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本資料は日本の方々の便宜性のために作成した簡易版です。7 ページ目より正式決算発表資料(英文)が続きますので、そちらもあわせてご参照いただけますよう、お願い申し上げます。

2001年度第4四半期(1-3月)および2001年度通期の決算発表(抄訳)

第4四半期は、見込みを上回る売上高を達成。

2001年度は、対前年度比25.2%の売上成長および営業利益の黒字化を実現

本決算発表に伴うカンファレンス・コールの様様を2002年5月22日22:00よりインターネット上(URL: www.vcall.com)で公開しております。

2001年度第4四半期(1-3月)および2001年度通期の決算発表 要約

- 2001年度第4四半期の売上高は、121億円(前年同期比31.6%増、前期比21.9%増)を達成。トータル・ネットワーク・ソリューション戦略の着実な遂行により、システム・インテグレーション事業が売上の伸びを牽引。結果として、第3四半期決算発表時点での見込み(105-110億円)を上回った。
- 営業損益は186百万円の営業利益となり、増益を継続(前年同期は394百万円の営業損失、前期は151百万円の営業利益)。営業利益率は、前期と同じく1.5%(前年同期は-4.3%)。EBITDAは引き続き改善し、968百万円(前年同期比228%増、前期比7%増)へ。
- 2001年度通期の売上高は、前年比25.2%増の399億円を達成。営業損益は54百万円の営業利益となり、通期ベースの黒字化を実現。
- 2002年度第1四半期の売上高は、90-95億円となる見込み。システム・インテグレーション事業の季節変動^(*)が主な要因で、前年同期比で8.0%-14.0%の成長となる。減収および年度初の人件費増等の要因により、第1四半期の営業損益は一時的に損失となるが、第2四半期にて黒字に戻る見込み。EBITDAは引き続き黒字を維持。
- 2002年度上期の売上高は、2001年度上期と比較して15%超の成長となる見込み。

^(*) システム・インテグレーション事業は、日本企業の会計サイクルにより上期末(第2四半期末)および下期末(第4四半期末)に売上計上が集中する傾向にある。

2001年度の決算概況

日本経済の低迷にもかかわらず、2001年度は通期ベースで売上高の成長と営業利益の黒字化を実現。2001年度においては計30種類以上の新サービスを市場投入するなど、急速な拡大を続けるブロードバンドおよびネットワーク・ソリューション市場に対し迅速な開発・マーケティング活動を実現したことが奏効した。システム・インテグレーション事業の伸長(特に第4四半期は前年同期比70.6%および前期比57.2%増)が増収に貢献している。一方、コストにおいては、単価削減により、2001年度通期で国際バックボーンコストが前年度と比較して半分以下となった。

2002年度の展望

引き続きエンタープライズ・ネットワーク市場に注力し、企業の新しい情報戦略を支援していく。これに向け、(1)クロスウェイブコミュニケーションズの新世代型ネットワークサービスのIIJソリューション展開、(2)システム・インテグレーション事業におけるエンタープライズ・ソリューションの強化、(3)運用管理事業の強化を実施し、トータル・ネットワーク・ソリューション提供の市場競争力の更なる強化を図る。更に、放送と通信の融合を睨み、CDN(Content Distribution Network)事業によるブロードバンド接続事業の展開や、ブロードバンドコンテンツ配信支援を行うことにより、接続、システムインテグレーション、インターネットデータセンター等の売上の更なる成長を実現していく。

(ご参考) 統計値について

表 1. 契約数

	4Q01	3Q01	4Q00
<i>IP</i> サービス 64kbps - 128kbps	142	176	295
192kbps - 768kbps	42	46	80
1Mbps - 2Mbps	270	269	240
3Mbps - 1.2Gbps	156	131	111
<i>IIJ FiberAccess/F</i> ^(*)1)	73	25	n/a
<i>IIJ Ethernet Standard</i> ^(*)2)	2	0	n/a
<i>IIJ T1</i> スタンダード 1.5Mbps	667	681	575
IP Service 合計	1,352	1,328	1,301
<i>IIJ</i> エコノミー 64kbps - 128kbps	921	1,060	1,295
<i>IIJ DSL/F</i> ^(*)2) 1.5Mbps(最大)	1,237	750	n/a
専用線接続サービス 合計	3,510	3,138	2,596

(*)1) *IIJ FiberAccess/F* は 2001 年 8 月サービス開始

(*)2) *IIJ Ethernet Standard* は、2001 年 12 月サービス開始

(*)3) *IIJ DSL/F* は、2001 年 5 月サービス開始

<i>IIJ4U</i> (個人向けダイヤルアップ接続サービス)	89,213	91,924	95,273
その他 ダイヤルアップ接続サービス	171,363	114,676	66,857
ダイヤルアップ接続サービス 合計	260,576	206,600	162,130

インターネットデータセンターサービス契約数	138	127	113
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表 2. 専用線サービス内訳

(百万円)

	4Q01	3Q01	4Q00
IP サービス	3,061	2,990	3,020
(<i>IP</i> サービス、 <i>IIJ T1</i> スタンダード、 <i>IIJ FiberAccess/F</i>)			
<i>IIJ</i> エコノミー + <i>IIJ DSL/F</i>	325	348	333

表 3. 契約帯域数の総和

(単位: Gbps)

	4Q01	3Q01	4Q00
専用線接続サービス	9.4	7.7	3.5
インターネットデータセンター接続サービス	2.0	0.7	n/a
契約帯域合計	11.4	8.4	3.5

表 4. バックボーンコスト

(百万円)

	4Q01	3Q01	4Q00
国際バックボーンコスト	443	536	1,409
国内バックボーンコスト	836	772	714

表 5. その他

(百万円)

	4Q01	3Q01	4Q00
EBITDA	968	904	295
設備投資 (capitalized leases を含む)	913	804	1,115
減価償却費	812	783	714

注意事項:この資料には、1995 年米国民事証券訴訟改革法 (Private Securities Litigation Reform Act of 1995) の「セーフハーバー」規定に定義する「将来性に関する見通しに関する記述 (forward-looking statements)」に該当する情報が記載されています。このプレゼンテーション資料の記載のうち、過去または現在の事実に関するもの以外は、将来の見通しに関する記述に該当します。将来の見通しに関する記述は、現在入手可能な情報に基づく *IIJ* 経営陣の仮定および判断に基づくものであり、これには既知または未知のリスクおよび不確実性が内在しています。*IIJ* の実際の活動または業績は、今後、将来の見通しに関する記述に示されたところと大きく異なる可能性があります。投資家の皆様におかれましては、1934 年米国証券取引法 (Securities Exchange Act of 1934) に基づく今後の報告書等において *IIJ* が行う開示をご参照ください。

