

EQUINIX **RECEIVES THE 2023** COMPANY OF THE YEAR AWARD

*Identified as best in class in the
Japan data center services industry*



Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. Equinix excels in many of the criteria in the data center services space.

AWARD CRITERIA	
<i>Visionary Innovation & Performance</i>	<i>Customer Impact</i>
Addressing Unmet Needs	Price/Performance Value
Visionary Scenarios Through Mega Trends	Customer Purchase Experience
Implementation of Best Practices	Customer Ownership Experience
Leadership Focus	Customer Service Experience
Financial Performance	Brand Equity

The Growing Digital Transformation Driving the Datacenter Market in Japan

The data center market is experiencing significant growth due to increased demand for data storage and processing capabilities. Enterprises opt for best-in-class digital infrastructure, making colocation providers popular. With a surge in demand for computing and processing requirements, colocation providers expand their operations to ensure the ability to address the need with best-in-class data center services. Besides the scale and infrastructure quality, sustainability and energy efficiency are vital focus areas in new data center investments.

Japan heavily supports the digitalization of local governments, utilization of digital technologies for economic revitalization, and development of local digital infrastructures such as optical fibers and 5G base stations. Japan is also committed to achieving net-zero targets and addressing climate change by 2050. At the same time, the demand for data center services continues to surge. Data centers can reduce carbon emissions and contribute to a more sustainable future by implementing energy-efficient practices, harnessing renewable energy sources, and optimizing infrastructure. Within this framework, Equinix uniquely leverages its expertise and services to meet the industry’s sustainability and capability needs, positioning itself to capitalize on new growth opportunities and cementing its leadership.

Equinix: An Industry Leader

Founded in Silicon Valley in 1998, Equinix is a global leader in digital infrastructure solutions with a strong presence in Japan, showcased by its expansive network of 15 data centers in Japan. These data centers offer an impressive colocation area exceeding 652,000 square feet, which provides organizations ample space to deploy their infrastructure.¹ The company's Japan data centers form a digital operations bedrock, offering businesses a reliable and robust foundation to thrive in the digital age.

Equinix empowers digital organizations with cutting-edge facilities that seamlessly interconnect and integrate their essential infrastructure components with unparalleled agility. By harnessing these data centers' capabilities, organizations also gain access to strategic locations, valuable partnerships, and scalable operations, rapidly launching digital services, all executed sustainably.

Accelerating Digital Transformation through Unparalleled Digital Services

Equinix's vision centers on solidifying its position as the world's leading digital infrastructure company. One of the key strategies to achieve this ambitious goal is establishing close partnerships with major cloud providers. In this area, the company made significant progress, with seven metros (facilities grouped geographically that share capacity and networking features)—Washington D.C., Frankfurt, London,

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- Manuel Albornoz
Best Practices Research Analyst

Singapore, Silicon Valley, Sydney, and Tokyo—currently offering all six on-ramps for major cloud providers such as Amazon Web Services, Azure, Google, IBM, Alibaba, and Oracle.² This extensive network of on-ramps ensures seamless connectivity and enhanced performance across multiple regions.

In Japan, the company's six on-ramps offering in Tokyo strengthen its position as the preferred choice for cloud connectivity, enabling businesses to leverage the full potential of cloud services. With a solid reputation in the

country, Equinix's robust services meet the evolving needs of businesses in the digital landscape. Leveraging a comprehensive strategy to accelerate digital services, the company successfully delivers the following solutions:

Equinix Fabric™: This service enables secure and software-defined interconnection, allowing businesses to connect their digital infrastructure and services on demand. Moreover, organizations can scale hybrid deployments and achieve network agility. The solution is accessible in key cities, including Osaka and Tokyo.³

¹ Frost & Sullivan Interview with Equinix (Frost & Sullivan, May 2023)

² "Metros" (Equinix website: <https://deploy.equinix.com/developers/docs/metal/locations/metros/#metros-quick-reference>)

³ "Available providers on Equinix Fabric™" (Equinix website: <https://www.equinix.com/products/digital-infrastructure-services/equinix-fabric/provider-availability>)

Equinix Metal™: This automated bare metal solution enhances application performance and turbocharges networks. It is available in Tokyo and the company has also expanded this Metal offering to Osaka, empowering regional businesses.⁴

