

October 13,2009

Commencement of “Virtualization All in One Services (VAiOS)”
Over 40% TCO reduction, IT assets reduced to less than 50%

～Merging Japan’s first Virtualization Operation Center (VOC™) and one of the country’s top class data centers～

I-NET CORP. (hereinafter, “I-NET”) and virtualization business consultant VMnet Corp. (Headquarters: Tokyo; Representative Director and President: Hideki Tsumura; hereinafter, “VMnet”) have inaugurated Japan’s first “Virtualization Operation Center (trademark registration pending; hereinafter, “VOC™)”, which incorporates proxy operation functions for virtualization environments and PaaS (Platform as a Service) service functions jointly planned and developed by the two companies, in one of the country’s top class data centers completed by I-NET in June this year.

I-NET and VMnet will commence provision of “Virtualization All in One Services (hereinafter, “VAiOS)”, which offers a one-stop service for all virtualization systems design, construction, operation and monitoring, and private cloud services, with VOC™ as the core, on October 20, 2009.

[Virtualization Operation Center (VOC™) inauguration background]

Since the financial crisis of the previous year, there have been radical changes in administrative environments surrounding business administration and the reduction of costs related to investment in business expansion, equipment, employment and IT, etc, has become a priority issue. In addition, with regards to corporate IT utilization, the wave of structural change, which occurs maybe once every few decades, has seen the advent of “cloud services” and “cloud sourcing”, which enable the virtualization and visualization of IT resources and applications, etc, and utilize consolidated and simplified external IT environments to realize even more dramatic reductions in operational costs while allowing freedom of use via networks, and in correlation with the changes in administrative environments, there are great expectations for increased utilization.

However, while there has been a sudden expansion in virtualization construction needs, the installation of virtualization in Japan is concentrated on large corporations, and in many cases, TCO reduction effect is limited to the initial installation cost reduction derived from server integration. In addition, many leading medium sized enterprises/small and medium businesses are becoming unable to keep up with the intensity of technological innovation in IT technologies, and “digital divides” are now business scale divides as well as regional divides.

At the same time, there are still many issues that need to be overcome, by both large and medium sized businesses, after virtualization environments have been constructed, such as insufficient numbers of virtualization operation engineers and insufficient equipment in operational environments such as data centers, as well as operational optimization, development environment improvement, extension of application lifecycles, response to BCP needs, etc.

Under these circumstances, I-NET, who now possesses a next generation data center suitable for virtualization, preempted these needs and commenced training of virtualization engineers as well as the accumulation of virtualization operation know-how in earnest last year.

In addition, instead of having one client company bear the burden of virtualization operation, VMnet pressed ahead with the “VOC™ Service” project that would provide a solution to this situation by enabling multiple clients to share the superior virtualization operation know-how of data center businesses.

Consequently, the two companies reached an accord concerning the joint development and dissemination of these services, and determined to continue forward as a joint business project.

[Virtualization Operation Center (VOC™) service overview]

1. Proxy operation support for virtual environments

Based on the standard virtualization operation specifications manual created by I-NET as a VMware Authorized Consultant (VAC) partner of VMware K.K., with the cooperation of VMware K.K. Technical Account Manager (TAM), VOC™ offers high-level and technologically supported proxy virtualization operation services within I-NET's data center and as a remote environment.

With the expansion of virtual environments, a company must make huge investments in money and time in order to train operations managers from square one and create operational specifications in house. In response to such problems, multiple clients are able to share VOC™ services so that the various merits of virtualization can be utilized easily and at low prices.

In addition, VOC™ is not limited to clients within the Tokyo metropolitan areas and is able to provide services such as proxy virtualization operation and virtualization remote replication to data center businesses, corporate users and service providers throughout Japan that have constructed virtualization foundations using VMware products, through network connections.

I-NET and VMnet are jointly aiming toward the establishment of I-NET's data center as the core facility of a nationwide virtualization franchise.

2. Provision of identical environments along with SLA through PaaS

= Client system coordination type cloud service (Easy Cloud Service)

With the operational support and proxy services of the high level virtualization systems of VOC™, I-NET is able to provide PaaS type clone environments with identical specifications to those of virtual servers installed in the data center by clients, in order to efficiently maintain and manage virtualization systems that clients have outsourced to the data center.

Cloud computing has conventionally been outsourced to the vendor side, and the reality is that in many cases, “black box type” services where subsequent maintenance and operation depends on the vendor side, are the norm. Consequently, the inability of the “Service Level”, which guaranteed the systems environment needed for systems maintenance and modification (hardware resources, software environments, etc.), to accommodate the system requirements of the outsourcing client, became an inhibitory factor working against the dissemination of cloud computing.