株式会社 インターネットイニシアティブ
四半期連結損益計算書(米国会計基準)

Appendix 1

2002年3月期、2001年3月期、2001年12月期

JPY/千円単位、USD/千米ドル単位 (1)

	前年同四半期比較						前四半期比較		
	2002年3月期		対営業収益 %	2001年3月期		対前年同四半期 %	2001年12月期		対前四半期 %
USD (1)	JPY	JPY		対営業収益 %	対前年同四半期 %		JPY	対営業収益 %	
営業収益:									
インターネット接続及び付加価値サービス収入:									
専用線接続サービス	25,513	3,385,542	28.0%	3,353,198	36.5%	1.0%	3,338,370	33.6%	1.4%
ダイヤルアップ接続サービス	6,362	844,279	7.0	1,033,029	11.2	(18.3)	883,698	8.9	(4.5)
付加価値サービス:									
データセンタサービス	4,721	626,436	5.2	431,640	4.7	45.1	586,816	5.9	6.8
その他付加価値サービス	3,423	454,300	3.7	267,749	2.9	69.7	426,895	4.3	6.4
付加価値サービス合計	8,144	1,080,736	8.9	699,389	7.6	54.5	1,013,711	10.2	6.6
その他	4,018	533,191	4.4	260,885	2.8	104.4	379,188	3.8	40.6
インターネット接続及び付加価値サービス収入合計	44,037	5,843,748	48.3	5,346,501	58.1	9.3	5,614,967	56.5	4.1
システムインテグレーション	40,181	5,331,986	44.0	3,124,909	34.0	70.6	3,391,122	34.2	57.2
機器販売	7,039	934,040	7.7	728,165	7.9	28.3	927,545	9.3	0.7
営業収益合計	91,257	12,109,774	100.0	9,199,575	100.0	31.6	9,933,634	100.0	21.9
営業費用:									
インターネット接続及び付加価値サービス原価	38,510	5,110,291	42.2	5,073,952	55.1	0.7	4,774,788	48.1	7.0
システムインテグレーション原価	35,677	4,734,363	39.1	2,609,855	28.4	81.4	2,865,601	28.8	65.2
機器販売原価	6,521	865,354	7.1	714,916	7.8	21.0	832,972	8.4	3.9
売上原価合計	80,708	10,710,008	88.4	8,398,723	91.3	27.5	8,473,361	85.3	26.4
販売費	5,013	665,204	5.5	759,660	8.3	(12.4)	734,623	7.4	(9.4)
一般管理費	3,620	480,376	4.0	369,039	4.0	30.2	493,327	5.0	(2.6)
研究開発費	513	68,090	0.6	66,205	0.7	2.8	80,946	0.8	(15.9)
営業費用合計	89,854	11,923,678	98.5	9,593,627	104.3	24.3	9,782,257	98.5	21.9
営業利益(損失)	1,403	186,096	1.5	(394,052)	(4.3)	(147.2)	151,377	1.5	22.9
その他の収益(費用)	(2,545)	(337,694)	(2.8)	126,677	1.4	(366.6)	(113,705)	(1.1)	197.0
税引前当期利益(損失)	(1,142)	(151,598)	(1.3)	(267,375)	(2.9)	(43.3)	37,672	0.4	(502.4)
法人税等、住民税及び事業税	(1,058)	(140,381)	(1.2)	(96,070)	(1.0)	46.1	(154,239)	(1.5)	(9.0)
少数株主損益	(67)	(8,849)	(0.1)	(2,550)	0.0	247.0	(3,985)	-	122.1
持分法による投資損失	(12,409)	(1,646,603)	(13.6)	(1,179,050)	(12.8)	39.7	(1,217,755)	(12.3)	35.2
当期損失	(12,560)	(1,666,669)	(13.8%)	(1,352,905)	(14.7%)	23.2%	(1,029,829)	(10.4%)	61.8%
1株あたり当期損失		(74,140)		(60,183)			(45,811)		
米国預託証券1単位あたり当期損失		(37.07)		(30.09)			(22.91)		
期中平均発行済株式総数		22,480		22,480			22,480		
期中平均発行済米国預託証券総数		44,960,000		44,960,000			44,960,000		

注記(1): 2002年3月期につきましては、米ドル換算レート132.70円=1米ドル(2002/3/29)にて参考表示しております。

株式会社 インターネットイニシアティブ
 連結損益計算書(米国会計基準)
 2002年3月期通期、2001年3月期通期
 JPY/千円単位、USD/千米ドル単位 (1)

Appendix 2

	2002年3月期通期			2001年3月期通期		
	USD (1)	JPY	対営業収益 %	JPY	対営業収益 %	対前年通期 %
営業収益:						
インターネット接続及び付加価値サービス収入:						
専用線接続サービス	102,049	13,541,980	33.9%	12,779,284	40.1%	6.0%
ダイヤルアップ接続サービス	27,461	3,644,091	9.1	4,422,884	13.9	(17.6)
付加価値サービス:						
データセンタサービス	16,650	2,209,412	5.5	1,236,524	3.9	78.7
その他付加価値サービス	12,447	1,651,741	4.2	898,996	2.8	83.7
付加価値サービス合計	29,097	3,861,153	9.7	2,135,520	6.7	80.8
その他	12,570	1,667,986	4.2	591,819	1.8	181.8
インターネット接続及び付加価値サービス収入合計	171,177	22,715,210	56.9	19,929,507	62.5	14.0
システムインテグレーション	108,179	14,355,325	36.0	10,555,675	33.1	36.0
機器販売	21,357	2,834,078	7.1	1,390,407	4.4	103.8
営業収益合計	300,713	39,904,613	100.0	31,875,589	100.0	25.2
営業費用:						
インターネット接続及び付加価値サービス原価	149,204	19,799,402	49.6	18,983,305	59.6	4.3
システムインテグレーション原価	92,797	12,314,158	30.9	9,117,410	28.6	35.1
機器販売原価	19,142	2,540,089	6.4	1,288,530	4.0	97.1
売上原価合計	261,143	34,653,649	86.9	29,389,245	92.2	17.9
販売費	22,897	3,038,412	7.6	3,251,900	10.2	(6.6)
一般管理費	13,862	1,839,525	4.6	1,617,984	5.1	13.7
研究開発費	2,407	319,370	0.8	286,850	0.9	11.3
営業費用合計	300,309	39,850,956	99.9	34,545,979	108.4	15.4
営業利益(損失)	404	53,657	0.1	(2,670,390)	(8.4)	(102.0)
その他の収益(費用)	(7,107)	(943,142)	(2.3)	899,320	2.8	(204.9)
税引前当期損失	(6,703)	(889,485)	(2.2)	(1,771,070)	(5.6)	(49.8)
法人税等、住民税及び事業税	8,282	1,099,035	2.8	(925,678)	(2.9)	(218.7)
少数株主損益	184	24,467	0.1	159,850	0.5	(84.7)
持分法による投資損失	(41,312)	(5,482,082)	(13.8)	(4,014,680)	(12.6)	36.6
当期損失	(56,113)	(7,446,135)	(18.7%)	(4,700,222)	(14.8%)	58.4%
1株あたり当期損失		(331,234)		(209,085)		
米国預託証券1単位あたり当期損失		(165.62)		(104.54)		
期中平均発行済株式総数		22,480		22,480		
期中平均発行済米国預託証券総数		44,960,000		44,960,000		

