

May 23, 2025

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Company representative: Yasuhiko Taniwaki, Representative Director, President and Executive Officer  
(Ticker symbol: 3774, The Prime Market of the Tokyo Stock Exchange)  
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## **Notice Regarding the Disposal of Treasury Stock for Restricted Stock Remuneration**

TOKYO - May 23, 2025 - Internet Initiative Japan Inc. (“IIJ”, the “Company”, TSE Prime Market: 3774) announced that at the IIJ’s Board of Directors meeting on May 23, 2025, it resolved to dispose of its treasury stock (the “Disposal of Treasury Stock” or the “Disposal”), as the performance-based restricted stock remuneration shown below.

### 1. Overview of the Disposal

(1)	Disposal date	June 11, 2025
(2)	Class and number of shares to be disposed of	48,834 shares of common stock of the Company
(3)	Disposal price	2,608.5 yen per share
(4)	Total disposal price	127,383,503 yen
(5)	Allottees and number thereof, and number of stocks to be disposed of	7 Directors of the Company (Limited to Executive Directors) 16,915 shares 19 Executive Officers of the Company 20,045 shares 6 Directors of subsidiary of the Company (excluding Part-time and Outside Directors) 7,787 shares 4 Executive Officers of subsidiary of the Company 4,087 shares
(6)	Others	The Disposal of Treasury Stock is conditioned on the Securities Registration Statement taking effect in accordance with the Financial Instruments and Exchange Act.

### 2. Purpose and reason of disposal

In order to optimally incentivize the increase of the Company’s corporate value over the medium to long term pursuant to the achievement of the goals set forth in the medium-term plan announced on May 10, 2024 (such medium-term plan and subsequent medium-term plans to be formulated after the end of the period of the said plan are hereinafter collectively referred to as the “Medium-term Plan”), and to further facilitate the sharing of value with shareholders, the Company resolved, at the Board of Directors meeting held on May 24, 2024, to introduce a medium- to long-term incentive plan (“LTI”) which is linked to the degree of achievement of the Medium-term Plan for Directors in charge of business execution (“Eligible Directors”), Executive Officers and Directors of the Company’s subsidiaries. The Company also decided to abolish the existing stock-compensation-type stock options for Directors and Executive Officers, replacing them with restricted stock remuneration with the same level of content, and continue the existing restricted stock remuneration as a single-year performance bonus with the same level of content along with the introduction of the LTI.

This system consists of the following: (i) a restricted stock remuneration system that is conditional on tenure, under which the Company grants to an Eligible Director, depending on the position held by the director, restricted stock, in relation to which the transfer restriction will be removed on the condition that the Eligible Director has served in a position such as a director of the Company for a certain period of time (“System I”); (ii) a performance-based restricted stock remuneration system, under which the Company grants to an Eligible Director restricted stock after the end of a certain period of time (in principle, one (1) fiscal year) in accordance with the degree of achievement of performance targets and improvement in performance over such period (“System II”); and (iii) a performance-based restricted stock remuneration system under which the Company grants such number of shares of restricted stock as determined in accordance with the degree of achievement of performance targets and improvement in performance in each fiscal year during the relevant period, the length of such period being the same as that of the Medium-term Plan (“Fiscal Year Subject to Evaluation”) after the end of the Fiscal Year Subject to Evaluation (“System III”) (System I, System II and System III are hereinafter collectively referred to as the “System”). At the 32nd Ordinary General Meeting of Shareholders held on June 27, 2024, it was approved that the total amount of monetary remuneration receivables to be granted to the Eligible Directors must not exceed 700

million yen per year for all of System I, System II and System III, and the total number of the Company's common stock to be issued or disposed of as restricted stock must not exceed 140,000 shares per year for all of the System I, System II and System III under the System. Furthermore, IIJ Global Solutions Inc. (“IIJ-Global”), which is our wholly-owned subsidiary, decided, at the Board of Directors meeting held on April 26, 2022, to grant a restricted stock remuneration which is equivalent to performance-linked bonuses to the Directors of IIJ-Global (excluding Part-time and Outside Directors) and Executive Officers of IIJ-Global (collectively, “Eligible Directors, etc. of IIJ-Global”).

At the Board of Directors meeting held on May 23, 2025, the Board of Directors resolved to grant a total monetary remuneration receivable of 127,383,503 yen (equivalent to 48,834 shares of the Company’s common stock to be disposed, of which 16,915 shares to be granted to the Eligible Directors) which is equivalent to performance-linked bonuses in FY2024 under the System II and System III for Eligible Directors and Executive Officers (collectively, “Eligible Directors, etc.”) and performance-linked bonuses in FY2024 for Eligible Directors, etc. of IIJ-Global, taking into consideration our consolidated financial results, and non-consolidated financial results of the Company and IIJ-Global, along with the disposal of treasury stock as the restricted stock remuneration for Eligible Directors, etc. and Eligible Directors, etc. of IIJ-Global. The breakdown is shown below.

	Allottees and number thereof, and number of stocks to be disposed	Grant a monetary remuneration receivable
Performance-linked bonuses in FY2024 (System II)	7 Directors of the Company (Limited to Executive Directors) 8,709 shares 19 Executive Officers of the Company 9,768 shares	48,197,260 yen
Performance-linked bonuses in FY2024 (System III)	7 Directors of the Company (Limited to Executive Directors) 8,206 shares 19 Executive Officers of the Company 10,277 shares	48,212,911yen
Performance-linked bonuses in FY2024	6 Directors of subsidiary of the Company (excluding Part-time and Outside Directors) 7,787 shares 4 Executive Officers of subsidiary of the Company 4,087 shares	30,973,332yen

### 【Overviews of the System II and System III】

Eligible Directors, etc. shall pay in the entire amount of monetary remuneration receivables granted to them as contribution in kind, and receive shares of common stock issued or disposed of by the Company (the “Allotted Shares”). The amount to be paid per share shall be based on the closing price of the Company’s common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of resolution of the Board of Directors regarding the relevant issuance or disposal (or the closing price on the transaction day immediately prior thereto if no transaction is made on such business day).

