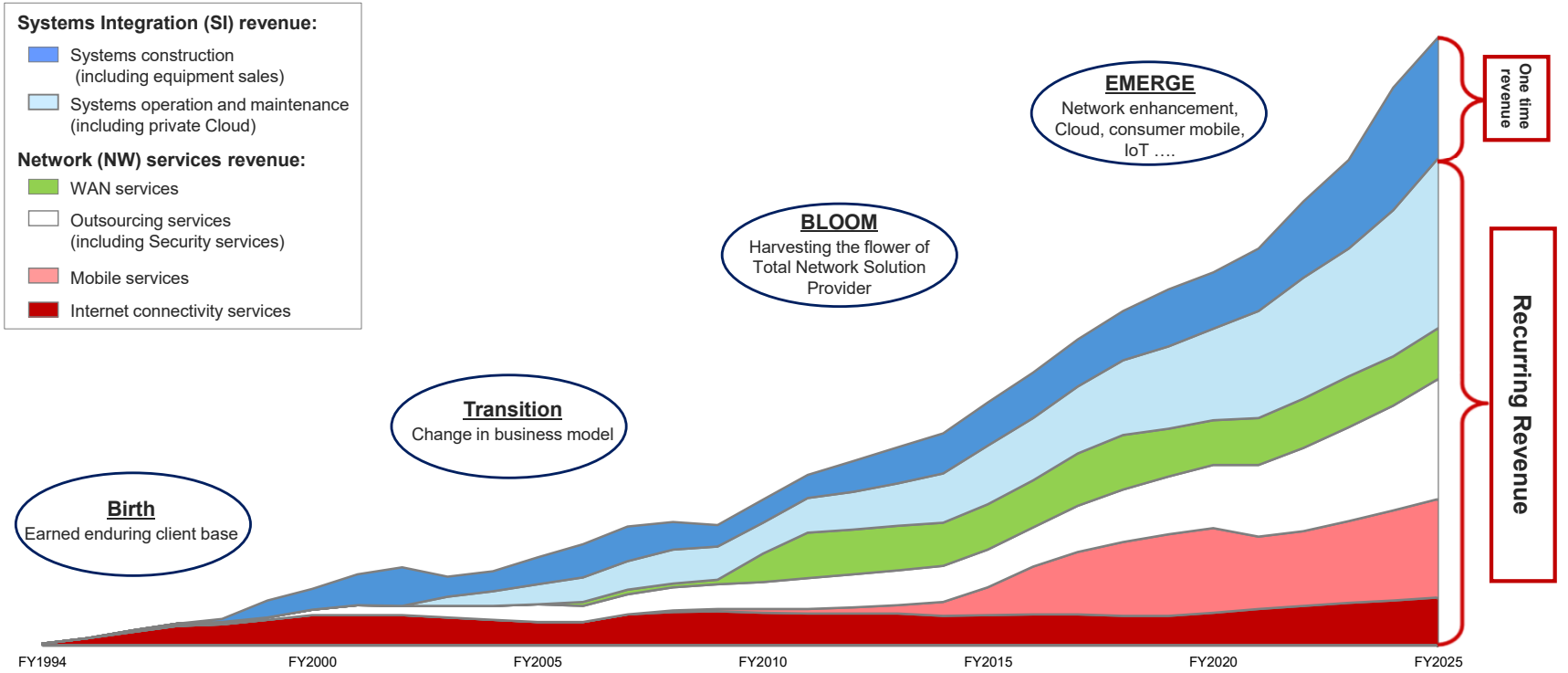
- Revamped the director compensation system in FY24. Restricted stock-based compensation is linked to both annual performance and the Mid-term Plan. With regard to Mid-term Plan-linked compensation, the directors are evaluated mainly based on financial performance (revenue, operating profit, and segment performance overseen by each director), engagement metrics (including employee satisfaction), ROE (19%), sustainability targets.

IIJ's Business Philosophy

- **To develop network infrastructure through technological innovation**
  We are committed to the ongoing pursuit of initiatives in the field of Internet technology to open the future of the digital society through new value created by ever faster networks and computing.
- **To provide solutions (IT services) that supports a networked society**
  We continuously develop and introduce highly reliable and value-added IT services that anticipate changes taking place around the world, to support the use of networks by society and individuals.
- **To provide meaningful opportunities for growth to our employees**
  (a place where human resources with diversified talents and values can play an active role)
  We aim to offer meaningful working opportunities for growth through business, in which our staff can take a proactive approach to technical innovation and social contribution and actively demonstrate their abilities with pride and a sense of satisfaction. We aspire to be a company where employees are never satisfied with the status quo, and are always thinking about the future world, contributing to social development, and achieving personal growth through work that has value for society.

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From ISP to Total Network Solution Provider



Increase in number of ISPs in Japan
IIJ launched Internet connectivity services in 1993 (NTT in 1996)

Price war and market consolidation for ISPs in Japan
IIJ shifted its focus to large corporates, survived the tough competition, and established market position

Gradual cloud migration
Launched Cloud services in 2009

Birth of the Low-Cost SIM Market
Launched consumer mobile services in 2012

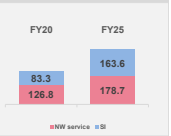
DX triggered by the Pandemic
Rapid Expansion in Demand for Remote Access Services, etc.