注記(1): 2002年3月期につきましては、米ドル換算レート132.70円=1米ドル(2002/3/29)にて参考表示しております。

株式会社 インターネットイニシアティブ
四半期連結貸借対照表(米国会計基準)
 2002年3月期、2001年3月期、2001年12月期
 JPY/千円単位、USD/千米ドル単位(1)

Appendix 3

	2002年3月期			2001年3月期		2001年12月期	
	USD (1)	JPY	%	JPY	%	JPY	%
資産の部							
流動資産:							
現金及び現金同等物	83,240	11,045,919	24.4%	13,570,707	26.8%	11,166,077	25.9%
短期投資	0	0	0.0	0	0.0	0	0.0
売掛金	67,686	8,981,912	19.9	5,417,456	10.7	5,830,688	13.5
棚卸資産	4,675	620,409	1.4	245,520	0.5	228,063	0.5
前払費用	3,142	416,945	0.9	253,648	0.5	806,515	1.9
その他流動資産	1,084	143,798	0.3	347,600	0.7	425,411	1.0
流動資産合計	159,827	21,208,983	46.9	19,834,931	39.2	18,456,754	42.8
関連会社投資等	66,722	8,854,028	19.6	13,895,654	27.4	10,386,964	24.1
その他投資	40,739	5,406,065	11.9	8,455,840	16.7	4,814,114	11.1
有形固定資産等	58,443	7,755,426	17.1	6,927,575	13.7	7,609,238	17.6
敷金保証金	9,541	1,266,055	2.8	837,115	1.6	1,263,819	2.9
その他資産	5,819	772,226	1.7	689,687	1.4	638,652	1.5
資産合計	341,091	45,262,783	100.0%	50,640,802	100.0%	43,169,541	100.0%
負債及び資本の部							
流動負債:							
短期借入金	28,789	3,820,232	8.4%	5,620,000	11.1%	3,700,214	8.6%
買掛金及び未払金	53,395	7,085,579	15.7	4,313,811	8.5	3,428,098	7.9
未払費用	1,866	247,606	0.5	211,302	0.4	292,996	0.7
その他流動負債	3,819	506,797	1.1	455,212	0.9	696,682	1.6
1年以内に期限到来の長期借入金	10,550	1,400,000	3.1	0	0.0	1,200,000	2.8
短期リース債務	14,874	1,973,769	4.4	1,644,354	3.3	1,928,505	4.5
流動負債合計	113,293	15,033,983	33.2	12,244,679	24.2	11,246,495	26.1
長期借入金	25,622	3,400,000	7.5	2,800,000	5.5	3,600,000	8.3
転換社債	113,037	15,000,000	33.2	15,000,000	29.6	15,000,000	34.7
長期リース債務	21,564	2,861,556	6.3	2,679,224	5.3	2,969,253	6.9
退職給付引当金	760	100,841	0.2	124,640	0.2	126,085	0.3
その他固定負債	816	108,376	0.2	188,413	0.4	34,238	0.1
負債合計	275,092	36,504,756	80.6	33,036,956	65.2	32,976,071	76.4
少数株主持分	7,783	1,032,746	2.3	676,096	1.3	1,023,897	2.4
資本:							
資本金	53,371	7,082,336	15.7	7,082,336	14.0	7,082,336	16.4
資本準備金	128,623	17,068,353	37.7	17,068,353	33.7	17,068,353	39.5
欠損金	(137,215)	(18,208,469)	(40.2)	(10,762,334)	(21.2)	(16,541,800)	(38.3)
その他有価証券評価差額金等	13,437	1,783,061	3.9	3,539,395	7.0	1,560,684	3.6
資本合計	58,216	7,725,281	17.1	16,927,750	33.5	9,169,573	21.2
負債、少数株主持分及び資本合計	341,091	45,262,783	100.0%	50,640,802	100.0%	43,169,541	100.0%

注記(1): 2002年3月期につきましては、米ドル換算レート132.70円=1米ドル(2002/3/29)にて参考表示しております。

株式会社 インターネットイニシアティブ
 四半期連結キャッシュフロー計算書(米国会計基準)

Appendix 4

2002年3月期、2001年3月期、2001年12月期

JPY/千円単位、USD/千米ドル単位 (1)

	2002年3月期		2001年3月期	2001年12月期
	USD (1)	JPY	JPY	JPY
営業活動によるキャッシュフロー:				
当期損失	(12,560)	(1,666,669)	(1,352,905)	(1,029,829)
減価償却費等	6,116	811,652	714,130	783,194
持分法による投資損失	12,409	1,646,603	1,179,050	1,217,755
少数株主損益	67	8,849	2,550	3,985
為替差損(差益)	30	3,990	(411,981)	(379,315)
投資有価証券評価損	789	104,700	398,226	299,428
売掛金の減少(増加)額	(23,993)	(3,183,806)	(1,449,025)	175,291
買掛金及び未払金の増加(減少)額	27,855	3,696,329	(2,027,616)	(1,103,244)
棚卸資産の減少(増加)額	(3,006)	(398,876)	(75,756)	784,340
法人税等調整額	(1,097)	(145,560)	(113,444)	(159,611)
その他	1,619	214,793	291,165	(8,113)
営業活動によるキャッシュフロー	8,229	1,092,005	(2,845,606)	583,881
投資活動によるキャッシュフロー:				
有形固定資産等の取得による支出	(3,780)	(501,667)	(501,808)	(162,852)
関連会社への投資および貸付	(182)	(24,123)	-	(17,497)
その他投資の取得による支出	(2,638)	(350,000)	(478,500)	-
短期投資の売却による収入	-	-	3,136,244	-
敷金保証金の(返還)支出	(15)	(2,007)	(10,145)	(373,471)
その他	168	22,299	(107,347)	(7,718)
投資活動によるキャッシュフロー	(6,447)	(855,498)	2,038,444	(561,538)
財務活動によるキャッシュフロー:				
長期借入金による収入	-	-	400,000	-
長期借入金の返済による支出	-	-	(90,000)	-
リース債務の元本返済による支出	(4,038)	(535,906)	(500,144)	(530,423)
短期借入金の純増減額	904	120,018	(489,436)	(70,231)
財務活動によるキャッシュフロー	(3,134)	(415,888)	(679,580)	(600,654)
現金及び現金同等物に係る換算差額	447	59,223	454,633	332,421
現金及び現金同等物の減少額	(905)	(120,158)	(1,032,109)	(245,890)
現金及び現金同等物の期首残高	84,145	11,166,077	14,602,816	11,411,967
現金及び現金同等物の期末残高	83,240	11,045,919	13,570,707	11,166,077

