

Correction to the 2nd Quarter Earnings Results

November 18, 1999

Tokyo and New York, November 17th, 1999 - Internet Initiative Japan Inc. (NASDAQ: IIJI) ("IIJ") hereby states a correction to the press release of November 15, 1999, titled "IIJ Announces 2nd Quarter Results for the Period Ended September 30, 1999" as follows.

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Cost and expenses

Cost of connectivity services and other revenues increased 103.7 % from JPY2,857 million in 2Q98 and up 12.8% from JPY5,160 million in 1Q99 to JPY5,820 million in 2Q99. The increase in cost of revenues was due to higher leasing fees that resulted from an expansion of IIJ's backbone capacity and higher costs involved in SI service. International backbone costs increased 48.4% year-over-year and 5.6% quarter-over-quarter to JPY1,405 million in 2Q99. Domestic backbone costs increased 57.5% year-over-year and 14.9% quarter-over-quarter to JPY 403 million.(previously stated "Domestic backbone costs increased 57.5% year-over-year and 14.9% quarter-over-quarter to JPY 887 million.")
