

BI-WEEKLY

NEWSLETTER

WWW.RSI-KK.COM

info@rsi-kk.com

(Tel.) 03-6672-6330 (Fax) 03-6388-9283

AZ Omori Building 5th Floor 6-19-8 Minami Ooi,
Shinagawa-ku, Tokyo 140-0013 (Japan)

RSI

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Global News, financial analyses, data center related laws & regulations and further latest updates about technologies transforming the data center industry.

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More than 40% of Japanese companies have no plan to make use of AI

A Reuters survey reveals that while over 40% of Japanese companies have no plans to adopt AI, about a quarter have already done so and another 35% plan to. The main drivers for AI adoption are to address labor shortages, reduce costs, and accelerate R&D. However, concerns about job losses, lack of expertise, high costs, and reliability are significant barriers. Cybersecurity is also a concern, with 15% of companies having experienced cyberattacks. Despite these challenges, there's a growing trend towards AI adoption in Japan, although it still lags behind China and the U.S., especially in personal use of generative AI. As Japan's population continues to age, AI is seen as a crucial tool for maintaining productivity in key sectors like manufacturing and healthcare. Additionally, government-led initiatives are expected to further encourage AI integration across industries.

Google emissions jump 48% in five years due to AI data center boom

Google's greenhouse gas emissions surged 48 percent in the past five years due to expanding data centers supporting artificial intelligence. Despite efforts to use renewable energy and explore solutions like renewable diesel, achieving the goal of "net zero" emissions by 2030 remains challenging. Water usage has also increased as AI products expand, impacting the company's environmental footprint. Critics argue that the company's growing reliance on energy-intensive data centers could undermine its sustainability initiatives.

Source: gstatic.com & Datacenterdynamic, July 26th, 2024

Source: Reuters July 18th, 2024

01/05

Enterprise spending on cloud computing reaches \$79bn for Q2 2024, says Synergy Research

In Q2 2024, enterprise spending on cloud computing surged to \$79 billion, marking a 22% year-on-year increase and the third consecutive quarter of 20%+ growth. The market continues to be dominated by Amazon Web Services (32% market share), Microsoft (23%), and Google (12%). The Asia-Pacific region experienced the highest growth at 25%, while in Europe, the UK and Germany led in size, with Ireland, Italy, and Spain showing the fastest growth rates. Among tier-two providers, Oracle's notable growth has positioned it alongside Salesforce as the fifth largest cloud provider.

Source : [Synergy Research Group](#), August 1st, 2024

STT GDC Invests \$3.2 Billion in Digital India

ST Telemedia Global Data Centres has announced a \$3.2 billion investment to expand its data center capacity in India by 550MW, nearly tripling its IT load capacity within the next 5-6 years. This strategic move underscores STT GDC's confidence in India's digital economy, driven by increasing data consumption, cloud computing, and AI adoption. Currently holding about 28% market share by revenue, STT GDC India operates 28 data centers across 10 cities, serving around 1,000 enterprise customers, including Fortune 500 companies. As STT GDC celebrates its 10th anniversary, this expansion aligns with Prime Minister Modi's vision for Digital India, contributing to the country's goal of a \$1 trillion digital economy by 2027.

Source : [STT GDC](#), September 6th, 2024

Tokyo residents seek to block building of massive data centre

Tokyo residents are opposing the construction of a massive data center due to environmental concerns and potential impact on the local community. The center, planned by Singaporean developer GLP, has raised worries about wildlife, pollution, and increased electricity usage.

The residents have petitioned for an audit of the urban planning process that approved GLP's 3.63-million-megawatt data center, which could emit approximately 1.8 million tons of carbon dioxide annually. The project is scheduled to start in February, aiming for completion by early 2029. Despite Japan's growing data center market, local opposition remains strong.