注記(1): 2002年3月期につきましては、米ドル換算レート132.70円=1米ドル(2002/3/29)にて参考表示しております。

For Immediate Release



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***IIJ Achieves 25.2% Revenue Growth and Positive Operating Income for
the Fiscal Year Ended March 31, 2002***

-- Fourth quarter results beat revenue target --

Tokyo and New York, May 21, 2002 – Internet Initiative Japan Inc. (Nasdaq: IJJI) (“IIJ”), one of Japan’s leading Internet access and comprehensive network solutions providers, today announced its financial results for the 4th quarter ended March 31, 2002. On May 22 at 9:00am (EDT), the Company will host a conference call, which will be simultaneously webcasted at www.vcall.com. Replay will also be available at the same URL.

The 4th Quarter of FY2001 Results Summary

- Total revenues were JPY12.1 billion, an increase of 31.6% from 4Q00 and an increase of 21.9% from 3Q01, which was above the expected range of JPY10.5 billion to JPY11.0 billion. This strong growth was primarily due to the successful execution of IIJ’s total network solutions strategy targeting the Japanese corporate market.
- The Company improved its operating income to JPY186 million, versus a loss of JPY394 million in 4Q00 and a profit of JPY151 million in 3Q01. Operating margin was 1.5%, compared with negative 4.3% in 4Q00 and 1.5% in 3Q01. EBITDA^(*) also continued to improve to JPY968 million by 228% from 4Q00 and by 7% from 3Q01. Operating income and EBITDA results were within the ranges of the Company’s targets for the 4th quarter.
- For the full fiscal 2001 year, total revenues increased to JPY39.9 billion, a 25.2% increase from the full fiscal 2000 year. As expected, operating income turned to positive on a full year fiscal basis to JPY54 million.
- For the first quarter of fiscal year 2002, IIJ expects total revenues to be between JPY9.0 billion and JPY9.5 billion, which is below that of the fourth quarter due to anticipated seasonality^(**) in the Systems Integration (SI) business. Also, IIJ expects an operating loss in the first quarter, which reflects the anticipated lower revenues, as well as the typical higher costs in human resources primarily associated with annual recruiting activity. The anticipated operating loss is expected to be temporary, and is expected to return to a positive level in the second quarter.
- For the first half of fiscal 2002, IIJ expects total revenues to grow by more than 15% from the first half of fiscal 2001.

^(*) EBITDA represents operating income (loss) before deducting depreciation and amortization.

^(**) The SI business is seasonally stronger in 2Q and 4Q, as companies in Japan typically make large investments in or around September and March before they close their semiannual and annual budgetary cycles.

Overview and Business Outlook

Overview of the 4Q results and full fiscal 2001 year

“The strong results of the full fiscal 2001 year mark a milestone for IJ, proving our commitment to strong growth and positive operating income,” said Koichi Suzuki, President and CEO of IJ. “This fiscal year, as part of our total network solutions strategy, we introduced more than 30 new services, most of which relate to broadband connectivity, managed security systems and various outsourcing services at Internet data centers. IJ’s solid performance reflects our market initiatives against a changing and growing environment. In turn, we have been able to successfully capitalize on the demand for broadband and new network systems in the Japanese corporate marketplace, despite the weakness of the overall economy.”

“The robust revenue growth in the fourth quarter was mainly driven by strong performance in the SI business, where SI revenues increased by 70.6% from 4Q00 and by 57.2% from 3Q01,” said Yasuhiro Nishi, CFO of IJ. “On the cost side, international backbone costs further declined, resulting in a significant reduction for the full 2001 fiscal year of more than half that of the previous fiscal year. As a result of IJ’s solid revenue growth and cost containment initiatives, we realized both positive operating income and EBITDA for the fourth quarter and full fiscal 2001 year.”

Business Outlook for fiscal 2002 --- Industry Landscape

The network infrastructure industry in Japan continues to be driven by the broadband boom. According to the Ministry of Public Management, Home Affairs, Posts and Telecommunications (MPHPT), the number of ADSL subscribers reached 2.7 million at the end of April 2002, a significant increase from 0.1 million subscribers in April 2001. CATV Internet users reached 1.5 million in March 2002 from 0.8 million in March 2001. The FTTH access market is also becoming increasingly competitive, benefiting end users in Japan by enabling them to utilize faster last mile access than ADSL lines. As of March 2002, the number of FTTH subscribers was 26,400. Currently this broadband user ratio is approximately 10% of total Internet users in Japan, but the ratio is expected to increase to more than 20% in Japan at the end of March 2003.

In the corporate market within Japan, demand for network restructuring remains strong. In addition to upgrading corporate networks to higher bandwidth, companies have started establishing new digital information platforms that connect offices, stores and customers throughout the country with cost-effective access lines, such as ADSL. According to a survey of IDG Japan, Japanese companies continue to indicate that they are likely to increase their IT investments, including network systems (WAN and LAN), security systems, storage systems, and outsourcing services for operation and maintenance.

Business Outlook for fiscal 2002 --- IJ Strategy

For fiscal 2002, IJ’s main focus is on the enterprise network market, targeting high-end corporate customers with new information strategies. In order to effectively compete within this market, IJ continues to enhance its total network solutions strategy, specifically by: 1) further integrating new generation network services of its 37.9% affiliate, Crosswave Communications (“Crosswave”, Nasdaq: CWCI), 2) strengthening its SI services lineup for enterprise solutions, and 3) enhancing its network support business, which include 24-7 operation management and monitoring services. Such management services can be coordinated between IJ and the customer by installing IJ’s managed router “SEIL” at customer premises, while employing IJ’s Internet data center facilities as a hub of various network services.