Equinix Precision Time™: The solution ensures accurate, secure, and reliable time synchronization for enterprise applications connected to Equinix Fabric. Equinix deploys time servers in Tokyo to ensure precise time synchronization across its Fabric metros.⁵

Network Edge: The company's Network Edge delivers streamlined network solutions that optimize performance and seamlessly integrate with multi-cloud environments. It is available in prominent cities like Tokyo and Equinix has launched Network Edge in Osaka in 2022, enabling more businesses to leverage the benefits of virtual networking.⁶

Forging Ahead: Equinix's Exemplary Leadership and Strategic Partnerships

By cultivating a diverse and capable leadership team, Equinix effectively guides itself toward its goals. The company's board of directors gathers expertise in technology services, internet infrastructure, cloud, networking, telecommunications, enterprise perspective, real estate investment trusts, global real estate, accounting/finance, private equity, and capital markets.

Equinix is fortifying its position in Japan through a formidable offering and strategic alliances. It effectively establishes a distinct advantage by prioritizing impactful initiatives and cultivating partnerships that align with market needs:

Kyndryl Japan⁷: The company collaborates with Kyndryl Japan, one of the world's largest information technology (IT) infrastructure services providers, utilizing the esteemed Kyndryl Cloud Hub to cater to diverse industries in Tokyo and Osaka. This effort allows Equinix to provide comprehensive solutions and unparalleled support to its regional customers.

NetApp and NVIDIA⁸: In 2022, NetApp, NVIDIA (the computing and artificial intelligence [AI] pioneer), and Equinix hosted a customer roundtable in Tokyo to showcase Platform Equinix's readiness for AI applications. This event exemplifies the company's dedication to staying ahead of the curve. It showcases the company's readiness to support AI-driven initiatives effectively.

Moreover, NetApp and Equinix launched NetApp Managed Storage for Keystone, a specialized service bringing NetApp Keystone's pay-as-you-go data storage to Platform Equinix. This partnership addresses the rising demand for data sharing and multi-cloud computing, supporting sustainable digital transformation.

⁴ "Get to know our network" (Equinix website: <https://deploy.equinix.com/locations/>).

⁵ "Timing Sources, Availability, Security, and Resiliency" (Equinix website: <https://docs.equinix.com/en-us/Content/Edge-Services/EPT/EPT-faq.htm>).

⁶ Frost & Sullivan Interview with Equinix (Frost & Sullivan, May 2023)

⁷ "Equinix and Kindryl Launch Strategic Digital Infrastructure collaboration" (Equinix website: <https://www.kyndryl.com/ip/ja/about-us/news/2021/12/kyndryl-and-equinix-expand-partnership-in-japan>)

⁸ Frost & Sullivan Interview with Equinix (Frost & Sullivan, May 2023)

It combines Equinix's Equinix Fabric™ with NetApp Keystone to create a leading hybrid cloud-shared storage solution on Platform Equinix.⁹

Hitachi Japan¹⁰: Hitachi's Lumada Alliance Program welcomed Equinix in April 2023 to continue the quest for addressing social issues through digital solutions. Equinix will support Hitachi in delivering sustainable hybrid cloud solutions globally, leveraging Platform Equinix and Hitachi's EverFlex storage solutions.

Customer Service Excellence: Secure and Enabling Innovations like Quantum Computing

The company goes to great lengths to deeply comprehend and meet unique customer needs, providing tailored solutions that deliver exceptional results. For example, it effectively addressed a critical challenge faced by Kansai Airports, the operator of Kansai International Airport and Osaka International Airport.

Equinix enabled efficient aggregation and centralization of airport operations information by establishing direct connectivity to the Amadeus airport operational database system. By leveraging Equinix international business exchange (IBX) data centers and the software-defined interconnection service provided through Equinix Fabric, the team was able to establish cost-effective network connections. This solution offered the Kansai airports the necessary infrastructure and connectivity to the Amadeus Airport Operational Database (AODB). The company achieved full implementation within two months, resulting in significant cost savings compared to alternative service providers.¹¹

"Through the implementation of Equinix Fabric, we achieved a secure interconnection with the overseas Airport Operational Database while greatly reducing costs."

- Hideyuki Moriike – AODB Project Manager – IT Department.