Advancement of DX in post-pandemic era
Shift to Network-Centric Architectures

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Network Engineering Capabilities as Our Core Value - Business Model -

Revenue (¥ bn)



Client Base

Private Sectors in Japan

- ICT
- Finance
- Services
- Construction
- Retail
- Manufacturing

Public Sectors in Japan

- Central government agencies
- Local governments
- Educational institutions

Top MVNO by market share

- Over 30%*
- Over 200 MVNE clients

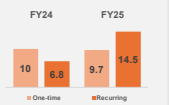
*MM Research Institute, as of Mar. 31, 2026

Overseas Business

- Supporting Japanese companies operating overseas
- Developing IIJ's local businesses in ASEAN

- Approx. 16,000 clients
- Longstanding client relationships
- High penetration to top tier 10 companies each industry
- Continue to meet Internet-related demands
- Exceptionally low churn
- Advancing large-account strategy

Large-scale projects revenue (¥ bn)



Transactions and Projects Trends

Large-scale projects
Network replacement

Strong Demands from Finance and Public sectors

IoT-related Projects to Increase

Full-outsourcing Needs to Prevail

Service Elements

Internet/Network

- Dedicated Internet connectivity
- Broadband connectivity
- Cloud network optimization
- Proprietary router
- Wireless LAN
- WAN

Security

- SOC
- Secure web gateway
- Mail security
- Managed firewall
- Zero Trust
- SASE

Cloud

- File servers
- Virtualization platform
- Backup servers
- Multi-cloud
- Data integration platform
- Dedicated cloud connectivity

MVNO

- Private network SIM
- Mobile router
- 5G
- eSIM
- Mult-carrier
- IMSI

IoT

- LoRa WAN
- Agriculture IoT
- Paddy field management
- Smart meter
- Factory automation
- Transportation data log

System Integration

- Consultation
- Operation and maintenance

Professional Services

- Cloud integration
- IT consulting
- Full-outsourcing of IT operation

- Provide total solution as one suite
- Large-scale Service Integration projects increasing
- SI to enhance network service business development

Over 2,000 talented network engineers



Proven operational excellence in network services



In-house development of a wide range of network services



One of the largest Internet backbone networks in Japan



- Network availability; 99.9999%
- Fully redundant configuration through multicarrier architecture, etc.
- Low HR turnover rate: 3-4%
- Established service brand in Japan

Network Engineering Capabilities

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Extensive Service Lineups

Unit: ¥ (JPY) billion (bn)

	Revenue category	FY25 revenue	YoY growth	Cost Structure	Gross Margin	About	Business situation, growth drivers and outlook
Network services	Internet connectivity services for enterprise	53.89	+10.0%	Mostly common costs	27.1%	IP (Internet Protocol) 18.64 +7.6% • IIJ's flagship service since the inception • Highly reliable dedicated connectivity services with multi-carrier redundancy • Bandwidth-based contracts driving scalable revenue growth Mobile 30.17 Enterprise mobile 18.20 +17.6% Provide data connectivity for mainly IoT usages MVNE 11.98 +5.2% Provide mobile services for other MVNOs (Others) Broadband Internet services, etc.	IP • Matured market (hard to entry) • Very low churn rate, loyal clients for over 30 years • Expect Internet traffic volume to continuously increase along with cloud penetration, CDN, SaaS, DX, etc. Mobile • Unified mobile infrastructure for enterprise, MVNE and consumer Traffic management strategy • Current infrastructure provisioning based on peak consumer traffic patterns. Peak demand concentrated during commuting hours and lunchtime • Leading market share in Japan's consumer MVNO segment
	Internet connectivity services for consumers	28.67	+6.9%			Mobile 25.28 +7.9% • Provide SIM with monthly data limits (voice as option) (Others) Broadband Internet services and email services for households, etc.	
	Outsourcing	67.62	+14.3%			Various in-house developed Internet-related service line-ups Security 40.91 +13.8% • Managed security services, Security Operation Center services and so many more (Others) NW monitoring, VPN services, public cloud services, and many more	• Have been developing services based on the Zero Trust concept • Drive enterprise growth through cross-selling • Ongoing service development is key • Security demand is expected to remain strong
	WAN (Wide Area Network)	28.55	+3.4%			• Traditional method of connecting multiple sites via intranet and closed networks • Direct procurement of dedicated WAN lines	• Stable market • Positioned as a cross-selling element
SI	Operation and Maintenance	95.77	+16.0%	Cost plus	16.1%	On-premise Systems 58.87 +21.3% • Operation and maintenance of deployed systems Private Cloud, etc. 36.90 +8.5% • Promote cloud migration with robust, reliable and value-driven capabilities	• Strong mid-to-long business opportunity driven by cloud migration of internal IT systems • Revenue expected to grow steadily as construction projects accumulate
	Construction (including equipment sales)	67.87	-1.3%			• Primarily network integration projects, including server setup	• Securing large-scale projects as Japanese enterprises shift to network-based systems requiring integrated network functions