As a central part of its broadband strategy, IJ launched its CDN (Content Delivery Network) business in April 2002, which IJ expects to eventually bring the industry's structural change by leveraging the scalability of the IJ group's network infrastructure and operational expertise in large-scale networking. Although the CDN platform is not yet available for end-use consumers, IJ has already acquired large

contracts from corporate customers who intend to utilize the CDN platform as their strategic information platform for full-scale broadband content transmission. The CDN business is expected to drive revenue growth for the Company in many areas, such as connectivity services for OEMs, Internet data center and systems integration services for broadband content transmission.

IIJ expects to open two large-scale Internet data centers at Yokohama and Saitama in 2003, allowing the Company to execute its total solutions strategy in a more scalable and price-competitive manner.

Forecasted financial performance for the first quarter and the first half of fiscal 2002

For the first quarter of fiscal 2002, IIJ expects total revenues to be between JPY9.0 billion and JPY9.5 billion. While reflecting the typical seasonality of the SI business in the first quarter, revenues are still expected to increase from 1Q01 by 8.0% to 14.0%. IIJ also expects to report a slightly negative operating loss for the quarter as a result of the characteristically weaker revenue stream, and higher human resources costs primarily associated with annual recruiting activity. The anticipated operating loss is expected to be temporary, and is expected to return to a positive level in the second quarter. EBITDA is expected to remain positive.

For the first half of fiscal 2002, IIJ expects total revenues to grow by more than 15% from the first half of fiscal 2001.

Status of Overview and Business Outlook

This Overview and Business Outlook contains forward-looking statements and projections that are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied by these statements. These risks and uncertainties include, but are not limited to the factors noted at the end of this release and to the risk factors and other information contained in IIJ's filings on Form 20-F or Form 6-K as well as other filings and documents furnished to the Securities and Exchange Commission. IIJ plans to keep this press release publicly available on its Web site (www.iij.ad.jp) but may discontinue this practice at any time. IIJ intends to publish its next Overview and Business Outlook in its 1Q02 earnings release, presently scheduled for August 13, 2002. In conjunction with the 4Q01 earnings announcement, IIJ will hold a webcasted conference made available to the public for listening over the Company's website.

The 4th Quarter of FY2001 Operating Highlights

Ten New Service Developments under the Total Network Solutions Approach

In 4Q01, as part of its total network solutions, IIJ and its group companies launched 8 new services for the corporate market, namely two connectivity services, three security services, two hosting services, and the network management solution "Omnibus." For the individual market, IIJ launched two network services under the IIJmio brand.

Network Infrastructure and Internet Data Center Development

In 4Q01, IIJ upgraded four domestic backbone networks, one of which being a new link to JPNAP, the Internet eXchange point operated by IIJ's 26.0% affiliate Internet Multifeed. Also in this quarter, IIJ upgraded its Japan-US backbone network from 1.8Gbps to 2.25Gbps.

IIJ America, IIJ's 90.3% subsidiary, strengthened its U.S. backbone, enhancing its network stability for customers of IIJ America and other IIJ Group customers. The upgrade included establishing a new POP in Ashburn, Virginia, a focal point for Internet traffic in the U.S., and new links between the new POP in Ashburn and IXs (Internet eXchange points), such as Equinix GIGe Exchange and MAE-EAST ATM.

The 4th Quarter of FY2001 Financial Results

Revenues

Revenues in 4Q01 totaled JPY12,110 million, up 31.6% compared with 4Q00, and up 21.9% compared with 3Q01.

Connectivity services and value-added services revenues increased 9.3% from 4Q00 to JPY5,844 million in 4Q01, and grew by 4.1% from 3Q01.

Dedicated access services increased 1.0% from 4Q00 to JPY3,386 million in 4Q01, and were up 1.4% from 3Q01. The modest growth of dedicated access services was mainly a result of a customer shift to data center connectivity services. IIJ DSL/F service increased rapidly, which offset a decline in the IIJ Economy service.

Dial-up access service decreased 18.3% from 4Q00 to JPY844 million in 4Q01, and declined 4.5% from 3Q01. These declines were primarily due to the decrease in conventional dial-up services revenues and IIJ4U revenues. The decrease in IIJ4U revenues was due not only to the decrease in the number of subscribers, but also to a shift towards the lower-end IIJ4U fixed price service by users of NTT's Flet's service.

Value-added services increased 54.5% from 4Q00 to JPY1,081 million in 4Q01, and by 6.6% from 3Q01. The year-over-year increase was mainly due to steady revenue growth of Data center services.

Systems integration services revenues increased 70.6% from 4Q00 to JPY5,332 million in 4Q01, and by 57.2% from 3Q00.

Table 1. Number of Contracts

Internet Access Services	4Q01	3Q01	4Q00
<i>IP Service</i> 64kbps – 128kbps	142	176	295
192kbps – 768kbps	42	46	80
1Mbps – 2Mbps	270	269	240
3Mbps – 1.2Gbps	156	131	111
<i>IIJ FiberAccess/F</i> ⁽¹⁾	73	25	n/a
<i>IIJ Ethernet Standard</i> ⁽²⁾	2	0	n/a
<i>IIJ T1 Standard</i> 1.5Mbps	667	681	575
Total IP Service	1,352	1,328	1,301
<i>IIJ Economy</i> 64kbps – 128kbps	921	1,060	1,295
<i>IIJ DSL/F</i> ⁽³⁾ Maximum 1.5Mbps	1,237	750	n/a
Total Dedicated Access Services Contracts	3,510	3,138	2,596

⁽¹⁾ IIJ FiberAccess/F is a new service launched in August 2001.

⁽²⁾ IIJ Ethernet Standard is a new service launched in December 2001.

⁽³⁾ IIJ DSL/F is a new service launched in May 2001.

<i>IIJ4U</i> (dialup services for individuals)	89,213	91,924	95,273
Others	171,363	114,676	66,857
Total Dial-up Access Services Contracts	260,576	206,600	162,130

Total Data Center Services Contracts	138	127	113
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Table 2. Revenue Breakdown in Dedicated Access Services

(JPY in millions)

	4Q01	3Q01	4Q00
Total IP Service (<i>IP Service, IIJ T1 Standard, and IIJ FiberAccess/F</i>)	3,061	2,990	3,020
<i>IIJ Economy + IIJ DSL/F</i>	325	348	333

Table 3. Contracted Bandwidth

(Unit: Gbps)

	4Q01	3Q01	4Q00
Dedicated Access Services	9.4	7.7	3.5
Internet Data Center Connectivity Service	2.0	0.7	n/a
Total Contracted Bandwidth	11.4	8.4	3.5

Cost and expenses

Cost of total revenues increased 24.3% from 4Q00 to JPY11,924 million in 4Q01, and by 21.9% from 3Q01.