For the purpose of issuance or disposal of the Allotted Shares, a restricted stock allocation agreement (the “Allotment Agreement”) shall be concluded between the Company and each Eligible Director, etc. An overview of the Allotment Agreement is described in 3. below. The scheme for IIJ-Global is basically the same as above, but Eligible Directors, etc. of IIJ-Global shall make an in-kind contribution to the Company of the entire amount of monetary remuneration receivables granted by IIJ-Global to such Eligible Directors, etc. of IIJ-Global (the Company shall assume the obligations of the IIJ-Global owed toward Eligible Directors, etc. of IIJ-Global arising from the monetary remuneration claims granted to such Eligible Directors, etc. of IIJ-Global), and will receive shares of common stock issued or disposed of by the Company.

### 3. Overview of the Allotment Agreement

#### (1) Transfer restriction period

Transfer restriction period for Eligible Directors, etc. is the period from the date of the payment for the Allotted Shares (June 11, 2025) to the point in time when he or she resigns from the position of director and/or executive officer of the Company. Transfer restriction period for Eligible Directors, etc. of IIJ-Global is the period from the date of the payment for the Allotted Shares (June 11, 2025) to the point in time when he or she resigns from the position of director and/or executive officer of IIJ-Global.

#### (2) Conditions for removing transfer restrictions

The Company shall remove the transfer restrictions with respect to the Allotted Shares in whole upon the expiry of the transfer restriction period, provided that the Eligible Directors, etc. continuously served as a director or an executive officer of the Company during the transfer restriction period and provided that the Eligible Directors, etc. of IIJ-Global, continuously served as a director or an executive officer of IIJ-Global during the transfer restriction period (In the case of death of Eligible Directors, etc. and Eligible Directors, etc. of IIJ-Global, the

transfer restrictions on the Allotted Shares shall be removed and those shares shall be succeeded by inheritance).

(3) Misconduct or illegal acts, etc.

If certain events prescribed in the Allotment Agreement occur, such as the retirement of an Eligible Director from his/her position during the Restriction Period or upon the expiration of the Restriction Period for any reason other than those deemed justifiable by the Company, or the commitment by an Eligible Director of certain misconduct or illegal acts, the Company may acquire all of the Allotted Shares for no consideration. Misconduct or illegal acts, etc. for Eligible Directors, etc. of IIJ-Global is the same as above.

(4) Management of shares

In order to prevent the Allotted Shares from being transferred, collateralized, or otherwise being disposed of during the transfer restriction period, the Allotted Shares shall be managed during the period in a dedicated account opened by each Eligible Directors, etc., at Nomura Securities Co., Ltd. In order to ensure the effectiveness of the transfer restrictions, etc. pertaining to the Allotted Shares, the Company has entered into an agreement with Nomura Securities Co., Ltd. concerning the management of the accounts for the Allotted Shares held by each Eligible Director, etc. In addition, the Eligible Director, etc. shall agree on the management of such accounts. Management of shares for Eligible Directors, etc. of IIJ-Global is the same as above.

(5) Treatment in the event of organizational restructuring, etc.

If a matter concerning the organizational restructuring, etc. of the Company, such as a merger agreement whereby the Company shall be the non-surviving party to the merger, or a share exchange agreement or share transfer plan whereby the Company shall become a wholly-owned subsidiary of another entity, is approved at the Company's General Meeting of Shareholders (or by the Company's Board of Directors if such organizational restructuring, etc. does not require approval at a Company's General Meeting of Shareholders) during the transfer restriction period, the Company shall remove, based on a resolution of the Company's Board of Directors, the transfer restriction on the Allotted Shares on a date prior to the effective date of such organizational restructuring, etc. Treatment in the event of organizational restructuring, etc. for Eligible Directors, etc. of IIJ-Global is the same as above.

(6) Acquisition for nil consideration (clawback) and additional grants based on status of achievement of targets (Only the System III)

If, in the final fiscal year of the Medium-term Plan, the status of achievement of the various targets for the first and second years and the corresponding payment rates decline significantly, the Company shall, based on the report of the nomination and remuneration committee, acquire part of the restricted shares already delivered under System III for nil consideration (clawback). In addition, if, in the final fiscal year of the Medium-term Plan, the status of achievement of the various targets for the first and second years and the corresponding payment rates are significantly elevated, the Company may, based on the report of the nomination and remuneration committee, make certain additional grants with respect to the number of shares to be granted that is calculated in the final year based on the System III.

4. Basis for calculating the amount to be paid and its specific details

To avoid arbitrary pricing, the disposal price for the disposal of treasury stock shall be set at 2,608.5 yen, which is the closing price of the Company's common stock in the Tokyo Stock Exchange on May 22, 2025, the business day immediately before the Board of Directors made the resolution. This is the market share price immediately prior to the date of the resolution, and the Company believes that it is reasonable and not particularly advantageous price. Any fraction less than one (1) yen resulting from multiplying the disposal price by the number of shares to be disposed of shall be rounded up.

< About Internet Initiative Japan Inc. >

Founded in 1992, IIJ 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 Internet connectivity services, mobile services, security services, cloud computing services, and systems integration. Moreover, IIJ operates one of the largest Internet backbone networks in Japan that is connected to the United States, the United Kingdom and Asia. IIJ listed on the First Section of the Tokyo Stock Exchange ("TSE") in 2006 and transitioned to the Prime Market of TSE from April, 2022.

< IIJ Investor Relations >

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