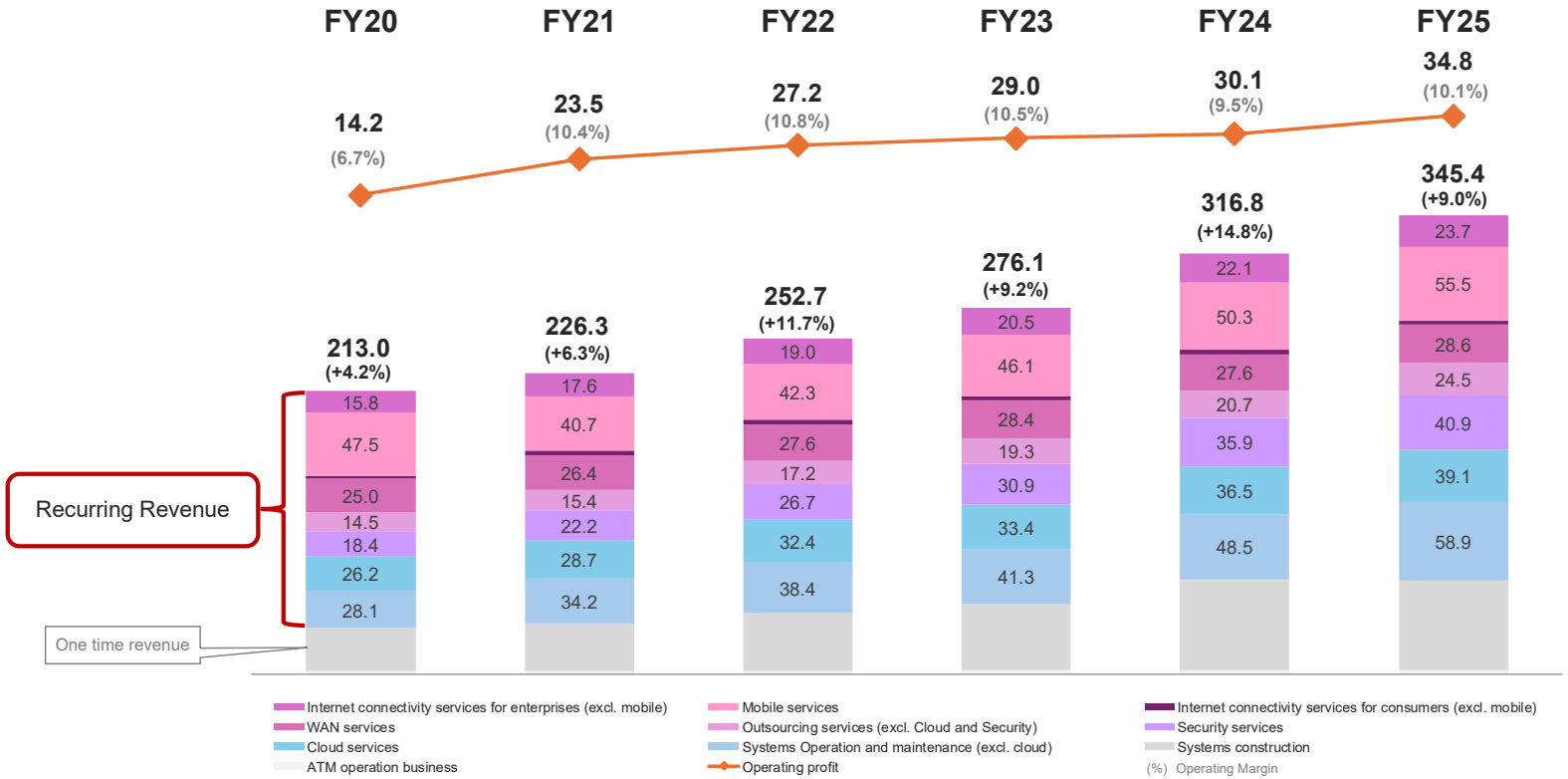
Recurring revenue 80%

One time revenue

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Recurring Revenue Accumulation & Expansion of Economies of Scale

Unit: ¥ (JPY) billion (bn)
% = Year over year change



- WAN revenue decreased year over year in FY20 mainly due to certain large customers' migration to our mobile services (cheaper than WAN to connect multiple sites)
- During FY20, ATM operation business was impacted by the COVID-19 pandemic due for example to the store closure and smaller number of users coming to stores
- Mobile revenue decreased year over year in FY21 due to ARPU decrease for consumers and change in unit charge for MVNE clients
- Systems construction and systems operation & maintenance revenue increase for FY21 includes PTC revenue which became IIJ's consolidated subsidiary from Apr. 2021
- FY24 Operating margin includes the significant increase of VMware licenses

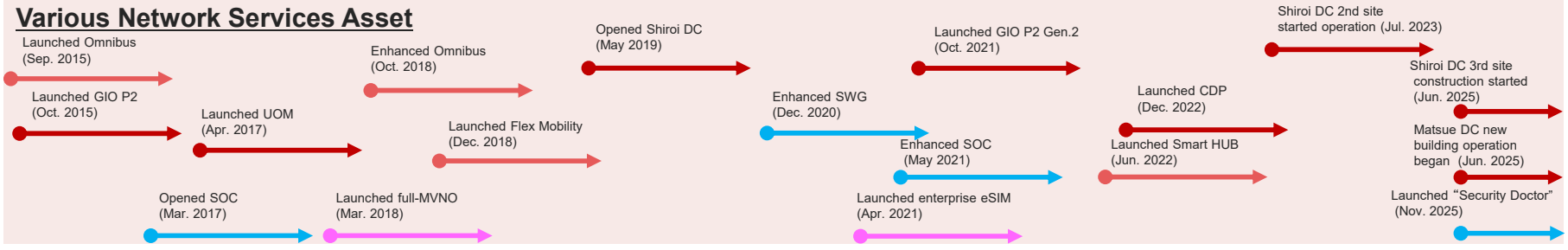
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Financial Performance

Unit: ¥ (JPY) billion (bn)

		FY21	FY22	FY23	FY24	FY25
Total Revenue		**226.3**	**252.7**	**276.1**	**316.8**	**345.4**
	YoY	*+6.3%*	*+11.7%*	*+9.2%*	*+14.8%*	*+9.0%*
NW services		128.2	138.9	151.3	162.6	178.7
	YoY	*+1.1%*	*+8.4%*	*+8.9%*	*+7.4%*	*+9.9%*
NW services (excl. Mobile services)		87.5	96.6	105.2	112.3	123.3
	YoY	*+10.3%*	*+10.5%*	*+8.9%*	*+6.7%*	*+9.8%*
Mobile services		40.7	42.3	46.1	50.3	55.5
	YoY	*(14.3%)*	*+3.8%*	*+9.1%*	*+9.0%*	*+10.3%*
SI		95.3	110.9	121.8	151.3	163.6
	YoY	*+14.5%*	*+16.4%*	*+9.8%*	*+24.2%*	*+8.2%*
Operating Profit		**23.5**	**27.2**	**29.0**	**30.1**	**34.8**
	YoY	*+65.3%*	*+15.6%*	*+6.6%*	*+3.7%*	*+15.7%*
Operating Margin		**10.4%**	**10.8%**	**10.5%**	**9.5%**	**10.1%**
Net Profit		**15.7**	**18.9**	**19.8**	**19.9**	**24.2**
	YoY	*+61.4%*	*+20.3%*	*+5.2%*	*+0.5%*	*+21.3%*
ROE		**16.2%**	**17.0%**	**16.3%**	**15.0%**	**16.2%**
NW service gross margin		**27.8%**	**27.5%**	**28.7%**	**27.8%**	**27.1%**
SI gross margin		**15.7%**	**16.7%**	**15.6%**	**14.4%**	**16.1%**
CAPEX		**16.1**	**20.8**	**22.5**	**26.3**	**32.2**
NW services, etc.		9.0	9.7	12.9	15.0	13.6
Shiroi, Matsue DCs		1.6	5.6	5.7	4.7	11.6
Cloud		2.3	2.0	1.5	2.0	3.4
SI, others		3.2	3.5	2.4	4.6	3.6