International backbone costs decreased 68.6% from 4Q00 to JPY443 million in 4Q01, and by 17.4% from 3Q01. These decreases reflect IIJ's continuous efforts to reduce costs of Japan-US backbone lines. The monthly unit backbone cost declined by approximately 81% year-over-year, and by approximately 35% quarter-over-quarter.

Domestic backbone costs increased 17.1% from 4Q00 to JPY836 million in 4Q01, and increased 8.2% from 3Q01. These increases were mainly due to rising domestic backbone capacity, along with a usage increase in IIJ Internet data center connectivity services.

Table 4. Backbone Costs

(JPY in millions)

	4Q01	3Q01	4Q00
International Backbone Costs	443	536	1,409
Domestic Backbone Costs	836	772	714

Sales and marketing expenses decreased 12.4% from 4Q00 to JPY 665 million in 4Q01, and were down 9.4% from 3Q01. This decrease in sequential comparison was due to declining advertising costs and bad debt expense.

General and administrative expenses increased 30.2% from 4Q00 to JPY 480 million in 4Q01, and were down 2.6% from 3Q01. This decrease in sequential comparison was a result of declining recruiting costs.

As a result of the strong revenue growth in the systems integration business and the continuous reduction in international backbone costs, operating income increased to JPY186 million in 4Q01, compared to a loss of JPY394 million in 4Q00, and to income of JPY151 million in 3Q01. The operating income ratio against revenues for 4Q01 was 1.5%, compared to (-)4.3% in 4Q00, and to 1.5% in 3Q01.

Other income (expenses)

Other expenses for 4Q01 were JPY338 million, compared to other income of JPY127 million in 4Q00, and to other expenses of JPY114 million in 3Q01. IIJ recorded a foreign exchange gain of JPY31 million in 4Q01, compared to a gain of JPY 412 million in 4Q00, and to a gain of JPY 379 million in 3Q01. In 4Q01, IIJ incurred a JPY105 million impairment loss on non-marketable securities, and net interest expense of JPY123 million.

Income tax benefit

Income tax benefit for 4Q01 was JPY140 million as a result of a decrease in the valuation allowance for deferred tax assets attributable primarily to the income tax effect of unrealized gains in the quarter on certain available-for-sale securities. This compared to JPY96 million in 4Q00 and JPY154 million in 3Q01.

Equity in net loss of affiliated companies

Equity in the net loss of affiliated companies increased to JPY1,647 million in 4Q01, compared to JPY1,179 million in 4Q00, and JPY1,218 million in 3Q01, mainly resulting from the equity loss in Crosswave.

Net loss

Net loss was JPY1,667 million in 4Q01, compared to JPY 1,353 million in 4Q00 and JPY 1,030 million in 3Q01. Basic net loss per ADS equivalent was (-) 37.07 in 4Q01, compared to (-) JPY30.09 in 4Q00 and (-) JPY22.91 in 3Q01.

Table 5. Other Financial Statistics

(JPY in millions)

	4Q01	3Q01	4Q00
EBITDA	968	904	295
CAPEX, including capitalized leases	913	804	1,115
Depreciation and amortization ⁽⁴⁾	812	783	714

⁽⁴⁾ Depreciation and amortization includes amortization of issuance cost of convertible notes.

Company Information

Internet Initiative Japan Inc. is one of Japan's leading Internet-access and comprehensive Internet solution providers primarily targeting high-end corporate customers. Founded in 1992, IIJ has built one of the largest Internet backbone networks in Japan and between Japan and the United States. IIJ and its group of companies provide total solutions ranging from new generation network services over optical-fiber infrastructure optimized for data communications to construction of Asia-wide IP backbone networks, high-quality Internet access, security system services, hosting/housing, content design and systems integration.

Statements made in this press release that state IIJ's or management's intentions, beliefs, expectations, or predictions for the future are forward-looking statements that are based on IIJ's and managements' current expectations, assumptions, estimates and projections about its business and the industry. These forward-looking statements are subject to various risks, uncertainties and other factors that could cause IIJ's actual results to differ materially from those contained in any forward-looking statement. These risks, uncertainties and other factors include: IIJ's ability to continue to increase subscribers to its connectivity services, particularly at higher bandwidths; IIJ's ability to generate significant revenues from its other services such as systems integration; the success of IIJ's investments in Crosswave; the ability to compete in a rapidly evolving and competitive marketplace; the impact of technological changes in its industry; and other risks referred from time to time in IIJ's filings with the United States Securities and Exchange Commission.

Tables to follow

INTERNET INITIATIVE JAPAN INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

Appendix 1

For the Three Months Ended Mar 31, 2002, Mar 31, 2001 and Dec 31, 2001

(Expressed in Thousands of Japanese Yen (JPY) and U.S. Dollars (USD) Except for Per Share and ADS Data) (1)