I-NET’s VOC™ guarantees specifications and service levels identical to the client’s in-house systems by deploying environments identical to the client asset virtual servers installed in the data center, in the PaaS = cloud area within the same center.

Utilizing VAIOS allows clients to possess high level virtualization systems as owned assets while streamlining troublesome verification processes associated with partial changes in applications, etc, such as short-term tests/verification, relevant preparations and operating environment verification, etc. This secure private cloud computing environment, which has not been realized with public cloud systems, can be utilized at low cost.

[Virtualization All in One Services (VAIOS) overview]

Centering on VOC™ services, the “Virtualization All in One Service (VAIOS)” is not limited to virtualization construction, and offers total services ranging from systems construction to the provision of continuous and stable IT environments. Such services include “virtualization installation consultation”, “understanding current status (capacity planning)”, “virtualization system design/construction”, “P2V (Physical → Virtualization environment transfer)”, “application operation verification”, “support for operational specifications creation or proxy operation”, “on-site/off-site operational status management”, “SaaS, PaaS, HaaS services”, and “cloud coordination system construction/operation”, etc.

In comparison to clients’ own centers and other data centers, the use of I-NET’s data center allows clients to realize even greater streamlining of virtualization systems. This, along with the high level operational services provided by VCP’s (VMware accredited engineers), enables the provision of high quality services while making over 40% comparative reductions in TCO possible. In addition, while the use of VAIOS allows clients to possess high level virtualization systems as owned assets, the shared use of I-NET’s PaaS for short-term purposes, etc, allows clients to utilize a full-fledged private cloud computing environment that will optimize IT assets.

[Virtualization All in One Services (VAiOS) menu]

1. Virtualization design/construction service

Clarifies objectives and defines requirements leading to the installation of virtualization. At the same time, an assessment of existing systems is conducted, and a report on integration rate and ROI appraisal is created.

(1) Definition of requirements/understanding current status/basic design

- i Planning of standardization through virtualization projects
- ii Sizing through capacity planning
- iii Design that will allow the realization of multiple virtualization merits

(2) Virtualization foundation construction

- i P2V service using VMware Converter
- ii Application operation verification support service
- iii Test operation/construction/deployment

2. Virtualization operation consulting service

- (1) Virtualization basic operation
- (2) Resource management/tuning
- (3) Availability
- (4) Virtual desktop
- (5) Virtualization DR

*FalconStor Software products will be used for virtualization DR.

3. Virtualization operation proxy service

In order to conduct virtualization operations in-house, sizeable budgets and investment in human resources are essential for the training and educational timeframes of engineers. VOC™ offers proxy services that cover these points.

(1) Virtualization Operation Center service (VOC™ service)

- i Virtual machine creation, structural modification
- ii Virtual environment monitoring
- iii Schedule setting
- iv Resource monitoring
- v Updating
- vi HA management (VMware HA)
- vii Backup (VCB based) Other

(2) PaaS coordination type cloud service (Easy Cloud Service – Business patent pending)

- i Housing – ROI consulting for PaaS
- ii Owned assets – Integrated management through coordination with PaaS, standard or custom settings compliant SaaS

[Virtualization All in One Services (VAiOS) merits]

Provision of inexpensive high quality total virtualization services

1. Realization of shortened return on investment terms through optimum installation plans

- (1) Integration impact assessment through capacity planning
- (2) Design that can realize reductions in both initial installation costs and operation/maintenance costs.
- (3) IT foundation that can realize even more merits of virtualization through multiple steps.

2. Reduced operational load through the world's first VOC™ service

- (1) Enables provision of high level virtualization operation support/proxy services by accredited virtualization engineers.
- (2) Reduction in operational costs through centralized management via remote or data center housed environments.
- (3) Easy realization of internal cloud computing environments through coordination with PaaS areas within the data center.

[Effects]

- More than 40% comparative reductions in TCO
- Possibility of increasing ability to inhibit operational costs by more than 5 times
- Over 50% reduction in owned assets through parallel use of cloud services
- Reductions in IT device reconfiguration, operation/maintenance costs
- Substantial reductions in running costs such as electricity costs
- Shortened term leading up to commencement of server use
- Improved user friendliness allowing usage only as required
- Improved availability/reliability through HA and FT, etc.
- Improved security levels

[Virtualization All in One Services (VAiOS) background]

In order to realize VAiOS, I-NET and VMnet train and develop the various necessary engineers and, as an alliance partnership with VMware K.K., are proactively engaged in the following activities.