Various Network Services Asset



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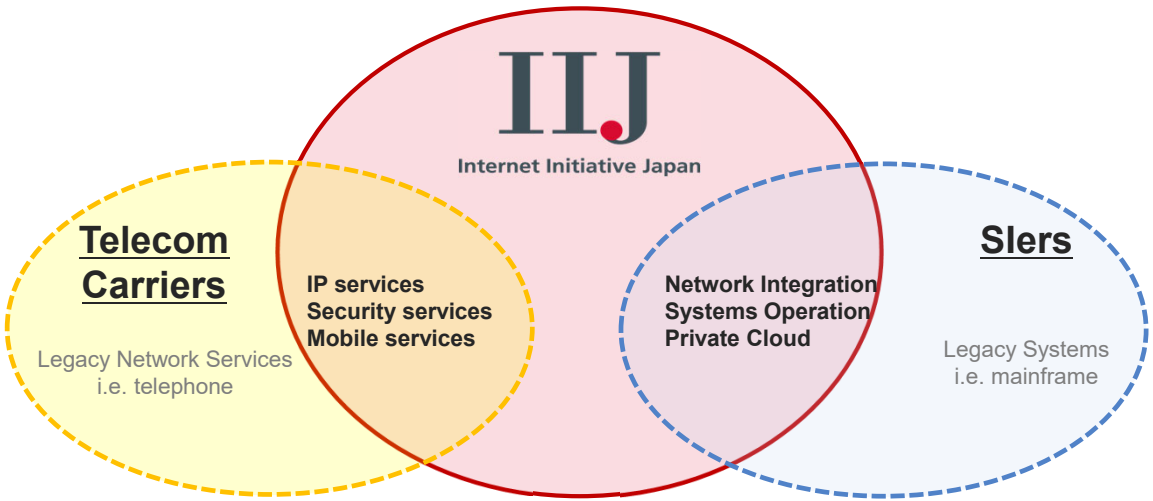
Competitive Advantages

Against telecom carriers, IIJ

- Has highly skilled IP (Internet Protocol) engineers
- Is faster to move than bureaucratic organizations
- Focuses on blue-chip companies' IT needs with SI

Against systems integrators (SIers), IIJ

- Operates one of the largest Internet backbone (SIers do not)
- Has NW services asset and development capability (SIers do not)
- Focuses on Internet-related open type systems

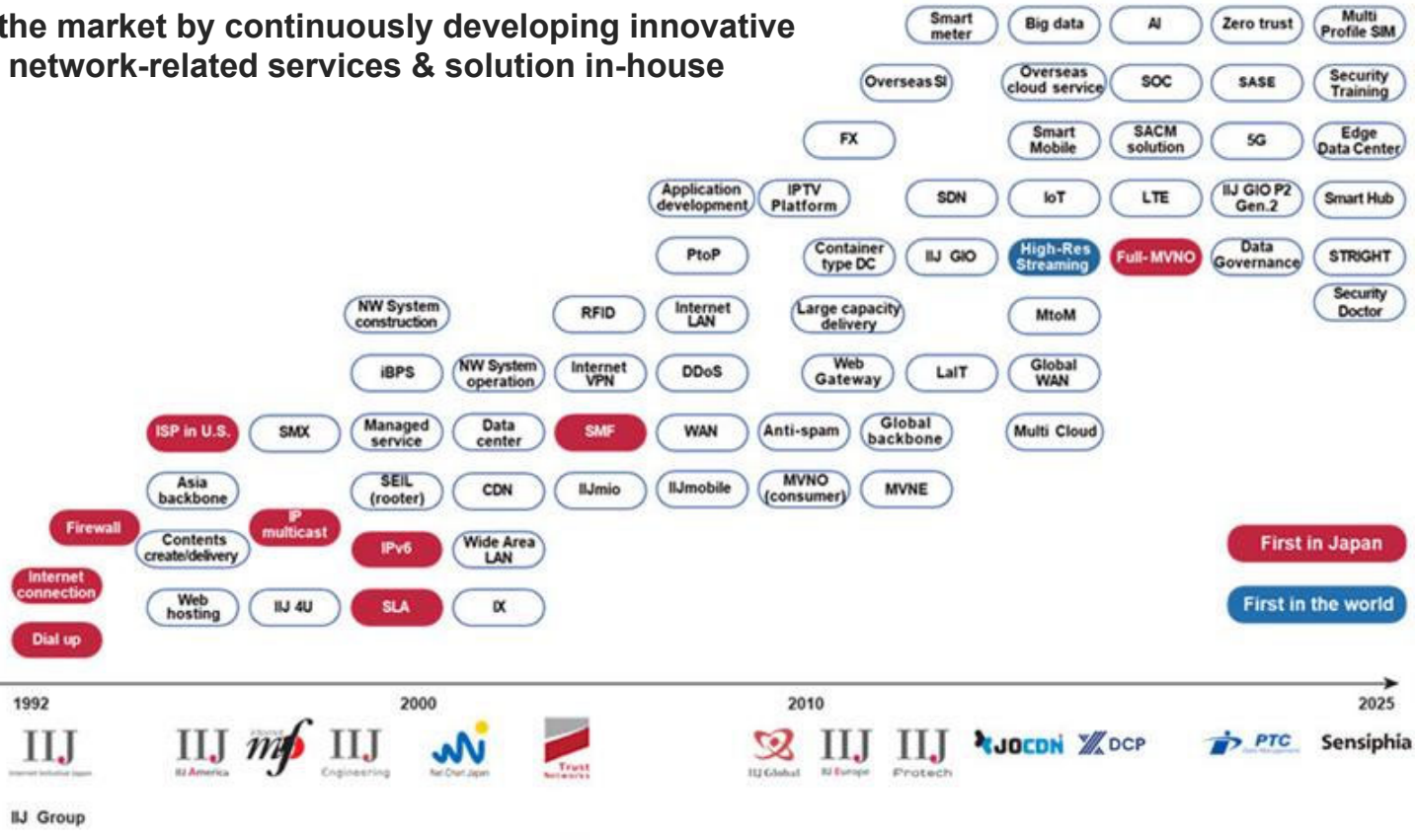


IIJ deals with newer systems and growing IT market
(Not involved in heavy and legacy systems)