Equinix has also conducted several successful projects in Japan that testify to its capabilities and contributions in the region:

Oxford Quantum Circuits (OQC)¹²: Equinix partnered with OQC, a leading quantum computing company, to deliver a powerful quantum computing solution worldwide via Equinix's TY11 Tokyo IBX. Equinix Fabric enhances connectivity for enterprises like OQC, helping businesses around the world to explore quantum computing's potential. This technology can revolutionize business problem-solving, and Equinix is proud to offer secure, high-bandwidth access. Including OQC's quantum computer in Equinix's interconnection ecosystem underscores the company's commitment to innovation, aiming to address critical global digital challenges for organizations.

⁹ "Equinix and NetApp launch Managed Storage for Keystone" (<https://www.equinix.co.jp/newsroom/press-releases/2022/07/-managed-storage-for-keystone->)

¹⁰ "Equinix and Hitachi Strengthen Collaboration" (Equinix press release, April 2023)

¹¹ "Kansai Airports powers digital transformation with Platform Equinix" (Equinix website: <https://www.equinix.com/resources/case-studies/kansai-airport>)

¹² "Oxford Quantum Circuits Installing Quantum Computer in Equinix IBX® Data Center With Plans To Open Access to Businesses Globally" (Equinix website: <https://www.equinix.com/newsroom/press-releases/2023/03/oxford-quantum-circuits-installing-quantum-computer-in-equinix-ibx-data-center-with-plans-to-open-access-to-businesses-globally>)

Sumitomo Life¹³: Platform Equinix, enabling multi-cloud connectivity, empowers Sumitomo Life (a mutual life insurance company) with advanced connectivity options and facilitates the seamless transition of the customer’s on-premises IT systems to the cloud.

These real-life examples of customer success highlight Equinix’s capability to provide innovative and efficient solutions that contribute to business growth and elevate customer experiences.

A Foot in the Present and an Eye on the Future with a sustainability focus

Equinix places customer value, sustainability focus, and inclusivity at the core of its company culture. Sustainability and environmental, social, and governance (ESG) practices are paramount for the company, particularly in Japan. For instance, Equinix’s IBX Japan data centers have achieved its long-term goal of 100% clean and renewable energy.¹⁴ The facilities also incorporate a range of green functionalities, including motion-activated LED lights, high-temperature chilled water set points, data center infrastructure management systems, adaptive control systems, and cold/hot aisle containment.

The company actively fosters inclusivity and diversity within the local Japanese community, organizing events like PrideConnect 2022 (encompassing regional Pride Week) and “happy hours” to celebrate diversity. During the event, it invited an external transgender activist to share his valuable insights, promoting understanding and acceptance. Equinix was also awarded the Pride Index 2022 Gold in Japan.

Strong growth momentum: These expansions covered two key portfolios from Equinix. Firstly, they enabled xScale to exclusively serve a limited set of hyperscalers (the data centers with the suffix “x”). Secondly, their retail IBX.¹⁵ In Tokyo, with three xScale sites established, Equinix collectively provides a total capacity of 90 megawatts (MW), representing a significant investment of US\$1,030 million. The TY12x facility and its phase 2 expansion opened in 2021, contributing 8MW (US\$128 million) and 10MW

“The company’s ambitious data center expansion plans add to its exceptional growth momentum and trajectory. Equinix’s customer-centric approach, revolutionary services, and extraordinary operational strategies earn its clients’ trust and loyalty, enabling it to capture more market share.”

- Nischal Khorana
Vice President and Global Program
Leader: ICT

(US\$40 million), respectively. Equinix has launched the TY13x phase 1 facility in 2023, which offers a capacity of 8MW (US\$34 million). In 2022, Equinix launched the TY11 phase 3 expansion, investing \$30 million and providing space for 900 cabinets.