- Further training and development of VMware accredited engineers in order to achieve maximum effective utilization of the high level virtualization technologies of VMware K.K.
- Concentrating on activities pertinent to VMware K.K.'s council for cloud service providers as one of the 15 full members.
- Promotion of client acquisition activities as a VMware K.K. accredited VIP enterprise partner.
- Acquisition of VAC (VMware Authorized Consultant) partner status and conclusion of a TAM (Technical Account Manager) program contract, a professional VMware service, with VMware K.K.

Henceforth, with I-NET's data center as a base, I-NET and VMnet aim to progressively enhance virtualization services and the cloud services menu, as well as the alliance partnership.

(Reference data)

Features of the 2nd Data Center

1. Location affords enhanced convenience and safety for the metropolitan area

The 2nd Data Center has recently been constructed on solid ground with minimal risk of either flooding or liquefaction. Mindful of the region's constant natural risks, it is sited some 9 km inland at an altitude of 48 m above sea level, yet is about 37 km from the urban center. Although it is located in the Tokyo suburbs, it has convenient access to the city center, and the center can be visited in the event of a disaster.

2. Facility incorporates the most rigorous safety measures in the country

The building incorporates a seismic isolation system (a quake-absorbing structure) using the hybrid TASS construction method, and power supplies and air-conditioning systems, etc. based on redundant configurations are provided to support disaster recovery and business continuity plans (BCP). A 2-system power receiver is used for the extra high voltage of 66,000 V, the power generator can operate continuously for 48 hours even in the event of a power cut, and – in the event of a disaster – operations can still continue beyond that thanks to an automatic fuel supply system.

3. State-of-the-art security system

In order to ensure security at the data center, access is controlled by non-contact IC cards, passwords and biometric technology (iris verification), while entry and exit to/from rooms is controlled through a combination of flapper gates and mantraps. A rigid security system has also been established by monitoring and storing images using a cutting-edge ITV camera.

4. Environment-friendly ecological data center

An airflow design has been adopted using advanced thermal analysis technology and a cutting-edge VR system – “Hybrid Vision” – to simulate a warmer environment.

Ensuring a 77-cm free access height and five-meter story height, a more efficient air-conditioning system has been designed by adopting flat ceiling slabs, reducing electricity consumption using an energy monitoring system, and supporting ecological IT, such as reducing the load imposed on facilities and equipment, etc. by collecting waste heat using a total heat exchange ventilation strategy.

The 2nd Data Center was assessed as “A rank” under the Comprehensive Assessment System for Building Environmental Efficiency (CASBEE Yokohama).

5. Open carrier network

Open carrier network - Nodes are set up for a number of carriers for quick access to users' networks, enabling speeds of 10G or more with large volume communication from the introduction stage.

*Dedicated site for the 2nd Data Center <http://www.inet-datacenter.jp/english/index.html>

* Company and product names printed in this press release are the trademarks and proprietary product names of their respective companies.

I-NET CORP. Overview

Trade name	I-NET CORP.
Headquarters	23F,Mitsubishijko Yokohama Bldg.,3-3-1 Minatomirai,Nishi-Ku Yokohama 220-8401,Japan
Phone#	+81-(0)45-682-0800(main)
Founded	April 22,1971
Listing	Tokyo Stock Exchange 1st Section of the Tokyo Stock Exchange(code:9600)
Business operations	Data processing service Software development
Net sales	¥25,385million(FY2008:consolidated)
Capital	¥3,203million(as of March 31,2009)
Employees	Non-consolidated 1,053,consolidated 1,712(as of April 1,2009)
Qualifications	Ministry of Health, Labour and Welfare Filed notice of Specified Workers Dispatching Undertaking
	Ministry of Economy, Trade and Industry Authorized as System integrator
	Ministry of Internal Affairs and Communications Notifying telecommunications Carrier
	JIPDEC Permitted for the Use of Privacy Marks
	JQA Acquired the certification of ISO 9001:2000 Acquired the certification of ISO14001 Acquired the certification of ISO/IEC27001
Web site	http://www.inet.co.jp/english/index.html

VMnet Corp. Overview

Trade name	VMnet Corp.
Headquarters	8F,Shinjyuku Kasen Bldg.,3-1-5 Nishishinjyuku,Shinjyuku-Ku 160-0023,Japan
Phone#	+81-(0)3-3349-0720(main)
Founded	April 10,2009
Business operations	Business Consultation
Capital	¥8million(as of October 1, 2009)
Web site	http://www.vmnet.co.jp (Under construction)