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Service & Solution Development Capability

Initiate the market by continuously developing innovative various network-related services & solution in-house

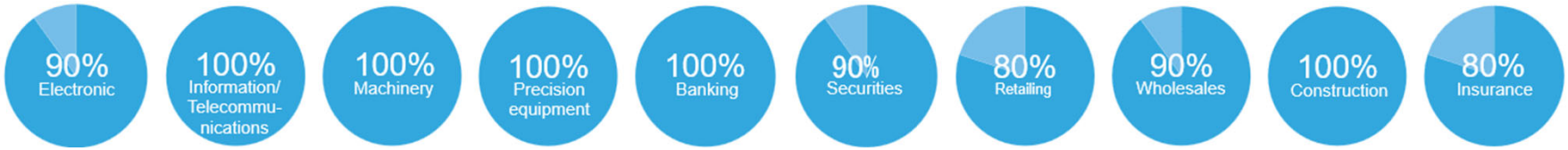


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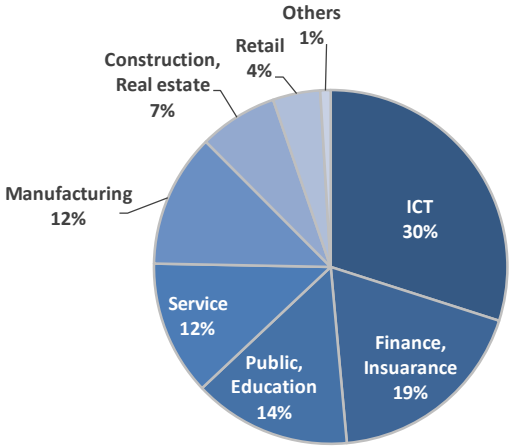
Excellent Customer Base

- Number of IIJ Group's clients: approx. 16,000 as of March 31, 2026
- Through reliable operation, continuous use of Internet connectivity services since the inception of IIJ
- Our reliable infrastructure operation and cross-sell strategy have led to low churn rate

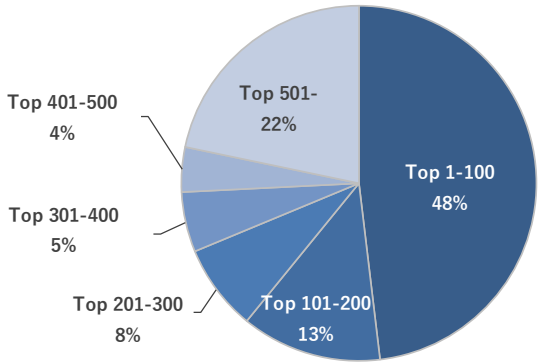
Cover Most of Top Revenue Companies



Client Distribution by Industry



Client Distribution by Revenue Volume



- Top ten firms in each industry taken from annual revenues are selected by IIJ based on the Yahoo! Japan Finance website (finance/sales/whole market/daily)
- The service penetration and the revenue distributions are based on IIJ's FY25

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Mid-term Plan (FY24~ FY26)

Consolidated base
Net Profit is "Profit for the period attributable to owners of the parent"
"times" are calculated by comparing FY26/FY26-end to FY23/FY23-end
The figures below are all assumed targets

Company Profile

Accelerate business scale expansion toward the Mid-to-long Term Vision by advancing the business structure transformation in FY23
Revenue growth led by integration and profit growth through economies of scale as a NW service operator

	FY23		FY26 Revised forecast	FY26
Total Revenue	¥276.1 bn	1.4 times	¥428.0 bn	¥380.0 bn
Operating Profit	¥29.0 bn	1.6 times	¥39.0 bn	¥46.0 bn
Net Profit	¥19.8 bn	1.5 times	¥25.5 bn	over ¥30.0 bn
ROE	16.3%	+2.7 pt.	15.0%	19%
Human Capital	FY23-end 4,803	1.3 times	FY26 forecast around 5,930	FY26-end around 6,100

Further enhancement of the existing core business area

SI as Revenue driver

- Accelerate revenue growth by rolling out NW construction/renewal projects to various industry, enhancing account sales & PM, expanding human resource
- Enhance SI project management

NW service as Profit driver

- Accelerate NW service accumulation through Service Integration
- Demonstrate the strength of stable NW operation in the DX era

Promotion of large transactions & clients

- Comprehensive outsourcing of client's NW and open systems
- Add large volume revenue to the multi-industry recurring revenue base
- Stable additional profit source for the future

Further enhancement of service development & operation

- Focus on strengthening cyber-security service development
- Respond to DX progress with DWP lineup
- Develop services that would be PF for AI, data lake, etc.

Enhancement of Service Control

- Higher efficiency for service development & operation by new technology such as AI
- Implement appropriate pricing in response to inflation & cost increase

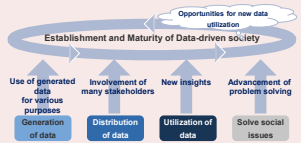
Continuous expansion of NW infrastructure Pursuit of differentiation

- Construct the third site of Shiroi DC for long-term growth
- Deploy full-MVNO 5G SA

Creation of new growth area

Initiatives for Data-driven society

- Operate data utilization business, generate meaningful data, data distribution mechanisms & operations, etc.
  ➡Study & create business models in conjunction with the existing infrastructure & services



Achieve the spread of Digital Currency in Japan
(Equity method investee: DCP(*1))

- First in Japan to issue commercial digital currency as a practical case (scheduled in Jul. 2024)
  - ✓ Digitalized token of environmental value transaction
- Within FY26, anticipate loss to shrink & become profitable on a monthly basis
- Executing STO(*2) of digital currency, invoice chain(*3), web3/NFT(*4) & other practical projects

