For Immediate Release

Japanese Partners to Conduct a Joint Crediting Mechanism Demonstration Project "Lao PDR Energy Efficient Datacenter Project"

This is an English translation of IIJ's press release in Japanese.

TOKYO— January 26, 2016— Toyota Tsusho Corporation, Internet Initiative Japan Inc., and Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. today announced a joint demonstration project aimed at evaluating the effectiveness of greenhouse gas reduction and energy savings using advanced technologies for building and operating eco container-type data center in the Lao People's Democratic Republic (Lao PDR). The demonstration project will last from January 2016 to February 2018.

This project is conducted on the basis of the commission by the New Energy and Industrial Technology Development Organization (NEDO), as part of its Global Warming Mitigation Technology Promotion Project selected in July 2015. The governments of Japan and Lao PDR have signed the bilateral document (**1) concerning the Joint Crediting Mechanism (JCM) (**2). The project will use the JCM system (confirmation of suitability, project registration, monitoring, reporting and verification of emission reductions attributed to the project) to support the efficient and effective implementation of specific, demonstrable greenhouse gas emissions reduction projects overseas using Japanese superior low-carbon technologies and products which have not been introduced or spread little among the developing countries. Prior to the demonstration project, the three companies signed the letter of agreement with the Ministry of Science and Technology of Lao PDR for implementing the project smoothly and promoting the results together with NEDO.

This project involves constructing a high-quality, high-efficiency container-type data center equipped with excellent low-carbon technologies in Vientiane Capital. In addition to verification of appropriate operation suited in Lao PDR and the verification of greenhouse gas emissions reductions, plans to extend this project to areas outside of Lao PDR. Lao PDR will be chairing the ASEAN summit 2016 and is working on strengthening its domestic IT infrastructure. This project will contribute in constructing the country's first government run environmentally friendly data center which will serve a center role as its' low carbon growth model in IT.

Toyota Tsusho, IIJ, and Mitsubishi UFJ Morgan Stanley Securities will continue to work proactively to combat global warming.

- (*1) Bilateral document: Japan and Lao PDR signed the bilateral document to launch Joint Crediting Mechanism on 7 August 2013 for the low carbon growth partnership.
- (*2) Joint Crediting Mechanism: Mechanism for facilitating diffusion of low-carbon technologies, products, systems, services, and infrastructure, as well as implementation of mitigation actions in developing countries and appropriate evaluation of Japan's contributions to greenhouse gas emission reductions or removals in a quantitative manner to achieve Japan's emission reduction target.

Project name:

Lao PDR Energy Efficient Datacenter Project

Project activities:

1. Design, development, transport, and deployment demonstration of a modular data center

2. Substantiative operation and operational data measurement of IT services (email, storage, etc.)

3. Training and development, etc. for the engineers associated with the operation of energy efficient

datacenter.

Project region:

Vientiane Capital, Lao PDR

Project period:

January 2016 to February 2018

Project roles:

Toyota Tsusho: Overall project supervision, equipment transport, and advice and guidance for test run based

on primary design documents

IIJ: Advice and guidance for basic design of verification equipment, equipment construction and building

work

Mitsubishi UFJ Morgan Stanley Securities: Development of MRV methodologies and greenhouse

gas-reduction effects measurement

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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