



Dear: Industry Players

March, 2012

Who interest in Japanese High Tech Market

Market Update in Japan

Virtualization will wipe out current appliances in the network

Growth of Cloud market meant growth of virtualization that drive replacement of current hardware components with set of software. Network+Power of CPU drive and produce remote computing environment which place computer from your side. Once computer is placed behind your network, it may be anywhere on network but you never minded where it is.

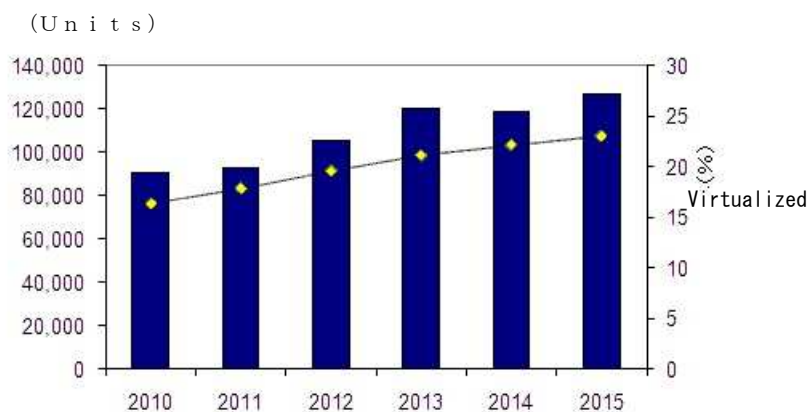
Virtual computing allows people to use only power of computing whenever he need and how much he need. It is just like On-demand computing to respond your time to time requirement.

This is the sole of Cloud Computing and Virtualization and it silently takes place behind network without telling anything to users.

Market volume is little growth but number of users will increase

About 1/4 of Network computer will support virtual environment in 2015, said IDC Japan, and we analyzed and estimated that more computing power is provided to cover more than 1/4 of network users by virtual environment.

Virtual Server Shipment



Source IDC Japan

This meant physical server shipments looks slower down, but computing power is provided to make available more servers by virtualization.

This is 1st phase of Tsunami to wipe out number of physical servers, and 2nd wave is coming to network appliances, such as Switches, Routers and Balancers.



Phase II Consulting

Player must be changed because everything will be done by software

In a next few years, virtualization must be expanding to physical networking area and replacing current physical compartments such as Cabling, Switches, Routers, Firewalls and Balancers those are connecting to Servers.

This is the revolution that most of network configuration is done from console, and no need physical setting up nor deployment of equipment.

OpenFlow is one of technology to open the door of virtual networking, and we expect more technologies are coming to drive network virtualization.

Of course this causes dramatic changes in market players and makes serious impact on current appliance vendors.

Current leading player in network appliance, such as Cisco or F5, must face problem on their future against network virtualizations, because of core of virtualization is based on Open and Free license software that can make solution with 1/10 of cost

Not only technologies, but also cost of virtualization must kill their business base, unless move to niche high-end segments or other new market.

Now Cloud changes the game rule again.

We expect to emerge more Software solutions are coming in Cloud market and will start new battle in virtual networking area.

About us

Phase 2 Consulting Ltd. (Ph2) is specialized on high tech IT business in Japan and Asia. Ph2 offers unique service for clients not only for provide analytical information, Strategy and Implementation plan, but also execute Plan till mission is completed. Ph2 initiate project as “Free of Charge” until certain view becomes on visible for client.

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