*1:Equity-method affiliate DeCurret Holdings, Inc. changed its trade name to DCP Co., Ltd. on July 1, 2026
*2: STO (Security Token Offering): securities issued using electronic means such as blockchain, replacing traditional mechanism of stocks and bonds
*3: Invoice chain: concept of industry standard systems for corporate intercompany reimbursement
*4: NFT(Non-Fungible Token): Token issued on the blockchain that can prove uniqueness and cannot be replaced

Enhancement of business foundation

Thorough expansion of Human Capital

- Continuous expansion of human resources
- Develop next-generation human resources for long term growth
- Maintain & enhance top-tier engineering capabilities & expand that to multiple layer

Enhancement of cash control

- Appropriate management of increasing SI-related working capital
- Investment allocation Shiroi DC & growth areas
- Increase payout ratio when the Mid-to-long Term Vision is realized

Maintain & improve Sustainability /Governance

- Strengthen governance in line with growth
- Contribute to the productivity of future society through continuous stable NW operation
- Introduce a new executive compensation scheme linked to the new Mid-term Plan

Complement growth through M&As

- Pursuit M&A opportunities as a supplemental means of expanding domestic resources & technology
- Leverage residual borrowing capability (up to ¥70.0 bn is envisioned image)

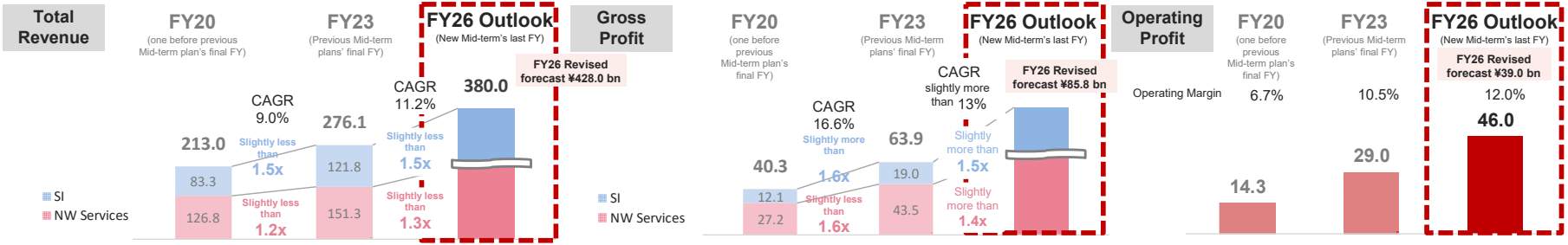
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Mid-term Plan's Financial Outlook

Unit: ¥ (JPY) billion

Company Profile

Breakdown image of financial outlook



Capital allocation (FY24-FY26, 3 yrs in total)

Cash in

Profit level trending below expectations

Cash generated from business
approx. ¥134.0 bn(*)

(*) post-tax, pre-depreciation

Debt
Up to approx. ¥65.0 bn

Cash out

Investment: approx. ¥90.0 bn

Ordinal NW infrastructure, etc. approx. ¥51.0 bn	Shiroi DC 3rd Site construction approx. ¥30.0 bn	Strategic investment for new growth areas
Stable with economies of scale	Mainly for own services	

Along with an increase in large complex project **Increase in working capital and lease obligation**	Approx. **¥13.0 bn**
Payout ratio 30% **Dividend**	Approx. **¥24.0 bn**
Scheduled repayment of long-term borrowing	Approx. **¥1.5 bn**
M&As	up to **¥70.0 bn**

Overview

Execution progressing as planned

Shiroi DC 3rd site construction	◆ Start the construction within the new Mid-term plan period, but the schedule is undetermined ・ First site: CAPEX approx. ¥8.3 bn, No. of racks: approx. 700, started operating from May 2019 ・ Second site: CAPEX approx. ¥12.8 bn (plan), No. of racks: approx. 1,100, started operating from Jul. 2023
Strategic Investment	◆ Specific investment details have not fixed and will be discussed going forward
Increase in working capital & lease obligations	◆ Increase in work in process, prepayments, etc. due to an increase in large scale multi-year SI projects ・ The impact of increased working capital should gradually be reduced due to the constant revenue recognition of large-scale projects
M&As	◆ M&As to be conducted in sequence with borrowing capacity ・ Maintain debt/equity ratio & financial discipline, Up to ¥70.0 bn of additional debt could be implemented for M&As

Pipeline exists, but M&A execution remains uncertain

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Mid-to-long Term Vision

The figures mentioned below are all assumed status and image

Previous Mid-term (FY21-FY23)

Established profit base by enterprise recurring revenue growth

- Enhancement of NW infrastructure & service lineup
- Profit expansion through economies of scale by recurring revenue accumulation
- Increase in large scale projects through NW renewals, etc.
- Cloud, security & IoT demands
- Started expansion of overseas business, including M&As
- Expansion of human resources
- Initiatives for digital currency and other new business areas

Mid-term (FY24-FY26)

Accelerate business expansion by focusing on the existing core areas Pursue business scale for long term growth

- Further enhancement of the existing core business areas
- Creation of new growth areas
- Enhancement of business foundation

Execute actions early to realize revenue volume of ¥500 bn

Mid-to-long Term Vision

Total revenue around ¥500.0 bn
Operating Margin 12% ~ 15%

- **Strongest focus on the core areas as NW operator & IT provider**
  Positioned as one of the leading IT providers in Japan
  Reliable NW operation & service as differentiator
  Enlarge SI business driven by Service Integration
  Expand large customer base to realize business scale
- **Provide NW platforms which support the NW society**
  Create optimal NW & security platforms for the spread of AI & the advent of data-driven society, etc.
- **Maintain and develop IIJ corporate culture as a challenger**
  Unchanged since the inception, diverse employees take on new challenges autonomously

Beyond 5,000

*5,000 is derived from the Japanese unit of ¥5,000 oku (oku = one hundred million) which is ¥500 bn

Deliver added value as an IT full outsourcer for infrastructure operation to support realization of NW society