Source: [Arabnews Japan](#), July 10th, 2024

Fujitsu signs agreement with ANU for quantum research center and 256-qubit system

Fujitsu and the Australian National University (ANU) have signed a memorandum of understanding (MoU) to establish a world-class quantum research center in Canberra. The collaboration aims to drive local innovation and talent development by providing access to cutting-edge quantum technologies. As part of this initiative, Fujitsu will offer ANU researchers access to its quantum systems and simulators in Japan. Additionally, Fujitsu plans to release a 256-qubit quantum computer in March 2025 and a quantum computer with up to 1000 qubits in fiscal year 2026. ANU's ongoing access to these advanced quantum technologies will enable research in fields such as cryptography, material science, and quantum simulations.

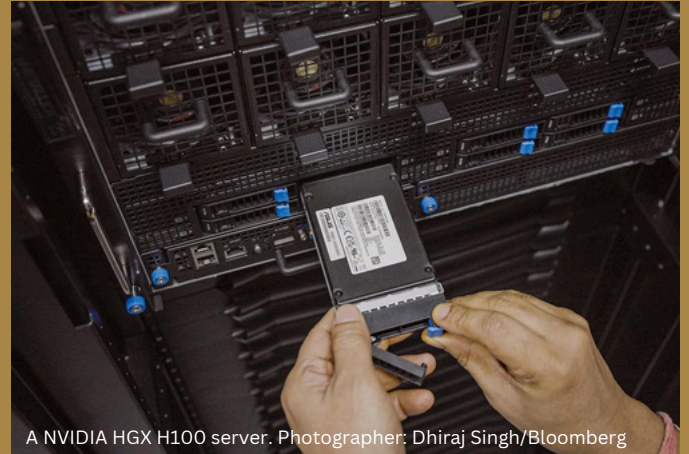
Source: [Fujitsu](#), July 04th, 2024

NVIDIA AI Chip Supply Is a 'Huge Bottleneck,' EU's Vestager Warns

European Union competition chief Margrethe Vestager has raised concerns about a "huge bottleneck" in NVIDIA Corp.'s supply of AI chips. While regulators are still evaluating their response, the surge in demand for NVIDIA's graphics processing units (GPUs) has made them a hot commodity in the tech world. These GPUs are prized by data center operators for their ability to process vast amounts of information needed for AI models. Despite the supply squeeze, Vestager suggests that secondary markets could foster innovation and fair competition. However, dominant companies

like NVIDIA may face restrictions on their behavior in the future.

Source: [Bloomberg](#), July 05th, 2024



A NVIDIA HGX H100 server. Photographer: Dhiraj Singh/Bloomberg

Oracle-backed chipmaker Ampere explores potential sale

Ampere Computing, a semiconductor startup supported by Oracle, is considering a potential sale and has enlisted a financial adviser to gauge interest from potential buyers. This decision indicates that Ampere may not see a straightforward path to an initial public offering (IPO) in the near future. The company, which designs semiconductors based on Arm Holdings technology, was valued at \$8 billion during a proposed minority investment by Japan's SoftBank Group in 2021. Ampere is open to discussions with larger industry players regarding a possible acquisition, reflecting its strategic move to explore alternative growth opportunities. Such a move could enable Ampere to leverage the resources and networks of a larger company to expand its market presence.