In Osaka, the company also established three sites, with a total of 48MW and an investment of US\$630 million. The OS2x facility commenced operations in 2021, providing 14MW (US\$156 million), while its phase 2 expansion (completed in 2022) added 5 MW (US\$26 million). Following this milestone, the company started operations for the OS3 phase 2 in 2022, involving an \$18 million investment and accommodating 400 cabinets.¹⁶

¹³ “Platform Equinix” (Equinix press release, August 2022)

¹⁴ Frost & Sullivan Interview with Equinix (Frost & Sullivan, May 2023)

¹⁵ “Q2 2023 Earnings Conference Call” (Provided by Equinix)

¹⁶ Ibid

Looking ahead, Equinix is expected to finish the TY11 phase 4 in 2023, including a capital expenditure of \$55 million and providing capacity for 675 cabinets. The OS3 phase 3 will launch in 2024 with a capital expenditure of \$20 million, offering 600 cabinets. The TY15 facility will provide 1,200 cabinets with a capital expenditure of \$115 million in the same year.¹⁷

Equinix has demonstrated a high focus on the Japanese market with continued investments in key locations in the country. Further, a go-to-market approach backed by ecosystem partnerships has enabled the data center service provider to strengthen its market positioning and win strategic customers.

Conclusion

The high demand for data storage and processing capabilities combined with a focus on sustainability goals is shaping the data center industry. In Japan, the service provider focus areas include supporting digital transformation, achieving net-zero goals, and promoting renewable energy adoption to tackle climate change. As a key player in the industry, Equinix leverages strategic partnerships to strengthen its leadership position. By collaborating with industry leaders, it brings forth cutting-edge solutions that effectively meet the market's demands.

Overall, Equinix addresses these unmet needs with a strong leadership focus that incorporates customer-centric strategies and exemplifies best practice implementation. The company's ambitious expansion plans in the data center industry reflect its impressive growth trajectory and commitment to customer satisfaction. With its customer-centric approach, innovative services, and effective operational strategies, Equinix has gained the trust and loyalty of its clients, allowing it to strengthen its presence and its robust ecosystem. In addition, Equinix partnered with OQC, a leading quantum computing company, to provide a global quantum computing solution via TY11 Tokyo IBX. Equinix Fabric boosts connectivity for enterprises like OQC, unlocking quantum computing's potential. This collaboration underscores Equinix's commitment to innovation in addressing global digital challenges.

Furthermore, sustainability and inclusivity combine with the company's expertise in solving customer-specific challenges. Equinix deeply comprehends and meets the unique needs of its customers, as demonstrated by its many customer success stories. The company remains a trusted partner, gaining a reputation for offering the best in the industry. With its strong overall performance, Equinix earns Frost & Sullivan's 2023 Japan Company of the Year Award in the data center services industry.

¹⁷ Ibid

What You Need to Know about the Company of the Year Recognition

Frost & Sullivan's Company of the Year Award is its top honor and recognizes the market participant that exemplifies visionary innovation, market-leading performance, and unmatched customer care.

Best Practices Award Analysis

For the Company of the Year Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Visionary Innovation & Performance

Addressing Unmet Needs: Customers' unmet or under-served needs are unearthed and addressed by a robust solution development process

Visionary Scenarios Through Mega Trends:

Long-range, macro-level scenarios are incorporated into the innovation strategy through the use of Mega Trends, thereby enabling first-to-market solutions and new growth opportunities

Leadership Focus: Company focuses on building a leadership position in core markets and on creating stiff barriers to entry for new competitors

Best Practices Implementation: Best-in-class implementation is characterized by processes, tools, or activities that generate a consistent and repeatable level of success

Financial Performance: Strong overall business performance is achieved in terms of revenue, revenue growth, operating margin, and other key financial metrics

Customer Impact

Price/Performance Value: Products or services provide the best value for the price compared to similar market offerings

Customer Purchase Experience: Quality of the purchase experience assures customers that they are buying the optimal solution for addressing their unique needs and constraints

Customer Ownership Experience: Customers proudly own the company's product or service and have a positive experience throughout the life of the product or service

Customer Service Experience: Customer service is accessible, fast, stress-free, and high quality

Brand Equity: Customers perceive the brand positively and exhibit high brand loyalty

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- **Growth Pipeline:** Continuous Flow of Growth Opportunities
- **Growth Strategies:** Proven Best Practices
- **Innovation Culture:** Optimized Customer Experience
- **ROI & Margin:** Implementation Excellence
- **Transformational Growth:** Industry Leadership



The Innovation Generator™

Our 6 analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.

Analytical Perspectives:

- **Mega Trend (MT)**
- **Business Model (BM)**
- **Technology (TE)**
- **Industries (IN)**
- **Customer (CU)**
- **Geographies (GE)**