- Develop integrated PF to enable processing various types of data, together with security & high performance. IIJ to become a full outsourced IT providers equipped with DC (including edge computing) & cloud resources, including wired and wireless NWs
- Achieve high profit margins by managing large customers' NW & IT scopes as fully outsource
- Leadership including M&As amidst a changing industry landscape
- Become leading IT service provider by leveraging domestic knowledge & SWOT in ASEAN

Targets (consolidated)	FY23 result	FY26 Revised forecast	Initial Mid-Term Plan targets for FY26		
Total Revenue	¥276.1 bn	¥428.0 bn	¥380.0 bn		¥500.0 bn
Operating Margin	10.5%	9.1%	12%		12% ~ 15%
Payout ratio		29.9%	30%		30% ~ 40%

Payout ratio to gradually increase along with an increase in business scale

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Enterprise internal NW & systems in Japan becoming to change

30 yrs ago

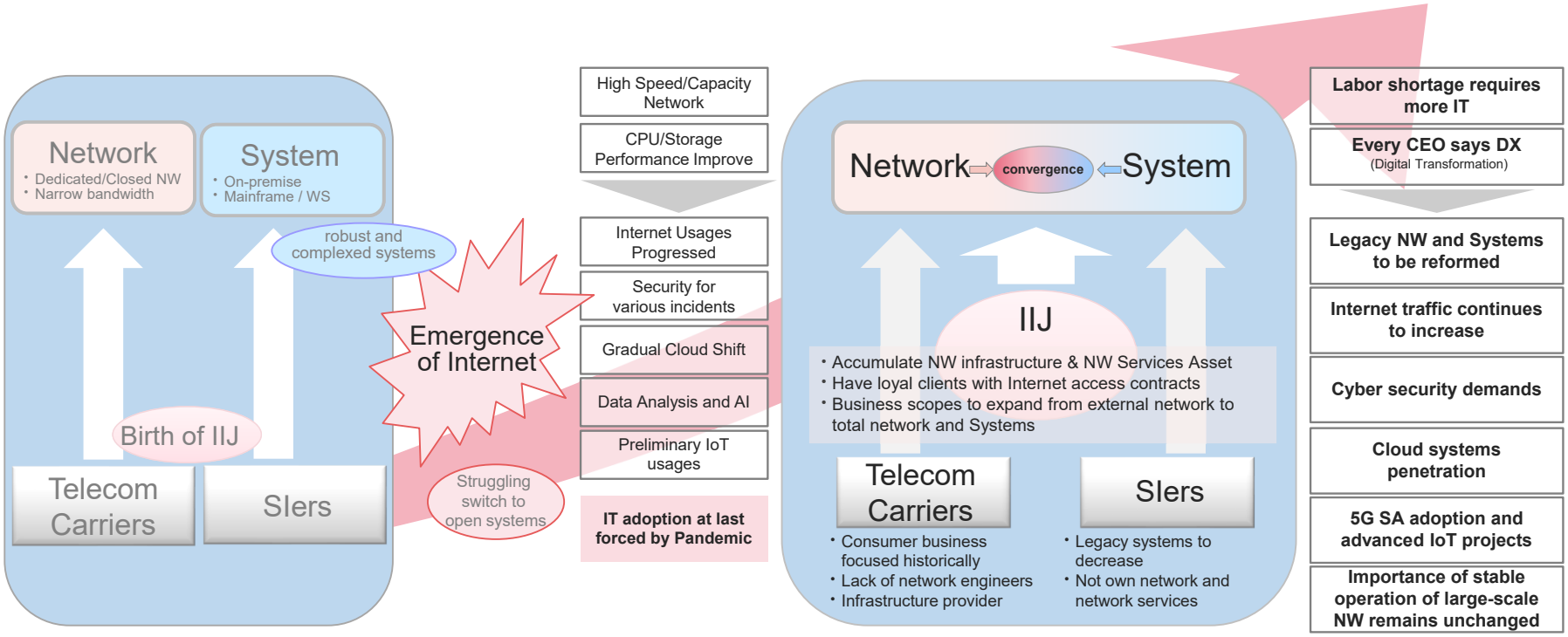
IIJ covered external NW with Internet
Carriers & SIers covered internal NW & systems

Stick to legacy NW systems

Nowadays

IIJ's opportunities rise to cover entire NW & system utilizing various NW functions

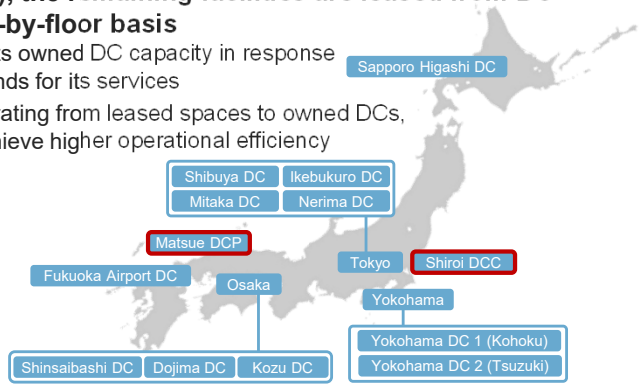
Finally systems & NW began to change in Japan after the COVID-19



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Data Centers (DCs)

- **IIJ operates 13 DCs in Japan, 2 of which are owned by IIJ (as of Nov. 2026), the remaining facilities are leased from DC owners on floor-by-floor basis**
  - IIJ is expanding its owned DC capacity in response to growing demands for its services
  - By gradually migrating from leased spaces to owned DCs, IIJ expects to achieve higher operational efficiency



Initiatives for Environment

Measures	TCFD Targets			
Usage of renewable energy	To increase the renewable energy usage rate of DCs (Scope 1 and 2) to 85% in FY30			
	Results	FY23: 50%	FY24: 55%	FY25: 65%
Improvement of energy conservation	To keep the PUE of the DC at or below the industry's highest level (1.4) until FY30 through continuous technological innovation			
	Results	FY23	FY24	FY25
	Matsue DCP	1.33	1.34	1.38
	Shiroi DCC	1.36	1.32	1.31