	Year-over-year Comparison						Sequential Comparison		
	Mar 31, 2002			Mar 31, 2001			Dec 31, 2001		
	USD (1)	JPY	% of Total Revenues	JPY	% of Total Revenues	YOY Chg %	JPY	% of Total Revenues	QOQ Chg %
Revenues:									
Connectivity and value-added services:									
Dedicated access services	25,513	3,385,542	28.0%	3,353,198	36.5%	1.0%	3,338,370	33.6%	1.4%
Dial-up access services	6,362	844,279	7.0	1,033,029	11.2	(18.3)	883,698	8.9	(4.5)
Value-added services:									
Internet datacenter services	4,721	626,436	5.2	431,640	4.7	45.1	586,816	5.9	6.8
Other value-added services	3,423	454,300	3.7	267,749	2.9	69.7	426,895	4.3	6.4
Total value-added services	8,144	1,080,736	8.9	699,389	7.6	54.5	1,013,711	10.2	6.6
Other	4,018	533,191	4.4	260,885	2.8	104.4	379,188	3.8	40.6
Total connectivity and value-added services	44,037	5,843,748	48.3	5,346,501	58.1	9.3	5,614,967	56.5	4.1
Systems integration revenues	40,181	5,331,986	44.0	3,124,909	34.0	70.6	3,391,122	34.2	57.2
Equipment sales	7,039	934,040	7.7	728,165	7.9	28.3	927,545	9.3	0.7
Total revenues	91,257	12,109,774	100.0	9,199,575	100.0	31.6	9,933,634	100.0	21.9
Costs and expenses:									
Cost of connectivity and value-added services	38,510	5,110,291	42.2	5,073,952	55.1	0.7	4,774,788	48.1	7.0
Cost of systems integration revenues	35,677	4,734,363	39.1	2,609,855	28.4	81.4	2,865,601	28.8	65.2
Cost of equipment sales	6,521	865,354	7.1	714,916	7.8	21.0	832,972	8.4	3.9
Total costs	80,708	10,710,008	88.4	8,398,723	91.3	27.5	8,473,361	85.3	26.4
Sales and marketing	5,013	665,204	5.5	759,660	8.3	(12.4)	734,623	7.4	(9.4)
General and administrative	3,620	480,376	4.0	369,039	4.0	30.2	493,327	5.0	(2.6)
Research and development	513	68,090	0.6	66,205	0.7	2.8	80,946	0.8	(15.9)
Total costs and expenses	89,854	11,923,678	98.5	9,593,627	104.3	24.3	9,782,257	98.5	21.9
Operating income (loss)	1,403	186,096	1.5	(394,052)	(4.3)	(147.2)	151,377	1.5	22.9
Other income (expenses)	(2,545)	(337,694)	(2.8)	126,677	1.4	(366.6)	(113,705)	(1.1)	197.0
Income (Loss) before income tax benefit	(1,142)	(151,598)	(1.3)	(267,375)	(2.9)	(43.3)	37,672	0.4	(502.4)
Income tax benefit	(1,058)	(140,381)	(1.2)	(96,070)	(1.0)	46.1	(154,239)	(1.5)	(9.0)
Minority interests in consolidated subsidiaries	(67)	(8,849)	(0.1)	(2,550)	0.0	247.0	(3,985)	0.0	122.1
Equity in net loss of affiliated companies	(12,409)	(1,646,603)	(13.6)	(1,179,050)	(12.8)	39.7	(1,217,755)	(12.3)	35.2
Net loss	(12,560)	(1,666,669)	(13.8%)	(1,352,905)	(14.7%)	23.2%	(1,029,829)	(10.4%)	61.8%
Basic Net Loss Per Share		(74,140)		(60,183)			(45,811)		
Basic Net Loss Per ADS Equivalent		(37.07)		(30.09)			(22.91)		
Weighted Average Number of Shares		22,480		22,480			22,480		
Weighted Average Number of ADS Equivalents		44,960,000		44,960,000			44,960,000		

Note (1): The translations of Japanese yen amounts into US dollar amounts with respect to the three months ended Mar 31, 2002 are included solely for the convenience of readers outside Japan and have been made at the rate of JPY 132.70 = \$1, the approximate rate of exchange on Mar 29, 2002.

INTERNET INITIATIVE JAPAN INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

Appendix 2

For the Years Ended Mar 31, 2002 and Mar 31, 2001

(Expressed in Thousands of Japanese Yen (JPY) and U.S. Dollars (USD) Except for Per Share and ADS Data) (1)

	Year-over-year Comparison					
	Mar 31, 2002			Mar 31, 2001		
	USD (1)	JPY	% of Total Revenues	JPY	% of Total Revenues	YoY Chg %
Revenues:						
Connectivity and value-added services:						
Dedicated access services	102,049	13,541,980	33.9%	12,779,284	40.1%	6.0%
Dial-up access services	27,461	3,644,091	9.1	4,422,884	13.9	(17.6)
Value-added services:						
Internet datacenter services	16,650	2,209,412	5.5	1,236,524	3.9	78.7
Other value-added services	12,447	1,651,741	4.2	898,996	2.8	83.7
Total value-added services	29,097	3,861,153	9.7	2,135,520	6.7	80.8
Other	12,570	1,667,986	4.2	591,819	1.8	181.8
Total connectivity and value-added services	171,177	22,715,210	56.9	19,929,507	62.5	14.0
Systems integration revenues	108,179	14,355,325	36.0	10,555,675	33.1	36.0
Equipment sales	21,357	2,834,078	7.1	1,390,407	4.4	103.8
Total revenues	300,713	39,904,613	100.0	31,875,589	100.0	25.2
Costs and expenses:						
Cost of connectivity and value-added services	149,204	19,799,402	49.6	18,983,305	59.6	4.3
Cost of systems integration revenues	92,797	12,314,158	30.9	9,117,410	28.6	35.1
Cost of other equipment sales	19,142	2,540,089	6.4	1,288,530	4.0	97.1
Total costs	261,143	34,653,649	86.9	29,389,245	92.2	17.9
Sales and marketing	22,897	3,038,412	7.6	3,251,900	10.2	(6.6)
General and administrative	13,862	1,839,525	4.6	1,617,984	5.1	13.7
Research and development	2,407	319,370	0.8	286,850	0.9	11.3
Total costs and expenses	300,309	39,850,956	99.9	34,545,979	108.4	15.4
Operating income (loss)	404	53,657	0.1	(2,670,390)	(8.4)	(102.0)
Other income (expenses)	(7,107)	(943,142)	(2.3)	899,320	2.8	(204.9)
Loss before income tax expense (benefit)	(6,703)	(889,485)	(2.2)	(1,771,070)	(5.6)	(49.8)
Income tax expense (benefit)	8,282	1,099,035	2.8	(925,678)	(2.9)	(218.7)
Minority interests in consolidated subsidiaries	184	24,467	0.1	159,850	0.5	(84.7)
Equity in net loss of affiliated companies	(41,312)	(5,482,082)	(13.8)	(4,014,680)	(12.6)	36.6
Net loss	(56,113)	(7,446,135)	(18.7%)	(4,700,222)	(14.8%)	58.4%
Basic Net Loss Per Share		(331,234)		(209,085)		
Basic Net Loss Per ADS Equivalent		(165.62)		(104.54)		
Weighted Average Number of Shares		22,480		22,480		
Weighted Average Number of ADS Equivalents		44,960,000		44,960,000		

Note (1): The translations of Japanese yen amounts into US dollar amounts with respect to the year ended Mar 31, 2002 are included solely for the convenience of readers outside Japan and have been made at the rate of JPY 132.70 = \$1, the approximate rate of exchange on Mar 29, 2002.