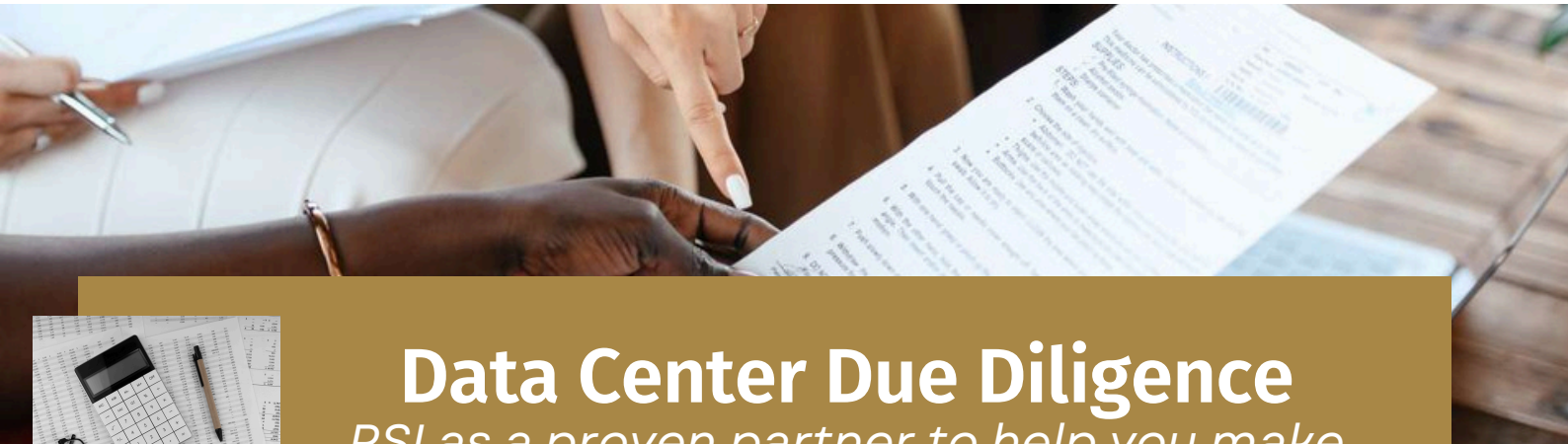
Source: [Bloomberg](#), September 19th, 2024

Warburg - Backed PDG Buys Land Across Asia to Serve AI Demand

Princeton Digital Group (PDG), supported by Warburg Pincus, has recently secured land in India, Malaysia, and Indonesia to increase its data center capacity by almost 50%. This initiative is part of a substantial \$5 billion investment plan designed to address the growing demand for artificial intelligence services throughout Asia.

The expansion will enhance PDG's capacity by 500 megawatts and is projected to be completed within the next 12 to 18 months. This strategic move underscores PDG's commitment to scaling its infrastructure to support the burgeoning AI sector in the region. By strategically positioning itself in key Asian markets, PDG is poised to meet the growing digital infrastructure needs of both local and global companies. Additionally, this expansion aligns with PDG's goal of becoming a dominant player in the Asia-Pacific data center landscape.

Source : [Bloomberg](#), September 19th, 2024



Data Center Due Diligence

RSI as a proven partner to help you make informed investment decisions

RSI provides a proven strategy for business success by thoroughly evaluating all aspects of your Data Center Due Diligence projects, from the proposed land to the existing facility, to assess its asset value. The condition of buildings and facilities, and the local land characteristics are

essential in deciding whether to add it to the portfolio as an investment. RSI's experienced Staffs can assist potential investor and seller with land and facility due diligence for data centers and data center evaluation while developing a long-term business strategy.

RSI Data Center Due Diligence

RSI support for due diligence is widely demanded by professionals in various range of industries, including but not limited to data center provider companies, real estate investment companies, and major construction companies. We help them maximize results for their business. Most (but not all) of our clients' demands for data center due diligence support are as follows:

- Data Center Asset Evaluation
- Facility Standards Assessments
- PUE calculation support
- Design, supervision, and site verification
- Due diligence of real estate and proposed land acquisitions
- Due diligence of existing data centers

What RSI has to its credit

RSI has successfully achieved various projects in Data Center Due Diligence. It has indeed supported numerous global companies while applying recognized Japan and global standards and methods in all aspects of site due diligence, data center evaluation as well as facility due diligence.

RSI work consists namely of an in-depth analysis of various aspects of the projects, highlighting potential risks and proposing efficient risks mitigation or, when applicable, risks elimination, while evaluating the matching between the potential deal and the client's portfolio.

For further scope of services provided by RSI, please reach out to us with your inquiry at the contact information depicted below.

+81 3-6672-6330

RSI

5F AZ Omori Building 6-19-8, Minami Ooi,
Shinagawa-ku, Tokyo 140-0013
www.rsi-kk.com / info@rsi-kk.com

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