- PUE (Power Usage Effectiveness) is a metric that shows how efficiently electricity is used at a data center. The closer to 1.0 is considered to be good. A PUE of 1.4 or below is generally considered best-in-class in the industry.
- TCFD: Task Force on Climate-related Financial Disclosures
- Scope 1 and 2 (Greenhouse gas emissions by a company): Direct emissions from the use of fuels and industrial processes at the company and indirect emissions from the use of electricity and heat purchased by the company (as defined by the GHG Protocol)

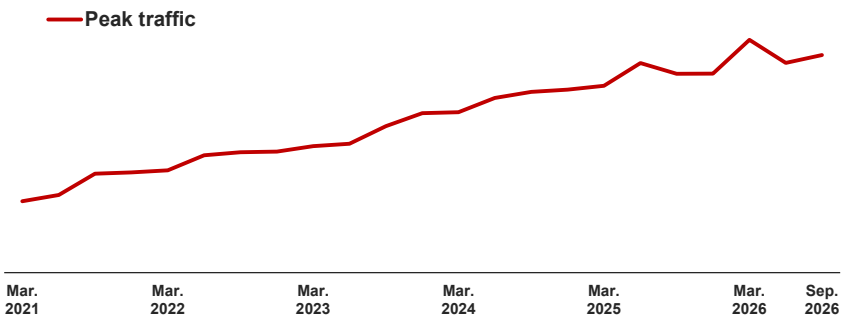
2 DCs owned by IIJ

	Matsue DCP (opened in Apr. 2011)	Shiroi DCC (opened in May 2019)
Objective	Used as facilities to accommodate in-house service infrastructure (cloud, network, security, etc.)	
Location	Matsue City, Shimane Prefecture	Shiroi City, Chiba Prefecture
Features	• Container-type DC modules and system modules developed by IIJ • First deployment in Japan of IIJ's external air-cooling container unit • Modular container-based design enables phased expansion in line with demand • Renewable energy generated via on-site large-scale solar panels • Dedicated containers for individual customers also available	• Energy-efficient technologies including external air cooling • System module approach allows flexible and low-cost capacity expansion • Use of lithium-ion batteries to reduce peak power demand during summer • Renewable energy generation via on-site solar panels • Direct procurement of non-fossil certificates to supply effectively renewable energy • Supports diversified colocation needs
Land	Approx. 16,000m^2	Approx. 40,000m^2
Capacity	Approx. 700 racks • Site 1 ✓ IT module: approx. 100 racks (since Apr. 2011) ✓ System module: approx. 300 racks (since Jun. 2025) • Site 2 ✓ Approx. 300 racks (since Nov. 2013)	Approx. 1,800 racks • 1st site: approx. 700 racks (since May 2019) • 2nd site: approx. 1,100 racks (since Jul. 2023)
Recent Developments	• System module building started operations (Jun. 2025)	• 2nd site is to be fully occupied around FY27 by IIJ's own service facilities and colocation • 3rd site construction ✓ Expected CAPEX: approx.¥27.0 bn ✓ Started constructing from Jun. 2025 ✓ Scheduled operation from FY26 ✓ Construction area: approx. 5,400m^2 ✓ Approx. 1,000 racks

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Market Environment & Growth Forecast, etc.

Historical traffic data of major domestic IX



- Source: INTERNET MULTIFEED CO., IX = Internet Exchange

SIM type MVNO market share in Japan

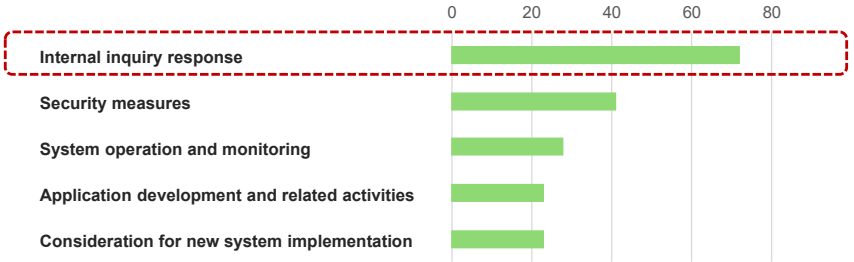
◆ **Maintain top share in the domestic SIM-type MVNO market**

	Mar. 31, 2024		Mar. 31, 2025		Mar. 31, 2026	
1st	**IIJ**	**21.8%**	**IIJ**	**24.5%**	**IIJ**	**24.9%**
2nd	NTT DOCOMO	9.8%	Optage	8.6%	Optage	8.2%
3rd	Optage	8.8%	NTT DOCOMO	7.5%	NTT DOCOMO	5.6%
4th	Fujitsu	5.6%	NTT DOCOMO Business	5.2%	NTT DOCOMO Business	4.8%
5th	Aeon Retail	4.7%	Aeon Retail	4.7%	Japan Communications	4.8%

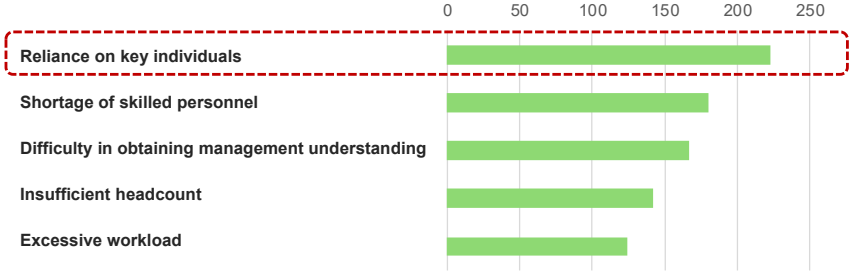
- Source: The Ministry of Internal Affairs and Communications
- NTT DOCOMO refers to NTT Resonant in periods prior to the merger
- NTT DOCOMO Business refers to NTT Communications in periods prior to the company name change

Nationwide survey on IT department 2026

◆ **Operation where IT department spends the most time**



◆ **Challenges for IT department**



- Source: Internet Initiative Japan “Nationwide survey on IT department 2026,” Questionnaire conducted by IIJ since 2021 targeting IT departments of companies, etc.

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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 alway starts with the future.

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