INTERNET INITIATIVE JAPAN INC.
CONSOLIDATED BALANCE SHEETS

As of Mar 31, 2002, Mar 31, 2001 and Dec 31, 2001

(Expressed in Thousands of Japanese Yen (JPY) and U.S. Dollars (USD)) (1)

	Mar 31, 2002			Mar 31, 2001		Dec 31, 2001	
	USD (1)	JPY	%	JPY	%	JPY	%
ASSETS							
Current Assets:							
Cash	83,240	11,045,919	24.4%	13,570,707	26.8%	11,166,077	25.9%
Short-term investments	0	0	0.0	0	0.0	0	0.0
Accounts receivable, net	67,686	8,981,912	19.9	5,417,456	10.7	5,830,688	13.5
Inventories	4,675	620,409	1.4	245,520	0.5	228,063	0.5
Prepaid expenses	3,142	416,945	0.9	253,648	0.5	806,515	1.9
Other current assets	1,084	143,798	0.3	347,600	0.7	425,411	1.0
Total current assets	159,827	21,208,983	46.9	19,834,931	39.2	18,456,754	42.8
Investments in and Advances to Affiliated Companies	66,722	8,854,028	19.6	13,895,654	27.4	10,386,964	24.1
Other Investments	40,739	5,406,065	11.9	8,455,840	16.7	4,814,114	11.1
Property and Equipment, net	58,443	7,755,426	17.1	6,927,575	13.7	7,609,238	17.6
Guarantee Deposits	9,541	1,266,055	2.8	837,115	1.6	1,263,819	2.9
Other Assets	5,819	772,226	1.7	689,687	1.4	638,652	1.5
Total assets	341,091	45,262,783	100.0%	50,640,802	100.0%	43,169,541	100.0%
LIABILITIES AND SHAREHOLDERS' EQUITY							
Current Liabilities:							
Short-term borrowings	28,789	3,820,232	8.4%	5,620,000	11.1%	3,700,214	8.6%
Accounts payable	53,395	7,085,579	15.7	4,313,811	8.5	3,428,098	7.9
Accrued expenses	1,866	247,606	0.5	211,302	0.4	292,996	0.7
Other current liabilities	3,819	506,797	1.1	455,212	0.9	696,682	1.6
Long-term borrowings-current portion	10,550	1,400,000	3.1	0	0.0	1,200,000	2.8
Capital lease obligations-current portion	14,874	1,973,769	4.4	1,644,354	3.3	1,928,505	4.5
Total current liabilities	113,293	15,033,983	33.2	12,244,679	24.2	11,246,495	26.1
Long-term Borrowings	25,622	3,400,000	7.5	2,800,000	5.5	3,600,000	8.3
Convertible Notes	113,037	15,000,000	33.2	15,000,000	29.6	15,000,000	34.7
Capital Lease Obligations-Noncurrent	21,564	2,861,556	6.3	2,679,224	5.3	2,969,253	6.9
Accrued Retirement and Pension Costs	760	100,841	0.2	124,640	0.2	126,085	0.3
Other Noncurrent Liabilities	816	108,376	0.2	188,413	0.4	34,238	0.1
Total liabilities	275,092	36,504,756	80.6	33,036,956	65.2	32,976,071	76.4
Minority Interest	7,783	1,032,746	2.3	676,096	1.3	1,023,897	2.4
Shareholders' Equity:							
Common stock	53,371	7,082,336	15.7	7,082,336	14.0	7,082,336	16.4
Additional paid-in capital	128,623	17,068,353	37.7	17,068,353	33.7	17,068,353	39.5
Accumulated deficit	(137,215)	(18,208,469)	(40.2)	(10,762,334)	(21.2)	(16,541,800)	(38.3)
Accumulated other comprehensive income	13,437	1,783,061	3.9	3,539,395	7.0	1,560,684	3.6
Total shareholders' equity	58,216	7,725,281	17.1	16,927,750	33.5	9,169,573	21.2
Total liabilities and shareholders' equity	341,091	45,262,783	100.0%	50,640,802	100.0%	43,169,541	100.0%

Note (1): The translations of Japanese yen amounts into US dollar amounts with respect to Mar 31, 2002 are included solely for the convenience of readers outside Japan and have been made at the rate of JPY 132.70 = \$1, the approximate rate of exchange on Mar 29, 2002.

INTERNET INITIATIVE JAPAN INC.

Appendix 4

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Three Months Ended Mar 31, 2002, Mar 31, 2001 and Dec 31, 2001

(Expressed in Thousands of Japanese Yen (JPY) and U.S. Dollars (USD)) (1)

	Mar 31, 2002		Mar 31, 2001	Dec 31, 2001
	USD (1)	JPY	JPY	JPY
Operating Activities:				
Net loss	(12,560)	(1,666,669)	(1,352,905)	(1,029,829)
Depreciation and amortization	6,116	811,652	714,130	783,194
Equity in net loss of affiliated companies	12,409	1,646,603	1,179,050	1,217,755
Minority interests in consolidated subsidiaries	67	8,849	2,550	3,985
Foreign exchange losses (gains)	30	3,990	(411,981)	(379,315)
Write down of other investment	789	104,700	398,226	299,428
Decrease (increase) in accounts receivable	(23,993)	(3,183,806)	(1,449,025)	175,291
Increase (decrease) in accounts payable	27,855	3,696,329	(2,027,616)	(1,103,244)
Decrease (increase) in inventories	(3,006)	(398,876)	(75,756)	784,340
Deferred income tax	(1,097)	(145,560)	(113,444)	(159,611)
Other	1,619	214,793	291,165	(8,113)
Net cash provided by (used in) operating activities	8,229	1,092,005	(2,845,606)	583,881
Investing Activities:				
Purchase of property and equipment	(3,780)	(501,667)	(501,808)	(162,852)
Investments in and advances to affiliated companies	(182)	(24,123)	-	(17,497)
Purchase of other investments	(2,638)	(350,000)	(478,500)	-
Proceeds from redemption of short-term investments	-	-	3,136,244	-
(Payment) refund of guarantee deposits-net	(15)	(2,007)	(10,145)	(373,471)
Other	168	22,299	(107,347)	(7,718)
Net cash provided by (used in) investing activities	(6,447)	(855,498)	2,038,444	(561,538)
Financing Activities:				
Proceeds from long-term borrowings	-	-	400,000	-
Repayments of long-term borrowings	-	-	(90,000)	-
Principal payments under capital leases	(4,038)	(535,906)	(500,144)	(530,423)
Net increase (decrease) in short-term borrowings	904	120,018	(489,436)	(70,231)
Net cash used in financing activities	(3,134)	(415,888)	(679,580)	(600,654)
Effect of Exchange Rate Changes on Cash	447	59,223	454,633	332,421
Net Decrease in Cash	(905)	(120,158)	(1,032,109)	(245,890)
Cash, Beginning of Period	84,145	11,166,077	14,602,816	11,411,967
Cash, End of Period	83,240	11,045,919	13,570,707	11,166,077

Note (1): The translations of Japanese yen amounts into US dollar amounts with respect to the three months ended Mar 31, 2002 are included solely for the convenience of readers outside Japan and have been made at the rate of JPY132.70 = \$1, the approximate rate of exchange on Mar 29, 2002.

